

Crown Virus Economic Changes

29 March 2020

What's coming through the beginning of May, in other words over the next two months? If you haven't been overrun by news already, I'm envious of your cave. I budget 5 minutes of written news per day on the topic only, zero video or television.

What economic effects will continue? We turn to The Committee:

Q: Esteemed Committee, as the current virus epidemic pandemic slows, what economic effects will follow?

C: Continue we say, for the world is already seeing the effect. Coming will be quantification, an accounting function always lagging behind before numeric certainty can be known.

Discard the number concerns now, for attempts made to revert to pre-outbreak will largely ignore the accounting numbers. As important as bean counting is, the result does not accurately predict the height or output of a now budding stalk once its crop becomes available.

Greatly increased activity will be seen, as producers and buyers attempt to a return to normal expectations and known, pre-outbreak patterns.

Q: The USA seems poised to curtail medical and pharmaceutical products from China. Talk already suggests the USA or other nations might demand retribution from China such as loan forgiveness or something else. Is much or anything coming along these ideas?

C: Very little and to no significant effect. China exports products because of price, not quality or scarcity. It is supremely difficult for a government to instruct citizens to accept higher prices as the cost of political retribution, when the citizens are accustomed to a pre-crisis cost.

China's economy would suffer horribly in the event of material reductions to exports to a consumer region the size of the USA or Europe, and would suffer not horribly but still significantly for a lesser region.

Buyer consumers in the purchasing regions do not want to pay more for the same. This dynamic will ensure politicians stay out of action but for talk, as you have seen all of you, this is the top talent required and displayed for election or other dominance of society or nation.

Q: The sudden drop in crude oil supplies will do what?

C: Cause a widespread and nearly equally rapid disappearance of viral outbreak economic effects.

Q: Folks around the world are going to forget about the corona-virus and economic changes caused by reactions?

C: Yes, largely and in some cases completely with a speed only the remembering minority will bother to notice.

Q: Given crude oil's role in transportation and plastics, not to mention electricity generation and other petrochemicals not part of plastics, what effects are coming?

C: Availability will remain, prices will climb. Little delivery delay will occur across the world and product already the process chain, from wellhead to retail pump will absorb shortfalls to a great degree. The price today is driven by two factors: prices negotiated now for crude oil delivery one or several months hence and perceived demand for products.

Expected ongoing use similar to recent patterns of the previous two years, will cause prices to increase thus lift retail prices for many products. This will have a general inflationary effect.

This is already about to happen in the USA given the plan to borrow from the future. US citizens are about to print and spend one thousand two hundred dollars per adult, two thousand four hundred per couple. The exact effect of this as a percentage of average household annual income is not necessary to calculate, although many an economist will undertake the exercise gladly.

We say this: this money is printed from electrons, will become irrelevant as income or debt but will spark an inflationary effect. This economic stimulus payment will not be sufficient of & by itself to fuel price inflation, but it will be the spark. Restricted fuel and plastics plus higher prices will then feed ongoing price inflation.

Q: There are concerns about liquidity, in other words, not enough cash for cash transfer needs. Is this valid?

C: No, because the cash makers, the central bank printers who use electrons to create money, will rapidly use the same methods which have become universal in human societies.

Q: How much price inflation could be expected in the USA?

C We estimate average household annual income will rise with the one time stimulus payments about five to eight percent, five percent initially then rising to eight over the ending months of this year.

As sellers increase prices in anticipation of higher disposable consumer income, fuel prices will also increase and the two effects together—higher consumer goods prices and more available cash— will begin to erode consumer purchasing power.

This scenario has been played out many a time in many nations, so no more need we expand. A study of human approach, behavior and attitudes about money can be easily studied.

Q: Prices increase a lot, less goodies but more going for necessities. That's been done before on a national scale, and has been the result of things like ...oh...uh....a war? What's different now?

C: The causes will not be human generated, thus mental effort devoted to blame, retributions involving the guilty, the irresponsible and targets of anger will not be so noticeable.

As subsequent events occur, after oil supplies seem to have been restored to pre-incident capacity, the ever increasing relative prices will have effects unprecedented, when subsequent crude oil price spikes occur..

Currently accepted human history of sixty or centuries has not encountered a series of events which shall set off the reactions and changes to come over the next decade.

Q: Massive efforts to resist, fix and alleviate the effects will be coming?

C: These will be a problem, because no amount of them will change the main course of life. We better suggest acceptance, which will be adopted by many people.

The hardest falls will be seen among the most advantaged among you, the possessors of the most money.

Allow us a brief discussion of money; you accept it with belief money will in turn be accepted from you by another. The more you have, the more options appear. The supplier of choices will earn a greater scope of choice her & himself by supplying choice to the more moneyed among all of you.

As choices become curtailed significantly, these will become most apparent involving expensive items considered necessities or nonessential luxuries.

The wealthy person desirous of consumption will feel punished by reduced choice, encountering a supremely valuable opportunity for examination of life's meaning and purpose. Many will avail themselves to their personal advantage, others will not. The latter will receive general attention. Ignore this.

Q: It's been said fertility will decline, populations will shrink and society will become more localized.

C: Humans will also have the opportunity to sleep more soundly, more regularly, consume more nutritious diets and feel less strained and stressed by the demands of life. Many will take good advantage of this.

Q: What about the "elite"? The tiny fraction of would-be controllers who think they have great influence and control over mankind?

C: Changes over the next decade will begin to reveal them. All of you will enjoy observing this, as the many humans who do not already understand this—for the many of you already do—will see again that character and intent are meaningful, not simply appearance, pizzazz and buzz. Bling will clank, flash will crash.

Q: I imagine the overall ocean current of changes will spawn many smaller but rather exciting eddy currents within, some showing a lot of stress and strain.

C: Stress, strain, cracks, breaks and ruptures. Your soul is both immune to these forces and far stronger. Ask often for your Guardian Angel Guides to explain, assure and assist you anytime you feel an explanation or some help will benefit you. You shall receive it always, every time.