

Effects from outside:

Japan reduces foreign surplus

Germany will reduce its, too (perhaps more reduced for Germany)

US Exports to East - rather doubtful

Common regulations

Brands refused to give credit, !!

German expansion policy should have an effect.

In view of the title you probably expect me to discuss the view that in the long run full employment is reestablished by an automatic creation of effective demand, say by the Pigou effect:

*more
Fiscal
reasons*

But our typical experience shows that the wealth increases not by declining prices but rather by increasing prices (ief share + bond) + this is a more intensive influence on effective demand. Also the idea that interest would decline by depressing the economy + would thereby bring about revival of investment, (or also labor intensification) is suspicious since interest today has other tasks to fulfill but reestablishing full employment: It has to control inflation + the rate of exchange, it has to save several quarters