

## Away All Boats

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In its continuing policy of eliminating any trace of what had been termed communistic, in January China announced it was transforming the existing rural homestead into three categories: collective ownership, contractual rights and tradeable land use rights. This same concept was applied to agricultural lands several years ago and since then a third of it has been let out to rent. The objective here is obviously to terminate any notion that land, industrial enterprises, or anything else that can be transformed into a profit-making enterprise, belongs to the people of China as a whole. Once it's in the hands of the few, Trump will rush over and give Xi a warm hug and a kiss.

Getting rural people to accept the loss of their homesteads will be difficult now that economic growth is in decline -- their rural homes and plot of land are something to fall back on in troubled times. In the 1990's the privatization of state owned city housing was a powerful engine of capitalist growth. For a year there have been pilot programs that permit homesteads to be sold, but a city buyer can't build themselves a country home, they must use their purchase for commercial gain. China will keep much agricultural land under their control for security reasons, and seeks to avoid India-like misery where rural folks live in hovels surrounding the cities.

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The markets this week had two down and three up days, the down winning out when the numbers were added. Throughout the financial babblers were citing tariff announcements of China and the US even though none have been actually applied and there have been steady reports of behind the scenes talks. Friday was a big down day, again it was trade war nervousness and not that the 320,000 new jobs in February, estimated on Wednesday to be 265,000 for March, came in at an Establishment Survey count of 103,000.

Japan has reported a series of bad months for industrial production. Its industrial production figures are especially significant because almost all of their IP is in manufacturing. Germany yesterday reported its worst month since 2015. The same is in free fall in the UK. The Chinese economy continues to weaken as does that of South Korea.

Throughout this endless slump there have been very brief signs of life to be followed by the zombie version of life. Yet no one considers the obvious -- That maybe this tariff stuff has to do with the worsening slump. Tariff wars are a beggar thy neighbor approach that one nation attempts to impose on another. It's an act of desperation that has frequently resulted in wars of another kind. The rats on the sinking ship of capitalism are fighting over the few remaining lifeboats. The rest of us should bail out the hulk, rename it socialism, and send off the lifeboats.

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General credit card purchases increased by 9.4% last year. Household debt grew in the fourth quarter by the fastest pace since 2007. There is some concern that the public has bought the fable that we have entered boom times and have thrown caution to the wind. Less than 40% say they pay off their credit card debt monthly. That same number admit they can't live on less than they earn (forget about savings)

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