

China Begins to Cave

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There is a necessary process for an economy on course to reach the highest stage of capitalist development. It is complex -- it has many stages -- and China has been steadfastly hitting every developmental marker. The difficulty in achieving this is understood by other capitalist states, and since it's in their interest to have a formerly 'communist' dictatorship convert itself into an accessible class ruled dictatorship, they made concessions regarding the economic norms of capitalism until the Chinese economy reaches what most would consider maturity. For example, China is a member of the World Trade Council, but the WTC has granted it a waiver until 2030 when they must have fully complied with all the dictates of that organization.

China in its 40 years on the road to full capitalism had managed to achieve the status of the second largest capitalist economy in the world. Then along came the worst economic crisis in the history of the system. And then along came a nitwit as the president of the top capitalist economy in the world because the electorate was pissed off at the pervasive lies about a fake achieved recovery and wanted to stick it to the ruling class (which unfortunately had a rebound effect in which the rulers stuck it to them).

So our hard-assed, hard-bargaining, president-businessman-nitwit decided to go all out against our biggest competitor in the interest of American business, the nation, and his electorate, in that order, by demanding that China now dispense with the free ride world capitalism has granted them all these years.

Speed up your compliance with WTC dictates; open up your economy to free trade; and most importantly, open it up to investment in your domestic enterprises, including controlling interests.

The 2008 slump presented China's with its worst growth rate in decades, and the nitwit's onslaught along with a new recession within the remnants of the prior recession now threaten China with its first official recession.

On top of that, the youth of Hong Kong, sensing mainland weakness and seeing blood, have gone on a multi-week destructive rampage which, if it doesn't end with the beginning of a new school year, may only be resolved by China forcibly bringing the city under national rule.

This week China announced that it will remove its two investment quota programs that limit foreign investment in China equities. A second channel operating from Hong Kong called Stock Connect still permits foreign investors to trade on the Shanghai and Shenzhen markets without being licensed. Foreign investors now hold equities that almost equal the total of all Chinese mutual funds. Last year China lifted investment limits on Chinese banking and financial

firms. J. P. Morgan, Chase became the first foreign company to take control of a Chinese asset management firm. Before very long foreign capitalists will have controlling ownership in some important industrial enterprises and will be exploiting the Chinese working class just as they do the workers at home.

But there is something so totally different in China's transition to capitalist. Heretofore capitalists never hid the transformation behind a political economic doctrine that is not only the opposite of capitalism; it is one that was, among other things, created as an instrument for the overthrow of the capitalist system. If this scheme of the fraudulent 'communist' elite goes bust, it's possible that the masses will recollect the real meaning of communism and make a revolution that matches reality with the term that describes it. That would certainly be an occurrence not limited to China alone.

Economics Info

Poor Signore Draghi, soon to retire head of the EU's central bank. He had thought the announcement of his departure came just as his program for pulling the European economy out of a deep slump and on a path toward a strong recovery had been achieved. The years of trillions of euro debt purchases and many rate cuts, and all the promises that success was just around the corner, were over. And then the entire shebang blows up in his face just before he is to turn the bank over to Lagarde. So this week poor Mario was back in the trenches announcing another rate cut for deposits from - .4 to - .5. Investors will have to pay that much more to have the bank hold their money – the interest rate remained at zero. And QE 5 (or is it 6?) has begun with 20 billion euro debt purchase per month. But this is just what is to be expected from all those graduates of the Monty Python School of Silly Economics.

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