

China's 40 Year Trek to Totalitarian Capitalism

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President Xi Jinping gave an hour and a half address to the nation on the 40 year anniversary of the New China; the date its founder Deng Xiaoping initiated its Long March to Capitalism.

Xi was effusive in his praise of the CCCP leadership. By linking up its most valuable resource, a huge well-trained under Stalinism working class, with the cheap-labor loving exploiters of world capitalism, it has been able to develop the most advanced improvements to its industrial and technological base. These accomplishments *"have shown us that the Chinese Communist Party leadership is the fundamental character of socialism with Chinese characteristics ... east, west, south, north, and the middle, the party leads everything..."* Including being first at the trough feeding itself on the wealth extorted from the Chinese working class.

But something vital to the continuing existence of the CCCP was lost. While the nation remains ruled by a bureaucratic dictatorship, it is no longer a bureaucracy that can control the irrational meanderings of a dying world capitalism. They have squandered vast sums to maintain a high Chinese growth rate while the rest of the world struggled to stay above water only to fail because they have tied the ship that is China to the sinking fleet of world capitalist decline.

Fortunately for the rulers capitalism has brought them the finest means for social control. China has more than 200 million (by far the most in the world) high-tech eyes monitoring every movement of the Chinese people. It also has the resources to merge that acquired data with data gathered from cell phones, and will soon also have much more from cameras attached to electric and self-driving autos. All of this will be paired with its social monitoring system in which good loyal subjects will be receive Pavlovian treats while those that resist authority get the shocks. Bourgeois propagandists have frequently referred to Stalinist regimes as totalitarian, something only true at the time of Stalin's mass-murder escapade, now they will be able to brag about how thanks to the wonders of capitalism they have tightened totalitarian controls never dreamed of in the old days.

Xi declared that China will continue to follow in the ideological path of Marx, Lenin, Mao Thought, and Deng Xiaoping Theory; which means it will continue to besmirch the names of Marx and Lenin with the ignorance of Mao and the venal duplicity of Deng. Happy anniversary.

Italy and the EU economic czars in Brussels reached a budgetary agreement. EU rules normally limit budget deficits to no more than 3% of total outlays. The Five

Star/League government presented a budget with a 2.4% deficit; the EU initially wouldn't allow anything more than 1.50%. The settlement, 2.04%, split the difference slightly in favor of Italy. The upcoming slump will likely break through all limits and make the squabble a moot issue.

American equity markets experienced their worst Christmas week since 2008. Volume was huge -- 27 billion shares exchanged nationally -- volatility skyrocketed above 30 -- and Nasdaq entered bear territory with the other exchanges in a close chase behind them. More than 38% of NYSE and Nasdaq companies are trading below 52 week lows. That has happened only 8 days since 1984: two during the 1987 crash and six at the time the Lehman collapse in 2008-2009. Usually when the Fed Chair is positive, so are the markets. This week when Powell described a booming economy which necessitated another Fed Funds rate increase the Dow was so thrilled that it sank 800 points. Bloomberg declared that "some" would regard that as evidence of how far removed investors are from knowledge of the real economy. It's clearly time to insert "Powell" in place of "some" as the fool who knows nothing of the real economy.

Should the present bearish market continue its decline some may wonder how far it may go. Market growth is supposed to be backed by increased corporate earnings. The two tracked pretty closely to a point roughly six years ago. Since then the market value of equities surged by 91% while corporate profits grew by 6% -- that's total, not annually. Subtracting one from the other would be like comparing apples and oranges. 85% is just a fair person's dream.

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