

China Steps Down

12-11-2020

The world is in a pandemic-stricken economic depression. The one hope is Asia, especially China, to activate their now mostly Covid free economies and power up the world economy. This done with large commodity purchases for the coming-to-life of their domestic market, and sales abroad where many economies are in lock down. But things are not going according to plan in China. There were months of false 'boom' – a rapid rise from nothing, and even that after much pump priming only to end in a slackening – and then on top of that such a rapid rise of experienced corruption in the young capitalist state that it is in danger of succumbing to a kind of financial progeria.

Xi, like Stalin when in promoting the New Economic Policy in the early 20's shouted -- "enrich yourselves" – but to only do so within established party limits, is now in the same predicament as his long deceased mentor.

Nothing exposes the bogus nature of post Marxism 'marxism' is that its leaders haven't a clue as to how capitalism operates. Didn't Marx write volumes on the intricacies of capitalism as if it were the operating system of a massive humanoid computer infected with a runaway greed inducing virus? Yes, but then these guys only read Marx in order to best know how to destroy it while leaving enough left for them to profit.

China is now 9 months into its 'recovery' which was backed up with massive stimulus. The economy has at least managed to get its face off the floor but by now there should be enough life in the form of increased demand to raise some concern about inflation. Food prices fell 0.5% year-over-year, but also none food items down 0.1% year-over-year. Producer price inflation fell 1.5% from the year prior. China's imports in November were up only 4.5% from last November and only up 14% over a cumulative 7 year period.

When things go wrong in a corrupt system the typical response is for elements of the ruling class to blame each other. Xi thought his authoritarianism was strong enough to be safe from any danger, but the flip side of that power is that blame as well as honors can only be assigned to the leader. Many capitalist including Jack Ma, the richest of all, have criticized Xi's conservative approach to capital development. Many will undergo some form of harmless punishment,

like not getting any cookies with their milk. But they keep popping up one after another because they are the foundation of this ridiculous form of ‘communism

One to watch is Ren Zhiqiang, a member of the CCP who ran a state property management company right into his pocket, eventually becoming a private real estate tycoon. He is now mostly involved in undermining Xi’s power with the help of his 37 million social media followers. But like Ma he is too well connected in world capitalism to be simply eliminated in a manner favored by Stalin. As China’s growth rate continues to slacken, now the lowest in 20 years, more and sharper comments will be made against the leadership, and perhaps the most dangerous will come from Ren whose nickname is *The Cannon*.

Economic Info

There is even more cause for rebellion in the US than in China. The economy has never in any way recovered from the Big Slump. The big lie as evidence of a ‘robust’ recovery: that there was a labor shortage, said to be ‘proven’ by the lowest unemployment rate in decades; something which was more the cause of a drop in the labor force participation rate. The slump is verified because with all the claims of ‘robustness’ there was never significant inflation growth.

But there is an eerie quietness in the disease frightened population. Currently this country’s daily Covid death rate is about one fourth of the world’s total. Total it was almost precisely 3,000 out a total 12,000. We have passed 300,000 total dead. The world’s average is 200 deaths per million population. In the US it’s more than 900 per million. We have the best and worst in our medical health system: the best and most expensive for enriching capitalist parasites in the medical business, and the worst in providing quality health care for people who thought living in the richest country in the world mean there was something in it for them.

Silence and acceptance will end once the pandemic is over. It’s like being in the middle of a military battle. You must survive that before even thinking of anything else. A vaccine will kill Covid and thinking will kill its virulence vector.

<http://unrealeconomy.org>