

## **Fake Communism with Chinese Characteristics = Capitalism**

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All forms of communism can be simply and accurately defined as a society in which the resources, including land, are worked and shared in common. This system is diametrically opposed to the three great class defined parasitic dictatorships, slavery, feudalism and capitalism. In those resources are owned and controlled by a few and their output, though made by the labor of slaves, serfs and workers goes directly into the hands of the master, who will then dispense the minimum required for the maintenance of wealth producing labor, both immediate and future generations.

More than 70% of China's GDP is now derived from standard capitalist enterprises in which the mass of the laboring class slaves away for the enrichment of a few. The state enterprises under the control of the 'communist' elite have been merged to improve efficiency and are run along capitalist lines with a major portion of its profits used for the enrichment of the elite. As in all capitalist states the productive masses of China now only receive minimal state support for education, health, and the like. Everything else must be purchased.

The 'communist' rulers and its foreign supporters would have us believe that world capitalism has been tricked into making China the world's second greatest industrial power. Profit mad capitalists were blinded by sight of high profits on the horizon because of the availability of a skilled and well organized laboring class fit for maximum exploitation that they freely transferred their advanced technology to the mainland.

But who fool whom? The minds of these ignorant Stalinist contain not a speck of Marxist intelligence. They accomplished massive improvements in their infrastructure and industrial output in exchange for the transfer of much the operational control of their economy to the dictates of world capitalism. The former bureaucratic dictators now have an economy chained to a dying capital system. A slumping economy that has failed to respond to any of the dictates from above, and has yet to enter recession only because it began its fall from a higher growth rate.

They have a rich country that serves the interests of a few while the mass of humanity toils away much in the way of a 21<sup>st</sup> century version of 19<sup>th</sup> century England. The one great positive feature of this development is that it has set the conditions for class warfare and revolution that will bring to the Chinese people a communist society that is in accord with the meaning of the term.

## Economic Data

-- The markets always seek out something positive, and on Friday it was a 'spectacular' jobs number for November. Expectations were 187,000 and the report was 266,000. The Dow climbed more than 300 points. But the BLS establishment survey includes government hiring. ADP gathers data exclusively on private hiring and the forecast for November was 150,000. That report came in at 67,000. So that part of capitalism that is the core of the profit making system -- the economy -- appears to be weakening as evidenced by other recent economic data. Reports ascribe the surprise gain to the return of striking GM workers. GM is certainly a private company. Does that mean 49,000 jobs should be subtracted from the 67,000 jobs in order to present an accurate state of the private economy?

-- The Chicago Fed manages one of the country's most important sources of economic trends; the National Activity Index. It evaluates data from 85 sources. In October 58 of them supplied negative readings leading to a combined figure of - 0.71. Historically a figure less than - 0.60 is cause for recession concern, but the average over the last three months is - 0.25. Still, with the current trend being + 2.5 in August, - 0.45 in September and the October - 0.71, it is worth keeping an eye on future readings.

-- The NY Fed intervention in the Repo market was expected to be a short term affair. It is now in its fourth month with the daily amount of funds increasing. Currently the total handout is \$320 billion. A daily liquidity sum of \$1 trillion is necessary to maintain overnight and longer term business transaction. The way it works is that the Fed loans cash to the purchaser who must pledge highly liquid securities (like bonds) in exchange. At the same time the Fed buys T bills in order to pump more cash into the system. The big mystery is why the banks and official repo traders don't free up some of their hefty reserves. Perhaps the banks prefer the safety of getting interest from the treasury for holding those excess reserves. Why such a fear of making loans? Are the finance capitalists telling us that they really think the economy stinks? But the even bigger question is why the government continues to pay interest when other central banks offer negative rates for safely holding reserves.

-- A growing trend effecting the housing market is the rise in homes owned by seniors entering the market either through death or seniors deciding to move to smaller homes as they age. From 2007 to 2017 an average of 730,000 homes owned by seniors annually entered the market. According to Zillow in the next decade it will be 920,000 annually and from 2027 to 2037 1.17 million. That means that in places like Tampa-St. Pete a third of their housing stock will be on the market in less than 20 years.

-- Here is an interesting factoid from the Institute for Policy Studies that is worthy of some pondering. The total wealth of the three richest Americans as of 2016 \$245.3 billion (Bezos 160, Gates 97, Buffett 88.3) equals the total wealth of the bottom 50% of the American people.

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