

Economy 'State of Mind' Fades

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Beginning in August 2007 the American economy in tandem with most of the rest of the world experienced an ever deepening collapse finally coming to a *peace of the graveyard* rest the following year. To minimize its seriousness it was called a financial crisis as if the source of a heart attack isn't part of the deterioration of the body as a whole.

The crisis of 2007-2008 was compared to the depression of the 1930's though not considered as serious because of an apparent faster recovery. The Great Depression came to a definitive end after 8 years and the onset of the horrors of World War 2. Fifteen years into our current crisis it continues unabated despite the on going applications of financial bandages the world over. Looking to another war as a solution is madness but that just might be what is driving the sick minds of the US led gang to sink tens of billions into the 'rescue' of Ukrainaziland.

Standard and Poors falling 21% below its last high makes this officially a bear market. Nasdaq is 32% below its last high. As for the Dow, it has fallen the last 8 weeks (16% off its last high). The first time that has happened since 1932 – the bottom of that depression. Bear markets meant recession over the last 50 years except for the 1987 flash crash. And while the Fed continues its policy of raising the Fed Funds rate as we have a robust economy that is over heating, that real economy is in a free fall downturn.

Part of that is the on going hot and cold pandemic, and now it's also a war in which the US and its Nato allies goaded Russia into by violating promises following the break up of the USSR. The war and all the punitive measures including the seizure of billions of Russian assets in the west is similar to tactics used on smaller countries – cause chaos and economic ruin that will put popular pressure on the enemy's leadership. Putin has a higher rating than Biden's miserable 39%. Furthermore Russia, China and other nations are in the process of ending the dollar as the sole means of exchange. World trade will no longer require dollars, which for trading terms are really promises to pay set amounts in exchange for commodities. There can be nothing safer than to have that universal support in trades, and being something apart from the US economy, it privileges the US above all

other nations. If the break from the dollar becomes complete, then the US will have to support a weak dollar with tax hikes and budget cuts.

China, Germany and other countries are experiencing the same rapid downturn as the US. Some expect China's acceptance of state intervention will save them from a terrible fall. But only the fact that China's downturn began from a robust economy is making them seem to be in a stronger economic condition.

Russian Gas to Europe

According to Vincent Colin writing in the French newspaper Les Echos (citing data from Citigroup analysts) Russia's gas sales to Europe is likely to bring in \$100 billion in revenue this year. Twice the amount of last year. It has already brought in enough to cover the cost of Nord Stream 2.

Collapse of Crypto

Silliest creation of late capitalism might be cryptocurrencies. It's value is based exclusively on rarity (a difficult and time consuming and energy wasting process), and a specialized sort of security. Otherwise it has no intrinsic value and is costly to make. In recent days its value has fallen so rapidly and deeply that suddenly all the old doubts about its safe use have returned.

The big exchange Coinbase, the big crypto exchange, filed its quarterly report with the Securities and Exchange Commission in which it tried to explain its role in holding \$256 billion in cryptocurrencies for customers. It has partnered with firms such as Centre Consortium to manage and safeguard customer assets, and goes on to describe how important they are now that the broad economy is in some difficulty. But what happens if massive losses continue. What entity is ultimately responsible. Here is an account of potential bad things happening which will not bring any peace of mind: *Moreover, because custodially held crypto assets may be considered to be the property of a bankruptcy estate, in the event of a bankruptcy, the crypto assets we hold in custody on behalf of our customers could be subject to bankruptcy proceedings and such customers could be treated as our general unsecured creditors. This may result in customers finding our custodial services more risky and less attractive and any failure to increase our customer base,*

discontinuation or reduction in use of our platform and products by existing customers as a result could adversely impact our business, operating results, and financial condition.”

Coinbase went public in April of last year and traded as high as \$368.90 intraday last year. It closed the trading week last Friday at a share price of \$67.87, a decline of 82 percent from its 52-week intraday high.

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