

# Economy is Falling Up

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Defying gravity in its several meanings the US economy as determined by Gross Domestic Product suffered a mini-collapse from 7% growth in the second quarter to just below 2% in the third, while at the same time the markets had their best October in 6 years and the three main indices had between 5 and 7 new highs in the quarter.

Official expectations for this quarter declined from 6.3% to most recently 3%. That same officialdom blames it on, not Covid but the *Delta* variant of Covid, after all we have been mired in Covid for almost two years so something special had to be dredged up. Also some have been taken in by the endless reporting of a supply chain problem as if we are to assume that there are plenty of shoppers searching for something to buy even though the half trillion of stimulus is gone and the loss or rejection of jobs is not what is keeping them away from a shopping spree.

Certainly there are many ships waiting to unload their cargo at American ports but the snafu there is mainly the lack of warehouse space and that is partly due to unsold merchandise waiting for buyers to return. Inventory fell from a \$174 billion drop in the second quarter to a smaller third quarter decline of \$68 billion. Had it been the same the GDP would have fallen an additional 2.07% and the economy be in negative territory and the first step toward a recession.

As for the Delta baloney, there was no significant outbreak in China yet its economic growth fell from 7.9% in the second quarter to 4.9% in the third. Many of its business enterprises, not just construction, have been forced to retreat because of heavy debt. Capitalists have an ingrained optimism, a necessity for successful salesmanship, that tends to mire them in excessive debt although one would expect that

the chaotic unpredictability of brain dead capitalism would compel a limited alertness.

It is important to keep in mind that economy has never recovered from the 2008 Great Financial Crisis. In the years that followed the economy failed to maintain the 1992-2005 baseline growth rate and is increasingly slipping further away from where it should be. In constant dollars (2012 valuation) it was \$6 trillion short, and the Covid crisis has added a half trillion more, and counting, to the deficit.

Jobs disappeared and the economy shrunk along with the Labor Force Participation Rate. For period of time the unfortunate youth wiled away their time with what amounted to physical and mental abuse – drugs and alcohol, etc – video games and other small screen time killers. But daily artificially created Covid death count has brought about a counterintuitive willingness for risk. One must protect oneself from a disease that has the capacity to adjust to and evade all the treatments designed to eradicate it, while at the same time make something of ones life before you lose it. Thus the massive anti-racist actions taken last year. Perhaps next will be a massive campaign to actually do something about the climate crisis; something which cannot be achieved as long as the capitalist system, its source and enduring growth, is relegated to the historical past along with allied systems, slavery and feudalism.

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