

## **World Economy -- From Surge to Shit**

**05-21-2021**

GDP in thirty one OECD (Organization of Economic Cooperation and Development) nations fell from 1.0% in the 4th quarter of 2020 to 0.3% in the first quarter of 2021. Much was made in the US that it grew 6.4% in the first quarter but that is compared to a pandemic depressed economy. When compared to the last comparable pre-covid quarter there is scarcely any gain. Thus we have the usual nonsense of hysterical excitement about how well we are doing combined with massive efforts to stimulate the system into a functional state of life.

Much was expected from China as the second biggest economy that quickly rid itself of Covid with little social damage. But China recently reported a 9.8% increase in April's industrial production, but averaged with the previous 2 April's it's just 6.8% - just where it was in 2018. It's 3.7% using the same method of comparison for Fixed Asset Investment, and just 4% for retail sales. China is reducing stimulus and now relying on the domestic economy to play a larger role in driving the economy -- so far, that hasn't worked.

Meanwhile, in the world's third largest economy, Japan reported a 5.1% annualized decline in the first quarter. That is a large swing from the 11.6% growth in the previous quarter. The dramatic reversal was largely due to a 1.4% decline in personal consumption and a surprising fall of 1.4% in capital investment. Exports grew 2.3% - much less than the 11.7% the previous quarter.

### **Cryptocurrency Crisis Ends the Week**

The crisis of global warming and the general destruction of the natural world because of our avaricious political and economic system brings capitalism center stage as the nemesis in both the natural and artificial (human society) worlds. On Friday the sudden fall in the value of cryptocurrency, which began when Musk withdrew permission to use it for Tesla purchases, deepened when China condemned its making and use as a huge energy waster and an instrument for illegal activities. If Bitcoin were a nation it would rank 29<sup>th</sup> out of 196 nations in power use. And what is the product from such massive use

of computer power? The discovery of a target hash derived from a 64 digit hexadecimal number. Because there is no intelligence involved in obtaining the number, it's strictly guess work, a huge amount of energy is required to run through all the possibilities. The winner is paid and gets to add to the block-chain. Just as pollution is rampant because it's more profitable in production to dismiss extraneous expenses and thus we have the natural disaster we are now experiencing, so also does the channeling and chaining of human intelligence in such a wasteful destructive but profitable manner risk a kind of destructive societal Alzheimer's that hollows out the core of a rational sane life for humanity. Capitalism pollutes human intelligence along with air and water. It is the worst of both worlds in nature and society.

### **Economic News**

– Biden initially proposed a \$4 trillion program to repair and improve the nation's neglected infrastructure thanks to the capitalist preferred expenditure on war materiel for the defense of foreign exploitation. What is usually left unstated is that it would be an 8 year program making costs about 3.3% of GDP. The \$4 trillion has since been whittled down to \$1.7 trillion due to Republican opposition. It's been proposed that a very fair and reasonable way to finance the cost is through a financial transaction tax. 0.2% tax on stock trades would bring in \$1.6 trillion over a decade and represent a minimal redistribution of wealth from the most useless component of the parasitic class. Certainly a win-win.

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