

# The Struggle to Evoke & Maintain Appearances

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As we approached the ten year anniversary of the global slump there was a rising crescendo of positive reports on the world economy to make up for the crisis-ridden stagnant reality.

On August 9<sup>th</sup> 2007 BNP Paribas announced that it will stop calculating the Net Asset Value of three of its funds because there was nothing to add to zero. They actually stopped the calculations on the 7<sup>th</sup> but it took a couple of days to regain consciousness and inform the rest of the world. Making it all real was the demise of Bear Stearns in March 2008.

The Congressional Budget Office, using January 2007 as a growth baseline, determined that the period of the official slump period cost the economy \$3.01 trillion, and the following seven years of 'recovery' cost an additional \$16.19 trillion. Curiously that \$16 trillion happens to be a years' worth of total output. So what the Fed has managed to accomplish during the 'recovery' period was to spread a years' worth of total collapse over seven years while leaving \$3 trillion set aside for the shedding of officially approved tears.

The fact is that a nation with a growing population (about 20 over the past 10 years) must steadily expand growth just to maintain the same standard of living people have become accustomed to. But over the past ten years the American economy has merely reached where it left off ten years ago, and then has gone horizontal with many severe downturns along the way (a near recession in both 2012 and 2016). Meanwhile the gap between the baseline of growth, where we should be were it not for the slump, and where we actually are continues to grow. Annualized retail sales growth is only about a third of pre-crisis level. Industrial production about 20% short.

Meanwhile victims of the slump are insulted with idiotic data. How wonderful it is to have the lowest unemployment rate in decades (4.3%) while real earnings are stuck below 2%. Doesn't economic history tell us that low unemployment means a tight labor market which must jack up wages? Shouldn't those that have left the labor market be returning? None of that has happened because either the jobs don't exist or they are so menial as to not attract much interest.

The wage earners of the world have taken measures to show their displeasure with the ongoing disaster the ruling class has dealt them. In the US they elected an ignorant asshole rather than a candidate who played an integral part in sabotaging their lives. But the ruling class is so used to always, in the long run, getting their way that they still don't get it. In the UK a PM expected the usual scare tactics to

get a 'remain' victory in the EU vote. Brexit won and that PM is gone. His replacement thinks she has done such a grand job that she calls a snap election to solidify her rule. Instead she loses 30 seats and a party majority and must beg 10 right-wing protestant loonies from Northern Ireland for their support. As conditions worsen there will be calls for a new election which may bring Corbyn into office – a rejection of both the Tories and Blairites of the Labour Party.

In France a man with no political experience slaps together a homemade party and is elected President. He then does the same with the legislature. In Italy the PM resigns after a referendum to increase power at the national level is rejected.

China has expended vast amounts of its reserves and greatly expanded its debt with a result that barely keeps growth from falling further from its decades long low point. Efforts to expand an internal consumer economy to take up the slack caused by weak exports due to the world slump has failed to gain any traction. As for Japan, its wending its way through its third 'Lost Decade'. It's ridiculous program aimed at stimulating the economy by having its central bank buy up almost all of the government debt has accomplished nothing.

And then there is Brazil. A country mired in its worse ever economic slump and a corrupt president with 7% of the nations support fighting to make wagger earners pay the cost of reviving the economy.

Enough time has passed that it's safe to say capitalism is mired in its sickness unto death. The dearth of economic activity will be compensated by an increase in political demands and finally actions. But if political movement from below is chaotic rather than well organized, then the rulers are likely to call in their well paid police and military to snuff out the few freedoms that still remain.

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