

The Exhausting Effect of Too Much Bullshit

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Trump carried over from last week his daily optimistic patter that trade talk progress was ever so close to a settlement. Every day cuing the markets to listen to him and ignore reality. But each passing day with no agreement led to reality seepage.

Chinese industrial activity was down in February for the third consecutive month. The US February was the worst since November 2016.

Then the US GDP number for the 4th quarter came in. Growth declined from 3.4% in the 3rd quarter to 2.55% in the 4th – that's bad but pretty good because of expectations. Still the number made it official – the total real GDP growth rate from 2007-2018 using 2007 as a base was 18.85% while from peak to peak 1929-1940 growth with 1929 as the base was 19.89%. Yes, the growth rate during the depression was better than in our recession, yet the depression was never recognized as being over (save for a brief false hope in 1937) until the war blasted it into prosperous times.

To be sure Americans experienced tougher times in the depression because of lack of social services. The threatening actions of the underclass during that period forced the bosses to loosen up some of their pocket change for stressful times. But handouts and false declarations of recovery cannot generate a hopeful positive attitude. That explains the malaise, the sense of irreversible decline not just for climatic conditions but also for social and economic well being.

Trump's tax break for the ruling class has led to a 31% decline in corporate tax receipts so far this year. That's the second lowest since 1934 when such records began. The worst was a 55% decline in 2008-2009 the period when our current slump bottomed out.

That gift to capitalists was supposed to induce them to return to America the \$2.6 trillion held offshore for the purpose of domestic investment and economic stimulus. In fact, most of that money was already salted away in domestic banks. A perfectly legal way for corporations to avoid paying taxes, the only requirement is that it not be used to increase shareholder income. But corporations are perfectly free to increase their income by investing in treasuries and other securities, none of which does anything to stimulate the real economy.

But some was actually spent for the benefit of shareholders. JPMorgan Chase estimates that of the \$270 billion repatriated in the first half of 2018 \$124 billion

was spent on stock buybacks. The total of such buybacks is expected to be \$1.3 trillion for all of 2018. 28% higher than 2017. Such blatant rubbing the common person's face in it also has its repercussions, a kind of stimulus in the form of an increased loathing of the system.

During the years when China at least had a form of communism known as Stalinism, efforts were made to provide adequate health services for the poorest, mostly peasants, of the country. The so-called 'Barefoot doctor' movement took care of the basic medical needs of the rural population. In the ten years from 1960 – 1970 life expectancy rose from 44 years to 63. In the fifty years since then, marking 1978 as the beginning of the determined drive toward capitalism, it has advanced to 75, about the same as the US and in the mid 40's compared to the rest of the world. The Chinese no longer have free basic health services available. There is such an extreme shortage of doctors, especially general practitioners, that sick persons wait in hospital lines to have their bad colds looked into. It's now everybody for themselves. Scalpers sell rights to a doctor's visit as if they were seats for a sporting event. Hospital subsidies have been radically cut leaving physicians dependent on bribery from drug companies and desperate patients. From iron rice bowl to vicious dog eat dog.

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