

Fake Data -- Real Profits

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In the never ending necessity for capital to seek out more sources for making more capital it is understandable that the capitalist state, the nation's most needful purchaser of everything, will exercise its full measure of class consciousness by doling out profitable deals to its class compatriots even at the cost of failures and of lives.

The first great Nasa program was its mission to the moon. Nasa itself closely managed the development of the Saturn launch missile, and it never experienced a single failure. But from a capitalist viewpoint it was highly inefficient because its focus was on success and not profit. Their ostensible view is that the profit motive insures efficiency and prevents waste. In reality, what they consider to be waste, hiring the most skilled people working with best machinery and material, means that as employers other people are receiving funds that that should be returned to them as profits.

Today 85% of materials and components for Nasa's scientific projects are jobbed out to private enterprise. Failure is always possible even under the best of conditions, but it takes the special qualities of a for profit system to produce incidence like Morton Thiokol's Challenger fiasco.

That launch was delayed many times because of M-T's shoddy work and the company was in danger of losing its Nasa contract. Thus the launch in cold weather even though an engineer in charge of the project noted the risk and opposed it. The profit motive, and Reagan's political desire to speak with a school teacher in space during his State of the Union speech, murdered the crew. But the profit making entity that committed the crime lives. After being bought up and changing hands several times it became Orbital ATK and then bought by Northrop, a company large enough to remain independent for some time.

The state has in recent years has off loaded many of its space projects directly to profit making entities headed by Musk, Bezos, and others. Now when we read of launches it's as if they came directly from the great minds of Musk and Bezos even though they know nothing but the maximization of profits, an easy job when allied with their sugar daddy capitalist state.

To be sure it sometimes costs them when that criminally overstep the bounds of legitimate profit making. Recently it was reported that two Nasa satellite missions deployed by Taurus XL rockets failed when the container holding the satellites during the launch failed to open correctly. That probably would not have happened if Sap Profiles, the company that made the container, had not faked tests and certifications. And so Sap disappeared into another company, and that

company paid a \$46 million fine and promised never to do bad things again. The loss of the years of hard work and critical information on climate change was priced at \$700 million just for the satellites. The cost of the two rockets with their two successful flights to nowhere were not included in the reports. \$46 million for perhaps a billion dollar crime is getting off cheap, but easily accomplished when it's an inside job.

Economic Info

-- The Japanese economy grew 0.5% this first quarter according to an official report. A big surprise because a minus 0.2% was expected. But much like the US GDP for the quarter which was about a percentage point higher than expectations due to a major negative factor -- the build up of inventory because of weak retail sales -- in Japan's case it was almost all due to a 4.6% decline in imports from the 4th quarter and a minus 1.7% year to year. Exports also declined and inventories increased. The lesson to be learned in grasping the truth of economic data is that headlines must be ignored.

-- April sales of US existing homes declined to 5.19 million. That the 14th straight month of year to year declines. New home sales also declined as did permits to build which fell below 800 thousand for the first time since May 2017.

-- A spokesperson for the German Council of Economic Experts reported a decline in expected growth this year from 1.8% a few months ago to only 0.5% today. Germany relies heavily on the export of manufactured goods. With the world wide economic slowdown, especially in China, exports have been much below expectations.

-- Global auto sales have been declining worldwide especially in the two largest markets, the US and China. This has led to announcements of job cuts, including salaried workers. 38,000 job cuts have been announced with many more expected. Global light vehicle sales were down 0.5% last year -- the first decline since 2009. A 0.3% is predicted for this year.

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