

Twelve Years of Fatal Rot

08-09-2019

Twelve years -- It seems like only yesterday when a not very significant French bank suddenly shut down a couple of funds, and with equal suddenness very sound industrial enterprises could not obtain the liquidity required to conduct their everyday business transactions.

The cause of it all is usually ascribed to the mountain of sub-prime housing garbage that over night began smelling like it really was. But lies, and fraud, and make believe have always been common business practices of capitalism. On top of standard dishonesty there is the essential endless irrationality of a system that has no plan but to find and initiate places and ways to use capital to make more capital until it runs its course into crisis. It's like the fellow with an unhealthy diet who cannot fathom that this particular deep fried meal might bring on the big one.

Okay, but this is a system, the only way it can die is if it's actively put to death and replaced by another system. Our capitalism heretofore always slowly got back on its feet, and like the old timer who when asked how he feels will always respond with 'fine' right up to the day of his death, began being described as vigorous and robust thanks to the cadaver cosmetics of a manufactured stock market boom that obscured its structural decay.

What is unique about our present state is that system had always gotten away with fooling most of the people until there was something like a real recovery. But that has not happened, possibly because inducing a market boom undermined any chance for a real economy recovery, or more likely because it reached its historical peak development in the early 1970's and now can only a permanent crisis of decline.

A few comparative stats illustrate the current state of affairs. Using data formulated for accurate comparison, the US economy GDP growth from 1929 to 1940 totaled 19.89%. From 2007 to 2018 the economy we are currently saddled with grew at only a 19.29% rate. Without the added amelioration we would be living in a state materially worse than that of the thirties (many would argue that what we have really is worse), yet we supposedly have a recovery when the former only recovered with the war. And further, it took 22 years for the Dow to recover from its depression low, but only 6 years for our recession to recover from its 2007 low.

Here is the week in review. Following a couple of weekend human massacres, China shot off a financial one when it allowed the yuan to rise above 7 to the dollar. A weakened yuan against the dollar improves China's export competitiveness and worsens US balance of trade. It shouldn't have been a big deal, the yuan was 8.25 to the dollar in 2005, but things were going well in 2005. Trump charged the Chinese with currency manipulation. It had allowed the

currency to approach 7 but not rise above it. But that is costly for China because it must buy and sell securities to maintain a static yuan. Letting it rise above was, of course, also a slap in the big bully's face.

Stock markets fell world wide and bond yields dropped precipitously. But as usual it only takes the tiniest cue to keep a machine made bull market on the upswing. China slightly strengthen the yuan while maintaining it above 7. Now it can probably edge it up without causing hysterics -- The Dow gained more than 300 point on a day the yuan went from 7.02 to 7.04. The week ended with only a small loss in US markets.

Our lousy stuck on slow and low economy is mirroring the sickness of the real world that we live in; the one we seem to be losing the battle to keep viable for any life form. There were 32 deaths in El Paso and Dayton within a single day. One killer died, the other surrendered.

Most people recognize and accept that the behavioral characteristics of children often reflects those of the adults that raised them. But those tend to be personal and local. What of the many worldwide massacres by single or a few individuals that seem to be politically oriented and clearly outside the sphere of anything derived from the nuclear family? Capitalist social media as the manufacturer of world opinion and morality is the primary maker of our world monsters. Things like 9/11 are easily explained -- you murder our innocent civilians, so we will gain retribution by murdering your innocent civilians. Those are from well funded organizations and are carefully planned and executed group actions, though some individuals have been attracted by their propaganda and acted on their own.

But what of the most recent like Christchurch and El Paso massacres? The media praises itself for 'protecting' the public by denying them the right to read their manifestos. Had the announced motives for these mass killers been widely revealed, it would be readily seen that the impetus for personal mass murder comes from the state mass murders of the governments that they live under. In other words, they are the demented alter egos of the leaders of the 'free world.'

From the manifesto of the El Paso Mexican hater: *"America is full of hypocrites who will blast my actions as the sole result of racism and hatred of other countries....People who are hypocrites because they support imperialistic wars that have caused the loss of tens of thousands of American lives and untold numbers of civilian lives. The argument that mass murder is okay when it is state sanctioned is absurd. Our government has killed a whole lot more people for a whole lot less."* So is the solution for the likes of Crusius the banning of guns, or rather the outlawing of state mass murder?

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