

## They First Make Mad

9-30-16

Elon Musk revealed more details of his transportation and housing plans for future settlement on Mars. Standing next to a mock display of a Mars rocket fuel tank (it's a very big thing – get it? -- forget that it's papier-mache), this paragon of enlightened capitalism said he planned to build a ship capable of carrying 100 people to Mars in 80 days (with plans already being worked on to get that down to 30 days). The fare will be a very reasonable \$200,000 and he fully expects to have a million person colony on Mars in 100 years. By a curious coincidence on the same day of Musk's presentation the World Health Organization reported that 92% of the people of the world breathe polluted outside air that kills 3 million annually. Thus Musk's scheme is an example of the vertical integration of progress (in generating profits) under capitalism. First smoke them out, then get the survivors to another planet. The high ticket price will serve to eliminate the riff raff.

Musk's Mars plans fits neatly with the announcement of that other savior of the human race Mark Zuckerberg. The system must be betting on these two characters because scarcely a day goes by without their mugs being shoved in the faces of the those trying to keep up with the news of the world. At least Zuck's goal has some directly human substance to it. He and his wife Priscilla Chan will spend \$3 billion of their foundation's money to cure all the major diseases shortening the lifespan of we earthlings. That's \$3 billion over ten years. \$300 million per year compared to the \$32.6 billion expended yearly by the National Institutes of Health and in addition to the much large sum spent by the rest of the world. But Zuck has a new strategy – the focus for the solutions will be artificial intelligence and the use of the most advanced algorithms. You know, algorithms, those things that Zuck was caught red-handed using to inflate the advertising costs of his Facebook advertisers.

The display of these two characters brings to mind the proverb – *For those whom the Gods wish to destroy they first make mad* – or choose your favorite end-of-times saying. Musk – he's most known for building very nice and very expensive electric cars for the wealthy. His company is not profitable but is a very lucrative enterprise because of the vast sums paid by the taxpayers in the name of carbon reduction. He also has a solar panel business which is also not profitable but brings in large sums because of a government subsidy. And he has a rocket and space vehicle business paid for by the taxpayer and still far from having accomplished much except for a spectacular explosion during a recent launch attempt. Those old enough remember the many fireworks displays during the early days of America's missile development. But then things went exceptionally well. The Marshall Space Flight Center managed the construction of Saturn V, still the largest rocket ever built, and conducted 11 launchings without a single failure. By far the most successful company in the space launching business is Arianespace. It is a consortium of European nations with 64% owned by the government of France. It's worth noting that France has 58 nuclear power plants that produce 39% of the nation's and is run by an entity 85% owned by the government and has never experienced a major nuclear problem. Things can go wrong no matter how well a project is managed, but it should be clear to all that to have a team working primarily on the success of a project is superior than one that views the project as a means toward their ultimate goal – making a profit. The Challenger disaster is a case in point. Morton Thiokol produced a badly designed O-ring. Prior to the disaster concern about them was expressed, including by the Marshall Space Flight Center. There were warnings about launching in cold weather. But the many launch postponements because of Morton Thiokol's shoddy work had placed their government contract in jeopardy. That plus the urging of our idiot president at the time who wanted to work the school teacher into his State of the Union address resulted in the death of all aboard. For such things we need a Musk. America has the purest form of capitalism. That means that for as many

government expenditures as possible a private capitalist parasite must be inserted as an intermediary to siphon off as much of the taxpayers money as they can get away with.

Facebook began as nice, convenient way for families to keep in touch when some members and friends live far apart. A social network. It has since degenerated into medium for businesses to promote their products to the asocial flotsam and jetsam of a degenerating social system searching for a berth to keep their alienated selves afloat. Now, in addition to a means to exchange pleasantries with people who are more or less strangers, it's also possible to be abused and bullied without ever being face-to-face with ones adversary, and I have yet to learn of a mass murderer who has not had a Facebook page to present his case to a world of anonymous friends.

But there is a positive development in all of this – people the world over know that something is wrong, instead of the promised improvement in the standard of living and quality of life there has been a steady deterioration. In recent years various parts of the world have experienced mass movements of protest. Even the mainstream media has searched for reasons why there is so much anger. If people lived in a society where there was no immediate evidence that their quality of life could be better, there would be no basis for them to be disturbed with the way they are living. It's peoples inchoate awareness that their lives would be much improved if the established miserable system were not blocking their access to it that generates the prevailing sense of unsettledness. Perhaps the time will soon arrive when an event will lead to a means of escape. A presidential election featuring two of the most despicable candidates ever selected may lead to demands for constitutional changes – possibly to the formation of a much more democratic parliamentary system. Or perhaps the economy's unstoppable slide to its permanent floor will force a reorganization of society. By one means or another change is afoot.

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Here's an interesting summary of a Utah State study. Between 1955 and 2014 there were 52 female CEOs hired by Fortune 500 companies. 42% of the hirings came during corporate crises or economic downturns. During the same period only 22% of male CEOs were hired under those conditions.

The Eurozone composite PMI reached a 20 month low in September.

In a very significant report the World Trade Organization cut world trade estimate for 2016 from 2.8% to 1.7% -- the worst growth rate since 2009. Demand has fallen world wide with the US, considered by some to have the strongest growth, expected to have a more than 4% decline in imports. Normally trade increases by a factor of 1.5X in relation to GDP growth. If projections are accurate it will be 80% in 2016. Clear evidence of the real condition of the world economy and a turn from stagnation to a definite downturn.

In support of the above conclusion, OPEC has agreed to a cut in output for the first time since 2008. 700,000 barrels per day will be drawn from the current 33.2 million BPD production. The lower price has taking some high cost production off the market but enough to significantly increase the price, and with demand showing no signs of increasing, artificial means became necessary.

On Friday the markets recovered most of the week's losses. The Wall Street Journal said it was because of renewed hope in economic improvement. The BBC said it was because of rumors that the US will cut Deutsche Bank's fine to \$5 billion. That is the more likely reason.