

Italy Adds its Weight to the Fall

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The vote is in and the majority of Italians want out of the European Union's austerity pogrom which is aimed at those that work for a living, or would dearly love the opportunity to do so, for the purposes of debt reduction, that is, to secure a solid profit margin for the banker class. But unfortunately their political choices have only repeated the spreading pattern of subverting the mainstream politico-economic line rather than ejecting the system whose tediously boring failures are driving people mad.

The vote winners are the Five Star Movement with 32%, the neo-liberal Democratic Party 19%, the right wing Northern League 18%, and right wing Forza Italia 14%. No political orientation is available for the big winner because the 5SM says they are beyond such trivialities. It was founded in 2009 by Internet consultant Casaleggio and comedian Grillo with a plan to promote some sort of direct democracy assisted somehow by the Net. Since much of its criticism is aimed at the EU and a demand for a referendum on whether to continue membership, a vote for Five Star can be said to be a vote against the EU and also a vote against the political status quo in general.

Add Italy to the trending political-economic deterioration of capitalism along with Brexit, Trump, defeat for UK CP, Macron sweeping away the mainstream in France, the historic electoral defeat of the CDU and SPD in Germany – Oh, and thanks to the American liberals attacking Trump in McCarthyite fashion from the right, and with the assistance of the FBI, Trump's political rating is now up to 42%. Much of this occurred when the world economy was said to be experiencing robust growth, but on the ground, in the real world, there is more doom than boom pervading the minds of those that must make do because their rulers can't do.

China, not to be outdone by the US in gifting their capitalist ruling class with even more of what they already have, has announced tax cuts that will reduce revenue this year by approximately 5%, or \$126 billion. In 2013 they cut corporate taxes and fees by \$473 billion. China has seven tax brackets from 3% to 45%. Details of how the cuts will be distributed are not currently available, but judging how generously the rich were treated in 2013, the new cuts will likely be similar. The corporate elite wants their country to keep up with America. One likely new gift for them will be a cut in the value added tax for manufacturing from 17% to 13% which is also the rate in India, S. Korea and Singapore.

Attom Data Solutions reported that speculators flipped 207,000 single family homes and condos last year. That's the most since 2006. The definition of a flip is a sale within 12 months of the last time it changed hands. The average gross return on a flip was 50% compared to 28% in 2006. 35% financed their acquisition as opposed to 63% in 2006. Much gratitude should be extended to

those 138,000 flippers for their aggressive demonstration of parasitic American know-how.

The markets boomed on Friday because of the ES 311,000 jobs report. Surely a turning point? Not necessarily. 2015 had a bunch of even higher reports just about the time there was a near recession. June and July 2016 had 285,000 and 325,000 yet 2016 also was not a good year. A strong labor demand must surely be mirrored in wage increases, yet year to year weekly earnings fell to 2.6% in February from the previous 2.9% (downgraded to 2.8%)

Chinese exports rose 44.5% in February compared to the previous February. Since China, unlike much of the West, does not declare its economy to be robust there must be other causes. Exports to the US were up 46%. That might reflect concern for Trump tariff threats. The lateness of the annual Golden Week meant getting more stuff out before it began. Also the Yuan has been rising compared to the dollar, thus a higher value for the same amount of stuff. China's definition of price stability is 3%. In February the CPI was 2.9%. Almost all the increase was in food and is apparently a one-off blip possibly having to do with pig prices.

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