

L Shaped 'Growth' Sinks In and Takes Over

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Like the little boy who cried wolf when there was no wolf threat, and then was eaten when facing a real wolf because no one responded to his cries, the voices of world capitalism have been crying 'robust growth' because they love seeing the effect it has on the financial economy. But the financial economy is not **The Economy**. It is a paper reality when compared to food, clothing, housing and all the other necessities of life that must come from the real economy. The rulers of Western capitalism have been repeatedly warned by mainstream political set backs in the US, UK, France, Germany and Italy yet have done nothing in response except to hire more police.

But the newly minted capitalist rulers of China appear to be catching on to what has happened. Perhaps some tiny speck of Marxism embedded in a few neurons that still recall its principles told them: "Hey! What you've been doing in recent years to get out of this mess is all bullshit!" Liu He, the recently named deputy director of the National Development and Reform Commission recognized that "you can't grow a tree in the air" – and you can't expect the unreal economy to revive the real economy, nor can you expect wasteful infrastructure and empty city building to have a lasting effect on the economy. So China is hunkering down to reality, fixing up the cracks created by their extravagant mistakes, and preparing for a food fight with the US which should be fun and games for all us watchers.

French president Macron's efforts to compel French workers to make sacrifices for the betterment of French capitalists will soon be coming up against active opposition. In his first year Macron has changed the national labor code to the detriment of workers while cutting taxes on capital for the benefit of capitalists. Next up are changes in jobless benefits and retirement program that will harm the unemployed and seniors to free funds for more important endeavors, like bombing Syria and Iraq, or strengthening its imperial interests in Africa against American encroachment.

The attack on the four rail unions that run the national rail system is especially offensive because Macron, emulating Bonaparte, decreed that henceforth new rail hires will get less pay and benefits than those currently employed, and in an insult to both rail workers and riders, opened the way for shitty profit based private rail companies to compete against quality service. Workers plan 36 strike days between now and June to be joined by air traffic controllers, Paris subway workers, school teachers, and hopefully many others who care to oppose France's exalted savior of capitalism.

World markets had a bad week. Mainstream media are blaming tariff boosts by the US and China. In February it was something else. Anything but that the recovery lies is losing its grip. The Dow and S&P 500 have given back all of 2018 and are eating into 2017. Nasdaq still has a bit of green left this year. The Dow has lost a little less than 3000 points since its January 26, 2018 high 26,201. Another 2500 or so and it will be in bear territory. S&P 500 dropped about 300 from its 2,877.87 high also reached on January 26, 2018. And lost are remarkable 600 points only since its March 12, 2018 high of 7,588.13. Over the weekend every possible positive string will be pulled. The excitement begins when they are revealed to be unconnected to anything but words.

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