

DJIA Record High while Real Economy Sinks

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Today the Dow Jones Industrial Average closed above 35,000 for the first time. This followed at least 6 new highs so far this year for the Dow and similar numbers for the S&P and Nasdaq. Meanwhile the economy shows a definite downward trend the past three months. Recent reports on jobs indicated the value of stock indexes in predicting the health of the economy. Last week the jobs numbers were better than expected and that news propelled a big gain for the Dow. This week expectations were a continuing decline to 348,000 thousand from the previous week's 368,000. Instead there was an **increase** to 419,000 which nevertheless added more than 250 points, and a new grand record. The secret behind such records is the removal of almost all firms that would constitute an industrial entity. Among the 30 are banks, credit card companies, retailers, companies like Apple that makes everything abroad. Only Boeing, Caterpillar, and Chevron fit the traditional image of an industrial company. In the past the Transportation Index would rise along with the Dow because manufactured products had to be shipped. That index is down 12% since May because few Dow companies make commodities that need transport. Dow companies like Goldman Sachs and JP Morgan Chase provide their own armored cars for hauling valuables.

While China, the most fully functional capitalist economy, had 18.3% growth in the first quarter and a decline to 7.9% (still the world's best growth rate) the rest of the main capitalist economies are still struggling, supposedly with the exception of the US. But the Fed's Chicago National Activity Index clearly shows the economy peaking in March and then slowing with an average for the first quarter of 0.60 to 0.06 as of late June. Much of what was termed strong growth was nothing more than a return to the weakness that existed prior to the pandemic. Inflation was always on the horizon without ever appearing, in fact, treasury yields are declining, the opposite of what they would do if inflation was a real issue.

It appears that a critical period of the world system is forming with crises merging and capitalism showing not only its ineffectiveness in dealing with them but even a kind of greed induced stupidity. Nine

months ago the WTO took up the issue of vaccine makers relinquishing patent and intellectual property rights so not for profit vaccines could be mass produced for the 80% of the still unvaccinated world. But big pharma keeps stalling and their governments (the executive committees of the capitalist class) do nothing more than meekly beg them to do the right thing. The capitalists are terrified of another pandemic while only partially out of the current one, yet with most of the world unvaccinated and therefore serving as a pool of easily infected victims the capitalists continue to allow their greed to run amok. The UK should be going into another lockdown because of the seriousness of the Delta variant infection growth but the regime won't have it because they are still in the dumps from the first one and two in a row is close to strike three. Thus the Bolsonaro approach: work and die as saviors of capitalism. That might work for fighting Nazis but not for surrendering to the enemy at home.

Meanwhile another gross failure of the system – the lack of anything effective with respect to the climate crisis – has led to conditions where the crisis is no longer a future issue but giving us a mild sample of what a climate catastrophe will be like.

So here is what capitalism has done for humanity since 2007 – brought us the worst financial collapse ever with the effects still with us because the cure was nothing more than central bank paper pushing – then a pandemic due to the ravaging of the earth that released animal diseases normally isolated in their natural environment – then a half-assed for-profit failed attempt to contain it – and along with that the dramatic murder of a black man for a very angry world to witness and respond to with system threatening uprisings – all topped with never before experienced weather conditions. Capitalism has a lot on its plate – all of them inedible.

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