Capitalist Medical Merchandising Kills 9.5% Annually

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A study by Johns Hopkins researchers published in the British Medical Journal found that American medical merchandising kills 9.5% (an average of 251,000 annually based on death causes from 1999-2013) of all Americans making it the third biggest killer following cancer and heart disease, and ahead of respiratory diseases. The study involved a complex analysis in that the US, unlike 117 other nations, does not specifically cite medical error as a cause of death. At first one may think that the CDC is trying to hide the ugly facts, but the truth may be even worse -- they see nothing erroneous in the deaths. The Machiavellian mode under which market capitalism operates is that good and services are sold for profit, whatever usefulness they may have, real or imagined, are means toward a profitable end. With the de-industrialization of nation, profit making schemes like pushing dangerous and unnecessary drugs and procedures have taken up the slack. It turns out that banning tobacco ads while allowing drug promotion was a step backward.

Factory orders declined 2.8% in March. From March 2014 to this past March they have declined 7% (they were down 2% this first quarter). In fact they've been down for the past 17 months in a row. During the contraction period of the recession they were down 14 months in a row. In the dot.com contraction they were down 16 months in a row. Both the 16 and 14 were followed by recovery (so-called regarding the latter). Yet they still call the damn thing we are now in a recovery even though it has broken the factory orders losing streaks set during the last two recessions. Toward the end of 2011 the weak recovery began to stall. Conditions worsened in 2012 that the Fed broke its tradition of a new QE every two years by rushing it up to September 2012. That one came to an end October 2014 and its been downhill since. What it means is neither this system, nor most of the others in the world, can survive when taken off life support. What that means in the long run -- heaven knows.

Two sides of the same story. The Guardian (UK) reported that the official China PMI report for manufacturing declined to 50.1 (from 50.2), just at the edge of contraction. Economists had projected a gain to 50.4. The service PMI also fell slightly. In addition, imports and exports were down and factory layoffs are increasing. Recently there have been positive reports that made some claim that the Chinese economy had stabilized after many years of slowing growth. Bloomberg reported the same data (except that the median projection was 50.3) but takes it as proof that the stabilization remains and the government will not need to inject more stimulus at this time. Here we have the difference between a general interest news source and one that is aimed at investors. The latter must brighten up negativity as much as is plausible. The actions of the Chinese government are of no lasting significance -- Japan has done more than 30 of them since its economy began a permanent decline in 1989. China pumps money into fancy rail stations and trains, luxury housing, vast over production capability in steel and cement, etc. On the credit side it lowered down payments for housing and also lowered bank reserve minimum so they can lend more, and etc. None of it is relevant to an actually healthy economy -- those do not need state administered infusions.

Puerto Rico defaulted on a $422 million debt payment. A much larger payment is due in July on its $72 billion total debt. How did this small American island colony get into this mess? Free market loonies in the US Congress decided in 1976 that tax exemption for companies investing in the territory would be a fine developmental approach. The way it's supposed to work is that the revenue lost is made by bonds which are more than paid off with revenue streams derived from the thriving outside investments. Instead it left a huge debt from the failed experiment in free market capitalism. The exemption began to be phased out in 1996. The US, treating it's own territory like it does a poor third world county, successfully replaced it with destitution.

In the first quarter total Chinese credit expanded at a $4 trillion annualized rate. That is 57% higher than the previous first quarter. That's how China has supposedly 'stabilized' it's economy -- increasing the flow of liquidity into its crumbling foundation. On Tuesday the government warned economists, analysts and business reporters to stop issuing gloomy reports on the state of the economy. I don't understand why a team of good PR people from mature capitalist nations aren't sent to China to help train the government in techniques of mass deception. Of course, it takes the mystique of 'democracy' to make such things really effective.

Tuesday was a down day worldwide. It all began with Australia lowering its interest rate to 1.75% (aren't we in an improvement phase?). This was followed by a major strengthening of the yen. It's gone from 120 to 105 this year. Some may wonder why a country with the largest debt of any major nation and a crumbling economy should have an attractive currency. The US had been considered the only reasonably strong major economy. It has now become clear that it is succumbing to a renewed slump like the rest of the world. That made the dollar no longer the sacred preferred reserve currency. The yen has taken up some of the slack with dollars being converted to yen. With no really strong currencies gold has risen 16.5% the last quarter, the most in three months.

This US-EU Trans Trade Investment Partnership round of discussion is about to end at an unlucky thirteen. Greenpeace/Netherlands revealed some leaked documents showing that the US is pushing for the replacement of the EU's 'precautionary principle' for the safety of many products with the American preferred 'managed restraint' -- that is, for what brings in more profits than is lost in lawsuits and fines. There is also fear of commercial arbitration courts where companies can force governments to accept their product.

According to Markit/CRIPS the UK manufacturing PMI fell into contraction territory for the first time in three years. 50.7 to 49.2

The ECB published a report of price drift in American equities and bonds immediately preceding important financial news. Between 2008-2014 there was such a price drift in a third of the reports that accurately anticipated it 30 minutes before they were aired. The report gave a picture of the vastness of American inside trading -- also known as financial corruption. One weak defense was offered -- they were responding to published reports. But the study dealt with 30 minutes prior to the report. Nothing that was not leaked earlier can become known that quickly through normal channels.

Worker productivity fell for the second quarter in a row and labor costs rose 4.1%. ADP reported April jobs of 156,000 -- the lowest number in three years. The Friday BLS report came in at 160,000, well below the 200,000 Bloomberg projection. 19,000 jobs were cut from the previous two months' numbers. The Labor Force Participation rate fell 0.2% to 62.8%. According to the Household Survey, 253,000 jobs were lost in April. The most in a quarter since 700,000 were lost in the Great Slump.

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