

A Modern Greek Tragedy – Written by Capitalism

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The vultures are perched in bankers' eyrie ready to swoop in for the final meal of what's left of Greece. Fears that the ants, also known as the Greek people, may have left nothing for their June 5th reservation caused some concern in the equity markets at the beginning of the week. Greeks have fed them \$28 billion euros since 2010. Basic services have been cut to the bone. Health care funding the first 4 months of the year came to 43 million euros. Last year over the same period it was 650 million euros. Pensions have been cut by a third, and the vultures want more. The docks have been privatized and the ports have been marked out for the same, and yet they still demand the Public Power Corporation and whatever is left in state hands. Greece is de facto bankrupt. The domestic vultures have been paying the cash-strapped police departments out of their pockets in order to keep them protected from the wrath of the people. For convenience sake they're keeping the cops in their pockets.

Greeks are now experiencing the effects – the suffering – very much like what the American working class and poor went through in the 30's. Unemployment at 27% – 50% for youths; a third of the population living in poverty; GDP down 22%; wages down 30%; household income down almost 40%; minimum wage slashed; basic pension down to \$400 a month. In desperation they elected a “radical left” SYRIZA government in January. For one month they talked big. By the end of February they were begging for the best surrender terms. And since then they've been slouching toward doomsday where they will be drawn and quartered for the edification of all other debtor nations that have fallen victim to the bankers' extortion racket.

SYRIZA has installed all the essentials of rule during troubled times. It named an ultra-right winger as Defense Minister – In a poverty-wracked nation of 11,000,000 it still has an armed forces of 130,000 (by way of comparison, Britain with 60 million population is in the process of cutting its entire armed forces to 200,000). Greece still has its order in for 170 F-16 jets in place. And to make sure all of the armed might is used properly it named a neo-fascist from New Democracy to be President of Greece, commander in chief, and with the power to dismiss governments when a coup is seen as desirable.

Ninety percent of the last bailout went directly to the banks to pay off old debts and interest. Generations will suffer the consequences if the Greek people continue to submit to economic coercion. The solution: Repudiate the debt; repudiate the Eurozone, repudiate the EU, repudiate Nato; repudiate the system that brought you down to this miserable state.

The markets recovered the following day with NASDAQ setting a new record high. This was triggered by a 12% rise in the value of Tiffany shares. That came from a better than expected 1st quarter profit and sales report. Better? In fact, worldwide sales fell 5% from same period last year. Same store sales were down

7%. And net income was down 17%. It was a lousy report and Tiffany only promised more of the same for the rest of the year. A fine example of how consensus garbage provides the markets with enough obscuring of reality to trigger a spike, although in this case buying on the dip was more responsible for the rise in the overall market.

The S&P 500 keeps hitting new highs. Company earnings must be booming? – No. First quarter earnings were down 13% on top of the 14% of the 4th quarter last year. Sales were down 1.8% year to year. First down move since first quarter 2009. 6 of 10 sections were down including consumer staples and discretionary. Industrials were down 56%. S&P Capital IQ, in research for the WSJ, found that in 2013 36% of median operating cash was used for stock buybacks and dividend. The same was 18% in 2003. Spending on plant and equipment was of course down.

Analysis of the Household Survey for October and November 2014 found that about half of those questioned said they would have to borrow or sell something if that had an emergency need of \$400.

New home sales with signed contracts fell to 504,000 annualized. Of course, the 517,000 agreements without the signed contracts got most of the news since that was a small rise.

On Friday the update on 1st quarter GDP was cut from +0.2% to -0.7%. Still better than 2014 1st quarter's -2.1%. Annual growth rate over the 29 quarters of recovery from the fall has averaged all of 1%. Adjusted for lies – it comes to nothing.

Real household median income is down 7% from 2007 high. That's equal to 1989 in constant dollars.

Now that the Japanese people have absorbed the effects of the giant rise in the national sales tax, inflation is back down to zero. So much for the inflationary effects of Kurodamania.

In a Goldman Sachs interview Robert Shiller said the following:

Robert Shiller: I define a bubble as a social epidemic that involves extravagant expectations for the future. Today, there is certainly a social and psychological phenomenon of people observing past price increases and thinking that they might keep going. So there is a bubble element to what we see. But I'm not sure that the current situation is a classic bubble because I'm not certain that most people have extravagant expectations. *In fact, the current environment may be driven more by fear than by a sense of a new era. I detect a tinge of anxiety and insecurity now that is a factor in markets, which is quite different from other market booms historically.*

Now get this – a real bubble is powered by great expectations for the future – presumably that is something hopeful. But this one is governed by fear. Fear is certainly a negative feeling. So we have booming equities (a positive) driven by a

negative. What could be the source of the fear other than the ending of central bank largess? In other words, it's no bubble because it's source is so obvious; because it's so phony; so made up; so artificial. So much worse than something they could actually believe. But Shiller is optimistic about America. Such an inventive country. He cites fracking. A way of obtaining fossil fuels whose externalities will cost future generations far more than all the profits earned today. To Shiller that is a positive development. Like Marx wrote about the level of bourgeois intelligence: On the level plain small mounds seem to be great hills.

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