

Slouching Towards Necrophilium

09-06-2019

The human condition is such that the social system within which it lives cannot die as long as humanity itself exists, and while that possibility is presently much discussed, we still have the chance to change the way we live before that happens. And that's what makes the current abandonment of reality all the more sickening. It is now approaching the point where our 'powers-that-be' are no longer whistling passed the graveyard, but heading directly toward it.

The measure of economic life under capitalism is not how well it feeds, clothes, houses, etc., those that live under its rule, but how well the system and the people that are responsible for its name are doing. The problem is that they are always doing well as long as their system exists, and their sense of pervasive wellness has bred an aimless resentment the world over among the mass of humanity who experience nothing but a steady deterioration.

Friday was another week in which the last sign of life did well while the rest of the economy continued its slow fade. The slightest hint of baby step in the direction of a trade war resolution boosted all markets. Even the UK's FTSE is doing pretty well despite an oncoming Brexit fiasco and the weakest major economy.

Then on Friday US markets received robust stimulation from a bad August jobs report which very likely will mean another Fed rate cut sooner rather than later.

Much is made of the fact that manufacturing now constitutes only 12% of GDP as if the absence of such a critical component of the real economy and along with it the loss of well-paying jobs to be replaced by shitty part time low paying work, is nothing to be concerned about. In our New World Order the non-manufacturing component is now dominant. The preferred month report on that sector is from the ISM because it includes data from outside of private capitalist enterprise which is more likely to make things seem better. It's report for August was up 3 points from July. But IHS Markit extracts its information only from private firms making it the better indicator of the state of capitalism. It's non-manufacturing report for August was 50.7, more than 2 below July, and the worst for this metric since it was created in 2009. It's composite (includes manufacturing) was also 50.7, the lowest in three and a half years.

So it appears the US will not be excluded from the worldwide trend toward another recession which will be an especially interesting one because it has never recovered from the previous downturn.

Economics Info

– China's official PMI for August was 49.5, the 4th month in a row below the 50 contraction point and the 7th out of nine months.

- On Friday China announced the 6th (or 7th for larger banks) lowering of bank reserves in hopes they will use the increased available funds for loans. So far the stimulation hasn't worked.
- Bloomberg presented an interesting report on American debt. If total debt is balanced against all currency and gold, and the ability to borrow is removed, the average estimated per capita income for 2020 of \$66,900 would be reduced to a negative \$4,857. The nation along with its people lives off borrow money, on borrowed time.
- Does being a billionaire mean that person must have creative and hard working? Actually a third of all billionaires inherited their wealth, and those that did more than wait for the old folks to die, only worked to extract wealth from others, often served up to them on a platter by crony capitalism.

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