

Portentous Times

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Usually it happens without fail. There is a major downturn in the markets because of negative financial data. Overnight the futures go from red to green and the markets rise -- the infamous 'buying on the dip.' This week the markets for most days did some thrashing around in the green before settling in the red. Powell announced that a tightening is coming soon to deal with inflation which is at a 40 year high. At first the investor class showed approval because rampant inflation is a bad thing. But then it recalled that tightening meant a reversal of the Fed's policy of flooding the economy with cheap money by purchasing treasuries and mortgage backed securities. And further, cooling down an economy that is inflationary for reasons other than real economy vibrancy can lead to the only thing worse than inflation -- deflation.

Lest we forget, there was a time when the primary aim of capitalism was to exploit workers for the purpose of making useful commodities. But the productive laborer livelihood is based on the cost of his labor power (wage) and not the exchange value of the commodities produced. That surplus is used by the capitalist for further investment (as capital) and the material excesses enjoyed by the parasitic class. The need for such commodities remains but without profit from its sale it is worthless from the standpoint of the capitalist. Thus we have stagnation in the real economy and a search for other areas of profitable investment. That has contributed to the invasion of foreign countries for not only natural resources but also as new markets for the sale of manufactured goods. But just as the system has raped much of the natural world it has done the same to those parts of the world where the masses are treated as subjects of foreign masters, and there is a limit to both.

That has led to where we are today -- a kind of tail that wags the dog economy in which a relatively unimportant part of the economy is dominant. The financial sector is really only useful as an auxiliary part of the production of commodities. In the present state of the rot of capitalism it has become a parasite living off the fictional value financial instruments. The result is a permanent crisis in the financial

sector which has captured the real economy as a secondary byproduct of its degeneration.

Besides the damage done to the one useful purpose for the existence of the system it has added a heap of 'externalities' coming home to roost in the form of a rapidly developing climate catastrophe and a seemingly endless train of infectious disease thanks to its destruction of the natural order of things.

Because the pandemic is not a possible threat but an existing attack on the health and lives of us all, it may presently be setting the stage for the eradication of capitalism along with all its harmful effects. There is something unnerving in daily concern about our lives and those close to us. Dark times breed dark moods, and the fear of death from disease may breed the courage it would take to eradicate the system.

As Paul Sweezy wrote in a 1994 Monthly Review article:

What is to be done? If my analysis is correct, that neither the global economy, operating under its present rules, nor government constrained to abide by these rules, can deliver what the great majority of the people in the world need—decent jobs, security, livelihood—it seems clear that they have no choice but to challenge the structure itself. I am confident that they will—eventually. The human species is long suffering, but it is not likely that it will tolerate forever what looks like a slide into ungovernability and chaos.

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