

Recession of 2019-2021 (Plus?)

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Get ready for every magical rabbit to be pulled from a decaying system's rotting core. We've got an economy in which the financial sector dominates with real economy stagnating, and then the controlling element within the financial sector is rabid speculation that undermines both financial and real economy. And if all that is not bad enough we have a buffoon of a president who says things like "*Let's get this straight: How would it be if the United States were viewed by the rest of the world as interfering with the elections directly of other countries, and everybody knew it?*" As if invading countries and then pre-approving who may rule it is not an interference. And then there is the current *false flag* excuse Russia may use to invade Ukraine – this from a country that used a phony Gulf of Tonkin attack as false flag that killed more than three million Vietnamese; or the weapons of mass destruction lie to conquer and kill a million Iraqis.

The Economic realities of this country is that it experienced its most serious crisis in 2008; claimed successful recoveries in 2014 and 2018 only to have both of them blow up the following year. The economy went into recession in 2019 and it became official September 17 when the Fed set up a special vehicle for emergency repo loans to stave off a catastrophic failure of hedge fund-futures contracts. Then the pandemic years followed which worsened the economy and sickened or killed about 15% of the world's total Covid victims in country with the most expensive and worst for profit health system.

In the markets, downturns are more real than rapid rises – in fact it is the only that is real when a rise is solely based on speculation. This week Facebook experienced the largest one day downturn in market history. It's market value declined more than \$200 billion – 26.3%. Last June it closed above \$1 trillion market cap, it now valued at \$647 billion. Netflix also tripped up with a 21.8% (\$49.1 billion) loss of

market value in a day. Amazon gave the markets a boost by merely raising the cost of their prime service by \$20 per month with only about 10 days advanced notice. The assumption is that subscribers will accept the rise and the company will have increased earnings which will please investors, but it's certainly also possible that enough will go elsewhere, or more significantly, perhaps start search for serious ways to escape the system.

This is Capitalism

Wednesday was the day for the ADP report on private hiring. Last month it was a very high 776,000. Surely a strong sign of the strength of the economy, but it is unlikely to show such robustness the following month. Analysts' expected 200,000. The ADP report: **-301,000**. What! How could the movers and shakers of capitalism be so ignorant of the real state of the economy? The markets dived into the red.

Friday came the BLS report on public hiring. As with ADP, the previous month was a very good 510,000. It was feared that it might mirror private hiring, but experts predicted 155,000. The BLS came in with a shockingly high 467,000. The markets boomed. Left generally unreported was that the BLS reconfigures its jobs data every February, so the good number was more or less a catch-all of a years' worth of adjustments.

The above is an example of Adam Smith's *The invisible hand of the market*. Buying and selling - or exchange - is the heart and soul of capitalism - *It has no brain!* It cannot do anything of significance based with purpose that has a reasonable chance of success because it is brain dead. It is a sickness that without protection can infect real physical brains. A stark example of the virulence of this disease are the millions who think such a system can actually prevent the oncoming catastrophe that will end life on Earth.

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