

## Same Old, Same Old

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To paraphrase Einstein's famous aphorism, that it's a kind of madness to expect different results when repeatedly doing that which has been a proven failure. Instead of stimulating the real economy infrastructure by doing things like, for example, installing anti-crash detectors on trains, the government went all out to bolster the financial sector. Not only financial companies but also real economy corporations by providing the means to increase profits without producing anything – stock buy backs, currency manipulation, mergers and acquisitions, etc.

Note the plethora of alleged data analysing the ineffectiveness of Obama's \$700 billion stimulus program. Even allowing for the usual corruption, how can it be a bad thing to do a little repair work on this country's deteriorating infrastructure? If trillions were put into worthwhile expenditures numerous well-paying jobs would provide a boost for every section of the real economy. The fly in the ointment is that what benefits the vast majority of Americans doesn't necessarily (or usually) solve the crises of capitalism. Whatever the positive results from real stimulation, it's nowhere near enough to absorb the vast sums of capital searching for profitable investment. The real economy has finite demand. One can only go so far expanding it by advertising, built-in obsolescence, weird new products, etc. What the system now requires is something infinite – the vast nothingness of securities.

According to the latest reports S & P companies now hold 11.1% of their assets in cash; a near record. The top 25 of those companies own 66% of the more than trillion dollar stash. No amount of real stimulation can absorb this sum. According to the FT there has been 45% increase in purchases of Mortgage Backed Securities. They are purchasing so much junk bonds that yield has fallen below 6% for the first time. The willingness to take risks is increasing – anything to increase earnings. Yellen says not to worry, price earnings ratios are not yet at bubble level, but that's only because the Fed is doling out enough largess to ensure earnings growth, not because the economy has any real underlying strength.

Haven't we seen this before? – Why don't they do something to apply the brakes to the next oncoming crash? Because every day of profitable survival is a positive event for late-stage bunker capitalism. Oh yeah, a recent Pew survey finds the majority of Americans saying the country is in decline. Claims that we are in a recovering economy are wearing thin. Sometimes even bunkers are destroyed.

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