

The Shit Deepens

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Yesterday and today the US had over 120,000 new cases of Covid-19 to become the world's first nation to reach a six figure daily death count.

The cops, now allied with goonish fascists, continue there racist onslaught on anti-racist protesters, and against anti-fa resisters attempting to counter the right wing menace.

The presidential election, which was supposed to be a Biden walk over instead resulted in a virtual dead heat. Biden appears to be the eventual winner unless the puffed up generalissimo in office can use his assertion that absentee ballots of registered voters are somehow not legal while unidentified machine notation are.

The economy has been in a stagnant low growth depression since 2008 because it hasn't made up the more than \$5 billion in GDP growth lost in the slump. That has led to the loss of quality jobs leaving mostly those of the gig, no future sort and increased deaths attributed to 'diseases of despair' (suicides, drug abuse, anomie). The possibility of a fulfilling life under capitalism was always unlikely, now it is impossible. From 1938 to 1968 the minimum wage and productivity growth advanced in unison. Had that trend remained the minimum wage would be \$24 an hour. But in this one-sided class war only the ruling class wins.

But all of that is just schadenfreude enjoyment for the section of the system that remains prosperous. Yesterday, with the presidential election in limbo and Trump threatening a coup if he was 'robbed', the markets sea-sawed before ending in the largest gain in months. Why? Because with a weak presidency and a divided Congress there is little threat of an increase in taxes or the enactment of regulations that might constrict the obscene profits of this most vile component of the capitalist system.

Yet, out of all of this fear and misery there has been a rare and significant change in the public consciousness. Now even much of the mainstream realizes that it's not just the country's political organization and economy that has revealed its inner rottenness, it is the capitalist system itself that has poisoned all elements of the earth, including the lives of the people that inhabit it.

Economic Info

-- Friday most market watchers expected a significant give back on the ridiculous boom of Thursday. Instead it ended mixed thanks, it is said, to the grand reduction in the unemployment rate to 6.9% from the 7.9% of the previous month. On Thursday the initial jobless claims both state and federal were the same as the previous report -- 1.1 million. That is a grounded in reality statistic -- people physically apply for compensation. On the other hand the unemployment rate is a statistical concoction taken from limited surveys and does not take into account the lowering of the rate due to more people dropping out of the official labor market.

-- A running joke that comes to us from the Fed is their everyday concern about a sudden burst of inflation due to the magic of their inflationary measures (imagined as money printing). But it never happens. Today, once again, Powell announced that rates will remain close to zero. Covid-19 has reportedly caused many prosperous city dwellers to buy homes in rural areas. Yet mortgage rates have fallen for the 12 consecutive time in published reports.

-- Many days of booming markets were the result of the huge economic improvement in the 3rd quarter. Hardly unexpected given that much of the economy was shut down in the 2nd quarter. The reports are presenting the data as a recovery completed. The best way to measure the relative return to normalcy of the two quarters is labor utilization rates in terms of total hours worked. Those hours declined by 43% in quarter 2 and increased 37% in quarter 3 (both annualized). There is a ways to go and since the employment stat has stalled, so has this particular recovery.

– Last month China offered \$6 billion of sovereign debt directly to American investors. The bonds were oversubscribed (\$27 billion booked). Politically there is much harsh talk between the two nations. But economically both sides love to support each others economy it there is money to be made by doing so.

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