A Sick System on Opioids

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The Fed and other chiefs of the system it serves would love to unearth a plausible excuse for the disappearance of almost half of the prime age group from the labor force; it's either that or accept the harsh reality that their 'going nowhere' economy is generating the same effect in the hearts and minds of the poor devils who were expected to joyously slave away for the profit of others.

The Federal Reserve Bank of Boston and the National Institute of Health (Isn't this a conflict of interests?) funded a report by Alan Krueger of Princeton entitled *Where have all the Workers Gone: An Inquiry Into the Decline of the US Labor Force Participation Rate.* In interviews with these renegade workers they admit to be living lives lacking in emotional well-being, and that they find little meaning in their daily activities. Apparently there was no study of active workers in the same age group to determine if they more or less have the same sense of inadequacy in their lives. In any case Krueger's study is replete with junk psychology and sociology. Asking people that when they are sad, is it for less than 20 minutes or for more than an hour, reflects the way the health of our economy is calculated. They are both designed to arrange reality within acceptable boundaries outside of which the truth prevails.

While it's true that capitalism and misery go hand-in-hand there have been periods when it has been able to generate hope for the future, and that is often enough to disperse much of the misery of the present. Now that it is missing, drugs are necessary to imagine hope, or to deal with its non-existence. The secular stagnation of the economy serves up the secular sickness and sadness of its off the grid victims. Those in the loop and working need other sources of mind deadening activities. According to the Society of Human Resource Management 57% of private businesses require all job seekers to provide urine samples. For those under surveillance it's cheap entertainment – TV, films, games, sports – mixed with enough alcohol to give it some body.

In the past I've written about how the various PMI's (Purchasing Manager Indexes) are concocted. We are presented with numbers – like factory orders were 54.1 in August, and that's a whopping 1.3 more than July. I just made that up which is what the Institute of Supply Management does when it asks its managers, who have a personal stake in what is reported, to tell them if things were better, worse, or just the same in the month that had just passed. The real figure could be easily compiled, but reality is a dire threat for our Potemkin economy. It's much safer to shape an unreliable word into something that stretches the limits of credulity than to trust something so concrete as a real number.

It seems that our much more august Federal Reserve banks do much the same for their manufacturing indexes in the cities that they serve. In New York they ask a select group of company presidents or CEO’s to evaluate general business conditions based on 11 indicators, and receive a reply of – Decrease, No Change, Increase – for the current month compared to the previous month. The bank’s shitty method often produces the most preposterous results. It’s quite common to have a low figure like 7 in one month followed by an awesome 28 the following month – as if the general business conditions quadrupled by a factor of four in a single month! All that’s done is that the number of bosses that said Decrease is subtracted from those that said Increase and the remainder is reported as a team of our best mathematicians worked out a set of complicated calculations.

Much was made of Brazil having its first quarterly growth rate in three years this second quarter. The Bovespa leaped about 10,000 points to cross the 75,000 point mark. Actually this recovery was weaker (and not really a recovery) than what the Brazilian economy did in the great slump. Then it took took 6 months for Industrial Production to bottom out at 21% down and 16 months to recover its prior peak. From June 2013 Industrial Production bottomed out at 21.4%. After 17 months it’s still 17% less than its previous peak. From bad to less bad is good.

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