

It's the System, Stupid!

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It gets rather tiring to read and listen to the hysterical doom and gloom accounts ascribing the worldwide political and economic chaos to the misguided policies of those in power. We are led to believe that the world financial system would be just peachy if it were allowed to wreak its anarchic havoc by running freely on the arthritic legs of its free market. Thus the shrieks of outrage from the libertarian loonies that it's all the fault of the Fed, Keynes, interventionists, central planners, do-gooders, etc., as if there really is no necessity for it other than as an attempt by these economic intruders to make their jobs seem like they serve a useful purpose.

Well, if the Fed and the rest are only playing games, the same can be said for their critics. That can be clearly seen in the fraudulent way they use terms like "freedom" and "liberty" -- crystal clear, in that their three founders were all supporters of fascism rather than freedom. To be sure they certainly would hesitate to support all that is contained in the types of fascism that we've experienced. What would satisfy their libertarian fantasy is revealed in the particulars of fascism they loved. Mises praised Mussolini for suppressing the working class in the turbulent twenties. Hayek and Friedman supported the vile Pinochet dictatorship that went so far as to bring old Nazis out of retirement (like Walter Rauff - supervised the murder of 100,000 in the war) to demonstrate their expertise in torture and murder. Hayek in 1981 was asked about totalitarianism in South America, referencing Pinochet's Chile; he said there was no totalitarianism, the last example of that was Allende's Chile. So a government that allows the productive class to express their profound dislike of the system they labor under is what this cretin considers to be totalitarian. For Hayek it's either my way or the highway, that being the road to serfdom for working class.

And then we have similar nonsense regarding the proliferation of wars caused by the world's "democracies" sticking their noses in other people's business. Why on earth do they do it? These fools can't figure it out even though we've had two world wars and many smaller ones that clearly display what compels this system to fight for whatever they think power can bring them.

Let's hope that they someday take inspiration from their charlatan-in-chief and go on strike against those that confine them to this base world. Imagine a flock of dreamy parasites in the mountains making do by selling pamphlets to each other.

Speaking of world wars, could the U. S. have an interest in weakening Europe as well as Russia by pushing economic sanctions? It's too early to determine how much the prolonged slackening of the Eurozone economy has to do with Ukraine. Much of the negative market days was blamed on that even though Israel's invasion of Gaza was the scene of greater atrocities. Italy is back in recession and even Germany has reported numbers below expectations. Russia's reaction, and the strengthening of its alliance with China, may soon produce a tipping point.

In the U. S. productivity was up 2.5% in July - about the average for the past

decade or so. It declined 4.5% the past two months - most since 1981. Wholesale inventory growth was much lower than expected, same with sales. Very important for GDP numbers as it makes up about 40% of the figure. Interesting report in Market Watch about price/earnings bubbles. The peak was in 1999, but according to Brett Arends, then it was a few ridiculously over-valued new companies distorting an economy in which the older companies were displaying quite acceptable numbers. But now the madness seems to have spread to a broader array of companies. If we select on the basis of a median rather than an average, we find that today stock valuation is 20 times earnings. In January 2000, it was 16 times. Here the tipping point may be a pinprick.

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