

Ukraine Brings in the Clown

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Ukraine, the pampered puppet created by EU and US intervention that overthrew the democratically elected East-West oriented regime, has joined the anti EU-US skeptic movement with its election comedian Volodymyr Zelensky as its new president.

It's strange enough that a comedian who starred as a teacher who is accidentally elected president when a public condemnation of official corruption by his students is ascribed to himself, but not as much as the magnitude of billionaire president Poroshenko defeat.

Much has been made of Ukraine having 39 candidates running in the presidential election. Such a democracy! Apparently the only exception is that they all must be ardent supporters of capitalism. The advocacy of communism is not officially illegal just that all symbols of its existence are banned, thus the candidate of the Ukraine CP was disallowed because his party looked like a communist party.

After the first round Zelensky had about 30% of the vote and Poroshenko half that. It was assumed that the latter would pick up most losing candidates' votes after people came to their senses and thought about having a leader with no political experience or program running the country. But Poroshenko only gained about 10% more in the final vote while Zelensky topped 70%. It's apparent that no experience trumps the politics of capitalist exploitation and corruption.

Ukraine along with the rest of the USSR suffered the consequences of the Stalinist conversion from nominal communism to capitalism. The former regime had to provide a cover for its name by providing for the basic needs of the entire population, while the latter now cancels out concern for the needs of others because greed is only aware of itself. According to the UN, excess death from 1989 to 2009 due to the conversion to capitalism total more than 12 million.

The Greek people had their basic infrastructure seized and sold to foreign exploiters to pay off debts, and themselves deprived of basic social needs for the same purpose, all because they had a nominally leftist regime that put up token resistance. The Ukraine economy was in the same state and for the same reasons, but the EU and IMF were much kinder to the Ukrainian people. Since the country was their creation, the people were like their children. Thus the gentler kinder hand of extraction by force. Will Zelensky the comedian now act the naughty child? Will those that created the possibility of his presidency feel that he needs a good scolding and spanking? No worries for Zelensky there – only the Ukrainian people will feel it.

The US Economy

There was much excitement on Friday because the initial report of first quarter GDP came in at 3.122% rather than the expected 2.2% to 2.5%. If there is one constant in capitalism it is that, if they can possibly concoct a positive data packet boosting system, they will do so whenever there are sure signs of economic distress.

So here are some of the facts about the false positive. A substantial increase in the GDP was due to a substantial increase in inventory. Expected sales nowhere matched production. That's not a good thing except that it does artificially enhance GDP. Retail sales are weak. Final sales to domestic purchasers year over year have fallen compared to 2016-2017. The Fed raised the funds rate 8 times fearing inflation which has never appeared because of weak demand.

Another indicator of real conditions is an increase in the amount of debt that can't be paid. Credit card companies charge-off rate (the percentage of loans they will never collect) rose to 3.82% this first quarter, the highest since the second quarter of 2012. Also loans that are 30 days past due increased in all seven of the top credit card issuers.

Trivial pursuit question: What is the average annual income of the top 25 hedge fund managers? Answer: \$850 million.

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