

## The World Waits – and Awaits

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World stock markets loved the pathetic display of total capitulation by the professional belly crawlers of SYRIZA. All that was missing was for Tsipras and cohort to flop on to their backs and defecate and urinate all over themselves like possums making themselves unpalatable to their mortal enemies. Under those conditions there was little face to save, still, they tried. Like pensions stay the same but contributions are increased along with health costs. VAT taxes are raised for a myriad of categories – but not electricity. And the Troika didn't even throw in a fake trim let alone a haircut. There were massive protests in front of the Athens parliament tonight. If Greeks were waiting for a good time to call a general strike – now is the time. Otherwise they deserve to be mocked like Bunuel did to Spaniards in *Phantom of Liberty*. Napoleon's invasion and overthrow of the autocratic Spanish monarchy promised more freedom and less corrupt governing for the people, but when the last of their dethroned monarchs were removed to France, the people rebelled. As seen in Goya's famous May 3<sup>rd</sup> 1808 painting – and brought to life by Bunuel, the man in the white shirt is shouting to his French liberators and executioners – *Death to Freedom, Death to Liberty*. Will the Greek people surrender the promise of liberty from indentured servitude? Stay tuned.

Bond funds are loading up with cash. They are holding about 8% of their assets in cash or notes easily converted. The fear is that the tiny move of the Fed from zero interest rate to 0.25% may trigger a major disposal of bonds. Clearly, that shouldn't happen unless, heaven forbid, the economy is really in bubble mode. When the speculators are getting good stuff for nothing, thanks to the Fed, paying *anything* becomes a crisis.

The Tanaka Corporations – makers of millions of shrapnel dispensing bombs also known as auto airbags – knew they were manufacturing crap as early as 2001. They even shut down their global safety audit in order to avoid the harsh sounds of bad news. Many people were injured or killed in perfect solitude.

New home sales rose to an annualized 546,000. One would expect starts to also increase in May but they fell 11.1% after a warm weather related spurt in April. Current mortgage rates average 4%. During the previous boom years 2003-07 it was 6%. In 2005 1,200,000 homes were sold. Housing was the leading cause of the last boom – the craziest lending practices of that period have been suspended for this one. It's safer to make loans for the purchase of investment paper of various sorts. But they aren't things – It doesn't take much material and labor power to produce a sheet of paper. Thus the return of a new kind of bubble based purely on fictitious craziness.

China factory growth declined for the fourth month in a row. 49.2% signals continuing contraction.

France experienced its 80<sup>th</sup> consecutive month of increasing unemployment.

Makes you wonder if they have the only honest method of calculating unemployment

New orders for manufactured durable goods are down 2.2% year to date compared to the same period of the prior year. Durable goods orders per capita adjusted for inflation are down 36.5% since their 2000 peak. The last recovery had the slowest growth of the real economy – until this one came along.

After six months of declines personal spending was up 3.6% year to year in May. That would normally be seen as a good thing – except, extracting energy goods and services personal spending declined to the lowest year to year since March 2011.

China's Shanghai composite has declined 19% the past two weeks. This near bear market comes after 6 months of major bull. It's yet to be seen if the bear will begin attacking markets worldwide.

On Friday NY markets had a big volume day with mixed results (all but the Dow down). The Greek thing continues but it's possible to see something sickening shaping up. Both sides seem to be, for the most part, staying with a tough line. The Troika wants everything and SYRIZA has drawn the line on concessions. But the line is moving in places. SYRIZA thinks that by shifting the breaking of promises far enough into the future that will almost register in the minds of the masses a kind of honesty. The major change on the enemy side is an increase in the volume of the bailout, i e, more funds available to pass along to creditors. Tsipras announced a referendum for July 5<sup>th</sup> on any bailout agreement. Since most people in a capitalist country must approve of its continuing existence if they haven't overthrown the system, it's likely that the Greek people will submit to whatever sort of financial screwing the pricks in Brussels choose to administer. The capitalists, middle class and intelligentsia will certainly lay down for Troika. The only chance to alter that outcome will come from the productive class, both actively working and unemployed. A general and popular strike that takes over the country will shock the world. The demands of the Troika have revealed the essential viciousness of capitalism to even those that grant it passive support. Clearly there is no safety in a supine posture when this beast has hunger pangs. The only choice for survival is to fight back. A variation of a famous saying might be – *It's better to be free and impoverished rather than being an impoverished slave.*

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