

## Wealth of China's 'Communist' Elite at Risk

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It has long been known that relatives of the 'Communist' brass live far beyond the means of the masses they pretend to serve. Fortunately there seems to be an inherent inclination for the wealthy to observe Max Bialystock's assertion from *The Producers*, *If you got it, flaunt it!* And so spouses of the elite have joined those from the private sector to buy their share of castles in Italy, and their brats have been gifted with expensive vehicles to enjoy and at times wreck.

But those are minor incidents in the scheme of things. The fact that the ruling class controls what is right or wrong -- and the rules of the game are that the ruling bureaucracy must act as if they are devoted to the interests of the Chinese people as a whole. Thus exploiting and enjoying the wealth created by the working class for their personal benefit must be done discreetly.

That is very difficult for many because they are operatives in a criminal system, and thus as criminals themselves they have no moral barriers protecting them from corruption. There have been many reports of top level officials being arrested for theft of state assets. The most notable recent incident was the arrest of the director of the Huarong Bank who stole millions over many years more or less out in the open. He is said to have purchased 100 homes for his mistresses and for the storage of vast sums of cash. Done in plain sight of many officials who said or reported nothing until he drove the bank into bankruptcy. That was really just too much and he was quickly tried and executed.

Recent events have put in jeopardy the wealth of those that played by the rules. Russia is a capitalist state and many of their state and private capitalists have invested and/or stashed billions abroad in cash, securities, properties, etc. With the war much of that has been seized, and may eventually be liquidated, because they are enemies of Ukrainaziland.

According to the Wall Street Journal the CCP leadership has taken measures to prevent party officials and their families from purchasing assets abroad. How well this will go down has yet to be revealed, but

stashing of wealth abroad is a convenient measure not only for investment, but also in case one must defect.

The preferred method is to operate in places that specialize in hiding the wealth of anyone anonymously, like the British Virgin Islands. Xi's son-in-law has created corporations there and elsewhere to hide assets of Xi and family. The son of former Prime Minister Wen Jiabao has done the same. There was a time when the Stalinist elite in both Russia and China limited their income to within 8 times times that of the average worker, and were proud to pretend all their efforts were on behalf of the masses. The pretense is still there but now the hypocrisy is enormous.

Some of this theft is verified by China state entities. From one source: "A People's Bank of China report in 2011 found that public officials alone had embezzled more than \$120 billion out of China since the mid-1980's"..Others estimate that -- **"between \$1 trillion and \$4 trillion in untraced assets have left the country since 2000."** China really is a large, populous and wealthy country run by a ruling class that is much like that of the most vulgar bourgeoisie.

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This week the markets ended their 7 week losing streak. Not for any evidence of a return to a healthy economy -- the only positive event is that Powell became concerned that his raising of interest rates was making a bad things worse. Thus he feels he has done enough to weaken demand and force a reduction in wages. This fool thinks that workers abstaining from accepting lousy jobs is the cause of inflation when in fact it's the near monopoly in most industries coupled with a rigged financial system must be held responsible.

A good example of conditions worsening is that shipping container rates have been dropping since March. That cannot be ascribed to China's Covid lockdown because it's worldwide. China is now loosening up but rates haven't been affected. This makes is more likely to be a lack of demand or need for the containers because of a weak economy. Amazon, Target and Walmart have all reported weak earnings.

Normally we would be in the season for increase in gasoline demand but so far in May only May of 2020 has been worse. These are dull times except for people that enjoy mass murders.

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