

## The Plot Thickens

2-08-14

Concerned investors, searching for the bubble “buy” cue, detected it on Thursday in a “better than expected” weekly unemployment report. That the 4 week moving average was actually 250 higher than the previous week, that the 4 week moving average seasonally adjusted insured unemployed was up 25,750 from the previous week, that it was not really a good report, meant nothing. And to prove that this pretense of being tied to the real economy is a farce, when the employment picture was unequivocally shown to be deteriorating the following day with the report that only 113,000 new jobs were created in January (67,000 less than the “expert” consensus), the markets did almost as well.

As this depression seems to be following the pattern of the last one, it may be useful to remind folks how that story turned out. 1929, the economy heads South. 1933 it hits bottom. The government institutes various stimulus programs. (Good trivia experiment: Insert RFC into alphabet programs – WPA, CCC, NRA, etc. and see how many people know that the Reconstruction Finance Corporation was created by Hoover and not FDR). The economy seemed to be improving. Government cuts back on stimulus. 1937 – economy re-tanks. Stays there until capitalism's most successful stimulus arrives – the world is at war.

Now to our current experience. Economy begins to head South in the middle of 2007. Stimulus programs begun the following year. But this time it's mostly monetary – aid to the financiers rather than the traditional pump-priming through make-work of the real economy. Why? Because the old real economy is just plain pooped; nothing except for major injections of non-productive wealth can supply sufficient profits to make it seem alive. The economy bottoms out around 2009.

Then begins what they term a “recovery”. Even the tiniest sign that the monetary/credit fix will be diminished causes an economic sick-fit. But the government cannot afford to continue the risky policy indefinitely. A very slow tapering has begun, and just like 1937, it appears to be having the same effect. We will be entering an era where many issues may finally be settled. The two major solutions to the crises of capitalism will have failed. Modern warfare is not so practical as in the old days because now we risk total destruction. Small wars are everywhere, the population tires of them – talk of the never-ending “victories” – besides, wars weaken authority and risk revolution. The majority not only tires of claims of “recovery” but is angered by because most of the wage-earning class around the world is still much worse off than they were before the collapse.

Now that almost the entire earth is capitalist, we will have no alternative systems interfering with what our rulers are planning to implement for their final solution. We see that fundamental civil rights in all developed countries have been weakened (and elsewhere if they ever had them). The rulers know that world conditions will continue to worsen and they have enhanced the repressive apparatus already in place in order to deal with them. We are in the first stages of a bunker mentality. Fortunately, they will have to break through barricades in

order to reach them.

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