

We know

Written by Bruce Enberg

Wednesday, 26 December 2012 20:28 - Last Updated Wednesday, 26 December 2012 20:43

Preliminary sales figures show a very low growth rate for retailers this Christmas season that is likely to be the lowest since 2008. It's not too hard to figure out why this is so, people are getting lower wages and so have less to spend despite increased consumer debt.

It's not that there isn't enough business activity, corporations are showing record profits and the rich are swimming in cash, they just keep it for themselves. In the old days, when cash hoarding really started to tank the economy, people called this occurrence a 'cash shortage'. Today economists call it a recession when it meets their arbitrary standards of decline.

When it got bad enough, people would start stuffing their savings under the mattress which caused a 'bank panic,' we call those 'depressions.' Rich people would then take the cash they'd been hoarding and start buying things for 10 cents on the dollar. The Koch brothers fortune was created that way.

The far right business bloggers are pushing the notion that the billionaires are all bailing on the stock market, and so you should expect a 90% correction. (10 cents on the dollar) If I didn't know better (snort), I'd say they are trying to gin up an old fashioned bank panic. They mostly want you to buy gold or a Mayan doomsday shelter. Gold is down by the way. If you bought it a couple of years ago at its peak you've lost about \$200/ounce. That was back when righties were saying that I was crazy for telling people not to buy any gold. Every time anything bad happens, the USD goes up, not down. That's why rich people are invested in 'cash'.

We know

Written by Bruce Enberg

Wednesday, 26 December 2012 20:28 - Last Updated Wednesday, 26 December 2012 20:43

Not that I'm saying that they are 'for certain' wrong about the stock market. It is just a Ponzi scheme after all. Wall Street banks and the high frequency traders have taken trillions out of the markets over the years, and the only new money coming is from the suckers who want to get in on the easy money to fund their retirement. Pssst! Cat Food stocks are a good bet, lots of boomers coming into retirement soon.

Banks aren't really at risk in the sense that you can lose your FDIC insured account, the Fed can just replace the money by printing as much as is needed. This is why we can't turn into Greece, we don't really borrow money from foreigners. Have you seen any government checks payable in Chinese Yuan?

The old time radio show said, "What evil lurks in the hearts of men? The Shadow knows." Actually it is pretty much just greed, lust for power, and a total disregard for anybody they can take advantage of. And they do these things at every possible opportunity without exception.

Under the heading, *The further decline of America's status in the world*: China has opened another high speed rail line, the world's longest, and it operates at 185mph. It covers the distance in a third of the time of the old train it replaces. The old train ran at nearly double the speed Amtrack averages on route of similar length. Why does Amtrack do so poorly? Am 'track' doesn't own any of its own track. It exists in the Republican world of funneling money into the pockets of private rail lines who deliberately cause problems for Amtrack as they in fact get paid more that way. Hey Republicans, The Shadow knows, and we do too.

We know

Written by Bruce Enberg

Wednesday, 26 December 2012 20:28 - Last Updated Wednesday, 26 December 2012 20:43

prairie2.com