

The Jade Rabbit says, "Nǐ hǎo" (hello)

Written by Bruce Enberg

Thursday, 26 December 2013 21:40 - Last Updated Thursday, 26 December 2013 22:21

New unemployment claims fell sharply the week before Christmas despite widespread weather problems that were putting a drag on business activity. Early numbers suggest that retail sales were up for November and December, justifying the increase in business inventory during the third quarter. This would be in line with the declining layoffs, if inventory sold as predicted as more production will be required in January.

The Federal Reserve is cutting its \$85b per month QE3 bond buying program by \$10b in January and this is causing bond interest rates to climb. But so far this has had no negative effect on the stock market that continues to set records. At \$75b we're still talking about the better part of a trillion dollars a year in stimulus. Of course this is 'soft stimulus' that mostly ends up as bank balance sheet entries.

If the government would spend \$1t per year on infrastructure the US would be booming like China, instead of drifting toward becoming a third world colony of the People's Republic of China. Did I mention they have a rover named the Jade Rabbit on the moon? Twenty years ago there were almost no private cars in China, now the 'commies' are a bigger market for cars than the US. In five years their economy will be bigger than the US across the board.

The Republicans continue to attempt to sabotage the economy by cutting transfer payments such as unemployment benefits to 1.3 million laid off workers. Remember these people were fully employed at one time or they wouldn't be eligible for benefits. They aren't 'deadbeats', it's just that Conservatives sent their jobs to China.

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Cuts to SNAP food benefits also cause harm to the economy, and not just in terms of the dollars lost, but in the general morale of a big swath of the population. In fact the more you cut holes in the safety net the more 'conservative' people become in their actions. I mean 'conservative' in that people begin to make bad choices out of fear and insecurity. Actually, if you throw in ignorance and bigotry, you have the regular meaning of 'Conservative' which is really just a word for 'making bad choices'.

People who have no unemployment benefits find it much more difficult to even look for work, let alone find a job as these cruel cuts also reduce the number of jobs available. Choices that people wouldn't make otherwise start to appeal to the newly desperate. Like buying really cheap but 'nutrition free' food for the kids, or using your last day of Internet service to research 'cooking meth'.

The elderly also have a negative impact on the economy if they fear that they will run out of money and begin acting conservatively (making bad choices) because of the constant refrain from Conservatives that cuts to their 'entitlement' programs are inevitable. They are told that Social Security and Medicare will go broke, so they start saving instead of enjoying retirement by spending the money they have earned. Not to mention the theft of their pensions that they are told was inevitable, or was Obama's fault. In fact, all that they are told by the right is nonsense of course, but the corporate media will repeat these refrains as faithfully as Congressmen will cash their checks from the Koch brothers.

One of FDR's very first speeches had that quote we hear so often attributed to the war, but it was really about Republicans in 1933, "All we have to fear, is fear itself". Republicans do their worst damage by convincing people that our problems can't be fixed, or maybe it's that they successfully convince people that it wasn't Republicans that caused these threats to democracy

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and civilization itself.

Twitter @BruceEnberg - where we examine that thin thread holding up civilization. zàijiàn (goodbye)

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