

Bring your own Unicorn

Written by Bruce Enberg

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House Democrats lead by Nancy Pelosi have nixed a key provision of Obama's free trade Bill effectively killing it for the time being. In reality it was the failure of Republicans to pass it as they control the House, so it's probably just their way of embarrassing Obama before doing their Corporate Masters' bidding next week. Republicans seem to keep forgetting that Obama isn't running for a third term, and this will give Democrats a stick to beat job exporting Republicans with before next year's election.

Job creation was a robust 280,000 for May and the March number was revised upward by 32,000 to 116,000. Hourly wages rose by 8 cents to \$24.96, and over the past year wages rose 2.3 percent. Considering that the minimum wage should be \$22/hour, these positive numbers are rather lackluster and simply reflect the 'success' of Reagan's war on the Middle Class.

Greece appears to be getting close to an actual showdown with its creditors because of the sticking point being their refusal eliminate old age pensions. Bankers really don't like keeping people alive who can no longer work.

There's still time for the European Central Bank and the IMF to come to an agreement with Greece. That is unless they are really set on making an example of them. Spain is only months from going with a similar populist political party set to sweep into power before year's end. So far there have been no real negotiations, simply a slander campaign in the media with the hopes that the bankers could destabilize the populist Syriza Party government.

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The wildcard in all of this are the Chinese who have made moves suggesting they might be inclined to help Greece if they drop out of the euro. These days yuans spend as good as anything and China would just love becoming a major player in the Reserve Currency business by pushing the euro into 3rd place. Once Greece drops out of the euro there would be incentive for a line of debt ridden countries to bail out if China provides a soft landing.

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