

A Concatenation of Collapse

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For all of the rapidly growing mass of humanity who recognize the need for fundamental social and political change the moment of recognition to action is fast approaching. First – the economy. GDP growth was 6.9% in the 4th quarter of last year. First quarter of 2022 was down to -1.4%. A massive slide caused by any number of things including “stimulus”, that is, the creation of an illusion that things are OK.

An indicator that an economy is moving from slow – to stall – to stop is a build-up of wholesale inventory. Goods are accumulated for prompt shipment to retail outlets. From January to February it surged to 2.5%. That’s bad, but expectations were for an inventory of 0.9% from February to March. It was 2.3%. Retail inventory was similar. Expectations of 0.5 were crushed by 2.3%. Only once have wholesale inventory been above 2% and that was for one month in 2011. We now have had it above 2% for 4 of the last 6 months.

Amazon lost 10% of its market value in one session when it reported weak (according to investors) growth. In the first quarter of 2021 the company reported 44% net sales year over year in the first quarter of 2021. This year it was 7% – the slowest growth ever, and the first quarterly loss since 2015.

The Fed had been doing an excellent job in artificially creating an illusion that all is well. Unknown to most Americans the Fed has its own trading floor in the NY Fed bank to smooth out the rough edges of bad days. Several years ago it also opened its own trading office in Chicago to prop up commodities. But it can enhance reality only so much. Stock market inflation is about 3 times higher in the US than in France. It looks fishy when the real economies are not nearly in sync.

And then there is the war. They had it all planned. Drive Russia’s economy into the toilet. It did a lot of damage but no more than it did to itself and its slavish allies. At least Russia has learned something. It quite understandably expected a great improvement in relations with western capitalism once it also converted to that system. But Russia and its ‘communist’ neighbors were never a political threat to the West

after Stalin destroyed revolutionary communism in the early years of his seizure of power. It was wishful thinking this former enemies could ever be friendly partners with the US. Once advocating a system antithetical to capitalism makes nations or individuals enemies for life.

When the US had overwhelming dominance of the world economy it was in its eyes master's of the world. The easy money of the finance world led to the off loading of the real economy largely to China. Calculated on purchasing power parity, China's economy is now 18% larger than the US economy. Regarding trade in goods, China's economy is 35% larger, and in goods exported it's 92% larger.

The US now only leads the world in war making. The American military budget for 2021 was \$778 billion. The combined military budgets of China, India, UK, Saudi Arabia, France, Japan, South Korea and Australia totaled only \$761 billion. Germany's military budget for 2021 was \$54 billion. Biden is wants \$33 billion more for Ukrainian war expense. That's twice the last installment and when combined with previous smaller contributions means its sunk the equivalent of peace-loving Germany's military expenditure into a Ukrainian shithole that is heading for disaster.

America has lost its capacity for peaceful (mostly) economic exploitation. It has lost its skills in the goods trade and now must take by force. Unfortunately it has a political class that has more nerves than brains (like its president). It threw away the unique value of the SWIFT monetary trade facility by pissing away its political neutrality because it thought by expelling Russia it would break the country and scare the rest of the world from disobeying the boss. But Russia has not defaulted and will become all the stronger by joining with China and others who realize that the US cannot be trusted.

And then there is the state of the American political system. It's a melange of self-serving dolts haggling over private interests, and living in the imaginary times of past greatness. The only chance for unity is if one side can smash the other. The only chance for humanity to have any future, let alone a decent one, is to make this one the last bad historical accident.

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