

Who's to Blame for America's Decline?

By Bill Bonner

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Our view, for the benefit of new readers, is that **the U.S. went badly off the rails around 20 years ago. Since then, by almost every measure, it has been slipping and sliding downward. In everything, from life expectancies to income to GDP growth to freedom... to marriage rates and church attendance... America has lost ground.**

Here's the latest from Wolf Street:

The global share of US-dollar-denominated exchange reserves dropped to 59.0% in the fourth quarter, according to the IMF's COFER data released [at the end of March]. This matched the 25-year low of 1995. These foreign exchange reserves are Treasury securities, US corporate bonds, US mortgage-backed securities, US Commercial Mortgage Backed Securities, etc. held by foreign central banks.

Since 2014, the dollar's share has dropped by 7 full percentage points, from 66% to 59%, on average 1 percentage point per year. At this rate, the dollar's share would fall below 50% over the next decade.

On the global stage, in other words, the role of the U.S. is in decline.

But "declinism" has been, well, on the decline in academic circles. **It suggests a moral failing...** as if things might have turned out much differently had not people done stupid things.

"Risism," on the other hand, is perfectly acceptable. Nothing negative or prejudicial about it.

Even the "fall" of Rome is now viewed not so much as a "fall" but a "transition."

Yes, after the decline came the collapse. And then, the Barbarians took over and perhaps a million people died...

The Vandals, the Goths, the Sueves, and the Alans enslaved many more... burned down cities... destroyed libraries (they couldn't read or write, so what good were the ancient manuscripts?)...

...and Europe fell into a "dark age" for at least three centuries.

But that is a very "judgmental" view.

Even the word "civilization" is no longer considered intellectually respectable.

All cultures are equal. All languages are equal. All people are equal. None, according to this politically correct approach, are more "civilized" than others.

Here at the Diary, we take another view.

In the eyes of God (and sometimes, the courts) all men may be created equal. But we humans look at every single one of them differently.

Equality is neither a fact... nor a useful goal. After all, if we were all equal, we would be bored to death. No jokes, no lovers, no jackasses, no geniuses.

But don't worry... Equality is just what we don't have and don't want. We are always comparing... contrasting... sizing up and looking down...

One is more handsome... One is smarter... One chose the wrong spouse... One has no sense of color coordination!

There are roughly 250,000 adjectives in the English language... and every one is a way of making distinctions. Not even identical twins are the same.

Humans are never equal, one to another. (Otherwise, why would some be judged and others do the judging? Why would some lead and others follow? Why would some govern... and others allow themselves to be governed?)

All human life is unequal... and governed by moral rules, based on unequal conduct.

You make decisions. Decisions have consequences. You leave a nail sticking up on the job site. Inevitably, someone will step on it.

And there are always cycles – cycles of learning and forgetting... cycles of building up and tearing down... of civilizing and uncivilizing.

Most of the time, most people go about their business... doing their win-win deals... exchanging goods and services as best they can.

And then, along come the jackasses... just when you need them, to rob, murder, and legislate... and thus complete the full cycle – the rise and fall, the ups and downs, the booms and busts.

The cycles are inevitable. But it's still a "moral" world, in the sense that somebody left the damn nail sticking up!

Who's to blame for America's decline?

American economist Milton Friedman forged one of the nails. That is, he was instrumental in creating the new money system put in place in 1971.

People were already limping in the late 1970s – U.S. inflation was already in the double digits.

But then, Federal Reserve chairman Paul Volcker rescued the money system in 1980.

Then, quietly – and to the delight of millions – the new money did its damage, undermining the nation's economy and its political institutions for the next 40 years.

Today, thanks to all the feds' fake money, U.S. GDP growth rates are barely half of those from the 1970s and 1980s... and the nails are getting tossed out like confetti.

Last month, Congress passed a \$1.9 trillion "relief" program... and is now considering \$2.3 trillion more.

And last month, U.S. debt passed the \$28 trillion mark, an increase of \$4.7 trillion in the last 13 months.

But back in the 1990s, the momentum of growth and progress was so strong that the nation continued on an upward trend, until finally reaching the apogee of its imperial glory in 1999.

Then, measured in gold, U.S. stocks hit their highest levels ever. They began a decline in 2000, and have never recovered.

Alas, then came **a succession of bad emperors.**

George W. Bush launched the War on Terror – \$7 trillion down the drain.

Barack Obama bailed out Wall Street after the crisis of 2008-2009, and added nearly \$10 trillion to the national debt over his eight-year term.

The third in this parade of clowns was **Donald J. Trump**, who went on the biggest spending spree in U.S. history... with another \$8 trillion added to federal debt in just four years.

Government spending, as a portion of GDP, rose to over 40% during his term in office.

Worst of a Bad Lot...

But The Donald's contribution went far beyond the numbers.

He also remade the **Republican Party** in his own image. **No longer a party of ideas or principles...** it is now **just another group of hacks and grifters with a nativist/corporatist bent.**

This is especially important because now, we have the fourth, and **perhaps, the worst of an awful lot in the White House, Joe Biden.**

And, with no effective conservative opposition, **there is no one to stop America's eventual collapse.**

Watch where you step.

Regards,

Bill
