

AS WESTERN CIVILIZATION LIES DYING¹

John Kozy[©]

The Western commercial system exists to extract more from consumers than it supplies in products and services. Its goal is profit and has never been to improve the human condition but to exploit it. When governments institutionalize this system, they place their nations on suicidal paths, because as Jefferson recognized, "Merchants have no country." It is not terrorism that threatens the security of the Western World, it is the Western World's commercial system.

A man suffering from severe chest pains collapses. His wife calls 911. An ambulance arrives, the EMTs treat the patient, place him in the ambulance's bed, and start off to the hospital. Along the way, the engine stalls. The ambulance's staff begins arguing about how to get the motor restarted. One says more gasoline is needed, another says there's water in the tank, a third says the fuel filter is clogged. While they argue, the patient lies dying.

This situation is analogous to what's happening in America and parts of Europe. While economists and politicians argue, their nations are in the throes of death. These people are looking for the devil in the details, but he is not there. It's the system itself that's diabolical. The Western commercial system is extractive. It exists to extract more from consumers than it supplies in products and services. Its goal is profit, and profit literally means to make more. Its goal has never been to improve the human condition but to exploit it. It works like this: Consider two water tanks, initially each partially full, one above the other. One gallon of water is dumped from the upper tank into the lower one for each two gallons extracted from the lower tank and pumped into the upper tank. Over time, the lower tank ends up empty and the upper tank ends up full. The circulation of water between the tanks ends.

Essentially, this scenario describes all commercial systems based on profit. It is why the top 20 percent of Americans has 93 percent of the nation's financial wealth and the bottom 80 percent has a mere seven percent. It is why the bottom 40 percent of all income earners in the United States now collectively own less than one percent of the nation's wealth. It is why the nation's poverty rate is now 14.3 percent, about 43.6 million people or one in seven. It is also why the Wall Street Journal has reported that 70 percent of people in North America live paycheck to paycheck. It is also why, despite numerous pledges over decades, no progress has been made in reducing world-wide poverty. The system is a thief.

The economy has collapsed not because of misfeasance, deregulation, or political bungling (although all may have been proximate causes), it has collapsed because the pockets of the vast majority of Americans have been picked. The housing bubble didn't burst because home prices had risen, it burst because the pockets of consumers had been picked so clean they could no longer service their mortgages.

What the wealthiest 20 percent of Americans don't realize is that some in this group will begin to target the others in order to keep the extractive process working. In fact, it's already happening. "The brute force of the recession earlier this year turned back the clock on Americans' personal wealth to 2004 and wiped out a staggering \$1.3 trillion as home values shrank and investments withered." Little of this loss from investments was suffered by the lower

¹ Global Research, September 29, 2010. URL: www.globalresearch.ca/index.php?context=va&aid=21244

80 percent of Americans. There is, after all, no goodwill within greed, and the market can be and often is manipulated. The "system" has impoverished the people, the circulation between the two tanks has been reduced to a trickle, and our economists have convinced the government that the only way to get things flowing again is to pour more water into the upper tank, hoping that the spillover will settle in the lower tank. Better to pray for rain! This impoverishment has numerous mathematically certain implications; two major ones follow.

First, the system can't be fixed by tinkering with the details. At best, tinkering with the details can merely slow down the depletion of consumer wealth. As long as the system is based on profit, more must be taken than is given. The rate of depletion can be changed, but the depletion cannot be stopped. This conclusion is as mathematically certain as subtraction. Why the geniuses in the American economics community, all who whom taut economics for its use of mathematical models, cannot understand this is a conundrum. They can tinker as much as they like. Some tinkering will produce apparent benefits, some won't. But one thing is certain—the system, unless it is fundamentally and essentially changed—will break down over and over again just as it has at fairly regularly intervals in the past. As long as maintaining the system is more important than the welfare of people, the people have no escape. They are eventually impoverished—both when the system works and when it doesn't! Two thousand years of history has produced not a single counterexample to this conclusion. Prosperity never results from exploitation.

Another implication that few seem to recognize concerns the national debt. We are told that the burden of paying off the debt will be borne by our progeny, our children, and their children. But unless the Western commercial system undergoes fundamental changes, the children and grand children of most Americans will never have to bear this burden. Why? Not even governments can pick empty pockets. So if the debt is to be paid by raising taxes, the children and grandchildren of that 20 percent of Americans who hold 93 percent of the nation's financial wealth will have to pay them. Most, if not all, of these people are also investors. Given the acrimonious debate about letting the Bush tax cuts for the wealthy expire, the chances of that ever happening are slim to none.

Will the debt then be paid by devaluing the dollar, by printing money? Many believe that the government will eventually take this alternative. Let's say it does. Then all the dollars held by anyone anywhere will be devalued equally, including the dollars held by that same 20 percent of Americans. Again the wealthy 20 percent of Americans, having the most, lose the most. The devalued dollars they collect on their investments are merely added to their other devalued dollars, and the more the dollar must be devalued to repay the debt, the more the wealthy lose. And finally, will the government default? Most seem to believe this to be unlikely. Perhaps, but isn't it the best alternative? Investors will simply not be paid, but the rest of their money will retain its value unless other economic consequences reduce it. Even Morgan Stanley recognizes that "the sovereign debt crisis won't end till deeply indebted rich country governments give holders of their bonds a good soaking."

So relax, Americans, your children will never bear the burden of paying off the national debt. Just sit back and enjoy watching the wealthy squirm. Some say that if the nation defaults, the government will be unable to borrow. But other governments have defaulted without losing their ability to borrow. Russia, Argentina, and Zimbabwe are but recent examples. Of course, there are severe economic consequences to defaulting, but there are severe consequences to each of these alternatives too. How much harder can life be for the 80 percent of Americans holding a mere seven percent of the nation's wealth? There are, after all, no degrees of broke; no broke,

broker, and brokest.

Will investors refuse to lend? Doubtful. A wealthy person can do four things with money: give it away, spend it, stuff it under the mattress, or invest it. Those are the only alternatives, and it is unlikely that much of it can be spent or that many will have the inclination to give it away or save it. So the wealthy really lack a great deal of choice.

Finally, a hidden principle underlies this extractive system—It is okay for some to enrich themselves by making others poor. Even though this is exactly what thieves do, no one, to my knowledge, has ever pointed out that this principle is immoral. It appears to be accepted universally as economically acceptable. But consider these two similar principles: (1) It is okay for some to improve their health by making others unhealthy, and (2) It okay for some to avoid the consequences of their criminal acts by making others bear them. No one would consider the last of these right, yet all three are logically and materially identical.

Some may claim that without profit, no commercial system can function effectively. If true, the implications for humanity are horrific. It implies that mankind was made in Satan's image, that the Commandments, especially the tenth, are fraudulent, that all the philosophy and literature that defines Western Civilization are nugatory, that no essential distinction exists between so-called civilized and barbaric nations, that all governments are illegitimate, that words like justice and fairness are meaningless, that the law is lawless, that society disintegrates into no society, and that nothing really matters. The economy is Bedlam, the Earth is the Universe's Insane Asylum, and the craziest are in charge. What kind of human mind would ever attempt to defend this abomination?

This Western commercial system exists merely to enrich vendors by exploiting consumers. When governments institutionalize this system, they place their nations on suicidal paths. Astute observers of history have long recognized what Thomas Jefferson made explicit—"Merchants have no country." Oh, yes! These merchants will object vehemently. Pay no attention. Just watch what they do.

They expect favorable treatment and services from governments but do everything possible to keep from paying for them in taxes and exhibit no concern whenever their native lands face bankruptcy. When their native lands face stress, as in times of war, the people are called upon to sacrifice while the merchants are allowed to profiteer. When John F. Kennedy said, "Ask not what your country can do for you, but ask what you can do for your country," he was not speaking to corporate America. Does any reader of this piece really believe that the makers of Humvees, drones, and F16s would ever consider supplying them to our military at cost? Yet how great is the cost of the sacrifice parents are asked to make by sending their children off to fight hideous wars?

People, a merchant unwilling to sacrifice for his country has no country, he will support no country, defend no country, and if such people are given control of a nation, they will suck its blood dry and sell off the body parts to the highest bidder. Not even a recognizable corpse will remain. It is not terrorism that threatens the security of the Western World, it is the Western World's commercial system.