

The World is Waking up from the American Dream

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POITOU, FRANCE – St. Augustine blamed the fall of Rome on the failure of its pagan gods.

Historian Edward Gibbon took the opposite view: He thought the empire had been weakened by Augustine's god.

Here at the *Diary*, we take no position on what brought down Rome. But we have some ideas about which gods will bring down the U.S. empire.

Side by Side

Readers will note that we've been using the term "god" loosely.

It is not the same as God, for whom we maintain a wary reverence.

"Gods," on the other hand, are easily mixed up with heroes and myths... and other things that are largely fraudulent or incomprehensible.

Someday, perhaps more precision will be brought to bear. But that will take more hard thinking than we have time for to do while we are still on our summer vacation.

As a matter of habit and a point of honor, we do no hard thinking in August. This is a season to let the thoughts come ebb and flow like a gin and tonic on a warm afternoon.

And we remind readers that the subject of the *Diary* – at least the ostensible subject – is money. So you can be sure that the lofty ruminations on the divine will return to the muddy sty, eventually, and wallow in filthy lucre.

Wasting no time, we look at the dots. How do these [Confederate monuments](#) connect to anything else?

For more than 150 years, Yankees and Rebels... abolitionists and racists... conservative and liberal... red and blue... have lived side by side, with no evident desire to murder each other.

They tolerated each other's opinions, each other's statues, and each other's gods.

What changed?

Why is the Confederate Soldiers and Sailors Monument – a fixture of the Bolton Hill area of Baltimore for the last 114 years – with no word of protest even from the Yankee veterans who lived in the area when it was erected – suddenly faced with a wrecking ball?

Our mother, who died a few months ago, lived nearby and recalled playing on the monument as a child.

But now, City Councilman Brandon Scott says it is not enough to remove it. "These people were terrorists and traitors," he says yesterday, calling for public destruction of the monument.

Poor Johnny Reb. He answered the call to serve his nation... taking up arms to protect it against invaders coming down from the North. And now he's branded a "terrorist"!

Why? Why now?

American Depression

President Trump says we have a great economy with low unemployment, low inflation, and high stock prices.

He's creating new jobs and making America great again. He's got a "tremendous tax cut" coming... that will give a "tremendous stimulus" to the economy... and create a "tremendous number of new jobs."

Mr. Trump is in the White House and the gods are in their heavens; what's not to like?

But the president errs and the gods fail.

As to the economy, over the past 18 years, these *Diary* pages... and the pages of our previous e-letter *The Daily Reckoning*... have recorded its decline and fall.

We have not been able to confirm this – yet – but we believe that much of the country... perhaps the majority of it geographically... has been in depression for many years. Just go to the industrial heartland and have a look around.

As a whole, the U.S. economy shows only modest growth, but even that is mostly an illusion caused by the deliberate miscalculation of inflation.

Were the raw numbers adjusted for consumer price inflation, as it was reckoned during the Reagan administration, the whole country would be seeing on-again, off-again recession, much like Japan since 1989.

The jobs numbers are similarly scammy. They purport to show a nation at full employment. But the actual number of people working, as a percentage of the population, has fallen back to levels last seen 40 years ago.

Good-wage jobs in the manufacturing sector have disappeared. In their place are low-paying jobs in the HES – health, education, services – complex.

They leave men – particularly in the Midwest – out of luck with few ways to earn enough money to support their families... and a lot of idle time on their hands to google "Schwarze Sonne" on the internet.

Hollow Promises

Not only have many men lost their place in the family, but also their country has lost its place in the world.

A recent study by the International Monetary Fund reports:

For some time now there has been a general sense that household incomes are stagnating for a large share of the population, job opportunities are deteriorating, prospects for upward mobility are waning, and economic gains are increasingly accruing to those that are already wealthy. This sense is generally borne out by economic data and when comparing the U.S. with other advanced economies.

And Bloomberg elaborated:

[T]he U.S. has been losing ground relative to other OECD members in most measures of living standards. And in the areas where the U.S. hasn't lost ground (poverty rates, high school graduation rates), it was at or near the bottom of the heap to begin with.

The clear message is that the U.S. – the richest nation on Earth, as is frequently proclaimed, although it's actually not the richest per capita – is increasingly becoming the developed world's poor relative as far as the actual living standards of most of its population go.

As he loses ground at home, the typical citizen loses faith in his gods.

The promises of everlasting prosperity – financed by fake money, funded with debt, and managed by the feds – seem hollow and worthless.

He looks for something else to feel good about.

What does he find?

Mars, the god of war.

Generals still swagger. Soldiers relish their firepower. And from their La-Z-Boys, middle-aged citizens in Dubuque or Anaheim boast that they can kick butt anywhere in the world.

But the gods of war fail most miserably of all. For 16 years... the longest war in U.S. history... the Pentagon, assisted by profit-seeking cronies, has been unable to win in Afghanistan.

More broadly, they've been romping around the Mideast for nearly the entire century with nothing to show for it.

Except the obvious things: more than 5,000 dead soldiers... more than 1,500 missing legs... and some \$7 trillion hustled from the Main Street economy to the Deep State's enforcement arm.

More to come...

Regards,

Bill