

# The Unz Review • An Alternative Media Selection

*A Collection of Interesting, Important, and Controversial Perspectives Largely Excluded from the American Mainstream Media*

## Life in a Failed State — Part 2

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### The Crumbling of America

In June of 2013 an Interstate bridge on a main commercial corridor between Seattle, Washington and Vancouver, Canada, collapsed and fell into the river below after being hit by a truck. This was not a high-speed collision; the truck simply bumped one of the main support pillars at low speed, but the weakened and dilapidated pillar broke from the strain and, without that extra bit of support, the entire bridge immediately collapsed into the river. In prior examinations, the heavily-travelled bridge had not only been rated as functionally obsolete but structurally deficient and requiring replacement.



This is only one of thousands; the great majority of the physical infrastructure of the US is in a similar condition, involving roads, dams, bridges and more. More than 160,000 bridges in the US are officially categorized as dangerous, at risk of collapse, with such collapses now regularly occurring.[1][2][3]

Most American infrastructure was built in the early to mid-20th century, the continent having been simultaneously wired for electricity and phone service while constructing large projects like the Hoover Dam and the Golden Gate Bridge, as well as the interstate highway system along with thousands of smaller bridges, tunnels and more. But the US has spent almost no money on maintenance and repairs on any of this infrastructure for almost 60 years now, all its money having been spent on wars and foreign military bases and

bio-weapons labs. The situation today is dire and, in many instances, critical, but money is no longer available. Roads and highways alone require more than \$100 billion per year; bridges would require many hundreds of billions per year indefinitely. Most are reaching the end of their useful life and repairs alone will not suffice; replacement will become increasingly necessary.

**The American Society of Civil Engineers** produced a comprehensive evaluation report on America's entire infrastructure, which gave all but one item category a "D" grade, meaning unsatisfactory, inadequate, and in danger of failing. The list included drinking water, wastewater treatment and handling, the electric power grid, airports and aviation facilities, rail facilities and transportation, inland waterway transportation, roads and highways, bridges, dams, hazardous waste, schools and transit. **Each category received a D.[4][5][6]**



More than 4,000 dams in America were classified as unsafe and dangerous by the American Society of Civil Engineers, who noted that failures were increasing at a disturbing rate with about 40% of all US dam failures since 1875 having occurred in only the last ten years. In one year, 2004, in only one county in New Jersey, 30 different dams failed or were severely damaged due to heavy rainfall. In only one 5-year period ending in 2006, 130 major dams failed and the US experienced 1,000 of what the engineers called "dam incidents" which revealed deficiencies so serious as to threaten the integrity of the dam. In one major case, the US saved a dam only by opening the flood gates and releasing all the water. Engineers claim the number of unsafe dams is increasing much faster than those being repaired.[7][8]

Before Hurricane Katrina devastated New Orleans in 2005, engineers wanted to rebuild the levees to prevent their collapse, but the \$1 billion cost was unaffordable. After Katrina, the federal government had to spend \$17 billion on a poor-quality repair, leaving many of the original problems unresolved.

The US has more than 300,000 Kms. of highways, most of which were built in the 1940s and 1950s and which have seldom received adequate maintenance. In Washington, the nation's capital, 65% of all roads and highways today require either substantial and expensive overhaul or total replacement. **Many US states today are tearing out their hard-surfaced highways, and reverting to gravel and dirt-surfaced roads** that were common in the 1950s, since the highways, like the bridges, are nearing the end of their useful lives but no money is available for the expensive repairs.

America's road tunnels are also in serious condition, including new ones which collapse with some regularity, as occurred in downtown Boston in 2006. As with many others, this collapse was not an "accident" as authorities initially claimed, but was proven to have been caused by inferior quality, substandard building

materials and sloppy construction work, exacerbated by carelessness and incompetence – the same issues the US likes to claim are endemic to China.[9][10]

Every year, America’s aging sewer systems spill by some estimates millions of cubic meters of untreated sewage, contaminating freshwater rivers and creating enormous health hazards. The US power grid is increasingly unable to carry its loads, regularly disrupting the nation and leaving entire cities without power.

Derailments and other accidents now occur almost daily on America’s dilapidated and unsafe rail network which, like the highways, has received only urgent patching rather than proper maintenance and repair. The same is true for subways and elevated inner-city rail systems like that in New York City; rickety, dirty, dangerous, and looking for a reason to collapse. Many of America’s airports and railway stations compare unfavorably to those in third-world countries, and many of the nation’s schools are not measurably better.[11][12][13][14][15]

As one measure, **China spends 9% of its GDP on infrastructure, while US infrastructure expenditures peaked at 3% almost 60 years ago and have been falling ever since.** Where China and other Western nations and developing countries have been increasing their investment in physical stock, the US has gone in the opposite direction, leaving a legacy of a crumbling nation already hopelessly in debt and without the means to change direction.[16][17][18]

It’s worthy of note that various portions of the US government, the World Bank, the IMF, ‘economics professors’ like Michael Pettis, and others, voice a unanimous and increasingly strident insistence that China immediately abandon its capital investment infrastructure programs as ‘unsustainable’, and develop its economy in true American fashion by encouraging Chinese to max out their credit cards, thereby “rebalancing” China’s economy in a “sustainable” fashion. And thus, joining the West in its imminent historic collapse.

There are two causal explanations for this massive deterioration in the American physical stock that exists in no other nation in the world. The first is clearly that for the past 60 years the US government spent its cash and ten trillion in borrowed money on wars of cannibalisation for the benefit of the top 1% who don’t take the subway and aren’t interested in your leaking sewers.

The second clear cause has been **the privatisation of the nation’s infrastructure.** The bankers and private equity companies took control of much of America’s physical stock solely to extract the value from those assets, a process not assisted by expenditures on maintenance, repair, or long-term investment. A toll highway for which private investors pay \$2 billion may provide an extraction of perhaps \$20 billion in profits, but repairs other than the most minimal and urgent cannot fit into this picture.

Based on the creed of profit maximisation, the most financially-sound plan is to calibrate maintenance and repairs to the precise extent that when the asset is returned at the end of the lease, its value will have depreciated to zero. In other words, **the asset itself is slowly cannibalised over the term of the lease, to enhance the profits.** But in a truly bizarre turn of events, US bankers and media supporters are now claiming that a solution to the US’ overwhelming infrastructure problems is to transfer yet another \$500 billion in public assets to private owners.

### **America the Shrunken**

In May of 2014, **Frank Bruni** wrote an article for the NYT titled ‘America the Shrunken’, in which he detailed what he called “the downward arc of a diminished enterprise” that was the USA, quoting friends who claimed their children would live in a more impoverished America, that the reign was over and the slide was inevitable.

The optimism and the arrogant swagger are mostly gone. He quoted Democratic strategist Doug Sosnik who wrote, “At the core of Americans’ anger and alienation is the belief that the American dream is no longer attainable.”[19] He wrote:

“For the first time in our country’s history, there is more social mobility in Europe than in the United States. **More and more I get the sense that we’ve lost it. Everywhere you turn, the evidence mounts.** American schoolchildren aren’t anywhere near the head of the international pack, and American adults, according to one recent study, lack the technical skills that peers in many other developed countries have. **American bridges crumble. American trains crawl. American flights leave from terminals that pale next to many Asian and European counterparts.**”

“Joe Biden acknowledged as much when he compared La Guardia Airport to a third-world country. I’ve been to La Guardia and I’ve been to Guatemala, and if I were Guatemala, I’d sue for defamation.”[20] And again, “the middle class in America, which had long been the world’s most affluent, wasn’t anymore. Canada had overtaken us. My Times colleague Nicholas Kristof wrote about America’s rank on a new “social progress index” that includes 132 countries. We’re 39th in basic education, 34th in access to water and sanitation – access to water and sanitation! – and ... just two spots above Slovenia.”

Also in May of 2014, **Peter van Buren** wrote an article titled **An Empire in Decline**, City by City, Town by Town, in which he related some of his travels through parts of the US today and compared them to their appearance in their prime – a time not very long ago. He began by writing:[21]

“As America’s new economy starts to look more like the old economy of the Great Depression, the divide between rich and poor, those who have made it and those who never will, seems to grow ever starker. I know. I’ve seen it first-hand, the cumulative effects of years of deindustrialization, declining salaries, absent benefits, and weakened unions, along with a rise in meth and alcohol abuse, a broad-based loss of good jobs, and soaring inequality seemed similar enough to me. The destruction of a way of life in the service of the goals of the 1%, whether in Iraq or at home, was hard to miss. I grew up in the Midwest at a time when the country still prided itself on having something of a conscience, when it was a place still built on hope and a widespread belief that a better future was anybody’s potential birthright. Inequity was always there, and there were always rich people and poor people, but not in the ratios we see now in America. What I found in my travels was place after place being hollowed out as wealth went elsewhere and people came to realize that, odds on, life was likely to get worse, not better. For most people, what passed for hope for the future meant clinging to the same flat-lined life they now had.

Visit Atlantic City in 2014 and it’s again a hollowed-out place. The once swanky mall built on one of the old amusement piers has more stores shuttered than open. Trump Plaza, a monument to excess and hubris, is now a catalog of decay. The pillows in the rooms smell of sweat, the corners of doors are chipped, many areas need a new coat of paint, and most of the bars and restaurants resemble the former Greyhound bus terminal a few blocks away. People covered with the street

gravy that marks the homeless wander the casino, itself tawdry and too dimly lit to inspire fun. There were just too many people who were clearly carrying everything they owned in a backpack.”

His visits and commentary extended to many locations he had known earlier, perhaps in his childhood, and all, in their own way, fit the description above. There are still some rich cities in America, and even some glitzy ones, but when we pull back the curtains and survey the entire stage, today we see a preponderance of decay. Detroit, Chicago, many California cities, much of Florida, and so many more with not only neighborhoods but entire counties and larger areas rotting from the inside. The great corporations are gone, the jobs are gone, the wealth is gone; only decaying skeletons remain to remind us of what once was. So much of America today is just junkyards, abandoned homes, lifeless slums, empty lots, rusting carcasses of factories, and homes full of despair.

“California has become a failed state. California’s crisis is by no means unique. That dream is dead. Policies enacted in the second half of the 20th century ultimately undermined it. The tax revolt of the late 1970s dismantled the dream in order to enable a select few to continue enjoying it. Large corporations and the elites chose to restructure state government to cut off everyone else from public services while preserving their own subsidies.” **Bill Bryson** said in an interview with the UK Telegraph: “America has, during my lifetime, engaged in long campaigns to make everything as ugly as possible. I just find that heartbreaking and disappointing.”[22]

A cover story of **Time magazine** carried the headline **The Broken States of America**, in which it said:

“Schools, health services, libraries – and the salaries that go with them – are all on the chopping block as states and cities face their worst cash squeeze since the Great Depression. A nation that is good at destroying things – with wars overseas and mind-bogglingly self-destructive policies here at home – but that has lost sight of how to build and maintain a flourishing society. We’re dismantling our public school system and, incredibly, attacking our useless system of higher education.”[23]

According to a report by **Ken Klippenstein**, Detroit today has 60,000 to 70,000 empty buildings, many city blocks with only one or two remaining dilapidated homes that have not been demolished, and city services are almost non-existent. So much of the city is virtually uninhabited that the fire department can no longer afford to bother fighting fires, and bus service or other public services have been discontinued. The city is simply dying, officials begging residents to relocate to a high-density city core in a final bid to survive. It may be too late. **It is possible almost anywhere in Detroit today to buy a nice large home for only \$1 because the owner of a worthless property wants to escape the high taxes and maintenance or demolishing costs. There are no takers.**





American cities are not only crumbling; they are increasingly filing for bankruptcy. Stockton, California was one of the largest bankruptcies in recent history, and today, according to reports, has “piles of garbage in the central streets; barricaded entrances to once-luxurious shopping centers; homeless, drunken beggars; rampant crime; and an unemployment rate of 20 percent.” San Bernardino, also in California, went bankrupt with debts of more than \$1 billion, as did Jefferson, Alabama, and of course the latest and largest being Detroit, General Motors’ headquarters. This is the largest municipal bankruptcy ever in the US and, while this city may be the worst example, it is by no means the only similar example. But the bankers won’t lose; they bullied the state and local governments to raid the public and private pension plans of the city’s residents to repay their loans before the bankruptcy.

One American commenting on an article in the Wall Street Journal, wrote the following:

“I’ve said it again and I’ll say it now, the US is in terminal decline. The fact that they have to run trillion-dollar deficits with 0% interest rates and QE infinity and can only get 2% growth proves my point. I give the US another 10 years before their giant debt-based Ponzi scheme comes crashing down and the United States economically collapses like the Soviet Union and the US might even break up politically. I live here in the US, and I can tell you that there is absolutely no rule of law here, it’s corrupt to the bone. The politicians are bought by interest groups and the Caucasian population is dumb as a doorknob.”

Another commenter on the same article:

“As a Chinese living in America, I’ve seen the US and I can tell you this country has no future; the education system is failing, crime is off the scale, drug use is rampant, adultery is out of control, teen pregnancies are at all-time highs. The debt is actually a lot worse than the official numbers say, it’s sometimes double or triple the official figure. The US government fudges its books to appear strong, don’t believe a single number they say, it’s all manipulated. Here in the US, there are two books, one book for the public and one for the officials. Vast majority of the innovation done here is all done by Asians, mostly from China. Nearly all the top universities are

filled with Asian students. The white students just aren't smart enough or hardworking enough to beat the Asians. Anyone thinking this will be the century of America is beyond delusional. It's a country on the way down and fast. I give it another 10 years before this facade comes to a crashing and painful end. Folks you are witnessing the decline of the United States.”

## The World's Richest Banana Republic



Democracy as a form of representative ‘government by the people’ has never existed anywhere and certainly none exist today. There is no so-called democracy today where the population has a voice in anything of consequence or where significant issues are even addressed, much less intelligently debated. The sad truth is that democracies seldom attract the best or brightest individuals to any post, with political power increasingly accruing to either the power-hungry or the riff-raff who couldn't make it elsewhere. There is no shortage of examples. George Bush Jr. failed at everything he tried, except becoming President of the US. Stephen Harper, Canada's Prime Minister, finished high school, dropped out of university and got a job working in a corporate mail room. I was told it was the only job he could find, and it was only due to his father's connections that he got even that. Then, an unfortunate accident of a cruel fate made him the leader of a rump of a political party that happened to win an election, and he became the Prime Minister of Canada.

Australia and the UK have many comparable examples of inferior and substandard individuals taking leadership. Most politicians in democratic countries don't have the credentials to qualify them for management of a convenience store. Contrary to what most Americans would tell you, this is not a manifestation of the American Dream where anyone can rise to the top by hard work, but is instead a devastating indictment of the glaring shortcomings of the democratic system, demonstrating the ease with which **the incompetent and corrupt can obtain the power to destroy what was a perfectly good country.**

In large part because of this substandard human content, democratic governments have been overpowered by those who are the best and brightest – and the richest – generally the captains of industry and the military/espionage/industry complex, and by those with money – the US FED, the (mostly Jewish) international bankers, AIPAC, the Jewish lobby and Israeli interests. These powerful and wealthy private interests and special interest groups have taken almost full control of most democracies, their money and influence increasingly dictating the political and social agendas for these nations, agendas beneficial to them alone. All democratic governments to some extent, but again primarily the US, have essentially abandoned their responsibility as managers of their nations and societies, have lost the thread of the national good, instead relegating their nations to a condition of management for the benefit of private interests. That is why the US FED and the government spent trillions bailing out the banks that created the 2008 crisis, calling it a financial crisis instead of identifying it as the human disaster that it really was. The banks were not too big to fail; rather they were too well-connected to fail. The people, on the other hand, were irrelevant.

America's middle class was totally gutted by this humanitarian crisis, with tens of millions of families descending into what is now the largest lower-class percentage in any developed nation in the world. Today, a full 25% of the US population have a zero or negative net worth, are now living below the poverty line and cannot buy sufficient food without government aid. The US Gini index is now worse than those of many Central American and African nations, and the US is no longer included in a list of the top 10 most prosperous nations. A full two-thirds of US parents believe their childrens' future will be poorer than their own. From 1970

to 2008, top-tier incomes rose by 385%, second-tier by 141%. But the bottom 90% of Americans saw their incomes decline by more than 10% in real terms, and **the average income of this 90% of Americans is not the \$45,000 we read so often. It is only \$31,000 and dropping.** Those statistics are not reflective of a financial crisis, but of a humanitarian one, a fact that has gone unnoticed and unmentioned, the focus being entirely on the potential financial distress to US banks and large corporations.

Ken Klippenstein noted in an article that “The idea that the United States has the highest standard of living in the world is one that is actually believed by numerous grownups in America, and most of them believe that this highest standard applies across the board. The same lack of awareness about superior conditions in other countries extends to health care, working hours, vacation time, maternity leave, child care, unemployment insurance, and a host of other social and economic benefits. In short, amongst the developed nations, the United States is the worst place to be a worker, to be sick, to seek a university education, to be a parent; or, in the land of two million incarcerated, to exercise certain rights or be a defendant in court.”[24]

Biggest question on Wall Street’s mind right now: “How large of a decrease to their standard of living will Americans tolerate?” <https://t.co/ngoE9i5u6Y>

— Ken Klippenstein (@kenklippenstein) [September 14, 2020](#)

In terms of infant mortality and life expectancy, the US is very far down the list, with average life expectancy 50th in the world – just above Albania, and infant mortality 46th in the world – worse than Slovenia. But this is only part of the story. As I’ve already outlined, the US has massive racial differentials included in income and other disparities. US statistics for both longevity and infant mortality are far more favorable for whites with money. It isn’t the rich Jewish kids who are dying early – it’s the poor whites, the Mexicans, Puerto Ricans, Cubans and blacks. I have to say these statistics remind me of Defense Secretary Robert McNamara’s “Project 100,000” program designed to depopulate the US of several hundred thousand mentally-retarded young men by sending them to Vietnam as cannon fodder.

In one of his excellent articles, **Joseph Stiglitz** wrote that the facts are everywhere, in the lobbying, vote-buying and extreme pressure on tax policy, lax enforcement of anti-trust laws, manipulation of the financial system, and an almost 100% immunity for corporations and their executives to not only loot the nation and the people but to be held harmless for their crimes. The US Supreme Court has now enshrined the right of large corporations and their executives to buy politicians and the government, by removing limitations on campaign spending. Virtually all the politicians in the US are kept in office by this top 1%, and are rewarded well for their servitude – not to the nation, as per the oath of office they took, but to those who bought and paid for their election campaigns.[25][26][27][28]

Stiglitz points out too, that most of the key executive-branch policymakers on trade and economic policy also come from the top 1%, and the assistance they provide to their friends in plundering the nation’s treasury is almost breathless. As an example, these people gave the large pharmaceutical companies a trillion-dollar gift which went totally unnoticed (or unappreciated) by the general population. The US government, through its national Medicare programs, is the largest buyer of medications in the country. But this group of friends coerced their paid lackeys in government to pass a law preventing the government from bargaining over price, and being forced to pay the highest prices for brand-name drugs when generic substitutions would save billions in the federal treasury. Moreover, the government cannot even look for ‘volume discounts’ from these pharma



companies. If that isn't a good example of effective total control by money and corporations over a government of the people, I cannot imagine what would be.

This same 1% has enough power and influence that many of their paid politicians will attach to any proposed law or bill a provision for yet more tax cuts for the rich. Refusal to approve this add-on would kill any passage of legislation. That is the way the system works. It was the same with the recent US health care legislation. A large part of the reason that the US Health Care System is so expensive and inefficient is that private insurance companies control the system. Americans cannot simply obtain health care at cost. They must buy insurance policies from companies that double the cost. Of course, it is financially disastrous for the nation and the people, but highly profitable for a handful of individuals in this top 1%. And since they have bought and paid for the politicians who make the laws, their position is secure.

At the end, Stiglitz makes a serious point, but I fear he might as well be wailing in a forest somewhere because there are no powers remaining in the US that would listen to his plea. He tells us: "Of all the costs imposed on our society by the top 1%, perhaps the greatest is this: the erosion of our sense of identity, in which fair play, equality of opportunity, and a sense of community are so important. America has long prided itself on being a fair society, where everyone has an equal chance of getting ahead, but the statistics suggest otherwise: the chances of a poor citizen, or even a middle-class citizen, making it to the top in America are smaller than in many countries of Europe." I would add that the chances of a poor citizen reaching the middle class are also far higher in China than in the US. The American Dream has been killed by the 1%. In contrast, the China Dream is only just beginning.

**Timothy Noah** produced a well-written series of 10 articles titled "The United States of Inequality",<sup>[29][30][31]</sup> in which he examines the various causes of the alarming decline in income equality in the US. In these articles, he attributed the blame for this development as follows:

- International Bankers and pampering of the Rich: 30%
- Failure of the education system: 30%
- Decline of labor: 20%
- Trade and Tax policies: 15%

Mr. Noah's examination was excellent and well-thought out, but he failed to make the one most important link, the cause that was so obvious to Stiglitz, that link being that the steady and increasingly rapid decline in income inequality in the US was not an accident, but occurred primarily because the top 1% wanted it and caused it. To clarify, the US top 1% exerted every manner of influence, including buying politicians and votes, to feather their own nests. An inherent and necessary part of this process was the destruction of labor and wages, the financial strangulation of the US educational system, and the skewing of tax policies and international trade practices to favor only this same 1%.

The great 'hollowing-out' or the gutting, of American manufacturing did not occur because "China stole the jobs" as the 1% were so fond of claiming, but because this same group negotiated from the US government an enormous tax break – specifically that any profits earned (and kept) outside the US would be tax-free. The only possible result of such a success should have been immediately clear to everyone, that the multi-nationals would fire their employees, close their factories, and move production offshore. It was the Mattels and the Levi's and the General Motors, and countless firms like them who gutted American manufacturing, eliminating millions if not tens of millions of middle-class jobs and totally eviscerating America's middle class. And these same firms today, with their countless billions of dollars in profits remaining overseas, are now pressuring the US government to permit them to bring home all those profits on a tax-free basis on the unbelievably disingenuous basis that they would use them "to create more jobs". But of course they won't create any jobs.

What they will do is repatriate their profits, pay small taxes on capital gains or dividends, and pocket the money to be used to further their destruction of American society.

This story is now playing out in parts of Europe as well, including unfortunately Germany, the one country that seemed immune to the inhumanity of Western capitalism. But the Germans have since lost their brains and permitted the Americans and the European non-accountable bankers to bully them into abandoning education and labor and heading down the same anti-social road as the rest of the New World Order warmongers. It used to be that in many European countries, the people were more important than profits. Sadly, they will soon no longer be able to make this claim.

We have already seen that US economic growth was greater prior to 1980, even though marginal tax rates were much higher, but those who manipulated Congress and the White House for minimal tax rates were not interested in growth; they were interested in rents. The new tax system was designed by the top 1% to encourage financial profits rather than those from the real economy, in fact designed for those who make money from money by penalising those who don't. It was designed to be extractive in the same way as its beneficiaries, to encourage what is called rent-seeking. As well, the post-war social contract effectively redistributed coins from the private rather than the public purse, eliminating income disparity and producing real wealth while drastically reducing any need for public redistribution, but those days too are gone. Stiglitz noted in an article that part of the US' poor economic performance is due to distortions caused by the tax system but, as with the US Justice System and so much else in America, it isn't that the tax system is not working; the system is working perfectly as intended. The rent-seeking did not occur because the tax system changed; the reverse is instead true. The tax system was changed to permit the top 1%, who are all rent-seekers, to take advantage of it.

**One of the tragic, at least to me, elements in the vast economic and social charade which is the US today, is the degree to which people have been so blinded by propaganda and the foolish utopian narrative that they look but can no longer see. The volume of interconnected bits is everywhere to be found, but almost no one appears able to connect them.**

One American wrote:

“It is the job of the American people to hold their elected officials accountable, and vote for the politicians that support the policies that we as a nation know are right, or at least vote against policies that have been tried and failed”.

What must happen for him to finally realise that “the American people” are as irrelevant as their votes, that the politicians have been pre-selected primarily for their willingness to betray the people to those who bought and paid for their loyalty, that a choice of two clones selected by others, is no choice at all. What must happen for ‘the people’ to realise they have no power whatever to change the course of their government nor to affect any of its policies in any meaningful way?

And, as is so typical, the US media are of one voice in their effort to mislead Americans and the world as to the cause and ultimate responsibility of this enormous disaster by repeated attempts to deflect the blame to the people and the lower levels of society. As late as December of 2014, **Hunter Schwartz** wrote an article in the **Washington Post** claiming that it was “the worst-run” states that were hit hardest by the “housing crash”.<sup>[32]</sup> Quoting some list compiled by 24/7 Wall Street, he listed the states' credit ratings, household incomes, per-

capita debt and other factors as being highly correlated with home losses from the banker-induced fraud, effectively accusing these state governments of gross mismanagement and on this basis blaming them for the losses suffered by their populations, ignoring the simple fact that the debacle was created at the federal level and disingenuously leaving readers to conclude that correlation equates to causality. Once again, a nation built on lies.

Stiglitz wrote, “We must end the rent-seeking society ... in which the wealthy obtain profits by manipulating the system”. He must surely know this is no longer possible. The gravy train is moving too quickly for anyone to jump off, and most passengers paid a high price for their tickets. Everyone will now stay on the train until it derails – as it soon must. Stiglitz ended his article by saying, “If Americans believe that government is unfair – that ours is a government of the 1%, then faith in our democracy will surely perish.” But he’s wrong here. It isn’t faith in the democracy that will perish, but the democracy itself. The leaders, the puppets whose strings are being pulled, will continue to broadcast the narrative of patriotic utopian ideals up to and during the final crash, ending in a one-party fascist state. Stiglitz again: “America now has the highest income inequality and the least equality of opportunity. This is a gross inversion of America’s traditional meritocratic ideals – ideals that our leaders, across the spectrum, continue to profess.” And ‘profess’ is all they do.

In his ‘Inequality is Not Inevitable’ article, Stiglitz refers to Thomas Piketty’s book, *Capital in the Twenty-First Century*, dismissing conclusions that “violent extremes of wealth and income are inherent to capitalism”, preferring instead to claim that the US simply became complacent and lazy after a period of relative comfort and “winning” the cold war. He says some drew the wrong lessons from the cold war, or that the US went from too much government to not enough. He outlined well and clearly the economic symptoms and problems afflicting the US today: privatising profits and socialising losses, the American political system over-run with money, the repeating cycle of political and income inequality. He mentions monopolies and oligopolies that eliminate competition and magnify profits, the nefarious combination of ideology and corporate or financial interests, the deep ideological hypocrisy infecting the system, economic segregation and stratification, the increased economic power of the top 1%, the two-tier justice system, and much more.

Then, leaving the symptoms, he identifies the root cause when he writes, “The problem of inequality is not so much a matter of technical economics. It’s really a problem of practical politics.” But in all of this clarity, Stiglitz seems to do what everyone else does; either he looks and doesn’t see, or he looks and doesn’t want to see. From his last paragraph: “We have located the underlying source of the problem: political inequities and policies that have commodified and corrupted our democracy. It is only engaged citizens who can fight to restore a fairer America ... Widening and deepening inequality is not driven by immutable economic laws, but by laws we have written ourselves.” And in these last three sentences he trivialised everything else he wrote and ensured that no good would possibly come from it. The man ignored all his own facts. I have no doubt his intentions were honorable, but he did no more than beat around the bush, offer some utopian platitudes, and resign. **Any “engaged citizens” who would today dare to “fight to restore a fairer America” will find themselves beaten to death by the police.**

Stiglitz makes the same kind of argument as the corporate apologists who tell us a nameless, undefinable amoeba made all those criminal decisions. It is true, as he claimed, that the US political system (the grand democracy) is terribly corrupted and polluted, but that corruption wasn’t caused by nameless, amoeba-like ‘inequitable political policies’. **It was caused by people, real, live, identifiable people, who bought Congress and who control the White House, the puppet-masters pulling the strings, Bernays’ secret government.**

**It was not done by ‘laws we have written ourselves’ but by laws written for us by the powers behind the throne**, the same powers that control the political parties and the selection, financing, media promotion, and election, of candidates. It was Citibank and Jamie Dimon of JP Morgan who wrote the legislation that will now

forever saddle American taxpayers with all the losses of the fraudulent schemes of these same bankers. To suggest that ‘engaged citizens’ can fight to restore America is to be either willfully blind or shamefully naive. **The Occupy Wall Street movement consisted of ‘engaged citizens’ who today are still nursing their wounds inflicted by the brutal suppression at the hands of the police**, and who are either in prison or bankrupt from the costs of their legal defense, who are on both the government’s no-fly and no-hire lists, and who paid a heavy price for nothing.

What Stiglitz so clearly identified – and then promptly ignored – is that a very small handful of the powerful rich, those I call the handlers and puppet-masters, deliberately planned that ‘commodification and corruption’ of the government in the service of their own agenda. **These people are now so deeply entrenched they will never willingly remove themselves, and there is no remaining power anywhere in America sufficient to forcibly remove them.** And that means a new social contract is as dead as is the American Dream. In any democracy, polling stations are useless as catalysts for change, with the only productive alternative being the streets. That was the only thing that worked for Americans in 1946, but it will not work this time. **In 1946 the US government didn’t have its 800 internment camps and Homeland Security didn’t have its three billion bullets.**

### **Abandoning the American Dream**

The propaganda machine tells us that people from all countries in the world aspire to US citizenship, and while some foreigners do indeed emigrate to the US, increasing thousands of Americans are renouncing their American citizenship each year, this exodus having increased by 800% over the past four years.[33][34][35] This trend, a quite unpleasant truth for the US government, does not fit with the widely publicized image of the US as a country that everybody wants to live in. On the expatriate blogs and forums there is almost a firestorm of commentary from Americans considering renouncing their citizenship. One Hong Kong immigration lawyer said that when he began his law practice 30 years ago, many people were excited about moving to the US, but now more than half of his clients are Americans who want to abandon the American Dream and become citizens of other countries. Certainly, part of the problem is the US tax regime, with its onerous and often poorly-understood implications for expats, though there are many more reasons.

But the US does not let these ‘defectors’ go quietly into the night. The procedures for renouncing American citizenship are difficult, complicated and expensive, to say nothing of potentially embarrassing. To renounce US citizenship, one must attend repeated interviews – permissible only at a US embassy abroad where one must subject oneself to multiple scoldings and propaganda speeches about the great loss this decision entails, prove that the decision was not made under duress, complete a large swath of documents, and attend a formal session where one pays a hefty fee and the citizenship is renounced under oath. Several months later we finally receive a certificate testifying to the loss of citizenship, after which the financial penalties arise. First, there is an “exit tax”; the IRS assesses one’s total worldwide assets, assumes they were sold at full market value on the day of renunciation and taxes any gain at 15% to 30%, with astonishingly severe penalties that can easily include ten years’ imprisonment if all foreign assets and income have not been properly declared.

Then we have the “perp walk”. Unlike the practice in ‘authoritarian’ regimes where governments resent emigration, democratic America permits you to leave but does its best to paint you as a traitor and humiliate you in public for escaping the sinking ship. About 20 years ago the US introduced a law dictating the publishing of the names of American emigrants, having one’s personal decision posted for the world to see. According to those who have examined the emigration data, there appears to be ample evidence that this “naming and shaming” contains a political component in that some names feature much more prominently than others on this register of the excommunicated. Of course, the US Treasury Department cannot escape the accusation that such publication is petty and malicious and serves no purpose other than ideological retaliation,

but excuses itself on the basis that it is “obligated by law” to publish the names. So, I write a law that obligates me to publicly humiliate you and justify my action on the basis that I am required by law to do so. Only in America. If this isn’t sufficient retaliation against those with the clarity of thought to know when to get out, legislation is now pending that would prohibit these deserters from ever being able to return to the US.

And it isn’t only American individuals wanting to leave. In 2012, citizens in all 50 US states filed petitions to have their state secede from the US and become independent. In the US, petitions containing high numbers of signatures will force a judicial review of the content of the petition, and may force a vote. In this case, Americans in the 50 states filed a total of 70 secession petitions and, if that isn’t enough, many cities filed petitions to secede from their state. It is quite unlikely anything concrete will result from these attempts, but it does indicate disenchantment with the state of things in America and many people are discussing secession, which is itself remarkable. And this is not the first time; US citizens have filed these petitions on several prior occasions with increasing participation each time. US Congressman Ron Paul predicted that states might exercise their right to secede when the dollar finally collapses, and other observers have written that the US, like the Soviet Union, may finally break up when the systemic corruption, increasing social inequalities and the fears generated by the increasingly police-state strategies lead to a breakdown of basic systems.

***Mr. Romanoff’s writing** has been translated into 32 languages and his articles posted on more than 150 foreign-language news and politics websites in more than 30 countries, as well as more than 100 English language platforms. Larry Romanoff is a retired management consultant and businessman. He has held senior executive positions in international consulting firms, and owned an international import-export business. He has been a visiting professor at Shanghai’s Fudan University, presenting case studies in international affairs to senior EMBA classes. Mr. Romanoff lives in Shanghai and is currently writing a series of ten books generally related to China and the West. He is one of the contributing authors to Cynthia McKinney’s new anthology ‘When China Sneezes’. ([Chapt. 2 — Dealing with Demons](#)).*

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