Twitter Thread by Hero of the Copium Wars



Hero of the Copium Wars
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American collapse is gonna be a horror show because we are an economic parasite on the world, and collapse will be the host cutting off our proboscis. We cannot self-sustain.

Robert Reich once bragged that our economy was transforming into one where 20% of us would be well compensated "symbolic analysts" and everyone else would be servants to this class.

This is echoed in Primary Colors where Fake Clinton tells the shipbuilder union to get ready to go back to school because making things is over. We are all "symbolic analysts" now.

That's only possible because the rest of the world makes stuff for us to consume. On a net basis the world makes while we take. Capitalism is the international legal system which ensures this will happen through the enforcement of investor and property rights.

This is the "system of international rules" that Biden has warned China must be obeyed. Or else.

The world makes, we take (and pay in USD).

We are insulated so far from material deprivation because of this, but we all feel the qualitative change in turning into a parasite. Our economy necessitates a culture of Darwinian struggle for positioning to consume. Producing is not in our lifecycle.

One particularly nasty effect of this struggle has been the replacement of wealth derived from production as the currency of consumption, to debt. The household debt of Americans has skyrocketed while wages have regressed. This allows us to actually consume more than before.

Americans no longer count on wages earned from productive work to afford a comfortable consumer existence. We use credit card debt and credit collateralized by our homes. The homes are in turn purchased using state-provided credit (i.e. mortgages).

This state of affairs is coming to an end fairly soon (10yrs? 1?) because there is almost no more room for credit growth. Interest rates are zero and they can't go any lower. Asset bubbles like tech stocks persist but any attempt to monetize en masse will pop them.

This is why we are talking about stimulus payments, UBI, loan forgiveness, and M4A. We are now resorting to just printing money and giving it to people who simply cannot earn or borrow anymore money.

It is a good and progressive thing to reallocate consumption so we don't face social collapse. But that's not the only problem. The bigger problem is that the world no longer wants to just work its ass off to make stuff for us while we just give them cash. They want to consume.

This is why China and US are heading into a deeper conflict. No idea how this plays out, but the peaceful scenarios seem very hopeful to me. Trump went all in with ok cards but the flop and the turn were horrible. I doubt the river is going to save us.

The problem imo is that we can't not be a parasitic empire. We cannot onshore production. We can't just New Deal public works our way out of this. We aren't structurally capable of going back to producing. So there isn't a river card that can save us.

So my fear is that instead of losing the pot on the hand we stand up and take out our big gun and say hold it right there. That's when it gets scary.

China may say ok let's work out a deal. Or China may say fuck you and pull out their big gun.

We aren't actually in control here because China's hand is winning and they also have a gun.

The hope is then that China talks us down from the edge and works out a deal with us where we are willing to chill out. Whether such a deal is possible is going to require a lot of luck and skill. Meanwhile, we are also insane. Look at Wednesday.

Glad Biden is over but there is so much ill will and Sinophobia in America I simply don't see how he calms us down enough to accept a deal.

A close family friend will be Biden's Trade Representative. We all privately hope she can manage what looks to be a desperate situation.

Imo opinion though the biggest threat is financial. Particularly the stability of our monetary system. We have so many damn plates to spin it just seems impossible, esp with tge credit boom coming to an end.

Fucking yikes.