

Critical Minerals, Economic Decline, and the Role of Gold in Global Dominance

written by Jack Lifton | October 6, 2024

The acquisition (i.e., the domestic mining or the purchase of the output of foreign mining) of non-fuel critical minerals by the U.S. Government and U.S. Private industry takes place under two economic umbrellas. The U.S. Military buys what it deems necessary and sufficient at prices it negotiates determined by its needs, which are frequently different from those determined by publicly avowed supply and demand.

Private industry's prices for its critical minerals are today set in the Chinese marketplace, where most of the world's minerals and metals are bought, refined, and turned into manufactured end products.

Hypocritical, mostly Western, governments and truly ignorant economic "pundits," say that the policies that created Chinese dominance of the sourcing and processing of critical minerals are executed as illegal Chinese subsidies to preferred industries. While, at the same time, these same officials and pundits are calling for their governments to give subsidies for economically failing Western manufacturing industries' mineral, metal, and components suppliers. It's different they say. For China, you see, subsidies for industrial raw materials are not a natural way of implementing an industrial policy. They are, for China, they say, an attack on Western free trade (read: profits) by an amoral Chinese government.

On the other hand, subsidies by Western governments to industries that cannot otherwise compete, because of the

cumulative economic failure of their governments and their financial short-term thinking are seen as deserving of tax revenues from all (aka, Subsidies) so that the managers can continue to pay themselves huge salaries and just give some money to their employees, who, in many states are a majority of the voters.

In the West it is important for politicians never to point out that competitive pricing for domestic manufactured products that require critical minerals is only possible through the higher taxes required to generate the revenue for the subsidies.

Of course, in the United States, government reckless spending mainly produces debt, so the added debt from subsidies is just small potatoes on a long ago maxed-out credit card issued to the victor of World War II by a once grateful world.

American manufacturing executives are now just financializers dedicated to self-enrichment, and American politicians are dedicated to obtaining and retaining money and power.

Future historians will describe the period from the end of the Napoleonic Wars to the end of Joe Biden's reign as the anglocentric era of world domination. They will note that it was followed by the global adoption of Westphalian ideas of national sovereignty in the rapid development of the nations of the Southern Hemisphere, led by finance from the huge collective economies of Southeast Asia.

Businesses that need subsidies to remain going concerns are not capitalist. They are socialist.

Any business receiving a subsidy should have the compensation of its managers strictly limited, and the managers who led the business to its need for subsidies should be replaced.

The era of American domination of world trade has ended. The beginning of the end was the withdrawal of the USA from the gold standard agreed at Bretton Woods. That was in 1971, after a prescient France's demand for its gold from the New York Federal Reserve's vaults in exchange for its dollars had made it impossible for the US to continue to exchange gold for dollars from sovereign holders due ultimately to the enormous costs of the useless Vietnam War, which was ironically engaged in by the USA ostensibly just to halt the expansion of communism in Southeast Asia but also to save French imperial interests.

China and Russia are accumulating gold faster than any other nations.

The Ruble is now officially gold backed.

My guess is that Russia's mineral powerhouses and its central Asian client states will financially ally with China's manufacturing colossus to create an economic gold zone.

The pound sterling ceased to be the dominant (reserve) currency for world trade in the 1920s, when Britain first abandoned the gold standard.

The US first abandoned the gold standard in 1933, when Franklin Roosevelt withdrew monetary gold from the floundering US economy.

In 1947 Great Britain was bankrupt, and the US had accumulated half of the world's gold. The US alone had nuclear weapons, and it was by definition the most powerful and richest nation in history.

Our spoiled, self-serving politicians, who long ago replaced the statesmen of World War II and its aftermath, have now squandered our inheritance through greed, economic over-reach, and the

lust for power.

The legacy-focused bureaucrats of what originally the Imperial Japanese, and now the Chinese, have defined as the Greater East Asia Co-prosperity Sphere have been at last successful.

America's withdrawal from global dominance and leadership is palpable.

The wars among the nation-states created by World War II for dominance and regional hegemony are well underway.

Critical mineral security is just a tiny part of the new, forced upon us by stupid political and economic decisions, American isolationism.

The American left is morally bankrupt and today seeks only power and money. Its influence in world affairs is now zero.

The American right is increasingly isolationist, as it has traditionally been.

The next election will either fast-track isolationism or merely continue and accelerate America's moral decline, which seems to be the sole path on which leftists agree.

Describing an American President as "the leader of the free world" is now ridiculous.

I think the U.S. Department of Defense can achieve a secure self-sufficiency in critical minerals and their processing for warfighting purposes sometime before the end of this decade.

I do not think American consumer product OEMs can do the same.

High subsidies and tariffs will cause taxes to increase and wages to stagnate; their cost will be the further erosion of our standard of living and quality of life.

American life will degrade without the domestic production of critical minerals and their processing into end-user forms domestically to feed domestic manufacturing.

Identity politics and climate concerns are trivial threats in comparison to this one.