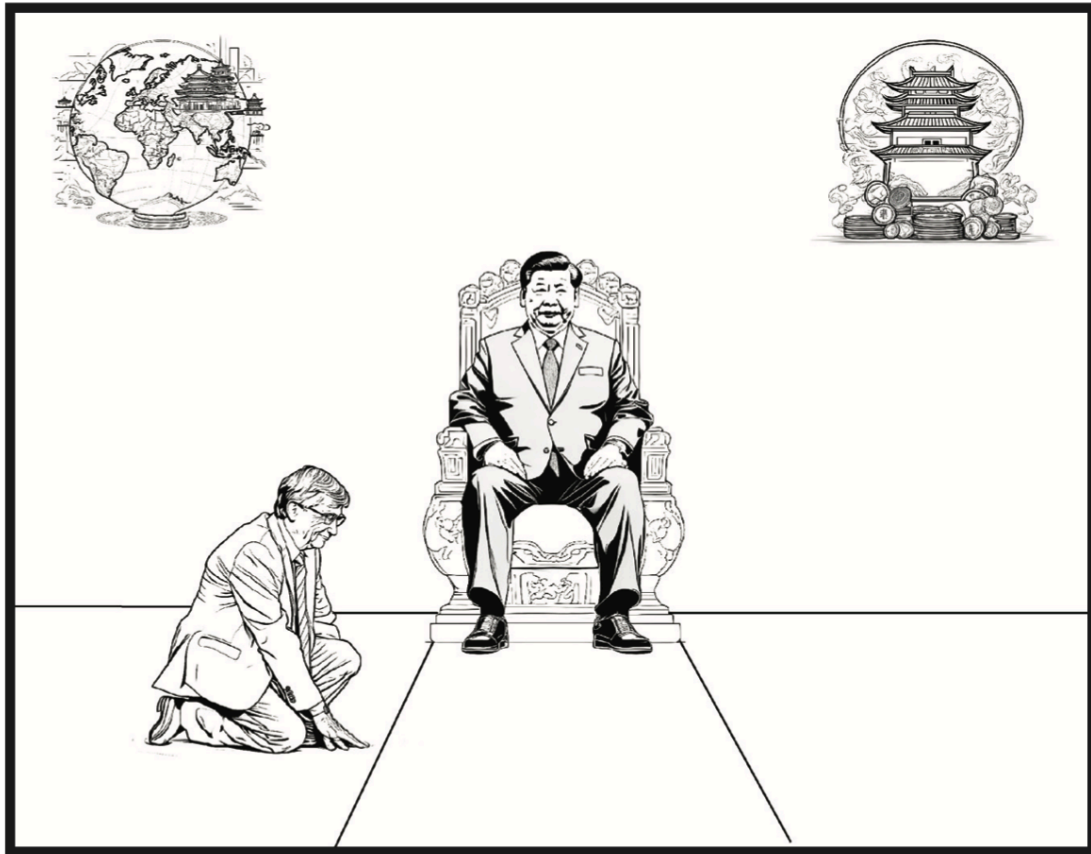


The End of Western Elites



The End for Western Elites and their Associates

Introduction

How idiotic is for workers to buy products in such quantities from other countries that their own jobs are eliminated or their wages stalled? Is money our only motivator in the market? Should money be the only motivator?

How ethical is it for a country to pass laws protecting workers and the environment and then pivot to buy cheaper goods from other countries who produce them without those laws?

How ethical is it for consumers to shun the products of their own countries given that those products are more expensive due to the higher costs of producing them under the correct laws governing labor and the environment, which they say they value?

How ethical is it for Western leaders and consumers to encourage and make profitable companies manufacturing in countries that abuse labor, sometimes actually using slave labor, and who massively destroy the environment: dumping chemicals, metals, refuse and plastics into the waterways leading to the oceans and emit tons of air pollutants into the environment?

How correct is it to call China and Russia "communist" countries when: the State has not withered away, Citizens are not equal, and the State (and its officials) make money off capitalists building businesses in their country?

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How correct is it to call Western countries "capitalist" when half of the economy is composed of large corporations, where the control of the Corporation is with Managers (Executives) not Capitalists (the shareholders)?

How ethical is it for some of Western Elites to work for more power and more wealth for themselves, such that the top percentile has rocketed to fabulous wealth while the average wage has not increased for decades?

How ethical is it to offshore assets and businesses such that one's own country declines?

How can the Leadership be considered loyal to the citizens when they have allowed, if not encouraged, the total dependency of their country on another for all critical goods?

How ethical is it for the Elites to be aiding and participating in the rise of a "competitor" nation, whose Leaders' stated goal is to dominate them and the world?

How idiotic is it for Elites and their helpers to work to make another country "On Top" thereby eliminating their own jobs?

These are the topics - both economic and ethical - on which this Book will focus.

Chapter 1.

Western Elites - from Useful to Useless Idiots

Western Elites seem to be doing well. The Elites are the Leaders in all fields of endeavor: corporate, political, entertainment; in Institutions of Education, Policy Think Tanks; and the Media Their junior associates, or helpers, in these areas seem to be doing well. Those Elites who are in some form of partnership with the East, especially China, are doing extremely well. They are profiting from this cooperation in many ways: offshoring their own businesses to the East, investing in China et al.; and, for a few, benefiting from foreign pay-offs. They seem to be oblivious to any danger to their successful enterprise. It looks like they think they will carry on reaping benefits forever!

However, there is a problem for Western Elites and their minions participating in and assisting the rise of the East. Their goals are not the goals of China. Their plans are not China's plans. They have been useful to the rise of China in millions of ways but this conduit will not continue. China and its associated countries have risen too far. The West has declined too much into debt and dependency.

The West is so dependent on China that, if China wishes, it simply can deprive or threaten to deprive the Western countries of

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essential goods. Essential goods that come to mind are: batteries, pharmaceuticals including antibiotics, manufactured parts for all machinery including for the U.S. military, and semiconductors for everything, and more. The control of Taiwan, which seems imminent, will give it control of 85% of world semiconductor production and 92% of advanced semiconductors. Where will everything and everyone be without semiconductors? They have already threatened companies and individuals with loss of business for criticisms of China - it has worked. Westerners have behaved. Why not partial or total extortion over supplies?

Obedience or Deprivation!

No shots need be fired. Some exceptions to this may occur. One is the present proxy partners firing on oil tankers and other ships in the southern Red Sea to interrupt shipping lanes. Or perhaps some shots will be helpful in the buildup of military and exercises to intimidate Taiwan, encircling and harassing them. China has many strategic projects to be able to control areas such as shipping with the building of artificial islands in the South China Sea. But their main efforts have been economic: building their economy, having implanted Western businesses required to share technology, etc. Media pundits and politicians seem to miss a very important factor and its consequences. China is too smart for a war. Of course they and their partners will consider possible failure against the U.S. in a frontal military conflict and consider the costs. But it is too smart to engage in conventional warfare at all. Their goal is to take possession of resources elsewhere in the world by purchase, by loans that can't be repaid and by its

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endgame of extortion. China does not want these resources bombed to smithereens in a nuclear exchange or even in a conventional war. It is amazing how Western "know-it-alls" do not understand how strategic and clever the Chinese Communist Party are.

The other main issue to understand is China no longer needs the U.S.. The U.S. is massively in debt both the country at the federal level and the citizens as consumers. All levels of purchasing are tapped out. There will not be huge trade surpluses in the future. The West will have to print money to buy essentials from China and others. Definitely consumption will be less. As importantly, China does not need Western investment, though it will take it. It has massive sovereign wealth funds. And its citizens are great savers. The exact status of its corporations are never known as they don't abide by Western accounting principles. Some corporations may be a conduit for taking Western money and then failing astronomically, as has happened. Others may be doing well. However, Chinese companies even ones who have merged with Western companies, do not necessarily divulge their operations and clients. The buyer, investor and merging business Beware.

Every time Western lawmakers or influencers turn to focus on China as a threat, media stories and books pop up immediately that claim China is failing and ready to collapse. It is failing so badly it has gone from a top of 14% increase per year in GDP to a 5% increase this year and last. The latter is hardly terrible and certainly better than the economics of Western countries! What is true is that Western consumers and governmental consumers are

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tapped out so their importing is less from China and others. A further critical factor is that Western expertise and experts are not needed as before. China has been "given" massive technology with the offshore businesses it is home to, plus a little stealing of technology and now it is just contracting directly with Tech companies like Apple and Microsoft. It can buy what and whom it likes.

What does this mean for China (and its real partners)? It can, if it wishes pivot from making massive money off the West, to squeezing the West and putting a metaphoric gun to the head of the Western Leadership. Obedience and acquiescence.... or deprivation. If anyone would even consider this issue in the Media, which they don't, they could retort that China and others still want to make money off the West. But they can make money off the West with the pivot to squeezing the West. The latter has to buy the essential goods China produces and with a squeeze on supply the prices can be raised multiple times upwards from the former prices. And the control of resources in the world means it can occasion higher prices for commodities hence more and more wealth for China.

Maybe the Western Elites and their colleagues think they will be junior partners in the future with China. But China has cemented advantageous junior partners with Russia, Iran, Brazil, India (with more seeking to join the BRICS nations all the time). The BRICS may have their own currency to rival the US dollar. China already has a secondary currency backed by gold for specific transactions. If we just look at the BRICS combined resources, their control is immense. When it comes to manufacturing output

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China is the single largest producer in the world, with the value of their production being twice that of the the United States. With Russia as partner, it holds total estimated reserves of coal, oil, natural gas, gold, timber and rare earth metals worth \$75 trillion. While Russia and China have minute government debt, they have huge sovereign wealth funds. While the world holds some 7T of U.S. dollars required for trading, if the U.S. dollar declines gold will rise and China, Russia and India have tons of gold. So they will not suffer. It seems they don't need anyone.

When China dominates, they will turn to their own people. They are fairly chauvinistic in the true sense of that word. One sees clearly there is no diversity in the Communist Party of China. A large portion of its citizens are very smart, well-educated and industrious. Why hire anyone else? And they are loyal. So there are not only no need for workers with 1.5 billion people but no need for experts or leaders. They will populate the vassal corporations and vassal countries (which will eventually be all countries) with their own citizens. And they will reward their own.

Maybe the Elites and their associates think China and others will be grateful to them. Hardly, it would seem given their value system - they believe in success, country and family. They probably already do hold Western Elites in contempt for selling out their countries. Maybe Western Elites think they can retire with their assets...bank accounts offshore, mansions by the sea etc. Well there will be no offshore banking as all banking will be controlled by China either through puppet local governments or directly. And their mansions and other luxuries may be used as rewards for their own loyal circle. One has to remember that not

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even the Elites of Russia and China are secure from the assaults and expropriations of their own governments when their Rulers deem it worthwhile to make examples of them. They put them in jail and take their assets. Why would China or Russia treat foreign billionaires and millionaires as sacrosanct?

And now, what of the Media Elites and their junior associates? Will they reap rewards for protecting those Western Elites while they made themselves wealthy thanks to their collaboration with China? Will they be thanked for helping to hide the intentions of China when the latter has spoken clearly about its goal to dominate? China does yo-yo between intimidating unruly corporations, political Leaders and individuals making money off China to pronouncing its undying love for cooperation with the U.S.. Hence the recent "cooperative charity project" promoted by Bill Gates who was always, according to President Xi, a good "old friend" of China. This is PR to deflect from focus on and concern with the economic dominance and intentions of China. What Western media will there be in a world where China has the last word? There will be none, of course. All acceptable Media will be State-run media by China et al. Western Media will not be needed.

As a note to the above mention of China and Russia, we realize that at present there is a distinction being propagated by the Elites and their helpers, that the bad guys are Russia and that China is not as bad since it has no desire for territorial expansion! Firstly, the two countries are in fact working together as partners with China backing Russia. Secondly, China will not copy Russia

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and take territory the hard way. It will buy out countries or "starve" out countries - the easier way.

It may be that at present some of Western Elites are still useful to China and so they will continue to be received "graciously" as long as the Westerners greet and listen to Chinese officials obsequiously. And so they will continue to be used as subcontractors of the State of China. Or they are being used for propaganda to show cooperation between China and the U.S., such as the Bill Gates project. At the meeting between Gates and President Xi, who was "bowing down" to who? And who was nodding approvingly at all the Leader of China said? Many CEO's and government officials are making the trek to China to pay homage. At present, China is able easily to put pressure on government officials, corporations and individuals who are supposedly from a distinct nation, to stop them criticizing China.

Global Power has already shifted.

The Western Elites that were helpful to China as it rose, and of course increased their own wealth, are now hardly useful except for photo ops. Eventually as the economic takeover is complete and dependence entrenched, these Elites from the West will be treated as the useless operatives they have become. The trend is already not their friend.

While it is easy to say Western Elites have gone from useful to useless, is it fair to call them "idiots"? Well in so far as they obviously do not see that they have worked for their own demise, yes it is fair. Maybe they are not completely in a dreamworld and

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thus only partially idiotic because they are hoping to grab some more money before the music ends. But even if the latter is the case, who says they will keep their wealth when they are no longer in charge of their countries and corporations. When the U.S. is not on Top, Western Elites will not be on Top. Another country is and that country will function in accordance with its culture and its history - it will exert control over all as it exerts control over its own citizens. Any resources or businesses that are authorized for use will be for its own citizens.

The phrase: "Useful Idiots" was created to refer to the crucial mass of people needed to support a Revolution led by the Movers and Shakers of the Revolution. It was disrespectful of course. The masses were considered either generally ignorant people or were ignorant of the principles and actions of the Revolution but followed the leaders nonetheless. But maybe the masses were idiots in another way than the one Marx indicated - a way he would not want to indicate! The masses - the Useful Idiots - ended up on the bottom of the communist society. The communist society was not one of equals but of the Elites on top, and their circle, and all the rest were the lower class. Some of the masses were eliminated; for example, in Russia the serfs and gypsies. The egalitarian utopia was no utopia for the masses.

While for Marx the main thing is the main thing - Power. He claimed society was governed by the capitalists who had the power; others were oppressed workers or those such as government officials who served the capitalists. But his goal and predictions of eliminating the powerful never happened: Under communism the State did not wither away, it became all-powerful

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and controlled every aspect of life of everyone from the masses. And under communism some few were the Elites and their associates while others were the rest with a vast gap of wealth in between. Only the Elites had power and wealth. This chosen circle of the powerful and their foot soldiers ruled everything and everyone else. And why not? The masses, who Marx scorned, would be considered too stupid and ignorant to rule themselves so they were destined to be subservient.

Certainly a world under China will be a world ruled by Power. Power will confer wealth and opportunities to loyal citizens to do either some kind of official work or be allowed to have one of the supervised businesses. Hence, in that sense Marx will be right that Power is the essential factor in human societies - in a world dominated by China and its partners. His alleged communist followers, the Chinese and Russians, along with their temporary or subservient partners, will soon take over the West and eliminate the role of Western Elites.

Western Elites will have aggrandized themselves for a time and made themselves wealthy for a time, but they have, in fact, worked for their own elimination! They have worked to assist the rise and ultimate dominance of China. They have enacted a kind of "self manslaughter" not physically but professionally and monetarily. They will have no role in the world to come.

The reign of Western Elites and their circle will soon be over!

Chapter 2.

The Exporting of the Crude Industrial Revolution to the East/
The Importing of Cheap Goods

In the age of Hi-Tech, why would we want to talk about the "Crude Industrial Revolution"? And what does this mean? Taking the last question first, the phrase: 'Crude Industrial Revolution' refers to the time when the Industrial Revolution was a new phenomenon; it was simpler in terms of means of production and in terms of rules. Probably one can date its beginning to the time when the steam engine was invented and industry was able to convert from manual and animal labor to engines powered by steam. Saying it was "crude" can refer to the fact there was generally only one type of energy - steam power produced from coal. It can also refer to the minimal complexity of the means of operating a factory system and its managerial system. However, here 'crude' is going to be understood also, and most importantly, in the sense that although industry was constrained by the types of energy and operations, it was not properly restrained by laws governing labor and the protection of the environment.

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This Industrial Revolution may be considered to have initially arisen in the UK with the invention of the steam engine and then expanded elsewhere in the West. At the time there were laws governing theft and a version of theft - fraud which is the misrepresentation of properties and products. These offered some protection for the consumer. There were no protections for the way people were used as labor. They had free will and could consent to work or not but they had no input into what conditions they worked under until much later with the labor union movement. Of course, the freedom to work or not was not much of a freedom if jobs in other domains were limited or only open to a few. Employees might be fortunate to work under owners that were moral and treated people correctly. More often than not, however, workers suffered terribly and the environment was harmed from the way production was carried out.

When we say that a Crude Industrial Revolution was "exported" to the East, we mean that this new system of industry was indeed a revolution in the novel use of energy and new machinery; but it was also at this time in the West often considered a terrible degradation of human beings and nature. Despite the costs of this system, the tangible benefits of industrialization would be too tempting to not be copied elsewhere. The colonies of the West were the first to modernize with early adoption of steam power for railways while other countries opened to the new revolution soon followed. But it wasn't until much later in the aftermath of WWII with the establishment of Japan's close relationship with the U.S., that factories proliferated in the East.

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It took approximately seventy years in the West to have restrictions on Child Labor in England, from 1760 to 1833. It took more than a hundred years to have restrictions on practices that caused destruction to the environment, starting with the Rivers and Harbours Act of 1899 in the U.S. but mostly later in 1956 with the Clean Air Act. But when the West encouraged other countries to set up industries or have industries built by Western companies, the other jurisdictions abroad had none of these laws. In truth, it was because they did not have these laws protecting labor and the environment, and other laws, that Western consumers and industry were happy to pivot overseas. The reason is, of course, that laws governing industry made production more expensive and therefore, products more expensive. So, Westerners either directly or with their purchases gave their vote of approval for cheap goods made by entities or industries that had no restrictions on how they produced. As soon as they could, Westerners turned to, sought out, or helped build factories which produced cheaply and without the rules they themselves had passed at home and declared they valued.

Did all consumers in the West understand what they were doing ethically? Probably not. They were aware they were buying cheaper goods. At first, these were not always well-made, but as time went on all countries that had started with poorly-made cheap products eventually made better ones in Japan, South Korea, China, India. Some raised their prices, such as Japan to accommodate demand for higher wages and regulations; others

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had such huge labor pools to draw employees from, they could maintain the hiring of employees at low wages and long hours. Though Western consumers were not aware of all the horrors of how labourers were treated, they certainly had some idea that the products were not made under rules their own countries required.

Maybe one could argue they had no choice. But at first consumers had a choice between domestic products and foreign made products made in industrial conditions resembling the earlier days of their own Industrial Revolution. But many and in large quantities chose the cheaper goods. Later on, when factories disappeared in the West and especially the U.S., choice diminished. However, a choice could have been made to rebuild factories and buy at domestically made and higher prices in some way.

There is certainly not a criticism of other countries for operating under bad conditions for labor and regard for the environment. The West did the same earlier in its development of the industrial society. Westerners seem to look the other way. And after enacting good laws to govern themselves, they were unwilling to pay the higher prices their own values occasioned. These were ethical considerations no one raised. Rationally, it was said people bought the same item when it was cheaper. Neither the consideration of what rules it was made under entered into common discourse or sophisticated analysis; nor whether in the long run this behavior would devastate the industries of their own countries. The latter was supposed to be offset by other types of jobs but a look at the wages sector versus the financial sector in the last decades shows clearly workers suffered.

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All societies have conducted wars and all have taken advantage of the conquered to use as slave labor. The United Kingdom did finally outlaw slavery in 1833. But its effects were atrocious, having terrible consequences for the individuals who suffered under it and afterwards. It is therefore fundamentally unacceptable that the Leaders of our Western societies and consumers were satisfied with terrible conditions for workers in other countries and even underwrote their exploitation and suffering by buying their products or building factories there to produce the goods. And in many cases still do.

The argument is that many in the East rose up out of poverty to have a basic salary and their countries became more wealthy. But firstly, it is not clear that farmers in poverty enjoy a quality of life inferior to factory workers whose conditions were and are so dire that they resort to suicide. Some businesses took to extreme measures to prevent suicide but that was obviously not the solution. Factories in Shenzhen put nets around the rooftops of factories to prevent workers from jumping to their deaths. Secondly, the increase in wealth, in China for example, was not spread out across the board. And priority was given to factories and cities at the expense of small businesses and farms. Many were uprooted. Many suffered the negative consequences. Having more gold in the government coffers did not always translate to wealth or wellbeing for every citizen.

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It can also be argued that patience is a virtue; that things done the right way are in the short and long run better.

Eastern businesses could have progressed more slowly in building their consumer base and building up their companies and infrastructure. They have industrious and honest workers. They increasingly benefited from new technology they did not have to create. It would have taken more time but it is not the case that progress and industry would never have happened without exploitation. Indeed, the West could have progressed more slowly as well without the acquisition of their huge amount of debt at all levels. These debts made life easier in the short term perhaps but were a theft of the future either from the same citizens or future generations. It can be argued whether the government was making investments or wildly spending but in any case, a lot of the debt was undoubtedly spending. It would seem that virtue comes first and then both the means and the end are properly ethical.

In China industry was always under the control and supervision of the government both locally and centrally. But China became a super producer once individuals and groups were allowed to set up businesses (under supervision). Entrepreneurship was encouraged finally but it was always under the rule of the CCP.

Industries expanded and were created. Then began the offshoring of Western businesses taking advantage of cheap labor and no environmental constraints. The CCP were very strategic in encouraging these businesses and required that they have, at least initially, a partner from a chosen group of the CCP

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and then further agree to the transfer of information about the technology the industry used. This sped up development for the host countries for offshore businesses. So, in a sense the offshore businesses sold out their company assets (in the case of critical information), made money for shareholders in the short run but will not in the long run, and of course sold out their Western employees to unemployment.

While the East industriously and strategically made money, Western industries declined or disappeared. Consumers were not all to blame. Not everyone had knowledge of the conditions of factories in China and elsewhere. But also, the Elites benefited. And of course radicals will say it was all the capitalists' fault - they greedily made money as owners of these businesses that went offshore. For a time that is correct. The capitalists which are the shareholders in large corporations did make money. But interestingly it was not the capitalists who were in charge of these corporations. As John Kenneth Galbraith pointed out in the *New Industrial State* (1967), the shareholders lost control of the corporations to the Managers. It was often the Executives and their circle who made the most individually from the company. They often made short term decisions for immediate profit and not necessarily for the sustainability of the company. Further they could engage the encumbering company with debt to buy back shares, thus keeping the share price elevated artificially and keeping their bonuses coming. This evolution in Corporations was not in general good. What is also taking place and will continue, is that China is now moving to diminish the presence of so-called Western offshore Tech companies. It will do its own and

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contract for professionals to assist. Other businesses are either directly owned by the Chinese or have partners with them. It is not clear that there is a big future or one at all for the international so-called Western businesses.

Governments, primarily their Central Banks, endorsed low interest rates to stave off crises and depressions. The benefits were short-lived and the debt at all levels they encumbered themselves with did not exactly translate into growth or prosperity. It did not work for the long-term benefits of society. Individuals could take on large amounts of debt, governments could take on more and more debt and corporations could take on debt which was not for investments in their business but for buy-backs of their own stock. As the Westerners lost jobs or had no increase in wages, cheap interest on credit was helpful; as was government spending financed by debt. But this was an artificial economy. It was also a theft as it required future work to pay back or a decline in the purchasing power of money.

Where did this all lead? Well, as indicated earlier it would have been better to build and progress slowly and not with the exploitation of people and nature. And as explained about it would have been better to progress more slowly and not with cheap artificial interest rates that encouraged massive debts. Of course, helping those in trouble could still have been a commitment of the society and should be. But lots of debt financed spending, both individual and government (and certainly

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corporate) was not essential -- it just gave society in the present a higher standard of living than they earned.