

Executive Summary

Weakening Germany, strengthening the U.S.

The present state of the U.S. economy does not suggest that it can function without financial and material support from external sources. The quantitative easing policy, which the Fed has resorted to regularly in recent years, as well as the uncontrolled issue of cash during the 2020 and 2021 Covid lockdowns, have led to a sharp increase in the external debt and an increase in the dollar supply.

The continuing deterioration of the economic situation is highly likely to lead to a loss in the position of the Democratic Party in Congress and the Senate in the forthcoming elections to be held in November 2022. The impeachment of the President cannot be ruled out under these circumstances, which must be avoided at all costs.

There is an urgent need for resources to flow into the national economy, especially the banking system. Only European countries bound by EU and NATO commitments will be able to provide them without significant military and political costs for us.

The major obstacle to it is growing independence of Germany. Although it still is a country with limited sovereignty, for decades it has been consistently moving toward lifting these limitations and becoming a fully independent state. This movement is slow and cautious, but steady. Extrapolation shows that the ultimate goal can be reached only in several decades. However, if social and economic problems in the United States escalate, the pace could accelerate significantly.

An additional factor contributing to Germany's economic independence is Brexit. With the withdrawal of the UK from the EU structures, we have lost a meaningful opportunity to influence the negotiation of crossgovernmental decisions.

It is fear of our negative response which by and large determines the relatively slow speed of those changes. If one day we abandon Europe, there will be a good chance for Germany and France to get to a full political consensus. Then, Italy and other Old Europe countries - primarily the former ECSC members - may join it on certain conditions. Britain, which is currently outside the European Union, will not be able to resist the pressure of the Franco-German duo alone. If implemented, this scenario will eventually turn Europe into not only an economic, but also a political competitor to the United States.

Besides, if the U.S. is for a certain period engulfed by domestic problems, the Old Europe will be able to more effectively resist the influence of the U.S.-oriented Eastern European countries.