Tree of Heaven Economics:

China's Modus Operandi

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Introduction:

Tree of Heaven economics is rather simple; you hurt yourself, but in doing so, financially hurt others more. There is no robbery or murder.

This works not by stealing or destroying, but as a group, bottling up some toxic asset, and then unleashing this asset to the outside economy. Your economy should be relatively resistant to this toxic asset.

While the other economies severely falter, yours will only hiccup, and with your greater relative purchasing power, you can accumulate more objects.

This book is divided into two parts: when Tree of Heaven economics is on its own, and Tree of Heaven economics when in the presence of capitalism.

Note: it appears that adaption of this economic model may results in the adopting nation to give up on their own future. As evidenced by China in 2019 releasing the Covid-19 terror attack, throwing its own future down the drain, and endangering the future of everyone else.

Part I

Chapter 1: How It Got Its Name

Tree of Heaven economics gets its name from the Chinese tree called Tree of Heaven. This tree, native to China, unleashes toxins around it that harms all plants and seedlings, but not the Tree of Heaven's as much as the other plants.

This poison reduces the competition, and allows for the Tree of Heaven to thrive long term.

Chapter 2: Manufacturing

In China, since the American introduction of it into the WTO, has sacrificed a lot to become the manufacturing capitol of the world for low cost goods.

Labour laws, environmental laws, all were sacrificed. China as a whole hurt their personal health, their natural environment. They hurt themselves in order to acquire manufacturing.

This has resulted in the bleeding of industry from the West to China. In effect, China hurt itself, but financially hurt the West more, to be the manufacturing capitol of the world for low cost goods.

Chapter 3: Real Estate

In China, and the world, a real estate bubble has ballooned. It is theorized that it is possible for someone to put 5% down on a home, do this for several homes, and to thus put oneself at risk of bankruptcy as all earnings are poured into real estate with massive loans.

A Tree of Heaven real estate diver puts themselves at great personal risk: they hurt themselves. But as many join in on the frenzy, housing prices only go up, rewarding the diver.

In effect, although the diver put great risk on themselves of bankruptcy, they hurt renters more, who, in the real estate rented, must pay the rising rents and property taxes. In many cities like Vancouver or New York, the percent of income of the renter going to rent has only increased, and for many can be higher than 50%.

Homes are now marketed as “forever homes”, and Canada is only increasing mortgage periods, from 25 years to 30 years. What next, multi-generational loans of 50 years? This is people, putting them at risk of debtor prison, buying homes with 5% down and high interest, but getting desperate working renters to pay the mortgage. When a horde does this, when Tree of Heaven economics pushes in, this can only raise real estate prices. Punishing greatly those not owning a house, an apartment, or a trailer.

It is not Chinese as an ethnicity that has done this. But Tree of Heaven economics.

But what is the difference between Tree of Heaven divers and investing? I will use food as an example. Food is a basic necessity that we take for granted. A diver buys up some food chain item, be it a farm, or other food distributer. Then more divers dive in. Each taking unnecessary risks. Slowly, people who used to pay 15% of their income to food, start to pay 20%, 30% and more. Fear sets in. People whose jobs do not pay so much, or who lose their jobs, then cannot afford to buy this normal food, and so eat worms or centipedes. The horror stories start to climb of people caught on the wrong side. Young people, and others who hear the stories, put more of themselves at risk, to not be on the wrong side. The prices of farms and food distributers climb even higher. Not because they are producing more food (which is in capitalism, and is an investment), but because the horror stories of those non-owners is fueling fear, fueling higher prices. Nothing gets improved. The value increase is solely from fear.

This food example seems far fetched. After all, what culture would create a frenzy over food? Who would follow the first diver? Tree of Heaven economics could manifest in any civilization. If that civilization has a cultural obsession over food safety, famines, maybe like Russia, then if that nation embraces Tree of Heaven economics, and food infrastructure can be bought up, then this frenzy will develop.

China is the current manifestation of Tree of Heaven economics, and they have a large cultural obsession with real estate. When Tree of Heaven divers went into Vancouver's real estate market, many followed the initial divers, as their manifestation of Tree of Heaven economics has real fear around real estate. Soon in Vancouver, housing went from ~$300,000 for a detached home in the early 2000s to ~$3 million dollars in 2024. I was there. It wasn't improvements, increasing efficiencies, that drove this price, but fear. The horror stories of those renters, who initially paid about 20% of their income on rent, to now ~60%, that was the first warning. Then came the job losses: stories of those on the wrong side of the real estate equation losing their jobs, and becoming homeless. They were all replaceable, with the home owner finding another worker, to rent, to replace them. And homeless encampments all around Vancouver grew. I saw it all. The homeowners never improved anything, they didn't have to. Housing prices increased solely because the horror stories of not being a home owner kept on getting worse. Home owners just sat there, improving nothing, as prices climbed, driven by fear. Fear of not having skin in the real estate market.

This can happen to any basic necessity, especially one we take for granted. Today, it is real estate, housing. But that is only because the Tree of Heaven manifestation that is relevant, China, has a cultural obsession with that basic necessity. If Tree of Heaven economics spreads to different civilizations, different cultural obsessions, it could be food, electricity, or clean water.

Nothing gets improved; there is no need. Prices rise as the horror stories of being the renter, the non-owner, slowly get worse and worse.

Chapter 4: Cryptocurrencies

Cryptocurrencies waste great resources. In fact, the total electricity of Argentina, each year, is wasted in senseless mining.

China used to be the capitol of cryptocurrency mining. The instinct of China was to dive into it.

It hurt the diver initially, as money is converted into cryptocurrencies, and their laptops wasting large amounts of electricity to mine. But it hurt others more. Electricity becomes more expensive in the region as so much is wasted.

The crypto miner gains relative wealth, while other electricity users pay the price.

But the Communist Chinese government has banned crypto in China. But this does not mean that China is not following Tree of Heaven economics. The USA is very capitalist, but it has Emminent Domain, where the federal government can take away at a forced price the private property of American citizens for projects of the public good. Yet we still call the USA a capitalistic nation based off private property.

Chapter 5: Walmart

Walmart sometimes goes into a small town, cuts its prices to half that of the local small business shop owners they compete with. And over a decade, one by one, the mom and pop shops fail. Walmart loses, say, 10 million dollars a year doing this, for say ten years. But it is a 300 billion dollar company.

Walmart would hurt itself, but hurt the mom and pop shops more. This is Tree of Heaven economics, and was in practice before 2001, when China was introduced into the World Trade Organization.

It is an economic system.

Walmart does a very nuanced version of the Tree of Heaven strategy. It goes into small towns, and reduces prices a lot, accepting large losses. This is because it can be paid off from other branches that are profitable.

The local community cannot do this, and go bankrupt. This allows for Walmart to take up all the customers of the local community, profiting in the aftermath.

Walmart then sells goods as cheap as they can get away with, just like China.

China is like Walmart, except for manufacturing. It hurts itself with low environment and labour laws, but hurts other countries more by taking their manufacturing.

Walmart is a combination of Tree of Heaven practices and capitalism. An abomination of sorts. There is the capitalism component of private specializations, and the Tree of Heaven aspect of hurting yourself but hurting others more to enrich yourself relatively. This is an example of capitalism and Tree of Heaven economics in conflict with each other, yet bound together under one name: Walmart.

Chapter 6: The Recession of 2008

China played a key role in starting the Recession of 2008, not the USA(1) and has been credited as the cause by several academics.

China did so by saving up nearly a half of their GDP, and then putting that money into government bonds and other fixed income assets, which heavily depressed interest rates world wide. These depressed interest rates fuelled the housing bubble in the USA as mortgages and interest rate cuts were affordable, for a time.

Saving can be toxic by putting the savings in a financial tool that manipulates the financial environment. The Chinese government benefits the most from encouraging their citizens to depress interest rates, allowing for cheap lending, which is what the Chinese economy is increasingly reliant on for fast economic growth. Cheap money that is lent to create infrastructure projects. This created the background for the 2008 financial crisis, and in this toxic environment of saturated bond buying, interest rates on debt fell.

China had taken advantage of the bond market and manipulated its environment to depress interest rates.

China also was the least affected by the recession, ranking number 189 out of 198 countries most affected. The USA was at 46(2). This was based off GDP changes from 2007 to 2009.

China then bought up over 500 billion dollars of American assets in 2008 (3).

In many ways, it looks like China unleashed an economic downturn that affected them the least, and then allowed them to buy up American assets at their lows in 2008.

This is typical of the Tree of Heaven economic model. A nation or group deliberately unleashes some form of toxicity, and then gets the least affected by it while buying up the aftermath.

It should be noted that there is not necessarily a recovery after the objects are bought up. The USA could have easily fallen into anarchy, and the assets would have remained the same value or lost some. The whole point of unleashing a recession and buying up the aftermath is to push another nation out of their niche. Another nation, possibly some poor nation, could rise following capitalistic practices, and take over the unoccupied niche.

Chapter 7: Interest Rates

Interest rates have many factors; I will only discuss one that is in the style of Tree of Heaven economics. In short; to lower interest rates, to blow up or allow to fall into disrepair, national infrastructure. To increase interest rates by building and maintain national infrastructure.

So the theory: if there is a river with ten toll bridges, all barely breaking even or operating at losses, then taking out a loan to build an eleventh toll bridge has a lot of risk. Thus, say for every five projects like this, building infrastructure in a saturated market, three go bankrupt. So the surviving two must pay in interest on the loan enough to make up for the other three. So in a nation saturated with infrastructure, this is pressure to increase interest rates.

On the other hand, if there is only one bridge over the river for 500 miles in either direction, and the bridge is operating as a monopoly, printing its own money with car lines a mile long to cross the bridge, then a loan to build a second bridge is very likely to succeed. Say for every ten projects like this, all ten succeed and make money. Thus the interest on these loans will be very small.

Allowing infrastructure to go into disrepair, or even demolition of it, would create a lower interest rate environment, while building like crazy would drive higher interest rates.

I use infrastructure as an example, as billions, even trillions, could be invested in it over decades in a single nation. But the principle holds for all loans: a loan for a start-up in a saturated market, where the most probable outcome is to barely break even or to operate at a loss, will be at a higher interest rate than a loan for a start up in a starving market where those operating are as monopolies printing their own money.

I suspect, that in Africa, which is very sensitive to inflation, infrastructure has been saturated. For the amount of workers willing to pay a toll, the number of bridges, roads, trains, is high enough to pressure higher interest rates, and thus inflation. Loans have been given from the IMF (the West) for decades, while also China is now funding, to build infrastructure. I argue that the inflation in the region is proof that infrastructure, for the number of workers, is saturated.

Note: the reasoning behind infrastructure building in Africa, is that the roads, power plants, and railroads will create a starving environment. Where the vast majority of African businesses will increase revenue by 1000% in a decade, using this infrastructure. So the reality is that the starving effect must be bigger than the saturation effect of the infrastructure.

Infrastructure investments always have a counter-effect. Building infrastructure, by itself saturating, has a starving effect on the private sector: the utilities and roads allow for entrepreneurs to exercise their potential. Destroying infrastructure or letting it rot, a starving effect, has a saturating effect on the private sector as potential profits drop with inconveniences and shut downs.

Africa is not necessarily helped, nor hurt, with all the IMF and Chinese loans in infrastructure. If they needed it for businesses to expand by 1000% in a decade, and thus the starving effect is greater than the saturating effect, then interest rates, and inflation, as a whole, relative to wealth creation, would be low. But it seems the reality is that the starving effect was sometime less than the saturating effect, resulting in higher interest rates and inflation.

Chapter 8: Honesty

Building off the last chapter, I believe that interest rates, changed by the government, should not be used to make the financial environment, but to reflect it.

If the market for start-ups (businesses, crown corporations, railroad track building) are saturated, and thus new businesses (with loans) are rapidly failing while the more established ones barely break even, or are failing themselves, then this increases loan interest rates. Technically, the government can make up any interest rate they want, to mold the future. I believe interest rates should be reflective. Thus I would force interest rates to be high in this environment, as loans are so expensive, as the markets are saturated for start-ups.

Obviously, on the other hand, if start-ups are 99% likely to make 1000% in a decade, so a starved market, then the interest rates should reflect that and be low.

I do not believe that interest rates should mold the future; but describe the past.

I will give an example. In Vancouver, there are two bridges from the North Shore. There is commonly traffic jams. So the government decides to build upgrades, doubling the capacity of both bridges with double decker lanes. This costs 30 billion dollars, a loan.

Over the lifespan of this upgrade, new businesses growth from this equals 1 billion dollars. There are far less traffic jams.

The saturation effect of this infrastructure on the economy is 30 billion dollars plus interest. While the starving effect of this infrastructure on the economy is 1 billion dollars. Net: a saturated economy. Inflation would rise, and interest rates should rise. This is bad.

I would love to lower interest rates: to 0% or even negative. But if Canada doubles its debt, to like 2 trillion dollars, while businesses over the lifetime of this debt increases by only 100 billion dollars. I would hike up the interest rate on my own debt, making it worse.

Currently, the idea is to keep the rate near 0%, to cover up that mistake. That is to forge a better future.

I don't forge futures. I only take what I know from the past. And that is saying our economy has now gotten more saturated. Thus, as interest rates, in my view, are a reflection of the past, not the path for the future, then they must go up.

I get hurt twice: my investments in infrastructure bomb, not getting the private business reaction I wanted, and I increase the interest in my own greater debt.

Another way to look at this: 1) I have made all new loans to my government as riskier, as I have lost cash, Canada has lost cash. So interest rates need to rise to reflect this. 2) I have made all new loans to the private sector riskier, as I have lost cash that is for bail outs. I can't bail out as many private companies as I would like, making all loans riskier. So interest rates need to rise to reflect this.

But I want to be clear: you can spend, even with great loss, from the government in a ~0% interest rate environment and not break the bank, and be stable. That is how great low rates are. If that was the reality. I reject the forging future argument, that we should change rates to make the future, but it could be true. I argue that interest rates are pre-determined: if we measure that in the past several months loans are riskier in our nation, to raise the rates, but if lending has become safer, to lower rates. Being a government in a starving economy, ~0% interest rates, where all indicators are of growth, growth, growth: low risk loans, even lower risk loans, and then even safer loans all over the nation. That is great, and yes, is very forgiving to government deficits.

Chapter 9: War

I would think it would be rare for a nation in peace time to destroy their own infrastructure to lower interest rates, but I will give an example anyway. If there are two bridges to a city, and both are needing billions of dollars in repairs, but the loss in business revenue from one being destroyed is half the costs to maintain, than it makes sense to demolition that bridge. Lending becomes safer, as money is saved overall, the citizens and government have more money, are more stable, so interest rates can be lowered to reflect that.

In war it is different. If your army suffers a loss, and now the enemy is inside your territory heading to a city, the lending environment in your country has just gotten riskier, and so you must increase interest rates. But if there is a bridge, the only route to the city, that you have enough ammo to destroy, then destroy it. The bridge is expensive, but it buys time to evacuate, for reinforcements, and saving what will be looted from the city or exploited by the invading army. Destroying your own bridge has made the lending environment in your nation safer, so you can now lower interest rates.

Thus my model encourages scorched Earth policies in war.

Part II

Chapter 10: Tree of Heaven Economics and the Global Poor

Counter-intuitively Tree of Heaven economics does not affect the poor as much, in fact it relatively enriches them.

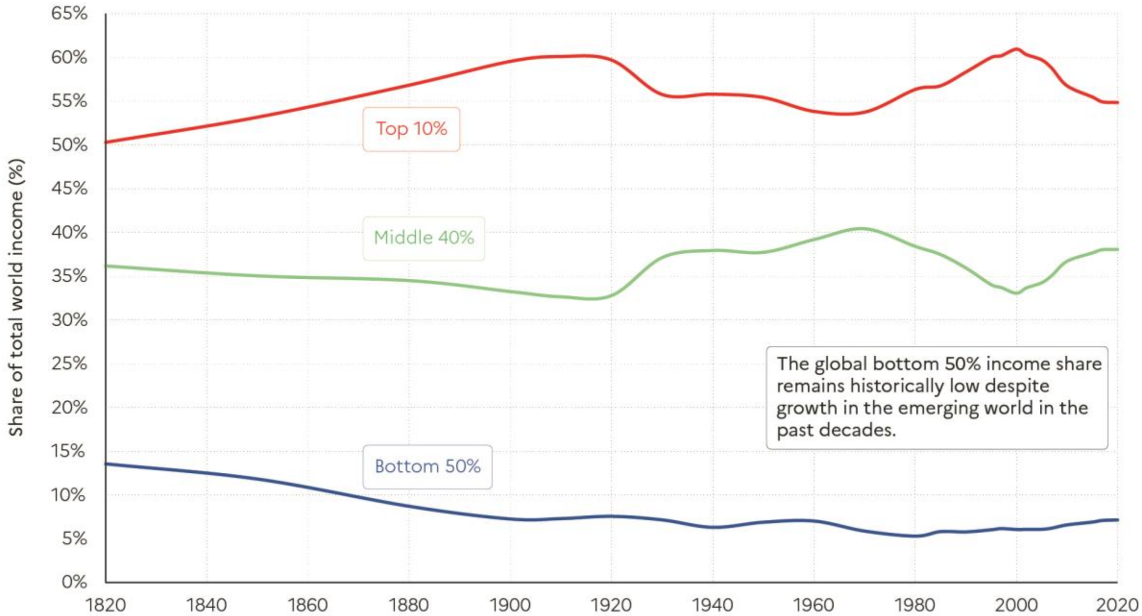
Walmart is an example: its low prices make it more affordable for the poor to buy.

The 2008 recession is another example; African economies, the global poor, were some of the least affected by the recession, in terms of relative GDP loss.(2) These African nations were ranked around 150 to 190 out of 198 nations from most to least affected by the 2008 recession as measured by GDP.

In the Covid-19 outbreak, another example, coincidently, Africa suffered less losses of life than expected, faring relatively better than the fatter, older, wealthier countries. In terms of economy, low-income economies suffered the least (6) while upper and middle income countries suffered the most. Sub-Saharan Africa had a GDP growth of 2%, while the rest of the world, especially rich countries, shrank.

Tree of Heaven economics aids the poorest of the poor.

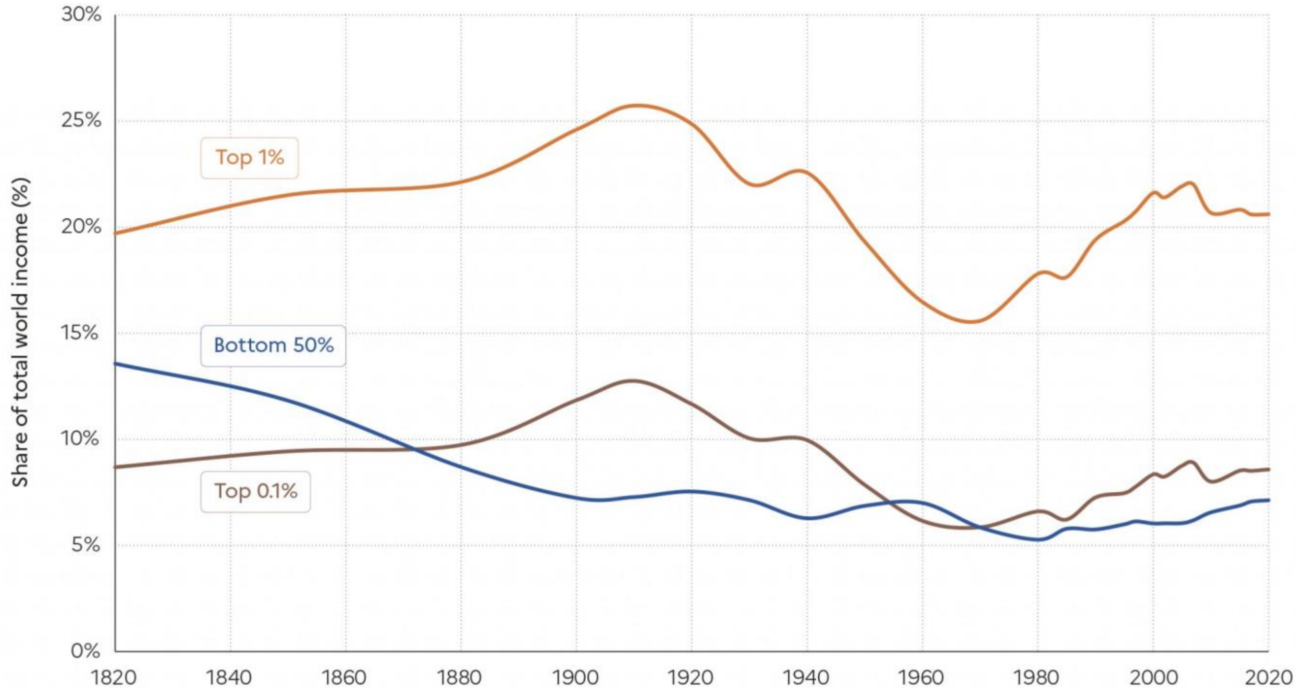
Figure 2.1 ***Global income inequality: bottom 50%, middle 40% and top 10%, 1820-2020***



Interpretation: *The share of global income going to top 10% highest incomes at the world level has fluctuated around 50-60% between 1820 and 2020 (50% in 1820, 60% in 1910, 56% in 1980, 61% in 2000, 55% in 2020), while the share going to the bottom 50% lowest incomes has generally been around or below 10% (14% in 1820, 7% in 1910, 5% in 1980, 6% in 2000, 7% in 2020). Global inequality has always been very large. It rose between 1820 and 1910 and shows little change over the long term between 1910 and 2020. Income is measured per capita after pension and unemployement insurance transfers and before income and wealth taxes.* ***Sources and series:*** *wir2022.wid.world/methodology and Chancel and Piketty (2021).*

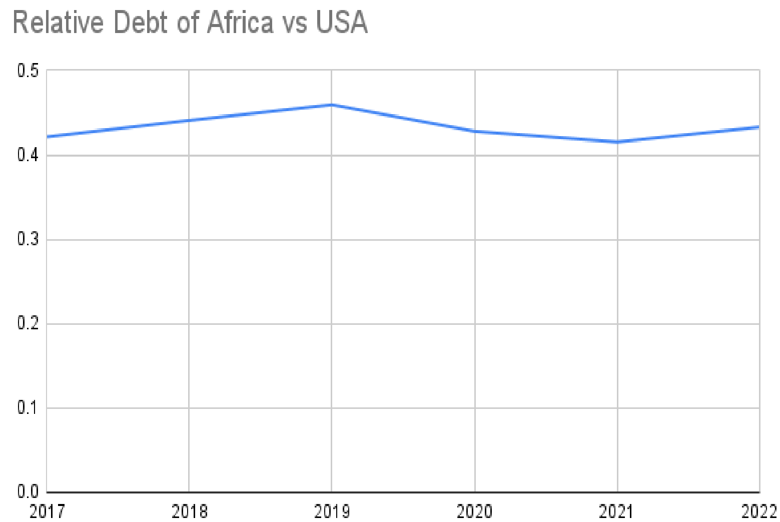
This is seen in the above graph(7). In 2008 share of total world income fell for the top 10%, while it increased for the middle 40% and the bottom 50%. In 2020 the data has yet been analyzed, but it appears to not be significant in either direction. Note that this fall and rise could be part of a trend independent of the recession of 2008, but these variables are mixed.

Figure 2.6 ***Global income inequality: top 1% and top 0.1% vs bottom 50% income shares, 1820-2020***



Interpretation: *The share of global income going to the top 1% highest incomes at the world level has hovered around 15-25% between 1820 and 2020 (20% in 1820, 26% in 1910, 16% in 1970, 21% in 2020) and has always been substantially greater than the share going to the bottom 50%, which has generally been of the same order of magnitude as the share going to the top 0.1%. Income is measured per capita after pension and unemployement insurance transfers and before income and wealth taxes.* ***Sources and series:*** *wir2022.wid.world/methodology and Chancel and Piketty (2021).*

The drop in income for the top 0.1% and the top 1% in the above graph are again seen in 2008, while the bottom 50% rises. This supports the theory that Tree of Heaven economics aids the poor, as the 2008 recession was caused by China practising this economic theory. The data for 2020 has yet to be analyzed, and is not significant in either direction.



Another interesting trend is the debt to GDP ratios between the USA and Sub-Saharan Africa during the 2020 pandemic and lockdowns. Dividing the debt to GDP ratio of Sub-Saharan Africa by the debt to GDP ratio of the USA, yields a trend, shown above. In 2019, the ratio was higher, indicating that Africa had more in debt in comparison to the USA. But by 2020 it fell to 0.43, a dip, that showed that the relative debt of Africa shrank compared to the USA. That African governments became richer in comparison to American governments. If the ratio shrank to 0, that would mean that Africa had no debt to GDP compared to the USA. It actually fell during the pandemic. The gap between rich and poor nations lessened. All data is based off debt to GDP ratios for the countries: (8)and (9)

Income inequality of nations actually decreases, as measured by GDP and debt for each Sub-Saharan African country versus other richer countries. The data on personal inequality is mixed, but the data on inequality between nations is persistent: Tree of Heaven recessions, lockdowns, and maybe even depressions, decrease GDP and debt inequality between nations.

This can be explained by how the rich have more to lose if their liquidity falls, while the poor are usually not home owners or stock owners, and thus their liquidity is less impacted. They usually don't have jobs, or have jobs that are very ephemeral. The poorest of the poor are not workers, but those that live off of charity and other contributions. They live a very subsistence existence.

It might seem that the poor should suffer the most, but they don't under Tree of Heaven economics. Their relative wealth actually increases as the wealthy get poorer.

This all comes at the expense of growth for everyone, including the instigator.

In conclusion, although the data for personal income and wealth is mixed, the GDP and debt to GDP ratios are consistent: richer countries get closer to poorer countries GDP and the rich countries debt to GDP ratios increase relative to poorer countries. In short, Tree of Heaven recessions, lockdowns, and maybe even depressions, reduce the inequity between poor nations and rich nations.

And in this reduced inequity, a common struggle is found that unites the rich and poor countries, one where their differences are lessened. The poor countries also have a better chance to move up the ladder, if there is greater equity.

Chapter 11: Future Depressions and Recessions

A billion people buying bonds creates easy money, and this easy money lowers interest rates. These low interest rates fuel the buying up of housing.

Tree of Heaven economics relies on this housing to become toxic, to then start another depression for the world economy.

Housing becomes toxic by investing in cryptocurrencies. This is because cryptocurrencies waste electricity. The more resources are wasted to create your chosen cryptocurrency, the better. This wastage of resources should make all energy consumption more expensive. Rising energy prices makes everything more expensive, and thus inflation rises. The only way for governments to combat inflation is to raise interest rates. These high interest rates poison the housing market making many current mortgages un-affordable, and act as antagonists to the buying up of bonds.

China initially buys bonds which lowers interest and mortgage rates, and then gets many people buying up over leveraged mortgages, and then buys cryptocurrencies, which cause inflation, governments respond by raising interest rates, and mortgages expenses rise, with some even defaulting, and a crash occurs.

It doesn't have to be modern cryptocurrencies. The only important factor is that it is a currency that is made by destroying real assets. Maybe a coin made from burning down oil rigs, or from destroying millions of calories of food. This currency must cause inflation. It is the antagonist of bonds.

With rising inflation, interest rates need to rise, and thus the buying of bonds of billions of people is cancelled out with interest rates rising, poisoning the housing market. A slowdown occurs. And then a collapse; the next depression.

It is key that some currency based off of wasting resources is invested in. This should drive inflation. Already cryptocurrencies consume more electricity than 160 nations, and is the 30th largest electricity consumer compared to other nations. It consumes more energy than Argentina. It needs to be more wasteful to combat bond buying. Cryptocurrencies are toxic, and are the exact opposite of bonds, which are sold to raise money to build infrastructure. Cryptocurrencies do not necessarily need to be profitable; they need to be wasteful.

The next great depression from China will be an interest rate hike caused by rising inflation due to cryptocurrencies. People will have over leveraged themselves with mortgages caused by low interest rates from China's bond buying. A housing depression will ensue.

But China's government banned cryptocurrencies. If China's government did not intervene, China would be responsible for 35% of all cryptocurrency hash rates, and this would only increase, fuelling inflation and cutting the cord on toxic over leveraged mortgages. Outside of government intervention, the Chinese economy follows Tree of Heaven economics, and wants to unleash a massive housing depression onto the world.

China should legalize cryptocurrencies and waste a ton of electricity, driving inflation, and thus increasing interest rates, to accelerate the fall in international housing prices: to accelerate the depression. This will hurt China, but will hurt other countries more, if properly positioned. China's crackdown on cryptocurrencies is expected to be temporary, as that nation is addicted to causing depressions and recessions for the rest of the world, and will need cryptocurrencies to cause the next one.

Chapter 12: Final Form of Tree of Heaven Economics

For every wave of over-leveraged mortgages and then interest rate hikes initiated by cryptocurrencies which result in a severe housing crash across the world, China buys up more and more real estate in the aftermath. This is because China is positioned to not suffer as much as other nations, and has more money left over to buy at the low.

After each wave China can buy up the crashed housing.

Eventually, China, the initiator of Tree of Heaven economics, will own the majority of land in foreign countries.

Chapter 13: The Conflict Between Capitalism and Tree of Heaven Economics

The conflict between capitalism and Tree of Heaven economics should help the poor. Once a wave of equality caused by a depression hits, hurting growth, the niches that the richer countries occupied are open, allowing for fair competition between Africa and the wealthier countries. After this wave of Tree of Heaven economics, a wave of capitalism provides a lot of growth, and Africa is then in a fair race to occupy the niches once held by the European countries.

Tree of Heaven economics is like the namesake tree which poisons its surroundings, while capitalism is like the rain that grows the recovery.

The best way to help the poor is to train them, but also to empty a niche for them. Capitalism trains people, while Tree of Heaven economics empties a niche for them. Rotating these two systems as dominant should help the poor to move up.

This can be seen in the poverty rate of Sub-Saharan Africa since 1990. Ever since China was welcomed into the WTO in 2001, and started to mass manufacture cheap goods, poverty rates have fallen. This is when Tree of Heaven economics was open to the world, where competition between China and the USA started.

In this period, since 2003, there has been a consistent fall in the poverty rate of Africa, falling from 90% in 2003 to 85% in 2019, the latest data(10). This is due to both capitalism and China's Tree of Heaven policies.

This is also seen in GDP of Sub-Saharan from 2003 to 2021: it went from $556 billion to $1,917 billion, a 244% increase. This is opposed to the equal time period of 1985 to 2003; it went from $253 billion to $556 billion, a 120% increase(11). The larger increase happened during Tree of Heaven economics and its struggle with capitalism. This is also mirrored in GDP per capita. Africa gained from the introduction of Tree of Heaven economics into the world economy, and the struggle between capitalism and it.

Aside from providing cheap goods, China's Tree of Heaven economics knocks off people from their niches, allowing those that are poor the opportunity to compete at an even playing field for that empty niche. If there is a great depression caused by China, then Africa will, relative to other regions, benefit from it in the long term. This will be cause the richer countries will lose many of their niches, allowing for Africa to have a level playing field to compete for those niches.

On its own Tree of Heaven economics only hurts others more than it hurts itself, but when in the presence of capitalism, it produces an abundance of cheap goods and lifts the poorest out of poverty.

Capitalism on its own grows economies only for those competitive, and in the presence of Tree of Heaven economics the poor get an opportunity to grow even if they were initially uncompetitive.

Chapter 14: Stocks

A basic necessity, unlike a stock, can never be valued at zero. Gold, for two thousand years in the West, has never been worth zero, so is a basic necessity. Food; never zero. Clean water; never zero. Electricity: never zero. Real estate has been zero and negative (you buy a property with so much pollution to neighbors that its rehabilitation is far more expensive than its worth), but I will ignore that as it is convenient to do, and say real estate has never been zero. The American fiat non-gold backed dollar can never be zero (as big army, resources in the dollar, sole superpower). Even ETFs (such as a benchmark of all the top 100 companies in America, changing every year), I am a generous author, and say that they will never be zero as well, so are a basic necessity.

But stocks can become zero.

A holder on a stock for a lifetime can lose everything; on a basic necessity, it will eventually rebound, in 1 year or a thousand.

But what is fascinating, is that in real life, oil per a barrel went negative during Covid-19. Oil is a basic necessity. This was because another basic necessity, real estate, trumped it. Storage was more expensive than the oil. So in real life, a basic necessity can become negative, if another basic necessity trumps it. So stocks can only be zero at worst. A basic necessity, in theory can only ever rebound, but in reality, can become negative. Holding it can cost money. So if a basic necessity is guaranteed to rebound in ten years, but each year you lose millions, as it is currently negative, then you could be forced to sell.

Final Questions:

Why would the USA continue to fuel an economy that continues to stunt America's growth? A more important question is why does China make profits for the USA (when the USA is not in a recession or depression caused by China) at the expense of their health and environment? Because the two nations are caught in a struggle between emptying a niche and profit.

If profit wins, there will be no recessions, lockdowns, or depressions from China that destroys American GDP but instead only profit, and if emptying a niche wins there will be persistent recessions, lockdowns, and depressions originating from China and global income equality.

Profit is what pulls the USA to risk recession with China, while creating vacant niches is what pulls China to risk enriching the USA. It is a mutually risky relationship.

In terms of politics, China's goal is to empty the niche of superpower, destabilizing the USA from it. It remains to be seen if China has any intentions of filling the global superpower niche, or instead will retreat to its neighbourhood and remain a regional power, allowing poorer nations the opportunity to fill in the vacant niche of global superpower. The USA's goal is very capitalistic, and that is to out compete with any adversaries that want to fill the global super power niche. But China doesn't want to fill that niche, just to make it empty. Perhaps in a thousand years, it will be a Sub-Saharan African country that moves up to seize that niche.

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