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MARKET INSIGHTS

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AMERICA AT 250:

Rebirth, not decline

The rebirth has begun

America reaches its 250th anniversary not as a fallen hegemon, but as the dominant centre of global hard power, monetary power, and frontier innovation. It still sits astride the world's resource base through energy, agriculture, and continental depth; it still issues the reserve currency at the core of global trade and finance; and it still leads the race to build artificial intelligence (AI) as the next digital platform. Yet precisely because American power remains so large, the visible breakdown of the post-Second World War rules-based order has become impossible to ignore. To anyone who has read German historian and philosopher Oswald Spengler's *The Decline of the West* (1918), this is not a surprise but a pattern: history is not a straight line of progress. Instead, it is the record of civilizations that rise as living cultures harden into systems and eventually exhaust the moral energy that made them great in the first place. America did not choose this time, but it has been born into it.

IN THIS ISSUE

- › The rebirth has begun
- › Divergence in the West: Why America still adapts
- › Hard power returns to fundamentals
- › The rebirth trade is underway

“ *We have not chosen this time.* ”
- Oswald Spengler

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That is the first key to understanding the present moment. Spengler's core thesis in *The Decline of the West* is that the true subjects of history are not abstract eras or universal mankind but distinct civilizations, each with its own inner logic, life cycle, and eventual decline from culture into civilization. Great civilizations are not immortal, and their late phase is marked by empire, money, machines, mass politics, and the exhaustion of the moral energy that once gave those systems life. The postwar American order fits that description almost too neatly. Bretton Woods, NATO, the U.S. dollar standard, and the global sea lanes all worked for decades because they were backed by an overwhelming concentration of American industrial, financial, and military capacity. But late imperial orders do not fray only under debt and foreign pressure. They also decay when elites begin to treat populations as interchangeable economic units, and when unchecked immigration policies—however elegantly defended in market theory—collide with the cultural, civic, and institutional limits of national cohesion. The social fragmentation and political backlash that follow are not deviations from the Spenglerian script. They are textbook Spengler: universalist elites talking as if all limits are obsolete while the social basis of their order quietly cracks beneath them.

The more interesting question is why the United States, unlike so much of the West, still seems capable of adjusting to this new age faster than its rivals or even many of its allies. The answer lies not first in economics or strategy, but in national formation. America was not founded on blood, tribe, dynasty, or even territory in the old European sense. It was founded as a covenantal republic built around texts: the Declaration of Independence, the Constitution, and an argument about liberty, dignity, and self-government that was always morally incomplete. From the Puritan settlers onward, this produced a distinctive rhetorical and political habit known as the American jeremiad: the practice of treating national failure not as proof that the country is a fraud, but as evidence that the people have betrayed a true promise and must return to it through reform and renewal. That habit is deeply embedded in the American DNA. It is why the U.S. has so often turned crisis into reconstruction instead of resignation. At its best, the country does not collapse when its myth fails; it reinterprets failure as a summons to rebirth.

Divergence in the West: Why America still adapts

That difference is what sets America apart from Europe and Britain in this late-civilizational moment.

Much of Europe today looks exactly like the kind of tired civilization Spengler had in mind: rich, regulated, legalistic, morally performative, but strategically sluggish and increasingly unable to generate internal energy for self-correction. Britain, having moved from empire to post-imperial managerialism and then into the unresolved aftershocks of Brexit, looks less like an adapting power than a historical memory struggling to locate a new governing myth. China is formidable in industry and scale, but it is also acutely exposed to imported energy, seaborne trade vulnerability, and the brittle political logic of a party-state that must always appear infallible. The U.S., by contrast, remains the one major Western power with both the material base and the civilizational mechanism to absorb shock and convert it into a new operating system. Much of the West, Canada included, still cannot decide whether it lives in a North American future or an Atlantic past. Prime Minister Mark Carney captures the confusion perfectly. He says, correctly, that the world must be accepted as it is and that nostalgia is not a strategy—yet he spends his public life seeking validation from the very institutions of old Europe and Pax Americana that the world is leaving behind. Socially he talks like an Atlanticist ideologue; economically he thinks like a hemispheric pragmatist. Canada's ruling class wants the perks of a reborn American order while emotionally pining for a club that no longer runs the world. In the larger drama of American rebirth, that remains a secondary question, but an instructive one.

This is where British economist John Maynard Keynes enters the story as Spengler's unlikely companion. Spengler described the metaphysics of decline. Keynes, at Bretton Woods, saw the mechanism that would eventually drive the American branch of that decline. He worried that a reserve-currency order centred on the dollar, without stronger means of disciplining structural imbalances, would allow the hegemon to consume beyond its productive means and force adjustment costs onto others unevenly. What began as an architecture of strength for a creditor and industrial giant would, over decades, tempt the U.S. into the privileges of deficit finance and financialization. The result would be a long shift from creditor to debtor, from workshop of the world to consumer of last resort, from industrial middle-class to a more polarized economy in which finance flourished while manufacturing thinned out. Spengler supplied the late-imperial diagnosis; Keynes quietly sketched the balance-sheet path that would get America there.

By the middle of the 2020s, the warning lights could no longer be ignored. U.S. debt had risen above US\$38 trillion, and interest payments on the debt

had exceeded defence spending—an extraordinary strategic marker for a superpower whose postwar role rested on the fusion of fiscal, military, and monetary dominance. For officials such as U.S. Treasury Secretary Scott Bessent, this was the wake-up call: when debt service exceeds the military budget, the empire is no longer simply financing its power; it is financing the memory of its power. Interest becomes the tribute a late order pays to preserve habits it can no longer afford. In that sense, the debt itself became a national-security issue. It signaled that the old model—borrow freely, police the world, allow imbalances to compound, and trust reserve-currency privilege to paper over the difference—was not indefinitely sustainable. The populist revolt that found its most visible expression in President Donald Trump is best understood against this long arc. Trump is not an accidental eruption. He is what happens when a Spenglerian late empire collides with the American jeremiad. On one level, he is a textbook late-civilizational figure: personalist, executive-centred, contemptuous of procedural pieties, and able to establish a direct emotional connection with a mass electorate alienated from institutions. That is the Caesarist side of the story. But Trump is also a distinctly American kind of prophet; rough, vulgar, often incoherent, yet still recognizably shaped by the jeremiad's structure. His message is not that America was always a lie. It is that the postwar global order betrayed the republic: its workers, its factories, its borders, its wars, its cultural coherence, and its sense of self. "America First" is therefore not just a slogan. It is the political language of national repentance and return.

Hard power returns to fundamentals

That is also what makes Trump's national-security strategy more important than many of his critics, or even some of his admirers, have understood. The strategy was not merely a list of threats or a break with liberal-internationalist etiquette. It reflected a deeper reordering of priorities: economic security as national security, sovereignty over abstraction, energy and industrial capacity as strategic assets, and burden-sharing as a hard imperative rather than a diplomatic nicety. In that sense, Trump's strategic instinct grasped something the old rules-based elite resisted, admitting that in a world where universal order is thinning out, hard power returns to fundamentals. Borders matter. Factories matter. Fuel matters. Food matters. Chokepoints matter. Supply chains matter. The nation that can secure these things for itself while still leading the next technological platform will hold the commanding position.

Nowhere is that reality more obvious than at the Strait of Hormuz. Roughly one-fifth of the world's petroleum liquids consumption and about a quarter of seaborne oil trade transit that narrow channel, alongside substantial LNG flows vital to Europe and Asia. A contested Hormuz is not a regional inconvenience; it is a direct test of the physical underpinnings of the global system. This is why the scenario called "Operation Epic Fury" matters so much as narrative and as strategy. A crisis that closes or seriously disrupts the Strait would expose, in a flash, the strategic vulnerability of China, the United Kingdom, and Europe. China's industrial engine remains deeply dependent on imported energy that must pass through vulnerable sea lanes. Europe and Britain, for all their tendency to look down on the U.S. as vulgar or unstable, still rely on energy and shipping systems that are ultimately secured by power they do not themselves possess in sufficient quantity. Their post-historical moral confidence rests on an American naval and monetary shield they often pretend to transcend.

In the old framework, the U.S. was supposed to underwrite this system indefinitely while presenting itself as merely the custodian of rules. In the new framework, exposed by Hormuz, the fiction disappears. The question becomes brutally direct: who has the resources, the military means, the industrial resilience, and the political will to sustain order when chokepoints close and markets panic? Europe can regulate. China can manufacture. But the Americas, and above all the U.S., possess the deeper substrate of power: food, hydrocarbons, freshwater, mineral depth, strategic geography, two great ocean buffers, and the technological ecosystems now building AI's infrastructure.

That last point is crucial, because AI is often discussed as if it were a disembodied software miracle. It is not. AI is the next digital platform, but like every real platform it rests on concrete inputs: data centres, electricity, cooling, transmission, semiconductors, land, construction capacity, and secure supply chains. The glamour is in the model; the power is in the substrate. And the substrate is increasingly resource intensive. The countries best positioned for the AI age will not just be the ones with good coders or large user bases. They will be the ones that can feed giant compute systems with reliable electricity, secure critical materials, protect physical infrastructure, and sustain industrial buildout without strategic blackmail from abroad. On that score, the Americas hold the decisive edge. Resource security is the true hard power of the coming era, and the U.S. sits at the centre of it.

In every real crisis, the world does not flee the U.S. dollar system; it begs for deeper access to it. During Operation Epic Fury, as tankers stopped and energy markets convulsed, finance ministers and central bankers from every major bloc quietly asked the same question they had in 2008 and 2020: can we get into the U.S. Federal Reserve's swap-line club? The scramble for dollar liquidity in the middle of a hard-power shock made one thing unmistakable. King Dollar is not dead; it is alive and well, and it is about to sit behind a new global digital platform. The same country that controls the reserve currency everyone runs to in extremis is now building and hosting the AI infrastructure, data centres, and digital-asset rails that will define Bretton Woods 2.0. That is not the end of American monetary hegemony. It is its mutation into a deeper, more technological form.

The rebirth trade is underway

For investors, this is not mainly about politics. It is about regime change. The U.S. is adjusting first to a world where hard power means energy, resources, manufacturing, critical supply chains, monetary credibility, and technological leadership. That is bullish for North American commodities, power, capital goods, industrial infrastructure, and strategic manufacturing. The U.S. had to deal with its debt, had to become a manufacturer again, and had to bring critical supply chains home. That adjustment is now underway. This is why the market backdrop is bigger than a tactical rally. It is the start of a secular bull market rooted in reindustrialization, capital expenditure, and productivity. AI is not just another software theme. It is a platform shift and an arms race. That means the first-order winners are power, chips, data centres, networking, automation, logistics, and the industrial systems needed to sustain them. Hardware before software, electrons before applications.

The macro regime is changing too. The age of easy Keynesianism is ending because the U.S. can no longer afford to backstop the global economy for free while letting debt compound and productive capacity erode.

The answer is not austerity but growth, specifically supply-side growth driven by investment, productivity, and domestic capacity. If that is the path, then what investors are seeing is not the last gasp of U.S. exceptionalism. It is the beginning of a new one. This is why the present moment should be understood not simply as the decline of Pax Americana, but as the rebirth of the United States through and after the death of that order.

Spengler tells you why the old universalist phase was always going to break down. Keynes tells you how the monetary architecture of American primacy contained the seeds of debt, hollowed-out industry, and populist revolt. The American jeremiad explains why that revolt takes the form not of nihilistic collapse but of a moral lawsuit demanding restoration. And Trump, for all his personal disorder, becomes the forcing function through which this latent logic enters public life. He is not the whole of the rebirth, but he is the figure under whom it begins, and through whom the country has made its choice.

That is the real meaning of the American 250th anniversary. Not a museum anniversary, and not a memorial service for Pax Americana, but the declaration that the United States has chosen national renewal over imperial drift. The old order is ending because it had to end. Spengler would have expected that. What he did not fully reckon with was the American capacity to turn breakdown into mandate, to treat crisis as judgment and judgment as command. That is what the American jeremiad has always done, and under Trump it has moved from rhetoric to statecraft.

The United States is no longer wondering whether to leave the exhausted universalism of the postwar era behind. It is doing so. It is reordering around sovereignty, industry, borders, energy, and technological primacy. The rebirth has begun. We have not chosen this time, but America has chosen how to meet it.

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