Private equity company Blackstone Group LP CEO Stephen Schwarzman said on Tuesday that up to 45 percent of the world's wealth has been destroyed by the global credit crisis. “Between 40 and 45 percent of the world's wealth has been destroyed in little less than a year and a half,” Schwarzman told an audience at the Japan Society. “This is absolutely unprecedented in our lifetime.” But the U.S. government is committed to the preservation of financial institutions, he said, and will do whatever it takes to restart the economy.

Piffle! That is a couple of continents gone!

How is this supposed to have happened? The planet has not suffered an asteroid strike, or other global natural catastrophe. There has not been a world war. No tsunami occurred, devastating the more populous areas of Japan or the USA. What destruction has occurred? What Schwarzman means is that people will not pay as much as they would have done in 2007 for titles of ownership of shares and other assets - pieces of paper of no intrinsic worth apart from the fact that they are recognised as claims on real wealth, primarily the stream of revenue that can be identified as economic rent of land.

Pieces of paper are not wealth. Land is not wealth. The people who play this game are not wealth-creators but participants in a casino game parasitic on the economic organism. The sooner everyone understands this, the sooner they will be cured of the delusion that money can be made by moving it around.

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