

Can Humanity Escape Man-Made Debt Traps and Catastrophic Wars?

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Based on wise ideas developed over many centuries, this short essay aims to synthesise possible ways to remedy current world disorder. Since its long-standing ills due to exploitation and other economic injustices continue to increase societies' inequalities, the plunder of others' resources, and wars between contending powers (all undermining the world of Nature), urgency is vital. Otherwise on-coming generations have no future.



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As John Hewson noted, *‘One of the most difficult aspects of our political system for the average voter to understand and accept is how major issues of longer term national significance are essentially ignored in the day-by-day political contest – simply left to drift!’*. (ANU Reporter Vol.48, Number 4)

Of such major issues, the archaic state of Western economies looms large. In Australia, the findings of the Royal Commission into Banks, Insurance Companies, etc., convince many across the world of the corrupt nature of high echelon mind-sets and practices. A key concern is that the economy lacks democratic control, even over rules of fair trade including equal value exchanges. Instead, preserved are the long-standing aggressive practices of monopoly and other forms of cheating, including overseas colonisation and resource plunder, - as long condemned by Adam Smith, Michael Hudson, Richard D. Wolff and others. Consequently, today’s monopolies and overseas plundering across the Middle East etc., make much of our claimed democracy a sham. But since society’s power brokers (major parties financed ‘from above’) resist economic democracy, such will not be easy. And yet, as economies continue to decline, further worsening the majority’s plight, meaningful public responses will prove critical. Hence the essentiality of unified insistence on binding State and Federal laws ensuring the non collusion of banks, insurance and other finance companies, thus to make permanent competitive neutrality and expansion of the commons. All increasingly urgent as corporate economic giants engage in super-scale cheating of citizens, military plunder of ‘lesser’ peoples (and their resources) such accelerating the destruction of our Natural environment’s life-support systems.

Indeed, catastrophically so, as illustrated by economic historian Michael Hudson’s explorations of the origins, evolution and societal effects of the West’s financial superstructures,- principally its ‘Finance, Insurance and Real Estate’ (FIRE) sectors. For, despite themselves adding no wealth to the real economy, these sectors profit by issuing ‘stroke-of-key’ credit (i.e., compound-interest debt) that diverts to them a highly significant proportion of the real economy’s wealth. Hence, the progressive impoverishment of some 90% of the populace, especially each time rising debt repayments cannot be met. Although that could not happen with fair trade competition, yet with governments backing oligopolies’ major players, collusion occurs, c.f., major banks. Two 30-min. YouTubes illustrate Michael Hudson’s findings:

- (1) Days of Revolt: How We Got to Junk Economics - YouTube
<https://www.youtube.com/watch?v=m4ylSG54i-A>
- (2) Days of Revolt: Junk Economics and the Future - YouTube
<https://www.youtube.com/watch?v=cMuIoIidVWI>

All interested in our Western heritage may also want to consider Hudson’s Harvard group research into the history of debt cancellations dating from 2,500BC. Designed to assure societal cohesion, those of the more recent Judeo-Christian Era stressed economic justice. Hence, Jesus running foul of the Roman authorities for promoting Mosaic’ Laws stressing economic fairness (e.g., Leviticus 25) and his over-turning the Temple money-changers’ tables, such leading to his crucifixion and Rome’s hostility to Christians. That is, until 325AD when survivors joined the Roman system under Constantine. However, still denying debt cancellations, Rome immersed itself in the civil war that led to its Fall and the Dark Ages:

(Jesus the Economic Activist: <https://michael-hudson.com/2018/04/jesus-the-economic-activist/>)

Nevertheless, aiming still to follow the Roman model, Europe's avowedly Christian power brokers went to war with one another, carving up the former Empire, privatising its lands and, over time, establishing neo-feudal mercantile political economies which focused on exploitation of their citizens plus overseas colonisations and plunder. Although soundly condemned by Adam Smith, this evil system has long been perpetuated, its central features by now enormously amplified. Consequently, the system's monopolising ways and aggressively competitive resource-plundering colonisations eventually misled Europe's expanding industrial Powers into a catastrophic mutually destructive 'super-war', WW1. Despite that, failing to recognise Adam Smith's warning of the mercantile system's key role in such Imperial disasters, they blundered on to the more catastrophic WW2. And even then, although post-WW2 Nations within the UN were assured that their right to self government was essential "*to save the world from the scourge of war*", WW2 'victors' promptly began the long series of 'regime changes' cum resource plundering which continue to wreck the world of today.

Hence, there remains an extremely serious educational problem that Michael Hudson brilliantly tackles in his study of today's unbridled Imperialism which, combining militarism with financial power, acquires vast unearned 'rewards'. Clearly, such has long been a feature of the West's economic system that (like the South Sea Bubble) is now strikingly enlarged, trapping the unwary into 'investing' into a wide range of faulty Bank, Insurance and Real Estate commitments which syphon investors' wealth into the coffers of society's top 10%. And all without citizens realising that they have been 'taken for a ride'(c.f. YouTube (2)). Given this situation, what can Australians do to attain enduring democratically-based economic justice?

Initially, such would entail citizens recognising the significance of the current Royal Commission's findings on the practices of Banks, Insurance companies and Real Estate businesses and the magnitude of the wealth these extract from benefits due to others: i.e., the vast wealth diverted into the very finance superstructures that contribute nought to the real economy. Since this involves a multitude of corrupt, sleight-of-hand illegalities, citizens will need to pressure Federal and State governments to enact laws that break up de-facto monopolies/oligopolies which enable the present financial superstructures to exist, a key aspect being to assure competitive neutrality between financial institutions. (Nicholas Gruen:

<https://www.thesaturdaypaper.com.au/opinion/topic/2017/04/15/making-the-reserve-bank-peoples-bank/14921784004504>). Hopefully these and like measures will put an end to the debt peonage that by strangling honest commerce, impoverishes the vast majority. Moreover, once successful, such would strengthen Australians' economic security, - and inspire other countries to adopt like policies and programs.

In no way would this represent total success in attaining a fair economy for current and future generations. Yet, by freeing up funds desperately needed for infrastructure shortfalls in education, health, housing, employment, commons restoration, etc., it will make a highly significant advance towards the urgently-needed restoration of the world's grossly-damaged natural habitats on which *all* species depend. For, without that there can be no meaningful future.

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http://www.anu.edu.au/emeritus/members/Ian_Buckley.html

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