

<p>Financial experts are presently united in professing ignorance about how to solve the economic woes of the world. That is not surprising, because they are all looking after Number 1, more colloquially termed 'covering their b....s. The cause of the looming crisis is embarrassingly (to them) obvious: Non-productive, parasitic money churning have been taking ever increasing bites of the world's production of goods (the latter limited by the amount of available energy), and spending it mostly on luxury items, until the amount of essential goods produced is insufficient to sustain economic output levels. A bit like when a family burns up too much chopped wood for warmth in the house, there's not enough left for cooking.</p> <p>The national debt is a mechanism, which, through interest payments, diverts part of a country's production to certain financial institutions (actually their staff members and their shareholders). This is done in recognition of the effort involved in shuffling and signing papers on a desk some time in the past. Monies mostly created from coralling natural and artificial growth is invested in the easiest and guaranteed most lucrative of all opportunities: the national economies of the world (incl. IMF, World Bank, etc). The amount of interest paid out by the US treasury in the last 12 months was 454 Billion Dollar. If there were 2 million shareholders, they each get ~20 000 Dollar per month.</p> <p>It is a mechanism designed by the advantaged to increase their advantage. The measurable result has been the big worldwide increase in inequality.</p> <p>Should national debts be arbitrarily sharply decreased or even cancelled, the main sufferers will be these financial institutions. A lot of mostly rich people will start having to do productive (rewarding) work or reduce their standard of living. Financial people who provide a needed service will not be affected. 'Runs' on banks may be prevented by freezing deposits for a given period (as happened in South America). Saved 'rescue money' can be used to mitigate hardships. Possible?</p> <p>A case can be made that harsh measures to reign in the financial free-wheelers are in the best interests of the majority and would guarantee continued growth of the world economy. Difficult though when the decision makers themselves could be negatively affected in their pockets and/or lose vital backers.</p> <p>~Letter to The Star on 11th Oct 2011</p>