Failed economic theory is killing us—ditch it now!



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The death and destruction wreaking havoc on the population must end—in all its forms. Wars, terrorism, cultural collapse and the myriad varieties of economic sabotage. From the horrors portrayed by the banking royal commission to the horror of the terrorist attack in Christchurch, a limit is nearing. How long will the population put up with the travesty of the failed policies that brought us here?

With Italy joining China in its historic, world-spanning Belt and Road Initiative, the financial elite responsible for this wave of destruction are right to fear that people will wake up and embrace such alternative economic approaches, and realise that the depression conditions we face are self-inflicted and avoidable.

Green ideologies that have suppressed development and justified the fall in living standards are inextricably tied in with the deathly economic austerity programs, and will be similarly exposed. Just as authors of neoliberalism have started questioning their own failed methods—including Paul Keating and John Hewson—so too will the green fanatics. Rising living standards and human progress will again be considered a blessing.

A recent news report, on the state of Victoria's need for highly skilled technicians, engineers and workers to build its planned new rail and tunnel projects, provides a glimpse of a different future. Two 4,000-tonne boring machines brought in from China will require specially trained drivers and operators, along with a host of other capabilities. If we can expand this nascent tendency, which the last Victorian election proved has strong electoral support, children can grow up with optimism, understanding the need to participate in a nation-building project, a national mission.

Turning point There is no more escaping the consequences of our actions—whether we initiated them or just accepted them. The chickens are coming home to roost.

Leaders who attempt to uphold the collapsing edifice of failed economic theory will fall with it. This week's prize goes to bank economist Christopher Joye, for insisting that Australia's mortgagors can service their loans easily, and that from his theoretical analysis, Australian houses are actually undervalued! Others are starting to think, "What if this whole thing does crash?" Perhaps this includes economist Peter Switzer, who was at least willing to give John Adams a platform for his warning that a housing debt bubble crash will lead to economic Armageddon.

A warning light of an oncoming recession that has started flashing is the so-called "inversion of the yield curve". The 1-year US Treasury bond yield (interest rate +/- discount) is now higher than the 10-year US Treasury bond yield—an inversion of the norm of short-term rates being lower than long-term rates. "Such unusual occurrences have preceded every recession over the last 60 years", reported the New York Times 22 March, "And it happened on Friday."

This is happening atop a record corporate debt bubble, bundled up in securities à la those which triggered the 2008 global financial crisis; the quadrillion-dollar-plus derivatives bubble; and Australia's record housing debt bubble. US banks have just made the biggest losses on their investment securities since 2008. Currently they are losses "on paper", but if a crunch hits and banks are forced to sell, those losses will be realised. This is happening on every front, and there is no escape outside of a revolutionary redesign of our financial system, beginning with Glass-Steagall bank separation to shield commercial banking from speculation, a foreclosure moratorium and debt restructuring, and a return to national banking to rebuild the productive sector.

The disgust with politicians refusing to acknowledge reality is sky high. This was obvious in London on 23 March, when a million people protested Prime Minister Theresa May's mishandling of Brexit—which British citizens originally demanded to relieve economic hardship. The only thing that will satisfy them

is a clear pathway to economic recovery; from there, other problems can be addressed.

Articles include the following:

- Bankers cling to bubble of delusion: the Adams-Joye debate
- See-no-evil bank regulator doesn't know true mortgage risks, and doesn't want to know
- The folly of the RBA
- Christchurch massacre royal commission must investigate the 'Five Eyes'
- Major parties rig democracy through big money
- Wall Street's dark underbelly exposed
- Italy opens G7 door to Belt and Road cooperation
- China says it won't print money to save financial system
- China to build the world's largest bay area and city cluster
- Mueller ends probe with no new indictments
- Have you made your submission?
- Vice legacy lives on
- ALMANAC: Civilisation sprouts on the Moon

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