

Debt and Conflict

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Since the dollar left the gold peg in 1971 the West has been driving growth with evermore debt - we have been selling our futures. We have got so used to debt that it now gobbles up wealth faster than we create it.

As a simple model debt needs to find resources as it grows. In the case of many western economies large scale immigration and discovery of new resources such as oil and minerals can offset some of this debt. Increasing productivity and technology advance allows further debt growth. If we could discover some new 'unobtainium' or the holy grail of cheap energy with fusion technology then we could offset yet more of this debt and maybe grow it some more.

In reality the indebted West is up a cul-de-sac with nowhere to go but to maintain territory and try and add further territory with foreign adventures such as Ukraine, Libya, Venezuela. This desire to seek further resources that allow the debt monster to grow will inevitably lead to conflict. Other powers such as China and Russia seek to protect their own territories and in China's case expand in its own region with territorial claims such as the Senkaku islands or even Taiwan. The tensions between the US and Iran over power and nuclear weapons development yet alone the Shia-Sunni standoff is also an area for concern.

Of immediate concern is Venezuela which whilst having a dysfunctional Govt under Maduro has vast oil and mineral reserves that the Western debt monster would like to consume. It is not a case of respecting sovereignty or the welfare of the population but debt chasing resources and potentially involving conflict to achieve that end. I am no friend of a failed socialist experiment but nations need to respect sovereignty and not interfere for less than altruistic motives.

If our leaders are not prepared to sit down around a table and agree a process to reduce and control this debt monster we will inevitably experience more conflict both between and within nations. A sound currency needs to be agreed as a yardstick for trusted trade and a means by which debt can be reconciled between nations with measures to manage debt reduction and with it the potential for conflict.

From a historical perspective we can see what happens when a nation is overburdened with debt. It can lead to societal breakdown and the rise of vengeful politics that seeks redress through military retribution of those it sees as persecutors. China, Russia, The US and Europe need to get together to prevent a chaotic debt implosion and with it politicians that seek to externalise the damage by blaming foreign powers. The real blame is our fiat debt driven global economy and the banking cabal that have profited from this exponential growth in debt.

From a UK perspective the Brexit battle is a struggle of nationhood against globalism and this debt monster. The EU is seen as a centrist bureaucracy that serves a global agenda against the welfare of ordinary citizens. It does not respect national culture and traditions and seeks to subvert national identity so as to serve the needs of a de-facto superstate that can compete with global powers. It is the EU that seeks to expand through Ukraine to the borders of Russia and until recently was targeting Turkey as a future member.

Whether we are large or small, rich or poor, we must respect the sovereignty of each nation and the cultures and traditions within. There is no room for allowing the fiat debt monster to continue consuming the planet and eventually driving us to global conflict and self-destruction.

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