

## **A Real New Deal & Debt Jubilee Or A Green New Deal & Global Dictatorship?**

By Mathew Ehret, The Strategic Culture Foundation, 25 April 2020

**As scary as it is for some to admit even at this stage of the game, the current financial system sits precariously on the edge of a meltdown beyond anything ever recorded in human history.** Normally, such a systemic meltdown would generate such turbulence and panic that the masses of complacent subjects would be induced to action in defense of their families and nations, however under current circumstances, the coronavirus pandemic has ensured that no such mass movement, or policy fight has taken shape.

As I wrote in a February 27th editorial [Why the Coming Economic Collapse Will NOT be Caused by Coronavirus](#), the inevitability of the meltdown has been well known to all leading central bankers and highly placed officials in “a position to know” for a very long time. This fact was known even before the new wave of emergency bailouts were begun in September 2019 starting with \$50 billion/night of overnight repo loans. It was known even before the age of bailout was created to postpone the 2008-09 collapse of the system under threat of Martial Law. It was known before Glass-Steagall was repealed in 1999 and over-the-counter derivatives were deregulated in 2001. Let’s just say it’s been a part of a very ugly plan for a very long time.

**But make no mistake, you didn’t have to be a “highly placed” banker or technocratic social engineer to know this collapse was going to happen. No crystal ball was ever needed.**

All a thinking person had to do was assess the observable underpinnings of the post-1971 financial order and look with unbiased eyes upon the consistent rate of collapse of the PHYSICAL economic platform that supports life while taking note of the paradoxical hyperbolic increase of monetary assets, and speculative claims in the system every year since the age of “deregulation” was ushered in (and the post WWII paradigm of industrial growth economics was thrown in the trash). Outsourcing of vital manufacturing, decay of infrastructure maintenance and improvement, privatization of public goods, and loss of machine tool powers simply resulted in the transfer of wealth into the hands of a small elite, and the stripping of nation states from the economic sovereignty they once enjoyed.

Where monetary growth used to be tied to the measurable growth of physical economic variables mentioned above, the post-1971 world order demanded that money could only grow according to debts that were ever more disassociated from reality. Instead of justifying the growth of infrastructure, and improvements in the productive powers of labor, debts became tied to mere speculative activities setting in place a time bomb in the form of a new bubble economy. Whether artificially induced or left to their own devices, bubbles by their very nature ALWAYS pop

**Since the chaos of the collapse of the trans-Atlantic bubbles has not yet occurred, we still have a choice.**

### **Hyperinflation 101: How NOT to Run an Economy**

Either we can break up the banks with Glass-Steagall bank separation, and a total bankruptcy reorganization (aka: Debt Jubilees) or we can pump more money into the zombie banks in order to accelerate hyperinflation and fascism following the 1923 German model.

**Sadly, up until the present moment, the playbook used was published in 1923.**

In response to the collapse, and precipitated by the covid-19 pandemic which has been used to justify the shutdown of the economies of the world, the NY Federal Reserve has been converted into a giant Hedge Fund designed to purchase trillions of dollars of junk debts from private banks to the tune of \$6.13 trillion as of April 13. This represents a 42% increase in only one month from the \$4.31 trillion balance sheet on March 11. Most of these assets take the form of Special purchase vehicles authorized to purchase over \$4.5 trillion of toxic debt under the secret supervision of Blackrock, as well as tranches of Collateralized Loan Obligations (CLOs) which are highly toxic derivatives tied to leveraged corporate junk debt to the scale of \$2.2 trillion.

Former banker and author of Planet Ponzi, Mitchel Feierstein recently [wrote an RT editorial on April 10](#) that put it succinctly: “The fed is socializing hedge fund investments gone bad placing tax payers at risk.”

Unlike too many analysts who prefer to merely opine about the crisis, Feierstein happily strikes the nail on the head by zeroing in on the conceptual issue of good vs false standards of value and debt. Is all debt evil? Of course not. If a farmer wishes to take out a debt to buy a better tractor which will improve his productivity then it will extinguish itself over time. If a heroine addict wishes to take out a debt to feed his addiction then that debt would obviously be destructive.

In this vein Feierstein states: “Debt is never a bad thing if it is used to create organic growth or fund infrastructure development that creates opportunities and employment. Debt is dangerous when used to develop grotesque weapons of financial destruction by structuring synthetic derivatives products that use leverage of 300 to 1 or more- meaning that \$1 million can control \$300 million in assets.”

The system of derivatives products and leverage referred to by Fierstein has now attained levels which “officially” amount to \$700 trillion, but which most expert economists claim runs as high as \$1.5 quadrillion of fictitious capital. World GDP is no greater than \$80 trillion. This is the bubble that threatens to tear apart the nations of the world now.

### **The Importance of a Debt Jubilee**

Feierstein is joined by a surge in Ibero-American voices who have loudly begun calling for a debt jubilee in the face of the oncoming blowout. Founded by Latin American leaders, including Argentina’s current president Alberto Fernandez in July 2019, the Puebla Group has now come out calling for a total write off of the unpayable IMF and World Bank debts that have held Latin America hostage for decades under the weight of conditionalities and usury. After a 3 hour conference call with its 40 members, the group [published a declaration](#) stating that “the priorities of the [existing] global model led to the abandonment of social policies, especially those related to healthcare systems” and that “health, research, and public policy cannot be subordinated to the interests of the market.” Other founders of the Puebla Group include former presidents Fernando Lugo (Paraguay), Rafael Correa (Ecuador), Dilma Rousseff (Brazil), and former cabinet ministers, diplomats and senators. This dovetails [the March 20 call by the Latin American Center for Geopolitics \(CELAG\)](#) to support a new multipolar system and a cancelation of all usurious Ibero-American debts. A director of CELAG named Alfredo Serrano wrote that “after the tsunami”, hopefully “a kind of New Deal, a new social and economic contract will emerge, in which health and other basic rights will be at the center of the economy and that the financial economy will be at the service of the real economy and not the other way around.”

While not going as far as the Puebla Group or CELAG, Mexico’s President Lopez Obrador, made headlines on April 8 by stating the fact that the crisis will require a new system and that

said system must be based upon the total rejection of neoliberalism. In his speech, Obrador stated “that the neo-liberal model is collapsing. That is what is happening; that is, the coronavirus precipitated the fall of a failed model...“How is it possible that the pandemic has such a huge effect, economically and socially? ... Among other things, social investment was stopped; healthcare was privatized. There are countries today which do not have public services for the population. They are the ones worst hit.”

Although he did not explicitly state that a debt cancellation must occur, Obrador called for a New Deal solution to the crisis asking:

*“What did President Roosevelt do in a situation like this? Reactivate the economy with investment; employment for everyone; a minimum salary for everyone, especially the youth. Reactivate the construction industry. That is how he lifted up the United States and returned tranquility, happiness to his people.... So, why not do the same thing today?”*

### **Real New Deal NOT Green New Deal**

As I wrote in my previous paper [How to Crush a Bankers’ Dictatorship: A Lesson from 1933](#), Franklin Roosevelt’s New Deal was NOTHING like the “Green New Deal” which many leading central bankers have been promoting as a replacement to the dying neo-liberal order. When Sir Michael Bloomberg (yes he was made a knight of the British Empire in 2014) or the Bank of England’s Mark Carney, or some other Malthusian technocrat call for a Global Green New Deal it is important to recognize that this is a trap and similar to the original in name only. Since this fact is still not widely known, a few words on this must be stated.

Carbon taxes, cap and trade schemes, biofuels (to burn the food supplies), or inefficient windmill and solar energy infrastructure may create a momentary spike in jobs that would satisfy Keynesian economists who think economic progress comes from individual “bottom up” purchasing power, but the longer term EFFECT will be the opposite of that attained during the New Deal of the 1930s and the needed remedies to support today’s nearly 8 billion people.

Rather than increasing industrial activity, large scale infrastructure and ultimately sustain social safety nets the way FDR achieved, the Green New Deal will crush nations’ abilities to produce for themselves, sustain their people or even maintain global populations at current levels which this author developed in a 2014 lecture entitled [“The Imperial Fraud of Entropy”](#) featured below. As sick a fact as this is, depopulation is considered a “utilitarian necessity” for certain oligarchical social engineers attempting to manage humanity as a system from the top.

The real New Deal, as Obrador desires, or as China, Russia and other pro-Belt and Road nations demand, must be anti-Malthusian as well as anti-neoliberal. It must be based upon activities that increase human life both quantitatively as well as qualitatively on every level: material, intellectual and spiritual. Long term infrastructure projects funded by low interest/conditionality-free loans made the original New Deal work and [it would have ended colonialism](#) if FDR hadn’t died pre-maturely months into his fourth term under conditions which Stalin stated in an interview with FDR’s son Elliot, was the effect of poisoning by “Churchill’s gang”.

**These principles worked then, and they continue to work today as China and 135 nations working together under the Belt and Road Initiative framework have demonstrated beautifully.**

This growth of humanity as a species made in the image of a Creator is what the Malthusian technocrats hate and fear, and this is why the Trump-Putin-Xi commitment to asteroid defense, lunar, mars and asteroid mining and cooperation on space exploration more

generally is so necessary to fuel the sort of anti-Malthusian, open system discussion for a genuine Global New Deal which must govern the transition from the age of parasitic globalization and empire to a new Multipolar age of cooperation and creative reason.