

# Systemic Debt

## *The Hyperfinancial Superbubble*

Joseph Edozien  
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Our world faces a large, profound, and very important problem.

Let us call this fundamental problem “Systemic Debt.”

We are each and all in debt, whether or not we have actually borrowed from anyone.

This is because our financial system is based on debt and interest on debt.

Our individual interest payments are disguised as taxes and hidden in the inexorable price inflation we each experience.

We get in debt at birth.

You are already directly in debt if you are a citizen of a country in debt, and all countries are in debt. The fact of your citizenship makes you liable even if you think you are personally not in debt to anyone.

The collateral for each country's interest-bearing debt is the ability of its inhabitants to work and pay taxes. The taxes are used to cover the nation's interest payments.

From the perspective of the owners of our global financial system, and it is owned as private property since it is largely a for-profit private system performing the functions of a non-profit public utility, our liability (debt) is their asset (loan).

When we owe, someone is getting richer. Their assets are increasing so long as we are inescapably trapped in an endless stream of interest paybacks since the profit in the system is not in the principal but in the interest.

If you understand this simple truth, you will understand many deep and mysterious things about our troubled modern world.

It is also true that any good merchant seeks to push his wares. Good lenders are good merchants. We have bought their wares with our financial, economic, and political freedom.

## I. Systemic Debt Creation

Money in our current financial system is interest-bearing debt: all at a fixed or variable interest rate at birth.

For example: when bank debt is created, and placed into a bank account as a bank deposit, the interest obligations on that debt are created at the same time and the funds in that bank account function as money. You can buy things by debiting that bank account. But the money to pay back the interest on that loan is not created with that debt in a deposit in that account or in any other account. Therefore, more debt, bearing its own interest too, must eventually be created to pay back the interest previously obligated otherwise all money would eventually disappear as the interest on that original loan and others is paid back. This is why and how our financial system must grow through its own force and for its own reasons. And since the interest is compound interest our financial system is mechanically biased toward unstoppable exponential growth reflected in price inflation since the money must grow faster than the availability of goods and services because its growth laws are arithmetic and of its own nature rather than economic in relation to our real needs. It must grow, technically, faster than the growth in trade.

It thus becomes imperative to force-grow the economy in line with exponentially exploding interest-bearing debt so that money does not too rapidly lose its purchasing power in terms of goods and services.

But real world growth is limited by the laws of physics (broadly construed) and ecology, since we live in nature; and by the laws of psychology and sociology since we live in cultures and are all real beings with finite needs. For example, no single person can live in a thousand houses. And we can each eat only so many meals in a day.

Even wars, which are tremendous growth engines since they hyper-produce to destroy and then hyper-produce to rebuild, cannot go on forever because they exhaust us: physically, psychologically, morally, and spiritually.

Therefore, at some point, the requirements of interest-bearing debt creation begin to exceed the ability of real world economies to endure forced growth. Thus, interest-driven debt needs to grow beyond real economies into a virtual world of financial "economies" where it can find further room for ever faster growth with no obvious real world limits.

In such a virtual financial world, in one convoluted form or another, debt is used as collateral for even more debt which then itself needs yet more debt and so on up for several levels in order to continue to meet the forced expansion needs of the financial system to support its exponential growth imperatives.

It stands to reason that even this virtual world of high finance cannot go on growing forever. Human imagination is only infinite in principle. And it takes great imagination to create all the convoluted packagings and collateralisings of what is all ultimately interest-soaring debt in all manner of fantastical formations.

This virtual world of high finance is invisible to most people.

## **II. The Shadow Financial System**

The rarefied world of virtual high finance is visible only to financial oligarchs and plutocrats and their enablers, insiders, facilitators, and mathematically skilled financial engineers concocting all sorts of fantastic complexities out of the boring old exponential function of basic algebra. But it is in a sense a real world because it affects the real economy in very profound ways.

We have every reason to be interested in this strange world whose main tool is “securitization,” or debt packaged as collateral for more debt creation, in all sorts of strange formations whose economic illogic is then “justified” in post-hoc obfuscation using the laws of mathematical probability as the unimpeachable “authority.”

The fundamental mathematics of finance is not arcane, but its transparency is now obscured by such exotica as applications of the second order differential equations of fluid dynamics and the statistical probabilities of quantum mechanics. It is chimerical when discrete quantities need continuous growth models and risk assessments need probability models with no empirical foundations: just “theoretical” axioms.

Since we only see its shadow moving vaguely and confusingly about in our conceptual distance, it is reasonable to call this “behind the scenes” virtual world of high finance the “Shadow Financial System.” It is by far the largest financial system on this planet. Its notional size is probably somewhere approaching the region of 100 times the size of the real world global economy.

This Shadow Financial System is now where real world power lies. Why do I say this? Because it makes us and our governments do what it wants us do whether we like it or not, especially when we do not even understand what we are being told to do. That is power!

## **III. The Shadow Financial System’s “Deleveraging Deflation”**

The so-called global financial crisis is a deleveraging symptom of a systemic deflation in the notional value of the Shadow Financial System because of a cascading loss of confidence in the backing of the notional value therein by the insiders therein.

In other words, there was a disorderly fall in the notional value of the shadow financial system because of a self-reinforcing loss of confidence in the assets behind it.

A crude and simplistic way to say this is that insiders, because there are only insiders in this rarefied world, got nervous when some deals went bad so they all rushed in unison to claim their “real” money but the money wasn’t there so deals began to unwind

chaotically as values dropped since no-one trusted value anymore. It was essentially a financial panic in the Shadow Financial System.

This impedes the liquidity of transactions by freezing deals in the ice of uncertainty and increases both potential and actual cascading losses since both profit and loss multiply themselves in any system based on “leverage.”

Think of leverage as the alchemical ability to move a financial mountain with a financial molehill.

When it works positively, you make a mountain with a molehill. When it works negatively, as now, you lose a mountain with a molehill.

Where we are today is that ordinary people without being honestly told what we are being “led” to do, are being forced to fill a “behind the scenes” financial mountain hole, invisible to us since it is in The Shadow Financial System, with molehills of our real soil (which is really our toil) which will be collected for generations.

The so-called bailout money is not actually inflationary even though it is being magically created in barnfulls of trillions at a time. It is all going into the invisible hole in the invisible, to us, world. It is all going into a desperate attempt to reflate and stabilize notional values in the Shadow Financial System.

There is also circumstantial evidence, which I infer from puzzling super-bank behaviour, that there are deliberately placed “secret” incentives to encourage the banking system to build up reserves by hoarding bailout money by paying them interest on their newly pumped in central bank reserves thus disincentivising them from lending just when new lending is necessary to stimulate economies. The net effect is an engineered monetary contraction.

Most of the bailout money in any case is not trickling down into the real world but is rather “balancing the books” in the shadow world of super high finance, and it is keeping the financial markets artificially inflated to make savers and investors feel their financial wealth is safe and holding value.

Asset hyper-inflation, whether in stocks or real estate values etc., is fake wealth which shows itself as such when the artificially inflated bubble finally bursts as it always does eventually.

In fact, the whole “Western”-led global financial system has become a hyper-inflated super-bubble which will burst as all bubbles eventually do.

#### **IV. The Hyperfinancial Superbubble**

There is an important reason we should all care about systemic debt and its consequent hyperfinancial superbubble in the shadow financial system even if we do not understand

“notional value” and even if we live in this world and not in that one: and even if we are not rich enough to have money directly in the financial markets.

You and I, and our descendants, will ultimately pay for the trillions in financial bailouts in a combination of higher taxes and reduced public services in a far more miserable and economically depressed world. Why? Because since money is debt bearing interest in our current financial system, the bailouts of these private parties are borrowed by States (public entities) at interest, and you and I and our progeny, being State citizens, are the collateral.

We are the collateral for this interest-bearing bailout debt for high finance private parties (some of whom we do not even know) because our governments are guaranteeing the bailouts and our governments are pledging our taxes and our productivity as the basis for the guarantee.

**Worse: we are borrowing the bailout money, at obligatory interest, from the very same super-financial magicians whom we are bailing out with the money we are borrowing from them.**

They make the principal out of nothing, literally, but then they charge our governments, and thus ultimately us as taxpayers, real interest on the “loan” which is secured ultimately on all of us, literally, as the underlying collateral.

Our ability to make good on this promise made in our names is our ability to work and pay taxes. This is why we are all debt slaves working ever harder for our ultimate global creditors even though many of us do not even realise that. And most of us have no idea whom our ultimate global creditors are or even that they exist. We should ask. We should know.

**Wage Slavery, in fact, is Debt Slavery in a disguised form.**

In their time of dire need, by seeking government social welfare benefits, the biggest super-capitalists have suddenly become the biggest super-socialists without openly admitting their seemingly sudden transformation into social aid grantees – just like the poor people and indigents they accuse of being social burdens, useless eaters, and ill-educated drains on taxpayers and “free markets” who are poor or destitute because of their own faults (including laziness, promiscuousness, and lack of intelligence, etc.).

We are bailing out the Shadow Financial System beyond our earning and tax-paying ability.

This is the real root of the so-called sovereign debt crisis and its penultimate consequence.

In short: the Shadow Financial System collapsed. Our governments guaranteed its bailout in our names and with us as the collateral. And we ordinary people, quite

innocent in all of this (most didn't know, and still don't know, what has really been going on), are ultimately stuck with the real bill: we and our children and our grandchildren and our great grandchildren, etc., that is.

None of us ordinary people gained much from the shadow financial system we are all now supposed to suffer to save. Even our pension and social security funds will be used as collateral to bail out this system (if they haven't secretly been already) if we get deceived or cajoled into allowing that to happen.

The fundamental problem behind the sovereign debt crisis is that the global economy can no longer create enough jobs to employ us all so we can pay the taxes to pay off this government debt.

Production is now far too capital-intensive and automated just as the world population of job-seekers is rising ever faster. Capitalistic "productivity," in practical terms, means more machines and fewer humans because that is cheaper and thus more profitable since social and ecological costs are not accounted for in capitalism.

Capitalism does not truthfully account for the social, ecological, and business cost of its financial super-structure because it will be seen then to be a catastrophic loss-generator.

## **V. The Hyperfinancial Superbubble Bursting *Inevitable Collapse Dynamics***

The true carrying cost of capitalist finance is unsustainable in any possible real economy.

This central fact of interest-driven finance (usury) is hidden in depressions and it is disguised by wars.

In any rational world system finance would serve economy because it is simply a tool of economy: nothing else.

But this is not how our current world system works. In our current world power system, our economic system serves our financial system and our financial system now serves the shadow financial system which has grown into an obscure super-structure, invisible to most people, shaping our societies for its alchemical benefit. In so doing, it has wittingly or unwittingly placed humanity in a very precarious and most troubling position.

The Shadow Financial System has exceeded the carrying capacity of its underlying financial system which has in turn exceeded the carrying capacity of the real world economy which serves it and so we are all in overshoot mode now. This is dangerous. Another way of saying the same thing is that the parasite has become bigger than the host.

The Shadow Financial System needs a rescue from the real world that the real world cannot provide. Therefore, the financial system will eventually collapse because The Shadow Financial System will crash it. It is just a matter of time.

This collapse will be a writhing system death oscillation of diminishing period cyclic crises: an agonising series of increasingly alarming crises with ever shortening periods between them and then a vast convulsive last gasp disguised in a monumental war of some sort: even if that total global war is a gargantuan “war against nature” to save civilisation from climate change as we will be told.

## **VI. The Writhing Death Oscillation As Phoenix From The Ashes** *Capitalism dies in depressions and resurrects itself in wars.*

The next crisis, coming on the heels of the spreading sovereign debt crises, will be a crisis of the global reserve currency system which will propel proposals for a new world currency and a global central bank and thus more attendant “global governance” mechanisms.

Before that time, all world citizens should ask serious questions about the power structure implicit in any new global reserve currency system and its collateral governance mechanisms including the ownership and control of any “new” global central bank. And we should all demand a complete end to central bank secrecy and insist on full-spectrum governance transparency since the financial system is properly a public utility and should in truth not be left in “invisible” private hands as for-profit private property. Deeper than that, we should all question the wisdom and benefit in increasing global centralisation. Global centralisation means nothing more than the concentration of global power in increasingly unaccountable and increasingly fewer hands. This is dangerous.

But this new news is old news. Our interest-driven financial system is by its nature unstable and unsustainable. It is unwieldy. It needs to collapse and reset itself every fifty to one hundred years or so. The symptom of this collapse is depression. Capitalist depressions are actually financial phenomena which manifest as real world phenomena.

Usually, the capitalist system reboots itself in a very large war after a depression starts and begins to undermine citizen confidence in the financial system and its controllers and enablers. This way, the power structure behind finance remains intact as it resets itself because we are too distracted by patriotism and war fever to ask probing and “embarrassing” questions about the power structure behind high finance.

War is a financial boom which generates huge debts and therefore makes big “money” in this system. It is thus no accident that the world has been in near perpetual war since the capitalist industrial system took off under the compulsion of a usury drive.

In the twentieth century alone we had what I call The Great European War which Europe calls World War I (since Europe has in modern times seen itself as all that matters in the world except maybe for America which is really in some sense Europe in extension).

Then we had a breather with a few warm up skirmishes such as the Russian Revolution and the Spanish Civil War during which we had the so-called “Roaring Twenties” largely in the West and then the “Great Depression” of the thirties, also largely in the West, culminating in World War II during which the failed financial system cleverly reset itself as the Bretton Woods System.

Then we had World War III which we know as The Cold War, but which included some quite large and long proxy hot wars such as Korea and Vietnam, and which entailed huge debt to build hyper-expensive weapons of mass destruction with massive delivery systems such as ICBMs useful for debt-creation even when unused for their ostensibly stated purpose. Then the “Berlin Wall” came down in the collapse of the USSR and instead of a peace dividend, which would have been debt-deflationary by the way, we embarked on the Global War On Terror (the super-patriotic war on a psychological adjective) which I call “The Great GWOT.”

The Bretton Woods financial system reboot itself failed in the 1970s and was rescued by the ramping up of the Shadow Financial System (beginning with petrodollar recycling and morphing into the technology and real estate bubbles) which itself failed in the 2000s, and terminally in 2008, thereby needing more war after epic bailouts in order to reflate itself.

So far in the twenty first century we have been at low-intensity global war which is slowly spreading, intensifying, and coalescing.

After the technology bubble burst spectacularly in 2000, we embarked on the Global War On Terror in 2001 which somehow transmuted into successive and ongoing regional wars in Afghanistan and Iraq, and now in Libya, and emerging in Pakistan, and Yemen, and Somalia, and the “horn of Africa” generally, with growing saber-rattling against Iran, and Syria, and etc. and etc., (all of which “coincidentally” arc strategically around the rich oil regions which back petrodollars).

If one were to count “The Cold War” as World War III, then it seems not unreasonable to view the current spreading and coalescing wars as the opening campaigns of a slowly developing World War IV seemingly centered in the oil supply choke point to the rising Asian region.

It is interesting, perhaps simply coincidental, that the current array of wars, which seem unconnected and confusingly disparate to most people, are initiating and coalescing around the same time the financial system is in slow motion collapse in a truly epic exponential debt implosion. And the initiators and prosecutors of these wars, meaning those most heavily involved in heating them up, are the very “Western” powers which are at the epicenter of the accelerating global financial implosion.

Is it coincidental that the “humanitarian” nations all now on the “evangelical” march to give brown people freedom and democracy and to save them from themselves are all bankrupt nations whose fading wealth was built on conquest and colonialism?

If we do not as world denizen's find a way to quell the seemingly engineered global mayhem, history will record that World War IV began on 11 September 2001 with the 9-11 event – and we will not be the better for it.

Interest-bearing debt-driven capitalism has a clear historical pattern of dying in depressions and resurrecting itself in wars. This scenario is playing out now even as the risks to humanity in this pattern are greater than ever before and are likely demographically and ecologically catastrophic given the nature of today's weaponry, the sheer human density of today's world, and the increased human-support fragility and vulnerability of today's ecosystems.

“The Great GWOT” has already created trillions of US dollars even though it is a global war on a psychological adjective.

And the war on the adjective has mysteriously transmuted into several ongoing long wars with air forces and big divisions and the great war crime against humanity of cancer-inducing depleted uranium weaponry (which are really surreptitious weapons of long-term mass destruction since they radioactively poison the environment and harm people for generations with radioactive trauma which affects genes).

All of these adventures are costing us ordinary people world-over trillions of dollars in present and future interest paybacks (taxes).

Each and every one of the trillions of dollars of direct outlay is in the principal of a debt obligating interest payments to “someone.”

Under the current circumstances, it is most likely that there will soon be a monumental spellbinding global “drama” of some sort to obscure a much needed system reboot which preserves the power structure behind high finance.

“Normally,” as said previously, this “drama” is war. But the prospect of massive convulsive global or regionalized war in the context of modern weapons of mass destruction (nuclear, chemical, and biological) poses incalculable risks even for the plutocratic power structure. Blowback containment cannot be reliable in these circumstances, even if forced depopulation is a hidden objective.

Either way you look at it, our world is inexorably heading towards truly radical system changes whether or not its current power structure remains intact and in charge of human affairs.

We will either have a big war, with all its usual patriotic fervour against the manufactured hated “other” who are actually simply human just like us (and usually “led” by a media-hyped larger than life super-evil boogey man who is a media-inflated outsized caricature of his evil self); or we will have an unhideable big fiscal collapse which, amidst incalculable stress and misery, causes mass loss of confidence in the power structure

behind the global financial system; or we will have, if the power structure behind finance is successful in deceiving us yet again, our fear induced acquiescence to draconian State measures to “preserve the social order” from “anarchy” and internal and external “terrorism,” etc.

People will eventually either revolt in anger and hunger or they give up all their civil rights in fear. Which will it be? We are already creepingly losing those civil rights to State authorities world over anyway (and this is fact) since they say they are protecting us from terrorism and social anarchy.

The better path for all of us is to start asking the difficult questions now, ahead of the coming calamities, while seeking honest answers to them.

If we do not ask the right questions I can promise you that we will find ourselves in the situation of “hey guys meet the new boss in new clothes” (same as the old boss in old drawers). We cannot continue with the more things change the more they remain the same. Our world needs sincere financial liberation for genuine economic freedom now: for every one of us, but especially for the poor and dispossessed.

The US dollar basis of the current global financial system, in my opinion, goes mathematically terminal in 2012 even if kept on a zombie life-support oscillator for longer, as it will be until a power structure preserving reboot can somehow be managed, by draining life from real economies through capturing the whole working world in a subtle but draconian form of debt prison enforced by increasingly authoritarian and personally invasive State structures.

In the process, mounting financial system losses, also as transmuted into real economic system losses, will be further socialized using State legitimations while preserving the ability to reprivatise profits in the same private plutocratic structures after financial system reboot and its consequent reflationary period which we experience as “boom times.” This is the usual cycle of capitalism, but it will be different this time.

This time it’s terminal because the system is just simply too big for itself and the carrying cost of the financial superstructure is now larger than its necessary support base. Thus, we are in the very early stages of what will eventually be an acute civilisational crisis.

## **VII. The Systemic Debt Trap**

The underlying system pressures in global finance are deflationary rather than inflationary (in contrast to what most expert observers seem to believe). This deflationary syndrome is especially acute now because it is the globalised basis and sustainable collateralization of systemic interest-bearing debt creation which are fundamentally at issue in this era of end-stage capitalism.

Without a stupendous “spending” campaign, which means a rampant borrowing campaign, for some titanic global project such as world war or something just as big, the

most likely ultimate outcome now is a gigantic deflationary global depression even if masked in some commodity-asset categories by hyper-inflationary phenomena.

The debt burden, in our financial system, cannot get smaller or the system will collapse. It can only get bigger.

We will always have to create a bigger debt problem to solve a big debt problem in this system. But that is exactly how this financial system is designed to work. We always have to solve the problem with the problem itself.

We need new debt to pay back old debt, and so on forever . . .

This is actually “sensible,” however, to a degree, if you are the ultimate creditor in this system. It is really only a problem if you are the debtor in the system. But whole societies, all states, all citizens, and most businesses are the debtors in this system.

The only group not in debt are the ultimate creditors in this system. Thus, the nature of the “solution,” or the “sanity” in the system, is itself another indicator of where real world power lies today. Our governments are subject to “undue influence.” Our governments’ are not the power. They just pretend to be.

It must be very nice if you are the ultimate creditor in this system and you can induce, or “undue influence,” the whole hard working world to carry your loan in a way they cannot refuse, whether they know what they are doing or not. There is no better collateral than that: the need and will to work of honest people world over.

### **We are caught in a systemic debt trap.**

If we reduce interest-bearing debt creation we will rapidly induce a deflationary depression by starving the economy of money. Thus, counter-intuitively, social austerity is self-defeating if the objective is refloating the economy in the direction of prosperity.

If we accelerate interest-bearing debt creation we will keep our economies afloat, even if stagnant and zombie-like, but eventually induce an even more catastrophic deflationary depression because we are not solving but simply delaying, at the cost of exacerbating it, the underlying systemic problem.

We are definitely and irreversibly headed for a long and deep world depression in the capitalist sphere either in the near term if we “get our debt house in order” or in the short to medium term if we continue on the path of massive borrowing and spending whether “behind the scenes” or on more visible programs.

Actually: we are already in the early stages of what I call The Great Capitalist World Depression, the next stage of which will be a crisis of the global reserve currency system consequent on the current sovereign debt crises.

## **VIII. The Globalisation Of The Fall Of The Western Financial Empire** *World Transmission Mechanism For Dollar Demise*

In a roughly two and half year period straddling the behind the scenes financial deflation of 2008, and on top of and not counting the trillions already loaned for the coalescing current wars serving collectively as the opening campaigns of World War IV, the central bank of the USA created more money than the whole US economy to bail out the Shadow Financial System. We have on audited record more than 16 Trillion US Dollars forced out into the open by an act of the US Congress: the real figure is certainly very much larger, probably at the very least twice that when all secret dealings are accounted for in just that period alone. This is not small change.

The whole annual output of the whole US economy is less than 15 Trillion Dollars.

Why didn't we create all of this money, since we apparently can, to give each one of us a sweet love gift? Because that is not what money creation in this system is for. And the loans do not belong to us in any case, even though they are taken out in our names.

It is in every citizen's interest (pardon the unintended pun) everywhere in this world to ask and answer the right questions:

- Where did all this money go?
- Why has it not reflatd, or hyper-inflated, the US economy?
- Who are we paying (*for their private profit*) all of that interest to?
- Where did that unbelievable amount of bailout money "magically" come from so suddenly?

It certainly could not have come from American depositors or from other countries which are less rich than America, even though we are misleadingly told it came from China. China is not rich enough to bailout America.

It can't be any of the multi-billionaires or transnational corporations we hear so much about since they don't have enough money to loan on the scale we are discussing, not even collectively.

Collectively, all of us in this world do not have that scale of freely available money to lend as one consolidated "free-standing" pool. Neither does any aggregate of countries which all have social services to pay for and are already in debt in any case.

It came out of nothing!

But interest is charged on it. And it was created in the name of the American people who will have to pay back those loans.

## **Who are we paying all of this interest to?**

But this is only part of it, the US debt we hear about, which is now approximately 100% of US GDP is only a fraction of total US debt since it only counts accumulation of US Federal Government budget deficits since the time of President Clinton. The figure is much larger when you factor in State debt, Municipal debt, etc. If you factor in the present value of the projected fiscal deficits for currently obligated social expenditures, the figures go well beyond 100 Trillion Dollars in conservative estimates.

The USA is in fact bankrupt.

At some point, America's interest payments will overwhelm its ability to pay since its economy is too small and now grows too slowly in relation to its obligations coming due.

It is one great and singular privilege of America to export its currency, meaning its interest-bearing debt, to the rest of the world using its global reserve currency status. We need American debt, meaning its monetary instruments, just to carry on international trade transactions, even for the most mundane cross-border business.

America's trade deficit, reflected as a financial deficit (or debt at interest ultimately), is actually necessary for the technical functioning of the global reserve currency system in its current architecture and which is why the whole world also holds American IOUs, especially the world's largest trading nations. Thus, our global trading system is itself making the whole world carry a significant portion of America's debt burden and we can't say no or "boo."

Financial Globalization globalizes the systemic risks of the EU and US thus spreading them to long suffering "emerging" economies which have paid heavily through colonisation to develop Europe and America and will now pay heavily through globalisation to save them from themselves while being all the time innocent in both their "development" and in their "deflation."

We will all in this world have to pay back the American debt in one way or another along with our American working brothers and sisters. This, by the way, is an excellent way to spread and mitigate risk if you ultimately own America's ultimate loan.

At least half of the USA debt are loans owned through the US Federal Reserve System. Since this system is in private hands in very complex layers of non-transparent ownership, a large portion of the gargantuan US interest payments are going to private parties, but we do not know who they are. Whoever they are they are far richer, at least collectively, as a result than any of the famous multi-billionaires we hear about since these interest payments can now be counted cumulatively in trillions. Whoever they are, they are richer than whole nations.

But it is not just America.

The whole world is in debt.

Every country is in debt.

We are speaking of loan potential of well over 200 Trillion Dollars when all levels of current and easily foreseeable public entity fiscal deficits are roughly considered in approximate outline. That is a very profitable amount of interest revenue for “somebody” well into the future. This is a good business, so to speak, profitable as far as the mind can stretch.

And that is still only a fraction of potential world sovereign debt obligations being incurred globally today in total when all levels are considered.

The answer to this question (*who is our world ultimately in debt to?*) is the answer to many mysteries.

It is a central question.

We should all start thinking about this question.

**Who is our world ultimately in debt to and who is thus ultimately collecting all of our residual interest payments for their private profit?**

Our global financial super-structure is too systemically corrupt and functionally expensive at its inner core and controlling apex to save itself from itself ultimately no matter what it does and no matter what world cost it makes us pay to keep itself in charge of human affairs. This super-structure is all cost with no benefit, a genuine human burden: a suffocating and world distorting super-structural weight we no longer need and can no longer carry.

The current power structure of world finance is no longer adding any value to the present and future condition of humanity.

This is a fundamental conundrum facing humanity today.

***We are all debt slaves caught in a writhing system death spiral.***

## **IX. There Is NO Solution In The Current System**

**Any stable and sustainable solution to systemic debt is in fact impossible in our current capitalist economy because its driving financial system is in fact systemic debt.**

We will need a new and completely different sort of financial system to solve the root of our current economic problems. This is certain.

Some of us know the sort of new financial architectures which can work.

But solving our world financial-economic problem elegantly and peacefully is not simply an issue of logic and system engineering and good intentions. It is also an issue of power.

Changing the architectural foundation of the global financial system cannot happen independently of a transformation of global power relations unless the power structure behind current finance decides to yield for the good of humanity and for its own peace of wealth already gained.

Unfortunately, the socio-political control and other economic benefits to the power structure in this system are far too great, in their system of values, for them to give it up for the good of humanity and also for their own good. They won't leave without a fight and they know they hold all the fighting tools in their hands. So we are all trapped.

Obsolete power structures rarely yield gracefully and peacefully and in the process of manufacturing increasingly absurd deceptions and self-deceptions to maintain their increasingly dysfunctional insecure control they eventually cause their own collapse or generate the reactions which cost them everything when they might have preserved much for themselves had they known when to take their gains and go. This is where we are today. The current power structure of world finance must take its gains, call it a day, and go. We don't need it anymore. Its day is done.

## **X. Looking Ahead**

Control of finance is the developing power struggle of the next stage of this century: elite control of finance versus people power over finance.

World peace and human healing depend almost completely on how we resolve this very important and fundamental issue of systemic debt. It should become the next topic of conversation and collaboration everywhere.

*\*Edozien is Chairman of the South African New Economics Network. He writes in his personal capacity. A distillation of this article was first published in the Cape Times of South Africa.*

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## Appendix For “Young Africa”

The real corruption of Africa is perceptual, self-perceptual, and epistemological . . .

Africa, in fact, is by far the richest and most virgin continent on this planet and the best positioned to chart a new course: not only for itself, but for the world too.

Africa need not follow the “West” in its inevitable financial descent because this continent has exorbitant intrinsic wealth, especially in its people who are skewed young, in its long-standing spiritual cultures, in its resilient socio-diversity, and in its well-endowed land, even though Africa is for those very reasons still very much haplessly ensnared in the vice-like grip of a failing “Western” power structure not of its own making.

At this time, Africa is trading its treasures and its unknown to itself power for paper and handcuffs in idolatry of a dying imperial system which intends it no good. This is sad.

Fortunately, part of Young Africa is awakening . . .

This question “*who is our world ultimately in debt to and who is thus ultimately collecting all our residual interest payments for their private profit?*” is existential for the New Africa we would all like to see. And every young African should ask herself or himself that question.

Why should Africa be in debt to any fundamentally EU/US (The Western Empire) financial system and whichever power elite factor is really behind it?

Why does Africa owe such a system anything?

Why instead does that system not owe Africa?

Africa, factually, has not received fair value for its people and resources plundered within the framework of the current global financial system and its pre-modern antecedents.

The truth is that Africa as a whole is still a colony: a financial colony, an economic colony, a civilisational colony, and increasingly a psychological and cultural colony.

African politico-economic systems do not work for the benefit of Africans.

African politico-economic systems work for the benefit of The Western Empire and its agents and enablers, including the elite of colluding and ultimately self-defeating Africans.

Africans can no longer excuse themselves for their own complicity in their own dispossession.

The longer and more Africans collude, knowingly or blindly, in their own dispossession the more they become as guilty, and even more shamefully guilty, than their dispossessors.

As old and tortured as it is, and colonised as it still is, there is a sense in which Africa is still virgin territory. So it can still remake itself in its own new image.

Africa has more wealth and potential than any other continent on this planet as said above: which, ironically, is exactly why it is still colonised as said above.

**Poor places colonise rich places; rich places do not colonise poor places.**

Africa, once again, is by far the richest continent on this planet.

But Africa is trading its treasures for a dying system.

Africans must now recognise that the wealth of The Western Empire is built on an immoral foundation and does not serve as a good example for Africa's future.

Eurocentric modernity is built on the delusional civilisational presupposition that the human is greater and stronger than the enveloping nature of which it is merely a small and humble part. This civilisational hubris will be the downfall of all of us, all of humanity, if we follow in that increasingly psychotic path.

It is time for young Africans, since they are fortunately most Africans, to wake up and seize their destiny for it is their future which hangs in the balance.

Young Africans must set it as their determined destiny to resolutely liberate themselves and their continent from its present colluding colonial structure and mentality.

This resolute establishment of a new historical destiny as the liberative new task of all young Africans is necessary so their children can flourish in self-affirming dignity and healthy cultural wellbeing on a continent which is theirs and theirs alone as refashioned by their own wits and their own self-developed creativities.

Young Africa, this is your time. Africa is the womb of the new. You have in your minds and spirits and hearts and limbs the ability, the responsibility for all of us, and the historic opportunity to create the new we need and to lead these new modes from here.

Young Africa should not hitch its still wingable wagon to a rapidly falling old star.

The star Africa needs to soar, and the star to which it should hitch its wagon, is itself.

Africa, The Mother Continent, is the last hope for this world: the womb of the new . . .

Joseph Edozien. 7 August 2011.