

## **Loan defaults escalating: Big Finance and governments Responsible**

by finch *Thursday, Jun 28 2007, 2:24pm*

national / social equality/unity / commentary

Many articles have been written on the tactic of pervasive and continuous debt as a form of economic social management. However, few financial 'wizards' and politicians understood the ramifications of such a tactic. To meet regular needs average people have been forced to borrow at rates never before seen. As a result of the created necessity to borrow large amounts and the ease of obtaining large loans, a rapid increase in loan defaults is occurring. Perhaps statistical information on the 'spike' in long term debt servicing and mortgage defaults highlights the failure of the debt strategy. Hailed at the time as the optimum method of economic and social management, today it is proving to be just another strategy of big business appropriating more at the expense of EVERYTHING and everyone else.

Nations that have adopted these policies now face astronomical rises in national and personal debt levels which threaten to destabilise social and national security in every sense of the word. Governments that have implemented these ill-advised financial strategies now face cathartic remedial 'solutions' in the hope that collapse can be averted.

The delinquent and vandal government of the USA is entertaining crisis creating options to solve the present social and economic crises. The obvious problem with such simplistic 'solutions' is crisis elevation; that is, each successive 'solution' must necessarily be more critical/violent than the last! The long-term result is of course implosion - in every sense of that word.

Populations are becoming immune to the double-speak of politicians who refer to low interest rates without referring to the level of disposable income and debt pressures - low interest and high wages are relative qualifiers when reality is CRUSHING DEBT LEVELS.

The inept government of the USA and the slavish colonial government of Australia both face imminent destabilisation as a direct result of the implementation of debt strategy tactics originally dictated by large financial organisations. America faces extreme disruption regardless of whichever 'remedial options' it deploys. Australia, however, is able to soften any adverse impacts by simply removing the present inept Howard government and allowing a more equitable distribution of the bounty that Transnationals are extracting from the nation.

Concentrating wealth in the fewest possible hands may prove the optimum model for those in whose hands the wealth flows; however, the deleterious effects of wealth concentrations are easily discernible today in the form of crippling debt levels. Western economies have been running on unsupported credit for a considerable period -- a situation that ends in failure and collapse!

Government intervention in the form of infrastructure upgrades and developments; increased spending on vital social services, education and health ensure continued prosperity for the wider community and nation.

The trick to a successful economy is equity achieved through balanced policies NOT the laissez-faire approach of the U.S. and Australian governments. Laissez-faire capitalism ALWAYS results in

increasing disparities and greater concentrations of wealth in the fewest possible hands - a situation proven to be unworkable in the long term!

Postscript:

The Australian reader would have noticed that recent interventionist policies of John Howard are careful NOT to impact on his masters, the Transnationals and the corporate sector. The Prime Minister's latest tactics have all been carefully designed to capture the attention of the mass media and divert attention from the failing economy and the impending debt crisis.

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Cleaves Alternative News. <http://cleaves.lingama.net/news/story-559.html>