

The road to recovery is through productive credit, not confrontation



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Lead Editorial

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In his address to the nation, delivered at the National Press Club on 26 May, Prime Minister Scott Morrison talked up the need for a revival of growth, job creation and fixing “systemic problems”. The PM’s utterances reveal, however, that he is not driven by a bold vision for the future. Among his claims, which included that the economy was fine prior to the pandemic, he stated: “We must not borrow from generations in the future, from what we cannot return. ... Governments therefore must live within their means, so we don’t impose impossible debt burdens on future generations”.

This highlights the difference between credit and debt; between a credit system and monetarist fiddling. A credit system, as conceived by inaugural US Treasury Secretary Alexander Hamilton, is premised on a vision of what a nation should look like in centuries to come. Credit expresses the intention and commitment to build something better in the future. To give credit indicates faith in the enterprise it is provided to—confidence in the future. If we don’t presume to “borrow” from the future, to “impose” our demands for a decent future, that vision would never materialise.

In a similar vein, some US politicians are now talking up national credit, but in a context of unnecessary confrontation with China (p. 13). The Hamiltonian impulse is genuine, propelled by the crisis, but the war agenda is pushed by the same neoconservative warmongers who killed a million Iraqis and created ISIS through their regime-change operations (p. 3).

While it is good to re-balance trade and revive local production, it doesn’t require going to war with China, whether a trade war or a new cold war that risks escalating into a hot war. This is important because Anglo-American warmongers who are trying to provoke conflict with China are now using the issue of economic interdependence. The British neoconservative Henry Jackson Society released a report demanding the Five Eyes countries decouple from China (p. 3) on 14 May; the next day the USA announced new rules that no American tools can be used in fabrication of Huawei products. US companies that got around previous restrictions on selling to the Chinese telecommunications giant will be forced to cut off remaining business.

Likewise, the US Senate has since passed the *Holding Foreign Companies Accountable Act* which would kick Chinese companies off all US stock exchanges if they fail to comply with US “independent audit requirements”. (And who are the independent auditors? The crooked big four audit firms that are accomplices to the big banks currently dictating the biggest grand theft of all time, a.k.a. bailout, which is ushering in a financial dictatorship [p. 9].)

Under cover of the “China threat” the Anglo-American war party is expanding its demands on Australia. They are pushing for a Magnitsky Act to weaponise fake human rights claims against foreign officials. They [need our rare earth mineral industry](#) to assist their military build-up. [Some are hinting](#) we will be asked to host US nukes. US Ambassador Arthur Culvahouse, boasting of the unprecedented level of US-Australian integration in a [12 May op-ed](#) published by Defence Connect, called Australia “the crown jewel of America’s network of alliances and partnerships”.

To entirely skip the diplomacy and proceed immediately to a war build-up is nuts. The world is in a mutual crisis and a spirit of cooperation is required. Under the Hamiltonian American System of Economics, which defined national banking as the basis of a modern industrial economy, the USA willingly shared its knowledge with the world; advances of other nations were considered progress for all. Australia, with the original Commonwealth Bank, and China with its state credit system, both owe our progress to that economic system. We must decide if we want to emerge from this crisis on a war footing, or a platform for progress for all mankind.

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