

Debt Finance and the Apocalyptic Propensity

[Dedicated to the brave people of Iran, who have suffered greatly from the consequences of preposterous apocalyptic narratives spread by their enemies.]

I) Introduction: The Apocalyptic Propensity in Public Discourse.

‘This is a dark and terrible era where you will find little comfort or hope. Forget the power of technology and science. Forget the promise of progress and advancement. Forget any notion of common humanity or compassion.

There is no peace among the stars, for in the grim darkness of the far future, there is only war.’

- Warhammer 40k introductory text, quoted in R. Rath’s *The Infinite and the Divine*.

Many of us would smile upon reading about the medieval men who thought the world would end in 1000 AD¹, though the concerns surrounding the millennium bug in our own age - concerns which proved, for the most part, to be unfounded - reveal that we are not as far from them psychologically as we might like to think. Indeed, a visitor from an earlier century might well find our current public discourse even more ridiculous for the same reason: it is filled with doomsday scenarios ranging from climate catastrophes and runaway artificial intelligence to economic Armageddon and global nuclear holocaust.

At this point, it is worth taking a step back to consider the following: at the present time, humanity has, at its disposal, the means that give it far greater control over its environment - both external and internal - than it possessed even a century ago, let alone earlier. Yet far from experiencing security, enjoying abundance and expressing confidence, indeed optimism, about its future, its dominant narratives reveal the opposite - an opposite that is designated here as ‘the apocalyptic propensity’ - the tendency to speak as if doomsday is imminent. Though this propensity has numerous causes, the focus here will be on what is likely to be the most important, albeit almost hidden, one.

II) Debt Finance and the Promotion of Doomsday Narratives.

In the interests of brevity, and in order to minimise misunderstanding, we will connect debt finance and doomsday narratives with the following three-step logical chain, accompanied by the necessary elucidation:

1) Under a debt-finance system, the creation of money depends primarily on the willingness of banks to lend along with the readiness of individuals, firms and governments to borrow.

Elucidatory Note: The money supply has two components: the exogenous supply created by governments - at present, this is physical money that takes the form of notes and coins - and the endogenous supply, which is bank credit. The latter is, by far, the larger component (over 90%²) and its size is determined by the willingness of banks to lend as well as that of others to borrow. Through changes in the interest rate, reserve ratios, etc... Central Banks manage the endogenous money supply.

2) Governments tend to abide by this system, instead of exercising their coinage sovereignty because this system provides them with an easy excuse to do nothing: 'Sorry we can't afford it, we have too much debt already'.

Elucidation: As the creation of physical money demonstrates, governments (outside the eurozone) possess coinage sovereignty - i.e. the power to create money. Yet, beyond the issuance of notes and coins, they do not exercise this but opt to borrow from banks instead. The explanation for this otherwise mystifying behaviour is that the current system, which creates an ever-growing national debt, provides the political authorities with a ready-made excuse for denying funds for any proposal they do not favour, namely that the size of the debt makes it 'unaffordable'.

3) This means that in order to propel money creation through government borrowing, it is necessary to frame the situation in such extreme terms that the debt and deficit become secondary considerations. The easiest way to do this is with apocalyptic language

Elucidation: Given concerns over national debts and budget deficits, it stands to reason that in order to encourage government spending on one's priorities, one has a clear incentive to depict the situation in a light that makes debt and deficit concerns trivial by comparison. Put differently, once governments have blocked various proposals on the pretext of unaffordability, maintaining credibility requires that they portray their own extraordinary expenditures in ways that completely override this concern. The simplest, most straightforward method of doing this is by framing the issue in terrifying, indeed apocalyptic terms. Hence the surprising prevalence of doomsday narratives in our time.

III.) How Doomsday Narratives Sustain the Debt-Finance System.

The impact of exposure to apocalyptic narratives on the general public can be analyzed as three sequential stages, each supporting the debt-finance system in its own way. These are a shift in attention, a shift in attitude and ultimately, a shift in animus.

The initial effect of doomsday narratives is to divert attention away from other subjects - especially those which are much less sensationalist, such as monetary reform. The ensuing advantage for those who benefit from the debt-finance system is clear: the less attention their racket receives, the better it is for them.

Continued exposure to apocalyptic content is liable to generate a change in public attitudes, in favour of increased pessimism and hopelessness. This shift is certain to influence how an individual regards any positive proposal - such as providing a National Dividend or a National Discount - namely with skepticism, cynicism and a smug 'sounds too good to be true' attitude. Such reluctance to believe in the possibility of improvement through policy changes clearly favours those who have a vested interest in preventing such changes.

When a man has imbibed eschatological notions deeply, it is quite plausible that a fundamental alteration of his animus results, (animus here refers to mindset, not animosity) - namely a shift to survival mode, characterised by concentration solely on private matters, at the complete expense of public ones. This devolution into personal life from political life (noted by Oswald Spengler in *The Decline of the West*) constitutes the ultimate guarantee of the preservation of the debt-finance system, since men will not alter, transform or replace public institutions if they no longer interest themselves in public affairs.

There is a common thread running through various apocalyptic narratives that is most revealing: the centralized solution. Be it climate change, nuclear war, economic implosion or runaway AI, the solution suggested is almost invariably one that entails greater concentration of power into a few hands - increasingly those of international (and thus unaccountable) organizations - often cloaked under rhetoric about 'greater international cooperation'. It is, of course, easier for vested interests to influence, manipulate and indeed, control a single centre of power than a hundred centres - and such a global government also serves as an useful magnet for public frustration and resistance, thus keeping the spotlight away from the financial power behind the scenes.

Last, but certainly not least, the author notes from very recent personal experience, that apocalyptic narratives taken far too seriously, have resulted in war - which, in addition to bringing death, despair and destruction, also generate extraordinary debt - thus further empowering the debt-finance system.

IV) Conclusion: DSC and the Design of An Alternative Narrative.

'We have nothing to fear but fear itself.'

- Franklin Delano Roosevelt.

Given the foregoing analysis, one may well be inclined to think that at least a few apocalyptic narratives are deliberate psychological operations designed to demoralize, terrorize and ultimately subjugate the public. Nonetheless, they cater to a genuine psychological need - the need for an explanation for the sense of foreboding and unease that so many feel. Thus, in order to drive these doomsday dogmas out of the minds of men, it is not sufficient to simply expose and discredit them: it is necessary to construct an alternative narrative that meets the psychological need, but also provides something they cannot: hope.

It is here that Douglas Social Credit becomes invaluable as the Trinitarian solution that explains our predicament, exposes the apocalyptic narratives and expounds an alternative worthy of a species whose members are meant for more than to merely live in fear and die in pain.

¹ Source: <https://www.britannica.com/topic/Did-Europeans-Really-Think-the-World-Would-End-in-the-Year-1000>

² Source: <https://indiamacroindicators.co.in/resources/blogs/currency-in-circulation-how-much-money-exists-in-the-world>