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Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 01 May 2019 19:45:38 GMT

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Glad you took note of it. I think some of what they're getting at with this economic offshoot is that government debt is not the boogiemán that it is made out to be. Japan has a much higher debt to GDP ratio, with no inflation. The current debt level reflects what the federal government has spent, over the history of this country on all manor of things, worthwhile and wasteful. It can be for the collective good of society, or the selective few in society. Like W.W. II or the recent tax cut for wealthy individuals. Or say, the banking bail out in 08, that they created.

When individuals claim, how is it going to be paid for? Think of this. Your taxes don't really PAY for any of what the government spends in deficit. That's the concept which is the seeming obstacle to wrap ones mind around. I view it as a sensible way for the government to get things done that benefit it's citizens. As the MMT economists state emphatically to their naysayers. This economic principal does not give a free lunch, and does not claim that the government can spend limitless amounts of money without the probability of inflation suppressing the economy. But it gives quite a bit more leeway tackling seemingly insoluble issues like the crumbling infrastructure this country faces, without everyone having to become burdened with crushing taxes and belt tightening elsewhere in our general well being. That's the self inflicted wound of austerity. They say essentially, the government can spend what's needed up to the capacity of what resources are available and ability of workers to make it happen. Uncle Sam is not a banker, he does not expect his investment to make money for the government. Or even be repaid.

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