Subject: Re: Modern Monetary Theory
Posted by Rusty on Mon, 13 May 2019 14:56:54 GMT
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Quote:Then why is it called a debt? That's what I don't get. If I borrow $5,000 because those resources were not available at the time I needed them, and then have to pay both that and interest back, that is called a debt.
Hi Kingfish. Why debt? I suppose it's a vestige of accounting. Which is all the national debt is. Debit's and credits. But using your personal experience as an individual is where one goes off the road in the analogy of MMT. If you were a sovereign issuer of a currency, then your dilemma of debt and interest, to a private bank would be solved. You'd simply pay it, like the bond market. The govt. has never, nor will ever, default on bond payments. Resources to the government are land, minerals, things to make industry, commerce, labor flourish. We pay taxes not as a means to keep the govt. running. Rather, somewhat as a means to the validity of our currency. We don't use (bogus, darkweb) bitcoin, or gold or anything else. Just greenbacks, or more specific, debits and credits.
If our government is presumably for, of and by the people. Then what our govt. does in the pursuit of happiness mentioned in our constitution, should be, hopefully, in the best interest for, of and by the people.