Subject: Re: Modern Monetary Theory
Posted by Rusty on Fri, 10 Dec 2021 00:28:02 GMT
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Good to have a discussion with someone Wayne. I seem to windmill all alone in this thread.

It might be worthy to keep in mind that the income tax rate after WW2 and up until the early 60's was over 90 % for upper incomes. And the corporate tax rate over 50% in this period. Which seemingly didn't have detrimental effects with our ability to have a thriving GDP of over 4% in the mid 50's compared to an average rate of 1.8 % in the new century. Which could have some correlation for the surplus of debt reduction in that time period compared to the last 40, 50 years? And banking was prohibited from risky investing in that era. Both personal upper and corporate tax rates since the 70's have tapered down significantly since our golden era. Which seems to be inversely proportional to the perception of low taxes creating prospects of greater GDP.
The author is not saying that our debt has been constant like this decade throughout our countries inception. But he's giving an average over 200 years with the plus and minus of our debt and tax revenues. On average 1.8%. Which is consistent with a typical yearly federal debt and never with a mythical balanced budget. Never obtained, never needed and much ado about nothing.

I think MMT is pointing out the misconception that our mainstream economic theories have with the concept of money, accounting and debt relationship is with our overall economy. Yes, the macro realm. As in physics, Newtonian physics can't account for the big picture taken up by Quantum physics. The realities being presented by mainstream economics run into inconsistencies and unrealistic economic expectations with underwhelming results. MMT doesn't claim that the government can spend unabated without economic repercussions. But it shows there is more room for spending than the mainstream claims is inflationary. And the data points that out.

The usual decree for dealing with the national debt is all too familiarly expressed by administering austerity. Which destroys the publics ability to thrive. Whom it's consistently directed at. Not the upper classes unearned income investing or the corporate stock buyback initiatives.

Overdue is Wall Street and our investor class know what austerity is like. They've been historically this century bailed out enough. Resulting in our bloated national debt. In the mean time, let the public get a dose of investment. What currently is being offered and diminished but for the hysteria of the national debt is inadequate.