Subject: Re: Modern Monetary Theory
Posted by Rusty on Sun, 23 Jul 2023 14:54:19 GMT
View Forum Message <> Reply to Message

The main take away that I've come to realize about our economic system is how much private banking has compromised our long term capability to have an efficient means to create a thriving real economy. Contrary to popular belief, private banking doesn't make loans towards private enterprise. Most of banking loans are towards real estate where tangible assets are the collateral. Credit services are another main part of private banking. Credit and debit cards are a main source of private debt that is dragging our economy.

Our economy changed radically in the 80's that embraced globalism, de-industrialization and the financial planning of our economy. It replaced productivity with financial engineering that makes no widgets or useful consumable items. It creates debt for the debt service industry and speculation in wall street. Which has led to fraud, wealth disparity and debt deflation for the working class. Backed by the central banking apparatus in western economies.

Comparing private banking with public banking, all anyone needs to do is observe China's economy to ours. They've avoided the trap inherent to unproductive finance towards it's own entitlement. Just using GDP to point out a countries productivity is misleading. As our GDP compares with China's. What isn't accounted for is our GDP is skewed by the finance sectors gains from debt service that is added into our accounting for our productivity. Which isn't widgets or useful services produced by working people. A regressive policy. China can thrive from it's public banking being used productively. All without issuing bonds borrowing from a private non sovereign entity that can earn interest. Only a sovereign government can create money and do MMT. Which is the way it's always been without the acronym. We've only replaced rational planning with idealistic ideology that validates the current financial function in our society. Much detrimental to our benefit.