
Subject: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 03 Sep 2018 19:25:13 GMT

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Figured this a dungeon topic with it's political implications.

I've been drawn to this economic theory for a few years now as my occupation was affected by the economic downturn of 07-08. Like so many. What interested me was this notion that we hear of the national debt as being something that is ominous and foreboding which will affect generations to come. The standard line in political discourse. Modern monetary theory or, MMT regards this notion as a cop out for austerity. As one prominent MMT economist Bill Mitchell describes the intention of this unorthodox aspect of economics, is the notion that MMT can be liken to a "lens", focusing on what is really just how the function of a sovereign issuer of fiat currency operates within a financial system. And what it shows in it's realization of our currency and it's usage is a disconnect with fiscal policy and the reality of how this system works. It's interesting to note that Japan is actually writing down about half of it's national debt which is about double of it GDP.

The mystery of the national debt:

<http://neweconomicperspectives.org/2018/08/the-explicable-mystery-of-the-national-debt.html#more-11306>

MMT simplified: <https://modernmoney.wordpress.com/>

When I hear a politician, (on either side) bloviating about the debt and future generations, anymore I just raise an appropriate finger and utter go blow.

Subject: Re: Modern Monetary Theory

Posted by [Kingfish](#) on Mon, 03 Sep 2018 19:56:37 GMT

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In other words, the current financial system is above the heads of the politicians. Makes sense to me.

Politicians like to take things down to the lowest common demoninator in order for us to get all riled up. In this case, they do it because they themselves don't understand this.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sun, 09 Sep 2018 16:23:20 GMT

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Unfortunately the current financial system is above the heads of mainstream economists. Politicians just ape what the conventional seemingly unchallengeable economic doctrine is. Then they make sure the policies they enact make good on the needs of the few whom support them financially.

Subject: Re: Modern Monetary Theory

Posted by [gofar99](#) on Tue, 11 Sep 2018 21:43:10 GMT

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Maybe we could go back to a barter system.....I'll give you two chickens if you will fix my roof leak. Humm. I wonder how many chickens I can raise before the city get on my case?

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 12 Sep 2018 15:12:54 GMT

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Or we could evolve capitalism into a democratically run system where workers have a say in the game. Worker cooperatives. The market system can be contrived any way humans can think of. From barter, to slavery then feudalism to capitalism, communism, socialism. What ever provides the best outcome for the better percentage of people.

https://www.rdwolff.com/capitalism_is_not_the_market_system

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 18 Feb 2019 00:09:42 GMT

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Here we go friends. A nice condensed interview with Eric Tymoigne. An economist following MMT principals. Hysteria will be building over the national debt as the 2020 presidential race heats up. Oh Boy!! It's not the debt that should be obsessed over, he says. It is the issues. Our collective well being for society that debt expenditure is good for. Not tax cut's for the billionaire, millionaire class wealth enhancement's to invest. Sovereign governments issuing legal notes do not function like the budgets of households, businesses, towns and cities or states. But that doesn't keep everyone and their aunt Shirley from thinking it must be. Especially the politician. Propaganda and ignorance goes hand in hand. Here's the condensed interview, (to whom it may interest), minus all the charts and things economists use to make their point. To them. They make my eye's cross.

<http://neweconomicperspectives.org/2019/02/what-you-need-to-know-about-the-22-trillion-national-debt-the-alternative-short-interview.html#more-11409>

Subject: Re: Modern Monetary Theory

Posted by [Kingfish](#) on Wed, 01 May 2019 16:04:40 GMT

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I have always believed that the national debt is simply a tool which the rest of the world scores our credit worthiness from. In other words, if I had a private debt that was just as bad as the national debt in terms of the incoming/outgoing ratio, I would never get a loan. It also has little bearing on my overall financial health.

Thank you for posting that link. It confirmed a lot of my beliefs.

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 boogieman 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.

Subject: Re: Modern Monetary Theory

Posted by [Kingfish](#) on Sun, 12 May 2019 20:37:37 GMT

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Rusty wrote on Wed, 01 May 2019 14:45 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.

That is what most people don't understand in my opinion. They have little concept of history and how it pertains to the present.

Quote: They say essentially, the government can spend what's needed up to the capacity of what resources are available

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.

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.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 13 May 2019 15:28:32 GMT
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If this is any help Kingfish, or any other interested person. Here's a visual put together that is pretty nice to get a nuts and bolts idea of operation MMT theory espouses. Take a look & scratch your head. I did, then it made sense. If it's any solace to what one's political orientation is. The MMT economists make a point to explain their economic study as more of a "lens" focusing more on how a sovereign issuer of a currency actually works in any existing economy, rather than how they feel it should be looked upon. What ever is made of it politically, is in the eye, or the political PAC's of the beholder.

<https://www.youtube.com/watch?v=bTZGU9s0idM>

Subject: Re: Modern Monetary Theory
Posted by [Newjack](#) on Tue, 14 May 2019 04:24:46 GMT
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I watched your recommended video a couple of times, Rusty. I'll admit, I'm really confused. :lol: I love learning about stuff like this, so I'm going to watch it again and see if I can wrap my head around the concepts.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 14 May 2019 14:57:01 GMT
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Right on Newjack. The fact your open and interested in this subject matter is a kick for me even. The principal economists involved with this concept today are L.Randall Wray, Stephanie Kelton, William Black and Bill Mitchell. With a special nod to Michael Hudson, whom is a fascinating historical economist. His latest book deals with ancient cultures and their way of dealing with debt. Which they utilized a method of debt forgiveness called Jubilee. Looking up any of these principals can open your mind to some very interesting concepts that you won't encounter listening to the orthodox so called financial guru's. I also take a smidgen of pride in knowing these people have been involved with the economics program at a local university just a few blocks from my home. Part of the underlying issues expressed with training future economists are the lack of historical underpinning of the various economic disciplines and the homogeneous concepts promoted in their training. Good luck unraveling this stuff and feeling secure that future generations aren't on the hook paying off today's or tomorrow's debt. Or, shall I say. Our investment savings account.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 07 Jun 2019 15:40:46 GMT
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Nice... Here's an article addressing just this schism of orthodox economic thinking and teaching being done at the college level. Slowly, the paradigm of rigid capitalistic celebration, (neoliberalism), taught with blinders on to a thinking towards it's improvement are incrementally being implemented. A heterodox view. When the square peg is realized it won't hammer into the round hole without negative societal consequence over and over again. Maybe with some adjustment with better trained economists, the politician can be guided over to the sand box with the easier fitting peg to pound on. Hands clasped in prayer.
https://www.rdwolff.com/heterodox_economics_at_john_jay_college

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 26 Mar 2020 00:09:26 GMT
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The current Covid-19 pandemic shows explicitly what MMT has been pointing to for decades. Sovereign governments with fiat money can cover whatever is needed and the issue of the national debt is just a number. If it bothers one to comprehend it's size. Don't look at it. It's serving a purpose, and in the instance of the current situation. A life line from certain personal and national devastation and hardship. When this all blows over, the memory of this special trick that only the federal government's can do needs to be kept renewed in the national dialog. Because invariably, some ape will contend we have to tighten our belts, be prudent and go full austerity to pay it down for future generations. Australian economist Bill Mitchell from his 'Billy blog'.
<http://bilbo.economicoutlook.net/blog/?p=44547>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 04 Apr 2020 14:58:51 GMT

In pre biblical times in the middle east and surrounding kingdoms. Debt would be cancelled when it got too large to be paid. It was know as Jubilee. After WWII, Germany had it's wartime debt cancelled, rubbed out, and it's economy came back from the ashes of war. Michael Hudson, an economist and historian gives a good argument to why this ancient practice should be practiced again. <https://michael-hudson.com/2020/04/npr-cov-19-and-america-is-strapped/> Our current POTUS should understand this quite well. He's used debt cancellation with his business failures several times in the form of bankruptcy.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Sat, 11 Apr 2020 18:05:29 GMT

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I've been meaning to chime-in on this thread for months. It is very interesting to me. And what I like about the people here is that I think we can have a respectful discourse, even if we don't agree. Might even sway opinions or at least be food for thought.

I understand laissez-faire economics and I understand Keynesian economics. Both of those are about a century old now. Or I guess I should say John Maynard Keynes presented his ideas around 100 years ago, which sort of countered the notion of laissez-faire thinking. But both still consider the economy to be a sort of closed system having finite resources. The difference is how to use those resources.

If I understand you right, Rusty, I think you are describing an idea that the economy shouldn't be tied to resources. Is this what you are saying? Or maybe you're not saying that economy shouldn't be tied to resources, but rather making an observation that it isn't? Or are you saying something else entirely?

To me, economic models should consider all resources, including commodities and labor sources. And economic models should also consider all requirements, using a sort of wish-list that prioritizes wants and needs.

But the problem, of course, is the complexity of the system. There is a large number of unknown initial conditions, which makes it a true chaotic system. It is the very definition of the Butterfly Effect. Economics is stochastic, so any analysis must be done statistically, looking for patterns. I don't think a deterministic model of economics makes any sense at all.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 11 Apr 2020 20:40:42 GMT

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Thank you Wayne for your input. From my limited understanding of MMT, is that resources ARE the 'limit' to which a sovereign government with it's own fiat currency can expect to be able to

infuse into an economy with its debt through expenditures. Showing up then as inflation. Out of scarcity of resources. But tying debt loosely to fiscal policy by implying debt in and of itself is an inflationary process is more of an assumption of the strict misinterpretation of this closed system tied to capitalism. Assuming debt that is personal, local and states debt are equal to that of sovereign governments debt. As we are now finding out whom we are depending on to get through the current dilemma. MMT's have found that sovereign currency issuing governments have a higher 'capacity' to issue debt before it becomes inflationary. They point to Japan's high debt to GDP ratio. That in itself would point towards a trend towards being inflationary. But the Japanese have not experienced this. They do not use MMT theory and have adopted in the past and recently austerity measures to reduce their debt. Slowing their economy. MMT implies this as shooting oneself in the foot.

In economics as in any disciplines. Interpreting statistics can be used to prove a point. But they can be cherry picked and given disregard to tailor the results that fit the orthodoxy as interpreted. There are quite a few variants in the orthodoxy. MMT doesn't change the orthodoxy, it merely says what is already there. Recognize this and move on to make the predictions more accurate. Because the predictive qualities that have been used in the orthodoxies have been notoriously inaccurate.

A nice simple explanation of MMT by one of the new textbook authors, L. Randall Wray.
<http://neweconomicperspectives.org/2020/01/alternative-paths-to-mmt.html#more-11647>

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Sat, 11 Apr 2020 21:14:53 GMT

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I think I understand your point now. You're saying that MMT proposes that we (as in, America) can inject more money - not just by printing it but by supplying more resources and/or labor - into the economy without adverse results. I think this is pretty much the same as Keynesian economics, yes? No?

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 11 Apr 2020 22:23:12 GMT

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The government 'spends' into the economy. Government debt is the private sectors savings and profit. Resources, (materials, labor) are simply what are utilized by the private sector, and are the only 'limiting factor' to what the government can spend towards before inflation accrues. The government has to spend before it can tax. I love Wray's example of the colonial American redemption taxes.

Quote: I like several things about this example. First, it is clear that the colonies spent the notes first, then collected them in taxes. They could not possibly have collected paper notes in taxes if they had not first spent them because there were no other paper monies around.

The Keynesian economists go apoplectic over the core of MMT.

Quote:If I say that the heterodox approach insists that injections are causally prior to leakages, you all recognize that from fundamental Keynesian theory.

And if I say that government spending is an injection and taxes are a leakages, everyone understands.

But when I say that government spending is logically prior to taxes, heterodox economists suddenly get all dazed and confused.

If I say government has to spend first before taxes can get paid, I'm called crazy.

Government spending cannot be financed out of taxes--it must precede taxes. It is one of the injections that creates income that can be used to finance leakages such as saving and taxes. The link given is a very good thumbnail sketch of what MMT is.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Sat, 11 Apr 2020 22:34:12 GMT

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I think I see, at least in a fuzzy way. I'm seeing MMT as a sort of "dependency inversion" of Keynesian economics, to borrow a computer science phrase. Sounds like a similar principle.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sun, 12 Apr 2020 00:19:26 GMT

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No reinventing the wheel. It's been there all along they say. Just like Pluto was before being discovered. Planet or not. Someone pointed out a Max Planck saying that innovation becomes accepted from death, (of it's detractors). Parts of classical economics are still very valid. Adam Smith asserted that progressive taxation should be based on the income from those who make money while they sleep.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 13 Apr 2020 16:09:12 GMT

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This article is just about the best dang one I've read about the whole dang thing. And a sobering precursor towards what all this money being bandied about now to bring back the economy. Which one? The one for the public, or the one for the F.I.R.E sector, (finance-banking, insurance & real estate) and wall st. The reason some MMT economists call their studies 'agnostic', is that it only takes two fingers, one for each party, to point at the political system in the U.S. as it is. To

blame for the delusional, warped economy we live with. Remember the Three Stooges? Moe would ask them how many fingers, "two", they'd say. Boink! Right in the eyes. That's what we're getting.

<https://michael-hudson.com/2020/04/the-use-and-abuse-of-mmt/>

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Mon, 13 Apr 2020 21:00:27 GMT
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An interesting read. It references Keynes a lot.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 13 Apr 2020 22:03:16 GMT
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Glad you checked it out. Yes, Keynes was great. You must admire him a lot.

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Wed, 15 Apr 2020 16:48:15 GMT
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It's not so much that I admire Keynes as it is that I credit him with the idea of deficit spending to inject funds into the economy. His approach is sort of the opposite of laissez-faire economics.

I think that the stereotype of Republicans and Libertarians views them as tending towards laissez-faire and the stereotype of Democrats and Socialists views them as Keynesians. But I think this kind of polarization tends to put each side against each other and limits healthy discourse. Better, in my opinion, to see the strengths and weaknesses of each approach, and to use them when and where they make the most sense.

So what I think is that balance is always our friend.

Republicans and Libertarians can embrace Keynesian economics as long as the deficit spending is truly targeted at resources that all people use. Things like infrastructure, roads and dams and the military. Democrats and Socialists can embrace laissez-faire as long as things are running smoothly. For that matter, everyone can.

I do think that times like these - when we face a major economic challenge - is when a Keynesian approach makes the most sense. Those checks that just went out will help folks that lost jobs. They'll spend it on a variety of things and keep businesses going, which in turn can employ a few

people. This kind of stimulus is probably required to keep the economy from stalling.

But I also think that deficit spending should be avoided when we are on decent economic footing. That's when I think it makes sense to go with a "balanced budget" or even one that pays down debt. Seems to me that to have a budget deficit at any time that isn't a financial emergency is sort of like national gluttony.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 15 Apr 2020 19:25:24 GMT
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I was kind of baiting you a bit with the Keynes infatuation. As you know and point to obviously there are basic principals of influences in the economics spectrum. They tend to wash out in a reflection of principle of allegiance in our two party system. But there are more nuance than classical laissez faire and Keynesian economics that make up the spectrum. I'd like to hope and feel there is an opening with better cooperation among the parties by seeing the objectivity of what the MMT offshoot points out that might empower both parties and ideologies to root out it's entrenched stalemate. They do share a common bond already. If they'd realize the detriment of the New Keynesian evolution also known as neo-liberalism that has arisen which both parties have taken a stake in. I think the link article gives a wonderful example to how our economy has been co-opted to run inefficiently due to a debt burden driving down the public's ability to thrive. MMT points to a sovereign governments capacity to be able to pay it's debt obligations without taxing first. That is what actually takes place.

If politics can ever come to that understanding and apply rules enabling spending into the real economy rather than the finance debt economy. Throwing good money into bad actors. There might be an eventual reduction of nation debt to a reasonable level. Applying austerity to do so is counterproductive to realizing that aim.

Let the bad actors absorb the austerity for a change.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 19 Apr 2020 16:36:27 GMT
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Another nuance that has been around a long time is Marxism. Always dissed as the precursor to Communism. But that wasn't Karl's aim or Lenin's for that matter. Richard Wolff is a very interesting economist that has pushed the idea of democratizing capitalism, by forming worker co-op's. To help stabilize capitalism's overzealous trend towards maximizing profit. Usually at working class expense. Unions helped stave off that tendency, but have been marginalized by political influence and their own sleazy imagery of graft and corruption. Basically their relationship with management were often adversarial which makes it little wonder their deterioration would be acquired eventually by hook or by crook. Wolff employs the worker co-op as a means of putting workers in a position to have some skin in the game with employers. By participating with the decision making that management decrees in a typical capitalist setup. Worker co-op's have and do exist currently. The Mondragon Corporation, a Spanish conglomerate has existed since the 50's

as a worker co-op. https://en.wikipedia.org/wiki/Mondragon_Corporation

In this article, Wolff points to the Covid crisis now as one of many triggers historically, revealing capitalism's failings for society at large. Getting back to normal as the norm goes, always seems to make them Kicks, (gettin harder to find) like Paul Revere & his Raider sang about.

https://www.rdwolff.com/covid_19_economic_crash

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 19 Aug 2020 15:08:05 GMT

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How's your universal suffrage doing? The Wolff Man I call him. He makes things easy to understand. Our political system in vying for our universal suffrage uses techniques and lots of money to get our vote. I can't bring myself to observe the carnival at the conventions, either, whether pre televised or live. But they are both appealing to the masses while giving a wink to their donor class. And, that ain't us po' folk. Wolff is just expanding the broader view that anyone should try to have with our two party system. And our economic realm we live in. If it's working fine for most of us, no worries. If not, what should be done with it to make it better? Having that discussion would be a good start.

https://www.rdwolff.com/capitalism_constant_conflict_with_democracy

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 10 Oct 2020 14:07:02 GMT

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YOUR BRAIN IS NOT THE BOSS.

There was a comedy group back in the late 70's called Firesign Theater that used this phrase. It's reference was with aliens, but you could tease that out to include parasites. Either worldly or otherworldly. The reference from this youtube podcast is from two wonderful economists that understand the effect of the global influence of neoliberal, neoclassical economic thinking these days that has promoted finance capitalism. Steve Keen and Michael Hudson give an insight into our dysfunctional dystopia giving us trickle down crumbs from quantitative easing to the banks during the now regular economic downturns. As Michael Hudson points out from one of his books, Killing the Host. The parasite, (banks) have to take over the minds of the host to think it needs this parasite sucking it's lifeblood out of it's body. It does so with an intermediary, politicians. And that's on both sides of the aisle. Great stuff to get your mind around. Check it out before you become assimilated by the Borg.

https://www.youtube.com/watch?v=VqBhz-qleyU&feature=emb_logo

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 29 Dec 2020 17:22:47 GMT

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Stating the obvious. Trickle down economics, or supply side economics, or Reganomics just

doesn't work, never did. For the majority of us. The famous Regan tax abatements were equally followed by government spending increases, whereby the recession of the early 80's were dug out of. Tax cuts for the rich do not gin up the economy. It merely promotes better investment opportunities for the upper classes. Most of the Trump corporate tax breaks were used to buy up their own stock, increasing their "winnings".

A new study has been published following 18 countries over 50 years proving yet again the obnoxiously obvious persistent fact that will still not penetrate the mind set of our elected elite. They won't bite the hand that feeds it.

<https://www.businessinsider.com/tax-cuts-rich-trickle-down-income-inequality-study-2020-12>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 27 Jan 2021 17:42:44 GMT

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Even more insidious is Finance Capitalism. It's what has replaced industrial capitalism in this country and throughout the world. Part of what Mr. Hudson refers to as parasitism. The elite feeding off of the working class through debt peonage for rent extraction and privatization of public resources. Here is a long read with historical background into what the world doesn't need now, Love. Love of money, the easy way. Making it in their sleep.

<https://michael-hudson.com/2021/01/the-rentier-resurgence-and-takeover-finance-capitalism-vs-industrial-capitalism/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 15 Feb 2021 16:21:26 GMT

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A case for modern day Jubilee. The ancients wisely used debt write down to preserve stability in their society. The accumulation of interest on debt outstripped the public's ability to thrive even then. They used the Jubilee when drought, flood or any chronic downturn of ancient economy threatened the public's allegiance to the throne. As apposed to the financial class of lenders. One aspect of our modern deficit spending is Quantitative Easing. Where the Federal Reserve buys up debt bonds, stocks and mortgage backed securities to help stabilize, "the markets". A lot of it being junk bonds and stocks that are underperforming. Currently the amount stands at 7.24 trillion. <https://www.statista.com/topics/6441/quantitative-easing-in-the-us/>

Strikingly this expenditure of the government always seems to fly below the radar of policy makers that are quibbling over aid to citizens stuck between the proverbial rock and a hard place. The Fed propping up financial institutions with mountains of money is ignored, but the working populous whom make up the "real" economy are scrutinized with a tendency of whether or not the government can afford to support their economic hardship with money that will have to be somehow reimbursed to some entity.

The quantitative easing from the last economic downturn of 2008 was never paid back by the financial sectors that caused the fiasco to begin with. This is the disconnect lawmakers have and

even economists trained in orthodox economics.

Australian economist Bill, (Billy) Mitchell is one of the main authors of the MMT textbook. This article concerns the need and ability to write down the debt. Like the ancients did, like the allies did with Germany after WWII leading to their economic miracle as was called. And what can and should be done with the worlds economies to deal with the current COVID depression we're going through now. The damage is done, don't make it worse going full press austerity. Let the computer keyboard do it's duty and eliminate just a number. Not our better lives.

<http://bilbo.economicoutlook.net/blog/?p=46891>

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Mon, 15 Feb 2021 17:58:37 GMT

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I'll be very honest. I do not believe that "Modern Monetary Theory" is correct. As theories like this go, the test of time will prove them or break them.

And while I hope I'm wrong and MMT proves true - 'cause if it is we can keep printing money and spending it without much consequence - I fear that it is not true and there will be a correction at some point. My fear is that America's dollar will no longer be seen as the world's premier international reserve currency. At that time, we will be much less able to print money at will to pay down our debts.

If (and I suppose, when) this happens, we will no longer be the worlds largest economic power. We will not enjoy the wealth that we have enjoyed for the past several decades. I hope this never happens, but since that is an unreasonable hope, I at least hope we can delay the inevitable shift for many years to come.

But to be honest, I fear that MMT is the very kind of thinking that could push us towards our fall.

America has greatly benefited from the Bretton Woods Agreement, which is what I think is most responsible for our strong economy since WWII. While I understand that John Maynard Keynes was largely influential in this agreement, I do not think his economic theories will solve all problems, in all occasions, for all time. That's what makes me fear that "Modern Monetary Theory" - which appears to be Keynes theory on steroids - will drive America towards the end of its economic supremacy.

I don't entirely disagree that "expenditure injection" - the key feature of Keynesian economics - can be helpful at times. There are times it appears to help. But I think we've gone way too far with it, and I think it's going to hurt us. I think if it weren't for the Bretton Woods Agreement, our nonchalant attitude towards spending and our national debt would have already killed us economically.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 15 Feb 2021 20:34:15 GMT
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Wayne I hope you don't feel I'm peddling propaganda here with my posts on this subject. It's certainly not mainstream economic thinking. But if it's too derisive a subject towards the orthodox and you feel it on the level of conspiratorial thinking, I'll defer from posting any more. I've gotten all my information on it from seasoned professionals working on their theories for decades now. They were educated along the lines of all standards of education that constitutes degreed economists. They've just taken alternative views on the status quo.

My work background sort of thrust me into contemplating the larger meaning behind what I thought was an inequitable relationship with management and working staff. Our little hospital was taken over by a private equity group, which led to a revolving door of disgruntled employees and having to deal with difficult tasks with substandard equipment and help. I just fell into trying to find out "roughly" about how our economic system is which has led me to embrace a few of the non orthodox economists on this thread I don't do justice to.

Economics is at best a social science and it's ties to politics makes for it also controversial at times. But it's inexorably linked to it in it's advisory capacity for the basis of underpinning the policies carried out. For me the articles I've included in this thread express the notions that our society is slowly devolving from economic principals that are aligned toward a capitalism that has been working more and more over the decades to the point where now a few percentage points of population have amassed most of the wealth making up the economies of the world. The middle class of this country particularly is shrinking but throughout the old capitalist economies of the world. This is what I have tried to address with my limited understanding of the MMT and other heterodox economic principals. Principals I think are valid and useful.

I've pointed it out before but will restate from what I've gleaned from studying a bit of the MMT research I've done. It does not say that a sovereign government with a fiat floating currency can spend limitless amounts of deficit to affect some target to stabilize or make socially correct some discriminant problem. It states that the monetary system simply has greater capacity than is typically alluded to help with economic strategy. The only real constraint is resources. As far as the Bretton Woods Agreement goes. Listening to this link from the Oxford Economics Society and guest Michael Hudson can give some alternative meaning to it's historical context for what the IMF and World Bank are all about. And why nations are already moving away from the dollar as the exchange currency for the world. And we owe it all to ourselves and our American exceptionalism.

<https://michael-hudson.com/2021/02/at-the-oxford-economics-society/>

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Mon, 15 Feb 2021 21:23:45 GMT
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Oh heck no, my friend! Please don't think I want you to stop writing on this subject or others!

I just thought I'd chime-in to your thread, both because I wanted you to know I was reading your posts and also because I wanted to say what I thought.

To be honest, I've always been intuitively laissez-faire minded. I'm a libertarian at heart. But I have studied Keynes a little bit, and I've also studied America from the times of the robber-barons forward.

As an aside - I say "studied" but what I mean more is that I enjoy watching documentaries and chatting with buddies of mine that are history majors with advanced postgraduate degrees. One such friend of mine comes over every week (even during this corona-weirdness) and we visit together for hours. So I guess maybe I should say I have pondered more than I have "studied" but at least I've pondered together with folks that are educated in the subject. I'm mostly a techie-geek, but I am interested in history and economics and the ups-and-downs of cultures over time.

Anyway, my point is that while I'm generally pretty fiscally conservative, I do see that things like Keynes described - things like stimulating the economy with spending on infrastructure, research science and technology - is beneficial both for a stalled economy and for the natural utility it brings. So it's a win-win, for example, when we build and improve roads, especially when the spending is done in times of economic hardship.

This does imply that we take on some debt to create those things. I suppose the road-building could be done by a state that had a budget surplus, but the way Keynes described it was to take on some debt to build the roads. I agree with that because it makes sense to me. It's like buying a car on credit, and then using the car to get to your job.

What I fear, though, is the country can get too spendy, and instead of building roads, we build all sorts of other silly things that are wasteful spending. That kind of debt is no good. It's like a kid getting their first credit card and going hog-wild buying everything and then finding themselves strapped with debt and no way to pay it down.

Right now, today, our national debt is \$27 trillion. Our population is 330 million, so that's roughly \$82K per person. Of course, at least half of our population doesn't work - children and elderly - so our workforce is probably half the population, around 165 million. That means each of us that are working would have to pay about \$165K to pay off the national debt.

I know these are oversimplifications and that macro-economics are different than balancing the family budget. But I still worry that once we get too far in debt, the world will no longer see the American dollar as the reference standard. This is especially true if we print more money to pay debts to other countries.

I personally think that even macro-economics can't get past that basic "common sense" matter of trust: If you get too far in debt, you lose your ability to pay it down. And if you are perceived as less able to pay your debt, your credit rating goes down. People lose trust in your economy.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 15 Feb 2021 23:09:58 GMT
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I'm glad you've affirmed what I respectfully felt. An open mind to discourse, when it deviates from your own thinking. As mentioned from my experiences from working from what I like to refer to as corporate tyranny was my catalyst towards investigation this subject the public at large has little knowledge of. It seemed to confirm with my history of growing up in a fairly large family that was able to live relatively well in a lower middle class setting in the 60's that today would be unrealistic. We'd probably be in HUD housing and on food stamps. But then the cost of living and debt burden weren't so profound as is now. Housing is sky high these days, schooling is underfunded and higher learning is becoming an upper class entitlement. There were no credit cards back in the 60's. Schooling was public and good, even in lower class sections. Government wasn't demonized, unions were strong, healthcare wasn't a pathway to being destitute.

Basically what I have come to understand is our economy has been so infused with finance capitalism we've undermined the real economy and the ability of working people to thrive. Orthodox economic thinking has not been able to counter these chronic issues but instead let them exacerbate. It might seem that it would be appropriate to investigate other ways to allow the economy to work more efficiently for a greater proportion of the population. It works fabulously for the top few percentile. If the sciences and technology worked along the lines of economic dogma, we'd probably be using oxen to plow and candles for light.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 16 Feb 2021 17:57:06 GMT
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Here's a little critique from one of my mentor's, the Wolff Man. Richard Wolff explains in regards to the high ideals that Libertarians express for the capability of Capitalism, if weren't for the meddling of that big bad government messing with it's potential.

https://www.youtube.com/watch?v=POtqYiBAgTM&feature=emb_logo

The latter part of the clip gets garbled somewhat from the Wolff Man's animations close to the microphone.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 17 Feb 2021 16:52:25 GMT
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As a supplement to the prior podcast with Richard Wolff. Here is a good debate Wayne with Michael Hudson and Jeffrey Miron, a Libertarian economist. On the merits and shortcomings of capitalism. Would it not be to our greater good understanding the problems of today, than to have these types of discussion more widely available and promoted to the public at large. There is too much ignorance these days and bickering over fantastical false narratives.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 20 Feb 2021 16:53:04 GMT

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I'll put my view forward thusly on our society and the economic system that has dominated for, at least my lifetime. I tend anymore towards feeling the glass is becoming half empty and dwindling further with our collective wellbeing in an economic sense. For many decades now it seems that the approach with our capitalism has been one of boosterism without any critical introspection. Scapegoats seem to account for any tendencies that call out the status quo. Personal and governmental deficiencies make up some of the factors to explain the chronic indicator in statistics showing stagnation in education, health, wages etc. Or there's the popular external forces from abroad that are contributing to our situation.

I used to buy that argument. Until I started trying to understand things the way they are. I retired a little early, not by plan, but circumstance. The job was pulled out from under us where I worked. Closed down. Because a private equity outfit that owned the corporation had mismanaged the operations for about a decade wasn't able to squeeze any more blood out the turnip. I was burnt out with the work and at 64 I thought I could swing it with the SS payments compromised a bit from early retirement. I've saved and invested I hope a decent nest egg. So far so good. But I know people who've not been so comfortable as I due to health issues. One is destitute financially with cancer to deal with. Despite "taking care" of themselves physically. You never know what, when and where.

I don't think capitalism and the way our market system now utilized is the end all of what our human civilization can come up with to sustain life, liberty and the pursuit of happiness. I've read and agree it needs to evolve. Certainly from how it's affecting the greater population of the world these days. The balance is tipped too inequitable. And our heads have been in the sand for too long. Our economic state is what we have done with it. Blaming China or big government or not being personally responsible to me is a copout.

So, I've just gravitated with my investigations towards the thinking of individuals that have done a bit of critical evaluation in the economic thinking of our economy, with maybe a means of influence towards it's improvement. They have some interesting ideas in that regard. Public banking is one. The job guarantee is another. Then there is a notion that the capitalist relationship with the working class can be improved by aligning the worker into a more democratic position in an otherwise autocracy that has dominated the structure of capitalism since it's formation. Perhaps a vestige of Feudalism. A worker coop has been shown to ameliorate the dysfunction in the management dynamics of a business. And job satisfaction.

What ever the case, a public discourse should be encouraged without being reactionary that society is going to be dragged into insolvency or tyranny from ideas that don't expressly promote an established economic paradigm that can't be improved upon.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 22 Feb 2021 15:25:58 GMT
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Another fine article by BillyBob, Bill Mitchel, principal author of the MMT textbook. He explains how the neoliberal paradigm, the New Keynesian's monetary principals have co opted our legislative bodies to do the bidding of what satisfies the financial markets. The markets are the fantasy built into neoliberal ideology. We're all compromised as a result. The news from Texas this last week is a glaring example. Public trust's held hostage to the markets.

<http://bilbo.economicoutlook.net/blog/?p=46942>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 23 Feb 2021 17:09:18 GMT
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Our one party system. They bicker and play tug-o-war in Washington. Committees investigate, houses legislate. Politicians pontificate. But the status quo is whom bears the burden. Guess who? Take away the pretense of what either of your political party's can do for you. It's been captured and held for conspicuous consumption.

<https://michael-hudson.com/2021/02/the-democrats-role-in-distracting-with-identity-politics/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 28 Feb 2021 16:12:51 GMT
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The 1.9 Trillion covid relief passed the House recently. On to the Senate it goes, along with the usual doom that accompanies any spending by the government. Unless it's military spending. As a matter of due course, figures show the USA spends more than the spending of the top 8,9 or 10 countries on this planet combined. This begs looking again at what MMT economist Eric Tymoigne writes about the subject of our National Debt. It never has, nor ever will be needed to be paid back. It's a number on a spreadsheet for the cumulative amount of debt spent by the federal government since this country has existed.

The debt is not like a commercial bank debt. Ask yourself what is the federal government for? What and who does it serve? The MMT principals are merely the understanding of what and how the workings of our federal government and monetary system actually work. Irrespective of economic models that are "popular" during a historical period. It's there regardless.

As he says. In other words, fiscal deficits are a normal state of affairs for the US government. They have been so for decades. This is the norm in the United States and throughout the world. Get over it.

Eric Tymoigne

<http://neweconomicperspectives.org/2019/02/what-you-need-to-know-about-the-22-trillion-national>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 16 Mar 2021 17:26:01 GMT
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Hi. Guess who! Just me and my MMT shadow. The shadow knows things aren't right. And they won't be right even with a recovery from this act of god event. No insurance will cover it. A few years back was a popular phrase, "what would Jesus do, or say". I think this article is what the action and reply Jesus would grace upon us in regards to the big picture, the long haul for our livelihood. Jesus rebuked the money mongers in his time. Nothing has changed since then.

Our rust belt, a bankrupt city of Detroit, a lead laden water supply of Flint is a physical manifestation of our sellout by a financialized short term returns oriented economy. We'll come out of the pandemic eventually with exactly the same issues going into it. Stagnation of wages, high cost of living and deteriorating infrastructure. What would Jesus do?
He'd teach the money mongers how to fish.

<https://michael-hudson.com/2021/03/removing-the-debt-barrier-to-economic-growth/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 17 Mar 2021 22:49:56 GMT
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Everything that is wrong is right. And everything that is right is wrong. Because the economics profession is predominantly trained to be that way. We have an economy that is run by the book. The book is written by and for the financial class. Bill Mitchell knows it intimately from his early training. He learned reality all on his own.

<http://bilbo.economicoutlook.net/blog/?p=47077>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 17 Apr 2021 16:10:01 GMT
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I watch the YouTube channel a lot it seems with the trusty Roku. Just browsing along and checking what may be interesting. Some are very informative, some entertaining, some uplifting and redemptive, (usually animal related). And some sobering and disheartening. I watched several segments of cities across the U.S.. Mainly on the eastern seaboard. The old cities, but some like L.A. and Las Vegas that depicts by drive through or on foot some of the wretched dereliction and decay going on throughout the urban landscape. Homelessness, drug addled and aimless existence. The two from the Kensington area of Philadelphia in particular gave me pause. For the depravity and despair.

<https://www.youtube.com/watch?v=cOBoDT-3oM0&t=1s>

Heroin is the drug of choice here. People hunched over and listing like zombies.
<https://www.youtube.com/watch?v=1nZaNc-DZA0&t=8s>

These people obviously are not being responsible citizens. Are the factors involved with this and all the other myriad social ill's just due to the weak of spirit and drive of the individual alone or are there as well underlying principals in the choice a society makes that give some realization it isn't functioning efficiently.

For me, the economist Michael Hudson consistently exposes the underlying provocations that our society seems to plod along with. Unwilling to take an introspective look at what is at hand, and what can be done with it. Hudson has taken the time throughout his career to get a historical perspective, going back through human history's economic past to expose at our present, what goes around comes around. What some of the ancients did with their society's stability could well be utilized in our modern times. And even an existential threat as we seem to regard now China, can provide a lesson we seemed to have forgotten from our own relatively recent past, made it economically strong. We have relinquished it to the financial class. Their easy money adds to our GDP but not our productivity. Just their profitability.

<https://michael-hudson.com/2021/04/americas-neoliberal-financialization-policy-vs-chinas-industrial-socialism/>

Subject: Re: Modern Monetary Theory
Posted by [gofar99](#) on Sat, 17 Apr 2021 16:24:28 GMT
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Hi, hummmm. I see some of the same sorts of issues. You can see it right here on the web in forums. We may be the small percentage of folks that want to do something...it really doesn't matter what. In the general population IMO the vast amount of individuals have become watchers and whiners. I don't see a lot of interest in inovation. True there are some individuals that are the exception. Those like Bezos, Musk, Branson, Gates and so on. Folks that push the envelop. Ones that won't accept the negatives. But for each one of those there are thousands that just plod along. IMO the last time this country saw a significant amount of innovation and change was just after WW2. Nearly everyone was upbeat and wanted to do something, whatever it might have been. I'm certainly not advocating a war, but something needs to kick start the general population. It has now become fashionable to protest anything, sue anyone and blame anyone else for just about anything that might occur. "bitching..ain't fixin". I don't have the answers, but I can easily see the consequences of what is going on. (jumping off the soap box now).....

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 17 Apr 2021 23:32:33 GMT
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Well it's so nice for someone to post, anything amidst my,,, ongoing rant, I guess. It's cathartic for me though. As far as this subject goes. It's really not on many peoples radar. People are caught

up in the distractions of making a living and having their emotional and social relationships. Since you bring up the period just after WWII. It was a time of this countries burgeoning prosperity and dominance in the worlds economic, social, scientific and nearly everything other metric of an advanced civilization. It was also following a period of social engineering put in place to escape the ravages of a prolonged depression that was the result of exuberances of the roaring twenties financial elitists.

And ever since then, the social gains from those engineering principals have been eroded. Union busting ensued, income stagnation prevailed and the living standards to maintain becoming more and more being indebted for more and more. The gap between wealth and the middle class widening precipitously.

Our economy went from a mixed industrial to a financial economy in the late 70's early 80's. I well remember the term, "service" economy being bandied with then. That was our trajectory. The rust belt is a physical remnant of what was our pride in this country for being made in America. A relic of being sold out by the new Keynesian brand of Neoliberal thinking for an economics calling for small government intervention with the market, anti regulatory practices and planning the economy by the needs dictated by Wall St. and the financialists in charge. An industrial economy is harder to realize gains monetarily than the financial class can obtain in the short term of using the stock markets.

I think our social unrest these days are just a result of frustration with the status quo. Our political parties are basically aligned the same with the Neoliberal construct, but vary with the peripheral Identity social politics. They are like two huge Sumo wrestlers grappling for the slim power advantage they can obtain in an election cycle.

And we wonder what the hells going on. Well, economist extraordinaire Michael Hudson says it's nothing new under the sun. It's been going on one way or another since civilization began. People and groups of people using the advantages of wealth to influence pharaohs, kings and queens, parliaments and congress. Lets learn from the past, so we don't perpetuate what doesn't work in the present for the benefit of the most of us and a better future.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 29 Apr 2021 18:53:52 GMT
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Little Walter did a knockout blues rocker penned by Willie Dixon in 1959. A great time to be an American. Unless you was black folk. Anyhow then like now, It's a Crazy Mixed Up World.
<https://www.youtube.com/watch?v=89Hdn98FZdY>

If you can take in what Mr. Hudson proclaims in this longish Webinar transcription for a Swedish group. You'll catch on that it's always been a crazy mixed up world. And a struggle to keep the monied interests from taking over and claiming dominancy. They were much better at it in the ages of antiquity. Up until the Roman times. When the toehold of the oligarchy got started. We're in pretty deep now. Our economic models seem to be based on a fictional idealized world. One that doesn't match what the public at large experiences. About all any citizen of the western world can do is try to understand what's been going on. The economics profession has long given up on that. Maybe insist at some point in future time that a democracy isn't a democracy when your

always another day older and deeper in debt.

<https://michael-hudson.com/2021/04/the-honest-sector/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 05 May 2021 14:07:08 GMT

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I thank Wayne for the opportunity for allowing this expression of views. Many people may still know of the phrase, "Forty acres and a mule". This dates to the end of the civil war. It was a practical means to give some justice for the malice of slavery. A way to give an opportunity to make a decent living on ones one terms. But it was a promise of reparations never kept. Most people including myself never have known this history.

This discussion gives an interesting view on what our American history and even our biblical history gives to the idea of what human rights could and should be. And how they have been manipulated by certain interests of the financial kind.

The discussion starts in earnest around the 8:00 mark of the video with pastor Johnathan Hartgrove of the Poor Peoples Campaign and economist Michael Hudson. They are speaking towards relating society's underclass of all races having reclamations in a sense towards allowing an opportunity to dignify their ability to rise in their economic standing that is chronically oppressed in our society. Very interesting stuff to ponder.

<https://michael-hudson.com/2021/05/christian-nationalisms-re-branding-of-jesus/>

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Wed, 05 May 2021 16:04:10 GMT

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I'm glad you hang out and visit with me here. I hope someday to come see you in Kansas City, or maybe we'll meet in Dallas at LSAF some year.

But you know, I'm still scared that our financial day of reckoning will come, just like it has for all other economic "world powers" like Rome, England, etc.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 05 May 2021 19:09:17 GMT

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Thanks Wayne. I have admired your beacon of audio sanity for some time. I hope to be able to meet you and some of the other regulars around here at your audio fest one of these days when the coast is clear. And I too am wary of that day of reckoning of our economic house of cards. The

deficit no, just from too many indulgences from the usual suspects that compel me to start my little crusade here. Again, I appreciate the opportunity.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 07 May 2021 15:20:25 GMT
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Gimme That Old Time, Corporate Religion.
Springing off from the mentioning by pastor Hartgrove from the podcast link with economist Michael Hudson. Hartgrove brings up an interesting aspect of United States history that is playing out still today with economic, religious and social ties. The time period during the mid 30's when the depression was in full swing there developed a campaign to enhance the image of corporate America. James W. Fifiield https://en.wikipedia.org/wiki/James_W._Fifiield_Jr. led the Spiritual Mobilization, a religious-political organization that grew nationally and established essentially what is today known as the religious right affiliation in politics. Hartgrove also brings up the author Kevin Kruse whose book One Nation Under God explore this phenomena of American history that blends the church and state more or less together with what some people these days can find both a blessing or a curse. An excellent show VPM, (Virginia Public Media) discusses the book. https://www.youtube.com/watch?v=EyDg_jwYxH8

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 14 May 2021 16:38:17 GMT
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The Hudson Hornet I call him. Not the car some older folk that know American autos from the 50's. I call him that because he stings repeatedly and purposely with the target of the rentier class. The big shots that garner most of the wealth in the world and wouldn't mind at all a neo feudalist society could be fully implemented. America since WWII has been influencing governments of the world with the dollar and will not have that capability so much longer. Our rivals have caught on, and they're pulling out of the game. Michael Hudson called it something else, but his publisher in the early 70's wanted it called, Super Imperialism. America's foreign policy in a nutshell. A long podcast with his always controversial thoughts. For the rentier's that is.

The World's Absentee Landlord
<https://www.youtube.com/watch?v=S-ZGdAi8Ji0&t=1s>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 25 May 2021 17:30:44 GMT
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It's dismaying reading & listening to todays political discourse. I can't make it through the evening natl. broadcast at times. All the infighting, smarmy remarks the two throw back and forth. I have to say though, and my oldest bro. mentioned it over some news item. That one of the two parties has become particularly diseased these days. But not so much that the other party wants to heal the

infectious gangrenous wound that stymies a system oozing with decay. That would be the debt, and the sanctity of the creditor.

They take precedence over the public. That is how the economy is run. Would it not be a great luxury, for our major news outlets to give a voice to this issue. To feature this type of reporting. Instead of what some senator or congressperson said to or about some other peer on, the other side of the aisle. We get soap opera over substance.

<https://theanalysis.news/interviews/why-biden-wont-cancel-student-debt-michael-hudson/>
Why? Because pain will not be tolerated by the financial class. Only meted out.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Fri, 28 May 2021 23:15:12 GMT

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You'd wonder why we would want crooks, con men, and liars running our economy? Well dressed, well educated and well spoken. But that is what we get when the finance boys call the shots. Bill Black knows this thoroughly. He is a law professor and former governmental regulator. His expertise is predation and control fraud. This is the tool of choice for ripping off the public. He was involved investigating the saving & loan frauds of the 80's to the 90's. They actually incarcerated some of the top players then. But, it never has ceased. After the Enron debacle where the top scoundrels were sent up the river. The sailing has been sweet for the Banksters. The only convicted players were small fry from the housing bubble recession the banking industry caused in 2008. It's going on to this day unabated. Only that nowadays there is no penalty for collapsing the economy. The fraudsters seemingly have immunity. The reason is, they are essentially an extension of the government. With players involved in the federal reserve system. And the payola of lobbying and campaign contributions. The fox guarding the chicken coop.

Bill Black is interviewed in a two part series with Paul Jay's podcast. Explaining in detail how the scheme works. He's also featured in a documentary titled, The Con. Showing on Hulu.

<https://theanalysis.news/guests/bill-black/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 31 May 2021 16:43:29 GMT

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Cancel Culture, seems to be the current popular quip to alleviate the demands of answering with any astute argumentative substance. Very popular politically now. And culturally it's a crutch for social media and media in general. No doubt it gets used regularly in Q Anon circles. Where fantasy is the reality. It ties in neatly with Group Think, the phenomena prone to influencing larger portions of disciplines of thought and theories popular with professions in academia and in the

world at large. This is what Bill Mitchell lays out with his latest blog entry, Memorial Day, (USA) May 31 2021. He's an Aussie though, so it's a working day for him.

<http://bilbo.economicoutlook.net/blog/?p=47579>

You don't need to believe in cancel culture when you know for damn sure. Your being jacked with.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 16 Jun 2021 13:54:17 GMT

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The rhetoric popular just about now is inflation. It's being weaponized for the usual political score card. And it highlights too the inane lack of creativity in the mainstream macro economic sphere of thinking. They just haul out their typical points of reference that don't add up the larger scheme of things. Which is why our economic realm is a platitude of ineffectiveness. Billy Bob Mitchell makes it short and sweet for us laymen to reason with. But if you tune into him and colleague Randy Wray, speaking to a Brazilian group of economists in this podcast. You can get a sense of their astute knowledge in their development of the MMT theory they have been working on for decades. They are speaking about a realistic future. The mainstream economists are stuck in a rut we need to get out of. A future of the same is not appealing.

<http://bilbo.economicoutlook.net/blog/?p=47678>

Finanças Funcionais: um outro modo de pensar a política fiscal

Barring knowing Portuguese, Bill and Randy begin @ 10:52

https://www.youtube.com/watch?v=R3lITgYIk_o

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 21 Jun 2021 13:07:10 GMT

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What is the most common reaction to alternatives to the status quo with our economic foundation. Whatever the proposal, is usually determined to be radical, incentive crushing and outright socialism. Leading us down the road to centralized government dictating everything in our lives. MMT is as a alternate realization of the way our money supply is used. But becomes cast the same way. Too radical, too controversial to the conventional thinking to give any merit to. However. MMT is not constrained to political allegiances. It's neither democrat or republican. It's an understanding of the reality of our economic realm and how certain dogma's held dear to conventional economic thinking are not in touch with reality and what capabilities are inherent with a sovereign governments money supply. Take this as an example of what proposals that MMT promotes to whether or not it's aligned specifically to one of our two ineffective political parties. http://www.levyinstitute.org/pubs/pn_21_3.pdf

This should be very appealing to conservative ideologue. No corporate taxes. None. The rub though is taxing capital gains. The billionaire class may object to that. But then, what argument

could be constructed to sustain wealth inequality as it is now. Are we to assume that people making their fortunes without lifting a finger are justifiable?

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 14 Jul 2021 17:25:16 GMT
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A longish segment with call-in Q&A in the latter half. Here Michael Hudson describes the financialized apparatus and it's method of operation. And it's effect on the United States and world economy. And why China is doing what we did in the 19th and first half of the twentieth century, only for us to abandon our economy to the wolves of wall street. Economic history isn't taught any longer for this reason.

<https://michael-hudson.com/2021/07/living-with-price-above-value/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 15 Jul 2021 15:07:58 GMT
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A supplemental to what's above and what Mr. Hudson has been stating for years now. The Federal Reserve system serving as an enabler to the financial systems gambling disease. On the PBS Frontline documentary series. <https://www.pbs.org/wgbh/frontline/>
Using MMT principals the wrong way.

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Thu, 15 Jul 2021 16:22:44 GMT
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I watched an interesting documentary this weekend. It was hosted by Kal Penn, who worked as a staff member of the Obama administration. So those that lean "left" politically might find this attractive. But I don't think "right-leaning" people would be offended either, because the series appeared refreshingly politically-neutral.
This Giant Beast That is the Global Economy

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 15 Jul 2021 18:03:09 GMT
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That does look interesting. I heard the word trust mentioned several times in regards to money and it's value. That is what the principal of any sovereign governments money supply comes down to. Trust in that it's issued currency is the only way to pay taxes with. And it's bond notes will

always be honored at it's maturity with a little extra interest. In the Frontline doc., some of the most vocal critics of the Fed's monetary easing policy are themselves the financial players.

MMT principals are being sought out by the financial market institutions for their ability in predicting world economic conditions to make better investment decisions.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Thu, 15 Jul 2021 19:41:14 GMT

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Yes, one of the main points in that documentary series is that fiat currencies are based on trust. All parties using the currency must trust one another to accept the currency at an agreed value.

Which is exactly what causes me the most concern with escalating national debt. It would seem to me that increasing debt will cause other nations to lose trust in America's ability to pay. The world might no longer see the American dollar as the reference standard currency.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 15 Jul 2021 21:07:58 GMT

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There is good debt and bad debt. When the government creates a deficit. It can be spent in the good for the economy. Such as the infrastructure bill being bandied with now. Or for social good as is Social Security, Medicare, child care, education. Things that give value to a society and a working class that actually creates things and can thrive better so with a low cost of living.

But this bail out of the financial sector for every bubble they create that bursts from speculation and greed is an abomination on society. They create nothing but, as the classical economist Adam Smith warned of, "income in their sleep". Which feathers the portfolios of the elite rich.

The world is moving away from the dollar just because of our financialized diplomacy in conjunction with the World Bank & the International Monetary Fund creating austerity. The move now is towards a universal currency to use in trade deficits and exchanges. Which is what Keynes had proposed originally at the Bretton Woods conference. America had the upper hand and wanted to have all the advantage of a dominant dollar exchange. And could with Europe, Asia and Crimea in ruins from WW2. We had our time, and we've squandered it with our financialization of our economy. China has emerged with a mixed economy we used to have in our golden era. Their banking is not allowed speculation in their charter. They have followed the west's economic playbook for success and so far avoided the pitfall of allowing the excesses of the financial class from overtaking their government.

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Thu, 15 Jul 2021 22:44:38 GMT
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Agreed. There are expenses that are required, and those that benefit all. There are expenses that provide healthy benefits and/or returns. Then there are expenses that are just wasteful, greedy or slothful. I think it's important to separate the wheat from the chaff when determining what we spend our money on, or I suppose I should say what we take on as debt.

And I agree with you that the bad-actors are those with the deepest pockets. I agree with you on the idea that it's "corporate greed" doing the worst. But I think our government is a part of that equation, and that both sides of the aisle are equally responsible. They just each have a different set of loyalties, and different groups they're entangled with. I don't really like what I've seen for the past couple of decades, at least. It looks like it just keeps getting worse.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 16 Jul 2021 14:50:32 GMT
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We are unanimous. Both of our inadequate parties are entangled in a wanton, wasteful path crippling our economic wellbeing. Going now from one calamity to another. Propping up an entitled elite from any suffering, they created.

There are some good ideas that the non-orthodox professional economic community have to restructure our economy. It would take though some self critical political evaluation. Steve Keen is another Australian economist with a very acute grasp of what could ameliorate some of the dysfunction we chronically endure with the current status quo allowed. As if it will ever work itself out as by how nature does reaching an equilibrium.
A serving of Macro n Cheese.
<http://www.debtdeflation.com/blogs/2020/12/19/discussing-a-modern-debt-jubilee-on-macroncheese/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 21 Jul 2021 22:25:03 GMT
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Rethinking our exceptionalism. This I happened onto from the good old Roku device today. From 2018 an interview with Jeffery Sachs about his then new book, A New Foreign Policy: Beyond American Exceptionalism. A phrase that has become a bit frayed and frankly, a joke. Like the founders of our nation with a phrase then that should be taken serious now. United we stand, divided we fall. Our politics and society really need to take a hard look at where we're at, at this time in our history.

<https://www.youtube.com/watch?v=kZU0IXO7AQw>

Taking up a mere 18:46 minutes of your time.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 27 Jul 2021 21:16:55 GMT
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Another fine Roku-Youtube find. Here's an interview with Prof. David Harvey on the history of neoliberalism and it's chokehold on the world economies. But shucks, he's an anthropologist. That's alright, most economist are taught to embrace neoliberalism much like how dogs are trained to comply masterfully with humans to be more docile and obedient. As in the prior video with Michael Hudson. A first year econ. student in a phone in Q&A prefaced his question to him perhaps sounding a bit infantile with his question to Mr. Hudson. To which Hudson exclaimed, "No... wait until you've gotten your PHD in orthodox economics, then you'll sound infantile".

Anyway, Mr. Harvey here is very shrewd with his knowledge of the goings on with our deceptive masters of finance. Laying it out with Chris Hedges in two parts.

<https://www.youtube.com/watch?v=D-YO5EROH-I&t=1s>

and

<https://www.youtube.com/watch?v=4jVfIZWGrQk>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 18 Aug 2021 15:24:52 GMT
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Not even close, and no SIGAR. The office of the Special Inspector General for Afghanistan Reconstruction. The latest report on America's 20 year involvement in the middle eastern world points out the systemic flaws in our policy to quell terrorism. A colossal bureaucratic quagmire wasting our youth's lives and limb, our resources and ultimately our time. We appointed a proxy government that the people had no faith in that was the usual graft and corruption leading to the failure unfolding currently. Will we learn yet again to not repeat what we didn't learn from Vietnam with some future crisis in the world? I'd like to be optimistic, but unless we moderate from the fantasy concept of American exceptionalism with our world affairs it's a toss up.

The point that sticks out in this report in lieu of our debate of infrastructure money and how and where to spend it is. In the 20 years of middle eastern deployments and involvement. This country has appropriated without any accountability an estimated 6.4 trillion dollars. And we debate heatedly a sixth of that now to improve our own lot in life.

<https://www.npr.org/2021/08/17/1028106402/8-paradoxes-that-sum-up-americas-20-year-mission-in-afghanistan>

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Wed, 18 Aug 2021 17:59:33 GMT

It's nuts, isn't it?!!

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 19 Aug 2021 19:37:43 GMT
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A laymen's guide to financial capitalism. An hour and 48 minutes worth. A sit down lecture from America's preeminent economic historian and realist to the fiction of what we're told. Maybe George Orwell studied economics for his book 1984. Part one of three.
Michael Hudson. The Global Financial Empire 1: The Political Economy of Globalization.

<https://www.youtube.com/watch?v=4THv2qQjLhc&t=4s>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 20 Aug 2021 19:54:02 GMT
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Part II. Only one hour 26 long. Mr. Hudson gives references with ancient Greece and Sparta during their economic relationship that parallels significantly to America's historical world economic relationships. It would be easy to scoff at this. But history has a knack at following similar courses. People aren't really much different over the millennia's. And that includes basic economic principals. Which include greed, corruption and manipulations to maintain advantages and power.

Hudson to the cursory viewer may seem as overtly negative with our national, international policies and relations. But I find it refreshing to get a viewpoint that digs deeply into our own and world history to help explain what at least in my mind is a faltering society, fraught with deep divisions brought on by not being honest with ourselves. When our viewpoints are so myopic and dismissive as to have frank unemotionally charged discussions, letting down barriers long enough to let reason play a part in the debate. We might come away not as convinced we have it all figured out. I know I don't.

<https://www.youtube.com/watch?v=QAmZXtJfkQU>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 31 Aug 2021 14:38:46 GMT
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Part III Global Financial Empire. More history lessons of America's dominance of the dollar. Michael Hudson gives a frank appraisal of that effect. Our dollar dominance is waning with China's

and other countries desire to get away from this influence. As he says, America found a way to do financially what historically countries did militarily to dominate. And to pay for our military's futile forays. It's estimated the US has up to 800 military bases throughout the world.

America was able to strongarm the dollar as the world's balance of payment for trade after WWII during the Bretton Woods conference. Taking advantage of the allies' ruined economies' inability to pay the specter of debt.

We were not so much the benign, altruistic and benevolent benefactor that our exceptionalism makes out to be. Self interest and dominance are as much a part of our history as any other empire has acquired.

Dollar diplomacy

<https://www.youtube.com/watch?v=5xR02tPQBTM>

Subject: Re: Modern Monetary Theory

Posted by [gofar99](#) on Wed, 01 Sep 2021 02:54:32 GMT

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Hi Everyone,

"We were not so much the benign, altruistic and benevolent benefactor that our exceptionalism makes out to be. Self interest and dominance are as much a part of our history as any other empire has acquired."

Uh yeah. Now that we have departed Afghanistan it will be interesting to see how the balance of power and balance of financial power shakes out.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 01 Sep 2021 15:05:43 GMT

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Quote:Uh yeah. Now that we have departed Afghanistan it will be interesting to see how the balance of power and balance of financial power shakes out.

If you like watching glaciers move, which anymore is faster than ever. Nonetheless economic trends play out over decades. Unless the stock market tanks. Which our economy is too dependent on.

The main thing I get from Hudson's lecture is that the United States has had its cake and ate it too. And the free lunch is coming to an end.

We whine about China's unfair trade policies when we've made the playbook for them to follow. Taking away our industrial mixed economy for a financialized economy has made great quarterly returns for the upper percentile. At the expense of the vast middle class we enjoyed post war to the 80's.

Our "interventions" save Korea have been nothing but despair.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 04 Sep 2021 14:46:10 GMT
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Here's a good example of what the neoliberal financialized movers & shakers want from the world's economies. Carte blanc access to shaping it to their needs. Like they've done domestically in the US. George Soros is a controversial "left" figure. Old, grizzled and every bit expectant of the entitlement of the one percent needs taking precedence over the needs of the other percentage. Michael Hudson deciphers his recent rant in the financial press over China holding out from "allowing" access of the financial marketeers from doing to China's economy what happened to Russia's after their collapse politically. Hudson advises the Chinese govt. against capitulation from financialized dominance. He would do the same for America's, would they show interest.

Grabitization:

<https://michael-hudson.com/2021/09/george-soross-dream-to-turn-china-into-a-neoliberal-grabitization-opportunity/>

Subject: Re: Modern Monetary Theory
Posted by [gofar99](#) on Sun, 05 Sep 2021 02:34:26 GMT
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Hi, Whether or not I share the thoughts in the just posted comments...I have long considered this a polite forum among audio enthusiasts. When I see emotionally charged labels for individuals I feel it is across the line. We can share ideas and thoughts without them. Dungeon does not IMO

mean anything goes. Some decorum is needed. If this is not correct then I will withdraw from the site.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 05 Sep 2021 12:20:16 GMT
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Sorry Bruce. I'm sure for me my physical description of this person is the least emotionally charged than the entitlement aspect is. I'll refrain from further "labeling". Though admittedly the one individual I skewered commenting on the Malone podcast is of such a visceral disdain on my part. Consider that a gaff one that I have no regrets, but won't repeat.
I do however feel what this article conveys is typical of what is our corrosive economic state of mind.
If you'd care to ever comment on any specific aspect of the economic subject matter I'm trying to convey. As Wayne has. That would be great.

Subject: Re: Modern Monetary Theory
Posted by [gofar99](#) on Sun, 05 Sep 2021 13:36:48 GMT
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Hi, Gotcha. We all get wired up on things that matter to us. I may be on the edge of being too careful. I like to have discussions on many subjects I just try to keep things from getting too polarized and losing sight of the camaraderie of the forum.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 12 Sep 2021 14:50:20 GMT
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Another fine economist. Jeffrey Sachs. Our last dialogue with China went nowhere. We forced our social behavior ideals to the forefront in our relationship with them. Whenever we dictate our perceived morality on sovereign countries, they point out our own obvious social inequities. Mr. Sachs has pointed out that in this time in our worlds history, cooperation is a commodity in great demand with what our world faces for everyone of us. We're stubbornly being obstinate adolescents in this regard.

America vs. Everyone
<https://www.youtube.com/watch?v=A-tDj4ZGcZY&t=1294s>

Subject: Re: Modern Monetary Theory
Posted by [gofar99](#) on Mon, 13 Sep 2021 01:39:17 GMT
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Hi, Whenever we dictate our perceived morality on sovereign countries, they point out our own obvious social inequities Sure enough. Our track record in getting other nations to see things our way has not been a success.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 13 Sep 2021 14:27:31 GMT
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Quote: Sure enough. Our track record in getting other nations to see things our way has not been a success.
Yup. That seems to follow our American exceptionalism self deception nicely.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 15 Sep 2021 15:41:41 GMT
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Big investors are having a hissy fit with China not allowing them to do their looting scheme. So they're spouting off with editorials in big publications venting what they perceive is an existential threat to the free world. Free being the free lunch they're accustomed to. The United States has been living under this scheme for 40 plus years, and it shows. Sky high real estate, schooling, health care. Decaying infrastructure, regressive taxation and ineffective, stalemate governance. It's the Neoliberal way, historically parallel to the Romans. We keep going ahead in denial and who knows what other financial meltdown will wash over us like waves coming in this young century. By count, three so far, including the COVID crisis.
Why do we cripple ourselves so? Read on.

<https://michael-hudson.com/2021/09/the-vocabulary-of-neoliberal-diplomacy-in-todays-new-cold-war/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 25 Sep 2021 18:08:36 GMT
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A lack of will from a state of confusion. Confusion willfully placed to obfuscate the reality of running an economy working to benefit the majority of it's participants. Those that work. Our economies based on the Neoliberal construct. Trickle Down, Supply Side, Service Economy have had the public domain replaced by the private. The industrial aspect replaced by the service aspect. The will of the electorate replaced by the will of finance capitalists. Economic dialogue is reasoned through the textbooks that reflect the state of economics as a settled coherent discipline. But unfortunately not describing the real world and the majority of people that work in it. But there are people that fortunately know what reality is. It's the making it known that is really difficult. The lack of will is in our current political system. Only by recognizing what the confusion is, may be the way to not accept the lack of political will.
Great dialogue as usual from real economists. Not hacks.

French economist Thomas Piketty and Michael Hudson
<https://www.youtube.com/watch?v=GWT0uvBLDbo>

Australian economist Steve Keen
<https://www.youtube.com/watch?v=dBxaGsLxACo>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 06 Oct 2021 16:08:43 GMT
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From the readings and listening's I take in on this subject matter. I get the sense that our neoliberal economic promoters are like junkies. Engorged with the prosperity that they've attained from their parasitic methods. They can't begin to see it's downside. The metaphor of "the one percent" is simply the big movements in our financial economy and the players in it. Who owns most of the stock in Wall Street? The metaphoric one percent. But more so, who plans our economy? Wall Street. Socialism is a dirty word and a pox on their prosperity. Their theme song should be Turn Me Loose, by Loverboy. "They gotta do it their way, or no way at all". With politics in their pocket, economic schools putting out neoliberal technicians and a huge populous to feed upon with debt service. It's been easy peasy.

But it's never enough. Ask any junkie. The reoccurring news about China and it's Real Estate business Evergrande makes for impending doom about to happen there as did in this country. Making with it opportunities for investors to capitalize like vultures circling. But the Chinese are not allowing for this opportunity to be realized. Unlike our neoliberal economists, they have studied outside that realm, and regarded history important too. They are working towards a healthy economy where more of the people can prosper, rather than the elite few that live splendidly off the many. Much like we were and now aren't. America's national treasure and deserved of the medal of honor, which will never be. Michael Hudson shows us our true folly. Unfathomable to the junkies running the show.

<https://michael-hudson.com/2021/10/the-affront-of-chinese-sovereignty/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 19 Oct 2021 14:44:30 GMT
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It's rather ironic to contemplate a notion of a communist country showing the western world a path of more equitable capitalism can be had. China like our own country has had a problem with it's real estate market messing with it's overall economy. But unlike the western capitalists, the Chinese are thinking long term and towards the overall growth security of their growing middle class. Thus they are taking steps that will not bail out the investor class as our neoliberal mindset has done for our economy. As their motto is, real estate is for living, not speculation. Their economy has slowed from this speculative meltdown and an energy crunch for their industry. But at that they still have a GDP that would be enviable to our economy. They will absorb

this "hit" an plan for the long haul. Something our country has neglected for decades with the financial planners requiring short term goals instead. As Mr. Hudson exclaims, "Who do you want planning your economy, people you elect or Wall St."?

<https://www.ft.com/content/aafca7d3-10a9-41c5-9832-f6e199a5c630>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 23 Oct 2021 17:02:11 GMT
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The dynamics of the past to the possibilities of our future. Addressed in SUPER IMPERIALISM! Or, the world woke up and said to hell with America's balance of trade. I think Mr. Hudson's third edition of this treatise on America's balance of payments with trade and it's global effect on it's economies is an unfolding tale and hopefully wake up call to examine what kind of future we want for ourselves. I hope we wake up. The irony of the classical economist Adam Smith and his free market concept is that it's been warped by the neoliberal concept of debt creation and privatization. Monopoly rent was his abomination towards, and the process which has been entrench in our modern economy. The neoliberal concept has eliminated the nurturing of industry for the supply dependency we live with now. Short term gain for long term stability. Where is the world heading economically? The book gives clues. We made the rules, and the times, they are a-changing.

Which may account for our exasperation and turmoil in the political arena.

<https://michael-hudson.com/2021/10/we-make-the-rules/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 23 Oct 2021 21:43:32 GMT
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And at this point. A Short History of Neoliberalism. What it means in the "liberal" sense and how it got going. Becoming the major worlds economic paradigm. We're stuck with it now and it's hard as hell to get away from it. Communist China is showing the way. Like Dean Martin sang. "Ain't that a kick in the head".

<https://www.tni.org/en/article/short-history-neoliberalism>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 30 Oct 2021 18:26:30 GMT
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Another good resource guide for the Neoliberal economic phenomenon.
https://www.faireconomy.org/the_politics_of_privatization
And our one party system of economic choice.

Neoliberalism was chosen to replace Keynesianism. And it proved to be successful. Too successful for too few. Have we finally reached a point to evolve into a more stable, ethically prosperous method for citizens to thrive in? It couldn't come any sooner for me. Our two fused at the hip political parties though are at the crux of breaking out of a oligarchic system opposed to structural change.

Can the lobbying system be regulated? And the legally sanctioned political bribery reined in from the Citizens United Supreme Court ruling?

There are many excellent proposals from non-orthodox economists referred to in this thread that could be adapted to our capitalist system that could make the system function more equitably for all of us. Not just the Financier's. We've lived for about a half century with this economic system. It's not etched in stone like it were the 10 commandments. Would it not be advantageous to insist on our stagnated politics to take up the issues hindering a break from the status quo. The system needs structural change. And the culture war politics are a diversion from that.

Since our two party system shares the same economic philosophy, the likelihood is that the voters of these two parties could have a common interest in improving this system that over the decades has eroded both their personal livelihood and future of their children. Surely constructive comments from anyone on the system we are in and what would make it more fair, more stable could be agreed upon. And made important in choosing a political representative.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 07 Nov 2021 14:57:13 GMT
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Can the United States Government run out of money? NO! How? It is the issuer of the sovereign notes. All taxes MUST be made with the sovereign notes. This is true of any government that has a sovereign money supply. So, France, Germany, Italy do not have that capability like the US, Britain, Russia and China. They are bound by a debt ceiling. We only do so for political jousting. Unfortunately.

The only constraint our sovereign money supply has is inflation from too much money not being used in our money supply. And of course resources. A minimal infrastructure bill has been passed, though it could be much larger. For the need is much larger. How is it that we can squander 6.4 trillion in 20 years of war in the middle east with no inflation. But spending half that in half as many years for worthwhile domestic improvements is inflationary? Politics of course, and the Neoliberal chokehold on our economy.

Stephany Kelton explains the deficit myth. It really is.

<https://www.youtube.com/watch?v=mmuysv17T9M>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 08 Nov 2021 21:18:27 GMT

Politics. I've been voting donkey all my life. I've admired a few pachyderms. McCain comes to mind, Everett Dirksen going way back. I think it was his unkempt hair and gravelly voice. But too many now are diseased. I agree with this assessment. Both party's are out of touch with the public. Unless the lobbyists are neutered and the big money contributors are blockaded. Nothin is gonna change. It's all smoke & mirrors. People just want something better. They won't get it, with either party.

<https://michael-hudson.com/2021/11/the-unreformable-democratic-party/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 22 Nov 2021 16:01:27 GMT
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Let's re-learn from China what they learned from us. A nice article by Richard Wolff.

Article by Richard D. Wolff

"The superiority of the recent Chinese record over that of the United States is persuasive evidence for China to continue its policy. China learned from the United States how to outperform U.S. capitalism."

U.S. capitalism was, in certain ways, the world's most successful capitalism until recently. Better than the capitalist systems of Britain, Germany, and Japan, U.S. capitalism avoided two key traps. First, it found a remarkable way to manage the capitalist-worker class struggle for a long time before it lost that capacity. The United States also found a way to organize its imperial rule without the overt colonialism that provoked rising resistance that eventually became too costly and unmanageable for Britain, Germany, Japan, and other colonial powers. But in recent decades, U.S. capitalism failed to manage its class struggles or to reverse the decline in its informal imperialism.

Chinese leaders have learned, implicitly or explicitly, from how U.S. capitalism lost those capacities. Thus, China organized both its employer-employee relationships and its international linkages differently. By doing so, the Chinese economy is ascending while that of the United States is descending. The process is, of course, uneven; the differences between the United States and China vary. But the general pattern and direction remain the same: China up and the United States down.

From 1820 to the 1970s, U.S. capitalism employed a fast-growing number of workers and paid them a real wage that grew every decade until the 1970s. That remarkable performance enabled, validated, and combined with a culture that emphasized consumption (the positive) as the compensation for labor (the negative). The combination blunted the appeals of dissidents, radicals, socialists, and other critics of capitalism until the 1930s. Productivity grew across the 150 years even faster than real wages and boosted profits rapidly. The United States outperformed other capitalisms in both the profits accruing to the employer class and the real wages flowing to the employee class.

The 1929 stock market crash and the 1930s Great Depression were the exceptions that proved the rule. U.S. capitalism then broke down, as did its promises of prosperity and growth. Fearful of a collapse, the U.S. employer class--via former U.S. President Franklin Delano Roosevelt's Democratic Party--offered a deal, which was an alliance of sorts to the employee class. The deal was brokered by capitalism's leading critics then: the Congress of Industrial Organizations (CIO) plus two socialist and one communist party. Together, employers and employees produced the New Deal, and a political lurch to the left undid a good part of the economic inequalities built up in the United States before 1929. It was a "great reset" that, with World War II, enabled a resumed upward arc of U.S. capitalism. Moreover, that arc took on an added imperial dimension when World War II undermined the old formal colonial empires, allowing the U.S. state to move quickly to replace them informally.

But the U.S. employer class made a huge strategic blunder after the end of the Roosevelt era and World War II. It failed to recognize how the left's strength in the 1930s had inadvertently saved U.S. capitalism via the "great reset." The New Deal was in large part a "trickle-up" Keynesian stimulus, unlike the traditional "trickle-down" economic policies of U.S. governments, past and present. It brought the United States out of the Great Depression while reducing income and wealth inequality unlike the decades before and after. But blinded by the fear of and rage at paying taxes to fund the New Deal and other similar reforms, the rise of a strong U.S. left, and World War II's U.S. alliance with the USSR, the employer class determined to roll all that back after 1945. Chiefly via its Republican Party wing, the employer class set itself the task of undoing the New Deal by destroying the coalition that created it (CIO plus socialists and communists). The employer class successfully wrecked that coalition and each of its components. However, that wreckage also reoriented U.S. capitalism onto a trajectory that ended its 150 years of ascendancy.

By the 1970s, the reset stalled. U.S. employers had so vanquished labor and the left that they indulged opportunities to enhance profits without fear of or even much concern about employee reactions. Many U.S. employers relocated their production abroad where wages were far lower, making the U.S. companies' profits much higher. Many more employers in the United States undertook rapid automation. New immigration policies were waved in. Good proletarian jobs gave way to the precariat that today's younger generations take bitterly for granted. Instead of real wage gains across every decade from 1820 to 1970, the last 50 years saw real wages stagnate alongside deepening household debt.

Thus, the 21st century's cycles have been progressively larger and harsher, rivaling that of the 1930s. Yet no comparable political left shift has occurred, no revival of a movement yet along the lines of the New Deal Coalition. This time, a deep crisis yields no massive "trickle-up" policy component. Income and wealth inequalities continue to worsen. No left-led reset is occurring to save U.S. capitalism from sinking into ever deeper economic, social, and cultural conflicts.

Meanwhile, many policymakers in China have drawn lessons from the U.S. experience: which policies to replicate and which policies to discard. China saw that U.S. capitalists had often worked closely with the U.S. state successfully to undertake major projects by coordinating and mobilizing public and private resources. These included fighting a century of wars to subordinate, evict, or exterminate the Indigenous population, waging wars of independence from Britain in 1776 and 1812, ending a competitive slave economy in the U.S. South via civil war, undertaking

infrastructure capitalists needed to grow (such as canals and railroads), advancing U.S. capitalists' interests in and the subsequent recoveries after World Wars I and II, and replacing the old colonialism systems after 1945 and substituting U.S. global military, economic, and political dominance.

In China, economic policymakers also have taken note of when weaknesses and reverses afflicted U.S. capitalism. The relatively unregulated capitalism after World War I eventuated in the 1929 crash. Likewise, the deregulated ("neoliberal" or "globalized") capitalism after the 1970s eventuated in the 2008 crash. Refusing national health insurance enabled a private medical-industrial complex to overcharge and slow U.S. capitalism to benefit from its excess profitability. It also underprepared the United States for the COVID-19 pandemic with catastrophic results.

More generally, China concluded that in the United States, achieving prioritized social goals happened more when public and private resources were coordinated and focused to do so. China also observed that wars and economic crises often produced this coordination and focus in the U.S. The logical inference by economic observers in China was to consider that a continuous program of coordination and focus could more generally outperform what the United States had achieved with its merely occasional program.

That conclusion fit nicely also into China's conception of socialism with Chinese characteristics. In that conception, a strong Communist Party and the state it controls secure the continuous program of coordination and focus of a system that mixes private and public enterprises. China's economic leaders attribute to that continuous program an impressive annual GDP growth rate record. From 1977 to 2020, China's average annual GDP growth rate (9.2 percent) was well over three times higher than the U.S. record (2.6 percent). The average real wage in China has also steeply risen in recent years, which the country points to as another success of its economic system. In contrast, U.S. real wages have stagnated recently. The superiority of the recent Chinese record over that of the United States is persuasive evidence for China to continue its policy. China learned from the United States how to outperform U.S. capitalism.

Karl Marx once wrote that no economic system disappears until it has exhausted all its possible forms. If one understands economic systems, with Marx, as particular ways to organize the human relations of production, then capitalism is that way that juxtaposes employers versus employees. The United Kingdom, but especially the United States, developed that economic system with a strong emphasis on its private enterprise forms. The USSR developed that system with a strong emphasis on its public enterprise forms. China, meanwhile, developed that economic system by mixing private and public enterprise forms (as Scandinavia and Western Europe also did), but with an emphasis on strong central control to coordinate and mobilize both private and public enterprises to achieve prioritized social goals.

China may thus be where the capitalist system reaches the fullest potential of its various forms--exhausts them in that sense--and thus prepares the way for a transition beyond capitalism.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 09 Dec 2021 01:30:31 GMT

I've always liked L. Randall Wray's style of writing. He keeps it on point and pretty short. And layman friendly. He writes here the classic take, including rant, on our national debt. We've always had it since the inception of our country. And it's the govt's. debt that is our private sectors surplus. What it's used for is what is the good, the bad and the outright waste it pays for. But, it gets paid for without a doubt.

https://www.levyinstitute.org/files/download.php?file=op_68.pdf&pubid=2740

To the chronic naysayers he ends thusly:

"So, while there are strongly held beliefs about the negative impacts of deficits and debt on inflation, interest rates, growth, and exchange rates, they do not hold up to the light of experience. When faced with the data, the usual defense is: Just wait, the day of reckoning will come! Two centuries, and counting."

Two centuries and counting. Very clever.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Thu, 09 Dec 2021 15:22:10 GMT

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Not sure I would agree with that statement. It's clever sounding, but then again, it also sounds like spin. The USA hasn't been in debt like this for two centuries, not even close.

The only time we've been in debt like this was during WWII, and we actually appear to have somewhat benefitted from that debt 'cause we used it as loans to other countries for the lend/lease program. And while we had to rebuild our economy after WWII, the rest of the world had much more to rebuild so we were better off by contrast. We can't say that now.

As I've often said in this thread, I hope the MMT proponents are right but my crystal ball doesn't glow as bright. Time will tell. I do definitely hope they're right though, or else I hope we adjust our course. Or maybe a little bit of both.

File Attachments

1) [USA_federal_debt.gif](#), downloaded 270 times

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 09 Dec 2021 18:01:11 GMT

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That is not spin. The spin is what the deficit hawks use to inspire paranoia for the future of our children. Consider Japan and their debt to GDP ratio. The highest in the world at 235.54% with a population of 127 million. For decades main stream economists have like end of the world religious kooks, been wagging their fingers at them that the end is near and doom will follow. We're at number 8 per debt to GDP per population.

We haven't been in this kind of debt before because we haven't wasted so much money before with bail outs for financial malfeasance such as the GFC, (global financial crisis) to the tune of 29 trillion caused by the greed of the real estate and banking institutions. 20 year wars in the middle east for over 6 trillion. Military budgets, for this year alone that approach what is allocated for our infrastructure for 10 years.

As pointed out by Mr. Wray in his article:

Since the founding of the nation, the Treasury has ended most years with a deficit, so the outstanding stock has grown during just about 200 years (declining in the remainder). Indeed, it has grown faster than national output, so the debt-to-GDP ratio has grown at about 1.8 percent per year since the birth of the nation.

If something trends for over two centuries with barely a break, one might begin to consider it normal. And yet, strangely enough, the never-achieved balanced budget is considered to be normal, the exceedingly rare surplus is celebrated as a noteworthy achievement, and the all-too-common deficit is scorned as abnormal, unsustainable, and downright immoral.

Apparently we have a belief system in our economic dogma that runs counter to what the data points out and prioritizes a false reality.

I'll put my stock in MMT and ditching the Neoliberal system we have been in since the late 70's. What we have is not working for the majority and needs to be changed.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Thu, 09 Dec 2021 19:38:23 GMT

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I agree that we've wasted a ton of money in the last 50 years. You and I definitely agree that federal spending has been out of hand since the mid-1970s. And I think that's my point - I'm just not sure that we can increase debt without consequence. I understand that our fiat currency can be adjusted without an external point of reference, and I also understand that our currency has actually been treated as if it were the reference. It's just that I wonder how long we'll be able to maintain that position.

By spin, what I meant was the mention of "two centuries and counting." The writer clearly implicated that we've had debt (just like this) for the last two-hundred years and that's just not so. I don't know whether or not the other concepts are spin, but I do know that we haven't had debt like this for two-hundred years. It's not even accurate to say that we've had a linear increase for two hundred years. It has been up and it has been down. But it has skyrocketed in the most recent decades.

The only other time we've had debt at this level was the years around WWII, and we reduced it rapidly in the two decades that followed. Those post-war years were probably the most economically successful years in America's history.

I'm not sure about the causal relationships though. I don't know if it was the rapidly diminishing debt in our post-war years that caused our success, or if it was our success that funded the rapidly diminishing debt during that time. I'm not even sure there was a causal relationship, and I think that's what the MMT proponents would say. They would probably say there is no causal relationship between national debt and overall economic success. I think that's their basic premise. But I'm not sure I agree with that. It kinda goes against reason.

Maybe it's because I see things from a micro-economic view, or maybe I should say from a "family-checkbook" point of view. National and global economists must see things from a macro-economic point of view. Maybe they're completely different things. Certainly other complex systems are very different from micro to macro perspectives, so maybe economics is too.

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 public's 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.

Subject: Re: Modern Monetary Theory
Posted by [gofar99](#) on Sat, 11 Dec 2021 02:31:44 GMT
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Hi, Other thoughts....I agree generally that debt is not desirable, but when we compare it to historical levels are we using the inflated value of the dollar now as compared to back then? Also is the percentage of the GNP vs debt the same or worse?

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 11 Dec 2021 14:56:28 GMT
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Don't know Bruce. I'm not an economic wonk. I see from a cursory look that GDP is the standard international measure since 1991. I'll give some measure of reliance that the writer of the article being a seasoned economist can take various aspects of data into balance. Just as you would for designing audio gear. I think the author, along with his MMT colleagues stress that the mania whooped up with the national debt is overrated. And obscures the factors in our economy that are prevalent enough that the great middle class once attributed to our economic strength, no longer can be boasted about.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 12 Dec 2021 16:03:28 GMT
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Apart from the illusion of the national debt crippling our ability to have a thriving economy with livable wages for the masses and take part in an upward mobility scheme. With reasonably priced housing, schooling and health care not potentially bankrupting a family. It may be useful to understand why our economic doctrine has totally morphed into this hierarchy of financial dominance at the helm. And a doctrine that supports that with a paradigm written into the textbooks as the established method of trust.

Why that is regarded as trustworthy can take decades and more seeing what its effect is. And a bias towards any challenge to its worthiness.

To get a take on that and what a non mainstream economist experiences with a systems dominance has with their research to the contrary. Read on Bill Mitchell's experience as a non heterodox economist has had with an aspect of the standard economic model known as the NAIRU. Which sounds like the cheesy 70's era fashion statement in men's clothing. But its effect on our economic wellness is more a straitjacket than the Nehru jackets the Beatles were known for.

We live with these consequences of what is right to make the best of what our economy has to offer. When it doesn't live up to expectations after a thorough vetting over many decades. It needs to be changed. The patience of Job is needed though. He was right all along. As is his colleagues of MMT.

<http://bilbo.economicoutlook.net/blog/?p=48837>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 04 Jan 2022 18:33:18 GMT
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The Japan Paradox! As alluded to prior, Japan carries the highest debt to GDP per population in the world. And have had all manner of orthodox New Keynesian, (neoliberal), economists claiming Chicken Little for their dire fate since the 1990's. It still continues, just as it holds firm for this countries debt mania. It seems a fine cover story to keep anyone from thinking about the real root causes of a chronic underperforming and frail economy. Keeping the bulk of the working class under the thumb of the ruling financial class.

Bill Mitchell: The Japanese Denial Story 1 & 2.

<http://bilbo.economicoutlook.net/blog/?p=48952>
<http://bilbo.economicoutlook.net/blog/?p=48956>

If national debt is realized as a normal aspect of a sovereign currency issuer nation. Then investing in the real economy can be regarded as a non threatening and healthy endeavor for a government to engage in. Instead of bailing out monopolistic financial institutions and junk securities during endless quantitative easing our federal reserve does to prop up the financial sector in our glorious finance economy. We need to swallow the Matrix red pill and wake up to what Wall Streets blue pill has provided.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 13 Jan 2022 17:41:16 GMT
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Try to wrap your mind around this idiocy. If this doesn't make for a realization that Wall Street

controls both parties and both houses of the government. Nothing will. It's as if the two party system is like indulgent parents of an insolent, entitled, pampered and precocious brat that is forever getting into trouble financially. And being bailed out. Without even a scolding. As the too big to fail banking system is Wall Street and Wall Street is headed by appointee's from the two party system in the guise of the Federal Reserve system. That comes from "Wall Street". It's catch 22 with no oversight. Because the two party system gives them full faith they know what they're doing. They just see the huge deficit and make policy from that.

The fed. surreptitiously bails out the too big to fail banks for their betting disease in 2019. Against the written law of the Dodd Franks Act. And now just learning about it.

<https://michael-hudson.com/2022/01/inflation-and-illegal-repo-loans/>

Wall Street On Parade: A newsletter watchdog following the shenanigan's of Wall St.
<https://wallstreetonparade.com/2022/01/wall-street-banks-have-an-alibi-for-their-11-23-trillion-in-emergency-repo-loans-from-the-fed-its-a-doozy/>

YouTube of Hudson's interview:

<https://benjaminorton.substack.com/p/economist-michael-hudson-explains>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 01 Feb 2022 18:04:58 GMT

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Bill Mitchell is always very calm, thoughtful and provoking at the same time in his analysis of the prevailing economic doctrine. Here he lays out what effect the pandemic has done with this doctrine. And the persistence within it that runs counter to making coming out of it, (whenever that is), easier on the public. Especially concerning the current inflation issues that will be dealt with the same old way. As he points out, "How will raising interest rates make a truck driver sick with COVID return to work sooner? And increase the number of container ships get to the right destination? As usual, it's hysteria and the financial markets that push the narrative.

https://www.youtube.com/watch?v=TEm_77Y7eNs&t=2s

Being a musician also, (maybe the earrings give that away). Bill gives a nice summary of what he's been listening to. A soundtrack from a tv series. Interesting perspective of what H.G. Wells novel, The War Of The Worlds had in regards to our own human aggression has been with fellow species and animals to what the Martians may regard with ourselves.

<http://bilbo.economicoutlook.net/blog/?p=49100>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 08 Feb 2022 17:00:09 GMT

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This is a nice writeup from my local paper of an author from the area that has written a book about the federal reserve system and the effect it has had over several decades on our economy. And it

follows what some economists have pointed out for decades now that aren't indoctrinated by the prevailing doctrine of the profession. What I find interesting about this is the author is not from the economic realm but was interested in knowing about the causes of why our economic system works so effectively for such a small percentile of the public. It bolsters a hope that a more mainstream consciousness of what goes on in our monetary system can prevail in speaking up for an overhaul of it.

Considering the concern from within this thread of the national debt and what that effect may have on our future prospects. It might be well to know just how much of that debt has been created by what the federal reserve system employs as a function of it's use. And how could all this debt would have been put to better use if we had a system of economics that considered the welfare of the middle and lower classes more than the upper echelon of society to somehow trickle it's way downward. Supposedly lifting us all up. The elevator seems stuck.

<https://www.kansascity.com/news/business/article257995568.html>

I think the author looks a little like Dick Clark by the by.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 09 Feb 2022 17:18:30 GMT

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Evangelistic Neoliberal Financialization. Has been painting this country into a corner for decades. I'm always fascinated to read what this economist puts into print or says about the state of affairs of this country, and the world. It's not very pretty, because it's not really pointed out. We're given a steady state of doing the right thing for life, liberty and the American way. But it's not exceptionalism. Not anymore, and the world is picking up on that. Are we going to stay this course? Or find a better way to coexist with the rest.

Something to invade your mind with.

<https://michael-hudson.com/2022/02/americas-real-adversaries-are-its-european-and-other-allies/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 19 Feb 2022 23:32:19 GMT

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An interview with Steve Keen in 2018. Speaking about how the economic mainstream has evolved and what emphasis it places on faith and fantasy in how the complex system of an economy works. In effect a cult. Mr. Keen has long developed a computer software for economic prediction called Minsky. A very interesting economist worth checking out.

How economics became a cult:

<https://www.youtube.com/watch?v=JepIRmADW3E>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 28 Feb 2022 19:40:38 GMT
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As the world turns and daily news offers no respite. A good article that offers nothing to change any sense of optimism in it's content. Only the sobering understanding for what needs to be spoken towards. Not forthcoming from anyone whose elected status requires the will of the public, but the allegiance to it's donor class.

https://www.rdwolff.com/the_american_political_process_is_disconnected_from_economic_reality

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 15 Mar 2022 19:12:11 GMT
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Is it fiction or propaganda? Or both, emanating from economic journals to op-ed pieces in financial publications and news outlets. An unwillingness to think in another slipstream of consciousness. Maybe a dogma that is like a religious principal. To challenge is the sin of heresy. Or maybe just to protect the easy money lifestyle some are accustomed to. Whatever the case, it's institutionalized enough that lifting the veil of it's contradictions with a platform confronting it's misconception is relegated to blogs and a few academic papers from dissenters of the faith. One of the better consistent ones from the land down under, Bill Mitchell.
Take it away Bill with your bad self:

<http://bilbo.economicoutlook.net/blog/?p=49418>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 24 Mar 2022 16:23:47 GMT
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How high the mountain? Of debt that the Federal Reserve bestow without any oversight by congress or John Q. Public's knowledge is part of our total debt? Take a gander and contemplate. What is this system for and all about? How does it benefit the public and the future of this country?

<https://wallstreetonparade.com/2022/03/the-feds-lack-of-transparency-is-harming-the-dollar-as-the-worlds-reserve-currency/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 02 Apr 2022 02:42:34 GMT
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I used to work in healthcare. I'm retired and grateful to be out of it now, especially with what the last two years would have exposed me to. What I experienced in my lower echelon capacity of the

way management required of people in the workforce is no surprise in reading this article about private equity management in health care. It's a lucrative market for a few people that have the means to obtain facilities for high profit.

They put the squeeze on staff and physicians to extract as much and as long as they can profits with a good return on their investment. When it is realized that profits plateau or decline. They sell it to another group willing to extract the same. This is the way our healthcare system has evolved to, as well as many other business ventures.

This is the neoliberal way with our world and especially in the US of A. It stinks.

<https://www.nbcnews.com/health/health-care/doctor-fired-er-warns-effect-profit-firms-us-health-care-rcna19975>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 21 Apr 2022 19:17:45 GMT
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Why would something like this even be allowed? Is the whole financial speculation juggernaut so despicably without empathy to even consider their actions have implications towards the very lives of people throughout the world? I don't think they do. I think whatever avenue they can manipulate to bring in a positive financial return is simply the way the markets are and nothing else comes into question. There seems to be a vast disconnect to this way of life that I can't reconcile as having any hope for humanities progress.

Makes me think of Holden Caulfield from the book, The Catcher In The Rye. His English teacher evaluates troubled Holden and says, "I think you're riding for-it's a special kind of fall, a horrible kind."

Helping ease food insecurity and starvation requires governments to ban bankers speculating on food prices

<http://bilbo.economicoutlook.net/blog/?p=49631>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 16 May 2022 15:33:40 GMT
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I'm going to pickup a copy of this. <https://michael-hudson.com/2022/05/the-destiny-of-civilization/>
This looks to synthesize his prior books into one.

This whole 21st century seems to have become a complete f-up of our western economy. This guy see's what is causing it.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 05 Jun 2022 16:43:15 GMT
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I enjoy very much seeing Ukrainians blowing up Russian tanks. I admire their spirit and tenacity defending their homeland. The Russian leader without hindsight miscalculated this response from Ukraine and the western NATO alliance. But history can show more than one side of any story. David Harvey, an Anthropologist with great insight of economics and history gives a good idea of what the collapse of the USSR in the early 90's, the west's opportunistic financial economic intervention there and the subsequent build up of NATO has had with what's happening now in Ukraine. And as usual, short sightedness can be revealed with history lessons. Which to no end is in the misjudgment of our own economic history.

<https://www.youtube.com/watch?v=48cr4G3opKg>

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Sun, 05 Jun 2022 23:38:49 GMT
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I'm glad the Ukrainians are kicking Russia's ass too. But I must admit I wish they could launch a the folks that the media call "oligarchs." That's where the problem is.

Irony is the Bolsheviks that killed the Romanov family and took over the government wanted to get free of "economic oppression." They then began to see the west as "decadent capitalists." But what they have now is way worse, at least insofar as money is concerned. There are no better examples of "decadent capitalists" than Putin and his novice ruskie.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 06 Jun 2022 15:35:48 GMT
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I'm sure that old Lenin turns in his grave with the way Russia turned 180 from the old Soviet system when it collapsed in the early 90's. He found that representative democracy was just an illusion for the bourgeoisie capitalists control. Which is food for thought. As it was our economic system that rushed in to fill the vacuum then. Russian politics being more extrovert to ours, the oligarch's maintain political patronage openly. Our oligarchy is more subtle at face value.

Hopefully this boiling over of resentment in Ukraine doesn't spill over to a bigger mess. There's quite enough on the plate already to deal with worldwide. Cooperation always seems to be like the little kid in the back seat listening to their parents bicker.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 12 Jun 2022 14:32:45 GMT
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There are alternatives. It only takes will power and political guts to do them. Which isn't part of the political scheme of things apparently. With so much inbox mess piling up on the oval office desk. Just let things operate as it has for so long albeit as ineffectual as it is. That being the Federal Reserve and it's stale bread policy of fighting inflation with higher interest rates. Keeping in mind the head of this institution is by training a lawyer. Though the Secretary of the Treasury has a trained economist at it's helm offers no better insight. It all shows how ossified both the economic profession is and what political inflexibility has become.

It wasn't always this way as Richard Wolff points out. He gives 3 examples here of historical applications of flexibility to the problem of inflation has been dealt with by both parties. Apparently, letting a pimple develop into an abscess is the way to deal with this situation these days.

https://www.rdwolff.com/there_are_better_ways_for_societies_to_address_inflation_than_by_hiking_interest_rates

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 22 Jun 2022 15:55:10 GMT
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Steve Keen's advice to potential economic students is to go elsewhere. Study other more potentially useful careers. Like system dynamics or engineering. Because the economic profession is in it's form now, dead. Let it rot on the vine he says. In fact his analysis of it goes so far as to consider it toxic. To our eco-system and our well being. Our current paralysis seems to bear this out with the profession. Looking at Janet Yellen speak recently seems to show a public figure whom knows the system is foul, but can't comprehend why. The framework from her indoctrination to try and explain why things are so f'd up these days are inadequate from the look on her face.

Steve Keen knows though. And it shows. A wonderful video:

<https://www.youtube.com/watch?v=KcAEy6o20Pg>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 03 Jul 2022 16:41:15 GMT
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Pretty fascinating stuff. Geo Political rumbling's going on. Western oligarchy with the label of democracy vs autocracy as a label for socialism. Great analysis by one of the worlds greatest economic thinker. Michael Hudson.
Transcript for Mid 2022 Geo-Political Levers at Play:

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 12 Jul 2022 16:31:05 GMT

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How'd it get so cockeyed? Read this:

History: Where Western Civilization Took a Wrong Turn

By Michael Thursday, July 7, 2022 History of the Near East, Speeches No tags Permalink

A presentation to the Building bridges around David Graeber's legacy conference, Paris, Friday July 7, 2022

It may seem strange to invite an economist to give a keynote speech to a conference of the social sciences. Economists have been characterized as autistic and anti-social in the popular press for good reason. They are trained to think abstractly and use a priori deduction based on how they think societies should develop. Today's mainstream economists look at neoliberal privatization and free-market ideals as leading society's income and wealth to settle at an optimum equilibrium without any need for government regulation especially not of credit and debt.

The only role acknowledged for government is to enforce the "sanctity of contracts" and "security of property." By this they mean the enforcement of debt contracts, even when their enforcement expropriates large numbers of indebted homeowners and other property owners. That is the history of Rome. We are seeing the same debt dynamic at work today. Yet this basic approach has led mainstream economists to insist that civilization could and should have followed this pro-creditor policy from the very beginning.

The reality is that civilization could never have taken off if some free-market economist had got into a time machine and travelled back in time five thousand years to the Neolithic and Bronze Age. Suppose that he would have convinced ancient chieftains or rulers how to organize their trade, money and land tenure on the basis of "greed is good" and any public regulation is bad. If some Milton Friedman or Margaret Thatcher had persuaded Sumerian, Babylonian or other ancient rulers to follow today's neoliberal philosophy, civilization could not have developed. Economies would have polarized as Rome did, and as today's Western economies are doing. The citizens would have run away, or else backed a local reformer or revolutionist to overthrow the ruler who listened to such economic advice. Or, they would have defected to rival attackers who promised to cancel their debts, liberate the bondservants and redistribute the land.

Yet many generations of linguists, historians and even anthropologists have absorbed the economic discipline's anti-social individualistic world view and imagine that the world must always have been this way. Many of these non-economists have unwittingly adopt their prejudices and approach ancient as well as modern history with a bias. Our daily discourse is so bombarded with the insistence by recent American politicians that the world is dividing between "democracy" with "free markets" and "autocracy" with public regulation that there is much fantasy at work about

early civilization.

David Graeber and I have sought to expand the consciousness of how different the world was before Western Civilization took the Roman track of pro-creditor oligarchies instead of palatial economies protecting the interests of the indebted population at large. At the time he published his *Debt: The First Five Thousand Years* in 2011, my Harvard group of assyriologists, Egyptologists and archaeologists was still in the process of writing the economic history of the ancient Near East in a way that was radically different from how most of the public imagined it to have occurred. David's and my emphasis on how royal Clean Slate proclamations cancelling debts, liberating bond-servants and redistributing the land were a normal and expected role of Mesopotamian rulers and Egyptian pharaohs was still not believed at that time. It seemed impossible that such Clean Slates were what preserved liberty for the citizenry.

David Graeber's book summarized my survey of royal debt cancellation in the ancient Near East to show that interest-bearing debt originally was adopted with checks and balances to prevent it from polarizing society between creditors and debtors. In fact, he pointed out that the strains created by the emergence of monetary wealth in personal hands led to an economic and social crisis that shaped the emergence of the great religious and social reformers.

As he summarized "the core period of Jasper's Axial age ... corresponds almost exactly to the period in which coinage was invented. What's more, the three parts of the world where coins were first invented were also the very parts of the world where those sages lived; in fact, they became the epicenters of Axial Age religious and philosophical creativity." Buddha, Lao-Tzu and Confucius all sought to create a social context in which to embed the economy. There was no concept of letting "markets work" to allocate wealth and income without any idea of how wealth and income would be spent.

All ancient societies had a mistrust of wealth, above all monetary and financial wealth in creditor hands, because it generally tended to be accumulated at the expense of society at large. Anthropologists have found this to be a characteristic of low-income societies in general.

Toynbee characterized history as a long unfolding dynamic of challenges and responses to the central concerns that shape civilizations. The major challenge has been economic in character: who would benefit from the surpluses gained as trade and production increase in scale and become increasingly specialized and monetized. Above all, how would society organize the credit and debt that was necessary for specialization of economic activities to occur and between "public" and "private" functions?

Nearly all early societies had a central authority in charge of distributing how the surplus was invested in a way that promoted overall economic welfare. The great challenge was to prevent credit leading to debts being paid in a way that impoverished the citizenry, e.g., through personal debt and usury and more than temporary loss of freedom (from bondage or exile) or land tenure rights.

The great problem that the Bronze Age Near East solved but classical antiquity and Western civilization have not solved was how to cope with debts being paid especially at interest without polarizing economies between creditors and debtors, and ultimately impoverishing the economy by reducing most of the population to debt dependency. Merchants engaged in trade, both for

themselves and as agents for palace rulers. Who would get the profits? And how would credit be provided but kept in line with the ability to be paid?

Public vs. private theories of how land tenure originated

Ancient societies rested on an agricultural base. The first and most basic problem for society to solve was how to assign land tenure. Even families who lived in towns that were being built up around temples and civic ceremonial and administrative centers were allocated self-support land much like Russians have dachas, where most of their food was grown in Soviet times.

In analyzing the origins of land tenure, like every economic phenomenon, we find two approaches. On the one hand is a scenario where land is allocated by the community in exchange for corvée labor obligations and service in the military. On the other hand is an individualistic scenario in which land tenure originated by individuals acting spontaneously by themselves clearing land, make it their own property and producing handicrafts or other products (even metal to use as money!) to exchange with each other.

This latter individualistic view of land tenure has been popularized ever since John Locke imagined individuals setting out to clear the land apparently vacant wooded land with their own labor (and presumably that of their wives). That effort established their ownership to it and its crop yield. Some families would have more land than others, either because they were stronger at clearing it or had a larger family to help them. And there was enough land for everyone to clear ground for planting crops.

In this view there is no need for any community to be involved, not even to protect themselves from military attack or for mutual aid in times of flood or other problems. And there is no need for credit to be involved although in antiquity that was the main lever distorting the distribution of land by transferring its ownership to wealthy creditors

At some point in history, to be sure, this theory sees governments enter the picture. Perhaps they took the form of invading armies, which is how the Norman ancestors of landlords in John Locke's day acquired English land. And as in England, the rulers would have forced landholders to pay part of their crops in taxes and provide military service. In any case, the role of government was recognized only as "interfering" with the cultivator's right to use the crop as he saw fit presumably to trade for things that he needed, made by families in their own workshops.

My Harvard-sponsored group of assyriologists, Egyptologists and archaeologists have found an entirely different genesis of land tenure. Land rights seem to have been assigned in standardized plots in terms of their crop yield. To provide food for these community members, late Neolithic and early Bronze Age communities from Mesopotamia to Egypt allocated land to families in proportion to what they needed to live on and how much they could turn over to the palace authorities.

This tax yield turned over to palace collectors was the original economic rent. Land tenure came as part of a quid pro quo with a fiscal obligation to provide labor services at designated times of the year, and to serve in the military. It thus was taxation that created land-tenure rights, not the other way around. Land was social in character, not individualistic. And government's role was that of coordinator, organizer and forward planner, not merely predatory and extractive.

Public vs. private origins of money

How did early societies organize the exchange of crops for products and most important, to pay taxes and debts? Was it simply a spontaneous world of individuals "trucking and bartering," as Adam Smith put it? Prices no doubt would have varied radically as individuals had no basic reference to cost of production or degrees of need. What happened as some individuals became traders, taking what they produced (or other peoples' products on consignment) to make a profit. If they traveled large distances, were caravans or ships needed and the protection of large groups? Would such groups have been protected by their communities? Did supply and demand play a role? And most important, how did money emerge as a common denominator to set prices for what was traded or paid in taxes and to settle debts?

A century after Adam Smith, the Austrian economist Anton Menger developed a fantasy about how and why ancient individuals may have preferred to hold their savings in the form of metals mainly silver but also copper, bronze or gold. The advantage of metal was said to be that it did not spoil (in contrast to grain carried around in one's pocket, for instance). It also was assumed to be of uniform quality. So pieces of metal money gradually became the medium by which other products came to be measured as they were bartered in exchange in markets in which governments played no role at all!

The fact that this Austrian theory has been taught now for nearly a century and a half is an indication of how gullible economists are willing to accept a fantasy at odds with all historical records from everywhere in recorded world history. To start with, silver and other metals are not at all of uniform quality. Counterfeiting is age-old, but individualist theories ignore the role of fraud and hence, the need for public authority to prevent it. That blind spot is why U.S. Federal Reserve Chairman Alan Greenspan was so unprepared to cope with the massive junk-mortgage bank crisis peaking in 2008. Wherever money is involved, fraud is omnipresent.

That's what happens in unregulated markets as we can see from today's bank frauds, tax evasion and crime that pays very, very well. Without a strong government to protect society against fraud, lawbreaking, the use of force and exploitation, societies will polarize and become poorer. For obvious reasons the beneficiaries of these grabs seek to weaken regulatory power and the ability to prevent such grabitization.

To avoid monetary fraud, silver and subsequently gold coinage from Bronze Age Mesopotamia down through classical Greece and Rome was minted in temples to sanctify their standardized quality. That is why our word for money comes from Rome's temple of Juno Moneta, where Rome's coinage was struck. Thousands of years before bullion was coined, it was provided in metal strips, bracelets and other forms minted in temples, at standardized alloy proportions.

Purity of metals is not the only problem with using bullion money. The immediate problem that would have confronted anyone exchanging products for silver is how to weigh and measure what was being bought and sold and also to pay taxes and debts. From Babylonia to the Bible we find denunciations against merchants using false weights and measures. Taxes involve a role of government, and in all archaic societies it was the temples that oversaw weights and measures as well as the purity of metallic metals. And the denomination of weights and measures indicate their origin in the public sector: fractions divided into 60ths in Mesopotamia, and 12ths in Rome.

Trade in basic essentials had standardized customary prices or payments to the palaces or

temples. Taxes and debts were the most important used for money. That reflects the fact that "money" in the form of designated commodities was needed mainly to pay taxes or buy products from the palaces or temples and, at the end of the harvesting season, to pay debts to settle such purchases.

Today's neoliberal economic mainstream has created a fairy tale about civilization existing without any regulatory oversight or productive role for government, and without any need to levy taxes to provide basic social services such as public construction or even service in the military. There is no need to prevent fraud, or violent seizure of property or the forfeiture of land tenure rights to creditors as a result of debts. But as Balzac noted, most great family fortunes have been the result of some great theft, lost in the mists of time and legitimized over the centuries, as if it were all natural.

These blind spots are necessary to defend the idea of "free markets" controlled by the wealthy, above all by creditors. This is claimed to be for the best, and how society should be run. That is why today's New Cold War is being fought by neoliberals against socialism fought with violence, and by excluding the study of history from the academic economics curriculum and hence from the consciousness of the public at large. As Rosa Luxemburg put it, the fight is between socialism and barbarism.

Public vs. private origins of interest-bearing debt

Interest rates were regulated and stable for many centuries on end. The key was ease of calculation: 10th, 12th or 60th.

Babylonian scribes were trained to calculate any rate of interest as a doubling time. Debts grew exponentially; but scribal students also were taught that herds of cattle and other material economic output tapered off in an S-curve. That is why compound interest was prohibited. It also was why it was necessary to cancel debts periodically.

If rulers had not cancelled debts, the ancient world's takeoff would have prematurely suffered the kind of decline and fall that impoverished Rome's citizenry and led to the decline and fall of its Republic leaving a legal system of pro-creditor laws to shape subsequent Western civilization.

What makes Western civilization distinctly Western? Has it all been a detour?

Civilization could not have developed if a modern Milton Friedman or kindred Economics Nobel Prize winner had gone back in time and convinced Hammurabi or the Egyptian pharaoh to just let individuals act by themselves and let wealthy creditors reduce debtors to bondage and then to use their labor as an army to overthrow the kings and take over government for themselves, creating a Roman-style oligarchy. That is what Byzantine families tried to do in the 9th and 10th centuries.

If the "free enterprise" boys had their way there would have been no temple coinage or oversight of weights and measures. Land would belong to whomever could grab, foreclose on or conquer it. Interest would have reflected whatever a wealthy merchant could force a needy cultivator to pay. But to economists, everything that occurs is a matter of "choice." As if there is no outright need to eat or to pay.

An economic Nobel Prize was awarded to Douglass North for claiming that economic progress

today and indeed throughout all history has been based on the "security of contracts" and property rights. By this he means the priority of creditor claims to foreclose on the property of debtors. These are the property rights to create latifundia and reduce populations to debt peonage.

No archaic civilization could have survived for long by following this path. And Rome did not survive by instituting what has become the distinguishing feature of Western Civilization: giving control of government and its lawmaking to a wealthy creditor class monopolizing the land and property.

If an ancient society had done this, economic life would have been impoverished. Most of the population would have run away. Or else, the Thatcherite/Chicago School elite would have been overthrown. The wealthy families that sponsored this grabitization would have been exiled, as occurred in many Greek cities in the 7th and 6th centuries BC. Or, discontented populations would have walked out and/or threatened to defect to foreign troops promising to free the bondservants, cancel their debts and redistribute the land, as occurred with Rome's Secessions of the Plebs in the 5th and 4th centuries BC.

So we are brought back to David Graeber's point that the great reformers of Eurasia rose at the same time that economies were becoming monetized and increasingly privatized an epoch in which wealthy families were increasing their influence over how city-states were run. Not only the great religious reformers but the leading Greek philosophers, poets and dramatists explained how wealth is addictive, and leads to hubris that leads them to seek wealth in ways that injure others.

Looking over the sweep of ancient history, we can see that the main objective of rulers from Babylonia to South Asia and East Asia was to prevent a mercantile and creditor oligarchy from emerging and concentrating ownership of land in their own hands. Their implicit business plan was to reduce the population at large to clientage, debt bondage and serfdom.

That is what occurred in the West, in Rome. And we are still living in the aftermath. Throughout the West today, our legal system remains pro-creditor, not in favor of the indebted population at large. That is why personal debts, corporate debts, public debts and the international debts of Global South countries have mounted up to crisis conditions threatening to lock economies into a prolonged debt deflation and depression.

It was to protest this that David helped organize Occupy Wall Street. It is obvious that we are dealing not only with an increasingly aggressive financial sector, but that it has created a false history, a false consciousness designed to deter revolt by claiming that There Is No Alternative (TINA).

Where Western civilization went wrong

We have two diametrically opposed scenarios depicting how the most basic economic relationships came into being. On the one hand, we see Near Eastern and Asian societies organized to maintaining social balance by keeping debt relations and mercantile wealth subordinate to the public welfare. That aim characterized archaic society and non-Western societies.

But the Western periphery, in the Aegean and Mediterranean, lacked the Near Eastern tradition of

"divine kingship" and Asian religious traditions. This vacuum enabled a wealthy creditor oligarchy to take power and concentrate land and property ownership in its own hands. For public relations purposes, it claimed to be a "democracy" and denounced any protective government regulation as being, by definition, "autocracy."

Western tradition indeed lacks a policy subordinating wealth to overall economic growth. The West has no strong government checks to prevent a wealth-addicted oligarchy from emerging to make itself into a hereditary aristocracy. Making debtors and clients into a hereditary class, dependent on wealthy creditors, is what today's economists call a "free market." It is one without public checks and balances against inequality, fraud or privatization of the public domain.

It may seem amazing to some future historian that the political and intellectual leaders of today's world hold such individualistic neoliberal fantasies that archaic society "should" have developed in this way without recognizing that this is how Rome's oligarchic Republic did indeed develop, leading to its inevitable decline and fall.

Bronze Age debt cancellations and modern cognitive dissonance

So we are led back to why I was invited to speak here today. David Graeber wrote in his Debt book that he was seeking to popularize my Harvard group's documentation that debt cancellations did indeed exist and were not simply literary utopian exercises. His book helped make debt a public issue, as did his efforts in the Occupy Wall Street movement.

The Obama administration backed police breaking up the OWS encampments and did everything possible to destroy awareness of the debt problems plaguing the U.S. and foreign economies. And not only the mainstream media but also academic orthodoxy circled their wagons against even the thought that debts could be written down and indeed needed to be written down to prevent economies from falling into depression.

That neoliberal pro-creditor ethic is the root of today's New Cold War. When President Biden describes this great world conflict aimed at isolating China, Russia, India, Iran and their Eurasian trading partners, he characterizes this as an existential struggle between "democracy" and "autocracy."

By "democracy" he means oligarchy. And by "autocracy" he means any government strong enough to prevent a financial oligarchy from taking over government and society and imposing neoliberal rules by force. The ideal is to make the rest of the world look like Boris Yeltsin's Russia, where American neoliberals had a free hand in stripping away all public ownership of land, mineral rights and basic public utilities.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Tue, 12 Jul 2022 17:03:12 GMT

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That's a very interesting read. I like to study history - primarily early Mesopotamian history - so since a lot of this referenced that, it was interesting to me.

But I must admit that I take umbrage at the statement, "If the "free enterprise" boys had their way there would have been no temple coinage or oversight of weights and measures. Land would belong to whomever could grab, foreclose on or conquer it. Interest would have reflected whatever a wealthy merchant could force a needy cultivator to pay."

I think much of what I read was pretty free of bias but by the time I got to that statement, the author's bias showed through just a little bit.

It's not the conservatives or the progressives, nor is it the authoritarians or the libertarians. None of those are primarily at fault with their ideological opponent being "wrong." Each of them is compromised by greed, pride or one or more of our other characteristic human failings.

At least, that's how I see it. I get tired of all the noise I hear on the radio and TV these days. They're all pointing fingers at some scapegoat they want to blame.

To use the author's historical perspective, the code of Hammurabi or the Jewish laws - both from that region and era - were supposed to prevent the kinds of selfish excesses we sometimes see.

And laws like these have been written in various cultures for the thousands of years after that too.

The author focuses on debt forgiveness. That's an ancient tradition, yes. An interesting one. And we have it today as well. It's called bankruptcy. So while I enjoy trying to understand ancient Mesopotamian cultures and the mindsets of their peoples, I don't think our problems today are so different than they were in the past. There are differences - to be sure - but the nature of man is exactly the same.

I think the real problem is really just human nature. Humans that govern are still humans, so the power difference between the governors and those governed tends to be exploited for unfair gain. Laws are sometimes (almost always) selective enforced. It almost doesn't matter whether the culture is authoritarian or libertarian, or whether it is conservative or progressive. Whoever has power is going to exercise limits on everyone but themselves, their friends and family.

Likewise, laws that benefit individuals or groups are almost always leaned in favor of those that are in power to enact the laws.

This is something I see without exception. Even those that take enforcement actions against a friend or family do it purely for "optics." Without public visibility, they don't enforce laws on friends or family to be "fair and impartial." I mean, what human being would?

And again, when a person or political party champions laws to benefit a person or group, it is never done without self-interest.

Whether or not we would judge ourselves in a way that minimizes our nature or justifies it doesn't really matter. It is probably best to simply be aware of our true nature, to acknowledge it and to govern ourselves accordingly.

It's the human condition. It's not the "free enterprise boys" at fault, at least, not only. It's all of us. It's the way we're built. It's the human condition.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 12 Jul 2022 22:50:22 GMT
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Guess I don't know why you didn't take umbrage from his 3rd paragraph on since he makes mention of a free market economist using a time machine to convince chieftains or rulers to arrange their trade, money and land contracts on the basis of greed is good and any public regulation is bad.

I agree human nature doesn't change. And the ancients had a better sense of it than we do now with what they did to ameliorate the tendency of corruption from debt peonage. Not particularly for altruistic means Hudson found. But to keep the palace and society in general stable. The slate was wiped clean. The ancients knew that debt collects faster than a society can relinquish it. Even then. He points out that civilization was able to flourish under this arrangement. And the great religions, philosophies, weights and measures for precious metals used for trade came about from governance with regulation at it's core. That land was parceled out for cultivation by need and ability from it's inhabitants by the government.

The Romans developed the sanctity of debt. With laws to enforce it. And the western culture has lived under that since. True we have individual bankruptcy. But it costs though to hire a bankruptcy attorney and wait for your case to go through the court system. Meanwhile debt has been ginned up in our society through financial manipulation and speculation.

I think what Mr. Hudson gets across quite well is that our current economic doctrine, especially over the last 50 years has a lack of history in it's conceptualization that rings true. And in fact, creates a false narrative to bolster it's usefulness.

Sure, the noise created in our society from the finger pointing is a scapegoat. And it's a cop out to keep from looking at the elephant in the room.

Matthew 19:24

Subject: Re: Modern Monetary Theory
Posted by [Wayne Parham](#) on Tue, 12 Jul 2022 23:27:16 GMT
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The reason I became annoyed was it appeared that he was saying that free market principles were inherently greedy, rather than to admit that humans are greedy.

The implication seems to be that free-market principles were the root of all economic evil, so to speak. But that implies that socialists aren't greedy, or that they are somehow less greedy than free-market folks. Not to single out socialists, but I suppose that is what one might consider to be

diametrically opposed to laissez-faire physiocrats, or what some might call capitalists.

I do not believe that the problem is economic systems. Any of 'em would work if humans weren't naturally predisposed to being greedy. So no "time machine" would help.

And it isn't like the Adam Smith style economists encourage greed any more than the Keynesian economists. I don't think any economists do, really. I'm not even sure that government regulations (or the lack of them) encourages greed. Some probably limit it more than others. Most limit one group of people from being greedy more than other groups - and it seems to me like that's when people get up in arms.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 13 Jul 2022 15:17:40 GMT
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I see. I don't regard this individualistic aspect as a trait of the system that he's conveying. His studies are geared towards the macro level. The "free market boys" he mentioned are what he refers to usually as the Chicago School of Economics. What I get from this piece and others he's written/ spoken is that historically the concentrations of wealth have prevailed upon economic system's through the levers of government. That having a central government strong enough to regulate the economic system helps to keep the society from being burdened by debt. The ancients did it by enacting jubilee, a clean slate. Since the Roman empire, a new paradigm of debt sanctity has been the defacto law.

Whatever the economic doctrine used in a society isn't governed by some notion of moral turpitude. But it has effects on the society by how the system operates. Adam Smith and other classical economists are attributed with the advent of the free market system. However, they were adamant that the system have checks and balances. So that the rentier class or "those that made money in their sleep" would be taxed accordingly for their "unearned" income. Their influence on government and it's effect on society have been chronicled through history.

Hudson's referral to the free market boys, these days, are the economic advocates for an economic system devoid of checks and balances to the accumulation of wealth and it's taxation. Government regulation. Privatization. Lack of anti-trust. And most importantly financial influence upon government itself.

I've experienced enough just in my lifetime of this free market concept as has been crafted and honed to see the effects to be detrimental to ordinary people. The greed factor is a small percentile of population. As it has always been.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 14 Jul 2022 12:09:00 GMT
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I'll keep this off site and via link. A continuation to the prior post by the economist Michael Hudson. His work is controversial to be sure. He has been working along a human history line of economic and political discourse up until present day. A vast sweep with some interesting commonalities steadfast throughout the millennia. Principally, societies and their governments must be capable enough to keep the forces of concentrated wealth and it's tendency to seek control for it's advantage, by taking over the economic system and capturing rent seeking from the populous.

Which has been leading up to in modern times a dynamic that is taking place in the world economies that is bifurcating into distinct groups. These are, crucial times we are living in.

<https://michael-hudson.com/2022/07/the-end-of-western-civilization/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 14 Jul 2022 16:15:49 GMT
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And to carry this further and further. This is a very, very interesting podcast with transcription, so both can be employed. Both M. Hudson and Steve Keen team up to cover current economic and political machinations going on in this world.

<https://michael-hudson.com/2022/07/international-trade-and-mmt/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 02 Aug 2022 17:21:09 GMT
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The contents of this video I support 100 percent. And the viewpoints I'd want any politician of any party to take up. What Marianne Williamson speaks to is what I sense is the undercurrent of our society at this point in time. And the creation of all the vitriol we're experiencing in our country and our world.

<https://www.youtube.com/watch?v=jYDkcJRQKXs>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 28 Aug 2022 18:06:22 GMT
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Steve Keen. He really is. Australian economist and economic software developer extraordinaire. If anyone wants to take some time out and absorb this interesting transcript from a blogger I reckon named Nate Hagens. Steve explains the lack of understanding or inertia of standard economic reasoning to the importance of modeling the use of energy in the overall economy. And how that as well as the lack of understanding of monetary theory contributes to a severely incomplete template for shaping public policy. Particularly with respect to climate and sustainability of

resources on this planet.

Steve Keen is known for saying the economic profession is the primary reason to the political dysfunction we all tire of the soap opera it portrays.

THE GREAT SIMPLIFICATION

<https://static1.squarespace.com/static/61d5bc2bb737636144dc55d0/t/62ea915eb25c4c35bc9e113e/1659539807085/TGS30+SteveKeen+Transcript.docx.pdf>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 05 Sep 2022 16:59:47 GMT
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The irony of a free market. The way we were is the way China is. The cost of de-industrializing is a finance driven expensive society to live in. And a GDP that portrays debt as being productive.

<https://www.youtube.com/watch?v=UBCQlogU6x8>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 17 Sep 2022 13:32:53 GMT
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There is an interesting development to go along with the recent offensive gains the Ukrainians have accomplished with their grit and NATO's guns. At the latest Shanghai Cooperation Organization summit. China demurely as usual but India with some frustration. let Mr. Putin know that they were not amused with his Special Operation's and the world wide inflections resulting from it. India's Prime Minister Modi tells him, "Today's era is not an era of war, and I have spoken to you on the phone about this". The southern tier of nations are aligning with China these days due in no small part with America's foreign diplomacy and sanctioning. This is bifurcating the world's dominance of the American dollar. What the world needs now, is cooperation, not another cold war.

<https://news.yahoo.com/putin-tells-modi-hell-stop-194411249.html>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 28 Sep 2022 16:48:55 GMT
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On the Federal Reserve with Ralph Nader & Michael Hudson guest. Here's a good history lesson on the origins of the Federal Reserve and what effect it's had on our economy. Straight up till now. This is an institution that is given free reign to indulge the rapacious banking system. Even when systemic control fraud was being conducted in the housing derivatives that led to the 2008 recession. When you look at the national debt spike that has grown to today's level check the date it began to rise. The bulk of this spike is from the federal reserve central bank propping up the

banking system from it's gambling disease. This is modern monetary theory for all the wrong reasons.

Who takes the brunt of this behavior? The public does. Who's affected the most by our current inflation? The public. How is it China's inflation rate average is 2.3% when ours is 8.3%? Their banking system is public. Speculation is not allowed.

This is an interesting insight into what has warped our economy in which BOTH of our political parties instill full faith over reasoning in. Faith is appropriate for religion but has no place in running an economy. Especially with a track record, particularly in this century, which has been one crisis after another.

<https://michael-hudson.com/2022/09/on-the-federal-reserve-with-ralph-nader/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 11 Oct 2022 17:58:56 GMT
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America's Unipolar World:

As I've watched and read about the Ukrainian conflict. I've found it very easy to slip into a sort of David vs Goliath view of this war. But that may be the narrative that official media and political sources want the public to feel. Like our economic landscape is crafted.

The conflict there goes far deeper historically and more nuanced than what we're fed. A few studied people have called this conflict a "proxy" war simply with the US and Russia. Maintaining that over the years since the Soviet Union collapsed and western neoliberalism took hold there. The build up of NATO had increased rather than what might have seemed counter to the need with the Soviet threat crumbling with the Berlin wall.

But economics and it's bedfellow politics always seem to create a soap opera, or some may say, a chess match. Both probably considering the characters involved.

And we have now this conflict that like ones I've seem to hear and read about for decades now. Drag on, up's and down's, gains and losses. But this one involves the wild card of nuclear confrontation. And that ain't no joke.

Jeffrey Sachs, an economist with a long history with international geopolitical economics is worried about this one. And it's good to get another view, countervailing to the predominant ones that is all we hear about.

The world is not a unipolar world anymore.

<https://www.youtube.com/watch?v=wmOePNsNFw0>

What do you think?

For reference though, maybe read JFK's post Cuban Missile Crisis speech of 60 years ago.

<https://www.jfklibrary.org/archives/other-resources/john-f-kennedy-speeches/american-university-19630610>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 14 Oct 2022 17:05:43 GMT
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It's been pointed out that when it comes to finance and the intricate products it creates to make a profit. To the point of bending the law. Peoples eyes glaze over. And it's newsworthy lack of print is probably justified because of this tendency. What I've put out in this thread usually gets no response, unless it's about the national debt and how that makes for the worry of some impending catastrophe.

The way this is usually handled politically is to demand reckless spending be curtailed and sensible fiscal expenditures be adopted. Corporate profits though are at an all time high. But what is that fiscal thing? It's austerity. For who? The public at large and the lower to middle classes specifically.

Now with the mid-term elections almost upon us, the deluge of ads point this out. Inflation is due to reckless spending and workers demanding more pay. We must rein this in with higher interest rates, unemployment, (to temper workers demand for higher wages), and of course austerity for those ever eroding entitlements, (a name that is an affront to working people).

It would be an interesting dialog to capture the publics attention for all this hardship foisted upon them to be aware of the role that the big banks of wall st. have had in perpetuating this mess. And how they perpetually escape the attention of even the institutions and laws enacted to regulate them. But our ingrained economic doctrine is a hands off attitude with "the markets" by government. That's big government subverting the marketplace.

Finance capitalism is the ruination of this countries, Europe's and elsewhere economies where neoliberalism has pushed banking to the head of the marketplace. It leads to de-industrialization, monopolization and parasitism by the FIRE, (finance, insurance and real estate) sectors.

Here's a series of articles to glaze ones eyes with. What we should be screaming out about. Fiscal and personal responsibility is all we get.

<https://wallstreetonparade.com/2022/10/new-study-wall-street-banks-are-doubling-down-on-risk-by-selling-credit-default-swaps-on-their-risky-derivatives-counterparties/>

<https://wallstreetonparade.com/2022/10/shhh-dont-tell-the-fed-or-mainstream-media-that-systemic-contagion-at-wall-street-banks-is-already-here/>

<https://wallstreetonparade.com/2022/10/nomi-prins-new-book-no-one-wanted-to-call-the-feds-qe-a-ponzi-scheme-but-it-was/>

<https://wallstreetonparade.com/2022/10/casino-banking-wall-street-mega-banks-traded-more-in-their-federally-insured-bank-than-the-total-for-their-bank-holding-company/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 02 Nov 2022 16:12:20 GMT
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This is like the sediments of history dug up and used again. Like the phrase, history repeats itself. Human beings have exhibited this age old pattern with obtaining and retaining the reigns of power and influence throughout all our history. Here's another example going on today. We only get one side of the story in our culture though. But some people can see the similarities and the implications. Two articles to contemplate concerning America and the western alliances vs China-Russia and the forming, "Southern" alliances. Who is more morally correct? Something played out through the millennia.
Two non-orthodox economists take.

Michael Hudson:
<https://michael-hudson.com/2022/11/germanys-position-in-americas-new-world-order/>

Jeffrey Sachs:
<https://www.jeffsachs.org/newspaper-articles/d2hlnp24c7hyewetypd6rjgfesszm4>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Thu, 17 Nov 2022 00:34:52 GMT
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Nomi Prins knows finance banking from the inside out. She worked in the biggest, Bear Sterns, Chase Manhattan, Goldman Sachs. She did analysis for these banks financial engineering departments. From it she learned how the system works to amplify the never ending flow of Federal Reserve money. And because of it she eventually had a change of conscious for the harm it's done to our economy. And written books and essays trying to call attention to it. This kind of critique though is not promoted to a wide audience in our society. The gravy train is too lucrative in our banking and corporate suites to make this knowledge a household staple.

We know things don't seem kosher but there's no meaningful explanation to account for it. Other than the platitudes trotted out for every crisis heaped on us.

It's very simple though. It's a system designed to maximize the power of money that only the very few can take part in. The real people in the real economy are subject to the reality of stinginess to access from thriving that the top 10 to 15 percent of the population take for granted. Wall Street's casino.

While the real economy that makes things and delivers services, the financial economy thrives on the debt we owe them and the casino that amplifies the investments the elite can partake in. Which is why the top 10% reap 87% of Wall St's. wealth.

Forty years of Neoliberalism has culminated in this dilemma. A mixed economy with manufacturing, service and finance promoting the real economy is what we once were. The tenants of Neoliberalism called for off sourcing industry, small government influence in the markets and de-regulation. Principally banking. And the Federal Reserve system is the enabler for banking's gambling habits. Even when they blow up the whole economy from their avarice and political influence.

Let Nomi Prins explain it so much better. It's worth your while to understand the reality from the fantasy.

From the half way point in Richard Wolff's Economy Update. (16:00).

https://www.youtube.com/watch?v=ii3TEen_LP4&t=1s

An in depth take on her new book Permanent Distortion.

<https://www.youtube.com/watch?v=52T309JE7f8>

Like James Brown sang: "We gotta get ov'ah, before we go und'ah."

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sun, 11 Dec 2022 18:20:04 GMT

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I happened on this interview from back in 16 of two of my favorite econ. rebels. Steve Keen is interviewing Michael Hudson. They both share their departure from the academic regime taught so rigidly in the most prestigious institutions and give insight to how they unlearned the doctrine foisted on under and grad students in the economic field. They did so by studying history. Apparently university curriculum is narrowly focused on the assumptions of an idealistic world rather than what is at hand at any given moment in time. Reality that is.

Which has made me wonder about the reality of how in my own life. I have felt with our own collective personal financial security and stability has been eroded over some decades, despite the advent of technology and promise of what the future would become. As I've read from these non mainstream practitioners of the trade of our decline, that I can relate to, is similar to what they implore as the advent of the neo Keynesian or neoliberal labeled form of economic doctrine.

Maybe people think what is going on now is an aberration, and things will get better in time. Things will pick up again and all this talk about neoliberalism is just so much balderdash. I can only think of a cartoon character for that reasoning. Yogi Berra sidekick Boo Boo Bear. Always saying, "I dunno Yogi". For whatever half baked, half crooked idea Yogi was pursuing. This has been building for too long and too developed now for me to expect any good outcome of perpetually following this half baked, half crooked way of conducting affairs of the economic kind. Somethings got to give. I hope it isn't our usual human failing of aggression and war. But the history books are full of it. History in general and particularly economic history is ignored in the great learned institutions these days.

See what these guys say. It's worth your time.

<https://www.realvision.com/shows/the-essential-conversation/videos/rebel-economists-unpick-historical-path-to-global-recovery-3pWN?tab=details>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 13 Dec 2022 01:31:32 GMT
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Just another article calling attention to the misery inflicted on the weaker smaller countries of the world. The world bank and the international monetary fund carry out the loan arrangements for the banking elites to capture poor countries in a cycle of austerity and debt overload. When debts become too great for governments to keep up payments, they forfeit their countries assets to these banking giants.

Bill Mitchell, Australian co founder of MMT gives the lowdown for this decrepit practice carried out around the world.

<http://bilbo.economicoutlook.net/blog/?p=51024>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 06 Jan 2023 16:18:12 GMT
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Read this to ponder and confuse. Is it more propaganda alongside the propaganda. Will it take decades and sober historical reflection to understand? I admire the Ukranian spirit and tenacity. But I wonder alongside, what and why this had to happen. Nothing seems real from the political and media perspective. Unless you can just swallow whatever is shoveled out like cattle feed.

Moon of Alabama (where barflies get together).

<https://www.moonofalabama.org/2023/01/ukraine-the-big-push-to-end-the-war.html#more>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 10 Jan 2023 16:19:53 GMT
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Randall Wray. Co author of The Modern Monetary Theory Workbook, gives clarity to the always fuzzy logic of economics. One of his "One Pagers" PDF's. The Causes Of Pandemic Inflation.

December 6, 2022

OnePager | No. 70

The Covid pandemic caused a recession when the supply side of the economy collapsed because of workplace shutdowns and safety concerns. This then created a demand-side problem, as wages and other incomes fell due to rising unemployment and furloughs. Long and complex supply chains compounded the problem, and China's "zeroCovid" policy continues to delay full recovery. Pandemic relief in the United States and some other countries helped to restore demand, although spending patterns were unusual--more goods, fewer services (as consumers avoided contact).

The Covid recession was thus very unusual--brought on by a collapse of the supply side that produced a drop in demand. While demand has largely recovered, supply has not. The continuing inflation pressures still come mostly from the supply side--which is typical, at least for the United States. All of our high inflation periods

since 1970 have been due to supply-side pressures produced by three components of the consumer basket: oil, food, and shelter (mostly rents and imputed rents of owner-occupied housing). So while the trigger for the recession was unusual, the inflation we face is not at all unusual--the same three culprits are driving US inflation today.

Beyond pandemic-related disruptions, the Ukrainian war also affects energy and food supplies, and thus prices. Also important, although less so, are weather-related impacts on production (especially of food) related to global climate change.

The evidence in the United States now is that inflation is not accelerating and is likely to gradually fall. Wages are not keeping up with inflation, so the danger of a wage-price spiral does not seem great. Federal government spending had already declined substantially before the Fed started raising interest rates, allowing the deficit to drop precipitously. Indeed, the budget was heading toward a surplus. In other words, we faced strong fiscal headwinds that were sucking demand out of the economy. I think we were already heading for

a recession before the Fed raised rates. Rate hikes now make recession even more likely. The housing market has collapsed and financial markets are rattled both by higher interest rates and by debt and liquidity problems--as evidenced by the crypto meltdown. However, it will take more time for inflation to come down to the Fed's 2 percent target. I expect we will (again) suffer stagflation (rising unemployment with inflation), as we did when Chairman Volcker sharply increased rates in the early 1980s.

Europe is in a somewhat different situation because of the severe disruptions of the Ukraine war. Inflation pressures could be higher in Europe than in the United States. It is likely to be a cold winter with energy in short supply, and production will also suffer--meaning continuing supply-side problems. Much of the world looks poised for recession as Fed rate hikes caused currencies to fall against the dollar. Central banks around the world have had to raise their own interest rates to protect exchange rates. Nations indebted in dollars have

been hit by debt problems--which will only become increasingly severe as debt burdens climb. The UK has already experienced troubles in its financial sector as markets price in higher interest rates.

Complex and even strange linkages are exposed as problems in one asset class generate a sell-off and price collapse of another asset class.

Another global financial crisis like that of 2007-09 is possible as overleveraged financial institutions try to unwind risky positions.

Some falsely claim that Modern Money Theory (MMT) policy guided the Covid relief spending in the US and elsewhere--and that this is what has caused high inflation. It is true that Congress responded

with two spending packages that totaled \$5 trillion, without "payfors"--that is, without increasing taxes. Much of it took the form of mailing checks to every household. This was said to be MMT policy. In truth, MMT proponents argued against such policies, proposing instead targeted spending--spending to be directed to support those who lost their jobs, to those who were behind in their bills (rent, utilities), and to tackle the problems created by the Covid pandemic.

The important point is that relief should have been focused on restoring and improving the supply side of the economy rather than on restoring demand in the face of supply-side shortages. This could have mitigated inflation pressures and eliminated the pressure on the Fed to raise interest rate targets, thereby reducing the probability of entering a period of stagflation with the looming possibility of another global financial crisis.

We still face substantial supply constraints, in part due to Covid but also due to decades of underinvestment in infrastructure. This, in turn, has been due largely to misunderstanding of the true constraints and the nature of the inflation pressures that came from the supply side. Belief that the problem was excess demand led to the adoption of austere fiscal policy. If we abandon misguided austerity and replace it with well-designed investment and targeted social spending, we can not only reduce inflation pressures and restore growth, but will also be able to transition our economy to make it environmentally, socially, and financially sustainable.

Senior Scholar L. RANDALL WRAY is a professor of economics at Bard College.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Tue, 10 Jan 2023 21:24:09 GMT

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I still think we need to pay down our national debt. If we could pay down a trillion a year, we'd be even in thirty years. Seems like a good goal to me.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 10 Jan 2023 23:21:59 GMT

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The die is cast I know with your beliefs in economic issue Wayne. As is almost anyone well seasoned in life has their's firmly placed. That I well understand. I appreciate you still allowing me to express mine. My hope is the youth of our nation that feel the yoke on their shoulders getting ahead will take on the established ways that aren't working for most of us and work on making realistic change politically. The baby boomers are fast aging and the legacy passed on to the

upcoming generations will be a challenge.

The blueprint is there for them with the few renegade economists that can see the severe shortcomings in the way capitalism has been managed over these short few decades it's degraded our way of living. For me, the 2nd largest institutionalized Brothel to the political one, is the academic economic doctrine.

Hopefully in the coming decades the United States will have learned to stop trying to be the worlds military influencer with our belief in our exceptionalism, (national security) and rules based reasoning that is a bit hypocritical.

With that in mind our military budget that absorbes nearly a trillion dollars annually could be tapered down to a defensive rather than the imperialist one to the tune of trillions over the years that could help with our debt load. That and the perpetual enabling of the banking and corporate system's greedy self indulgences. And creating a fair progressive tax code.

One thing's for sure, doing that doesn't require austerity for the bulk of our population to ease the debt. With liberty, justice and Medicare for all.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 24 Jan 2023 17:10:04 GMT

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This is a good sketch of contrasting economic thoughts. Austrian vs MMT. Randall Wray again. Being one of the co authors of MMT with Bill Mitchell, shows his prowess with the subject. There's instances where the two economist share similar views. Principally the role of the Federal Reserve system. Randall though as the progressive non orthodox group of economists shares a deep grasp of economic history necessary to bolster their rhetoric. A good clash of styles here. Much too short to encompass either doctrine. A thumb nail sketch it is.

We've lived with the Austrian type of economy for a good enough time to see it not living up to it's free market fantasy. Government has always been integral to business and society. Capitalism gave rise to more choice and prosperity only to stymie it through it's responsibility only to it's self interests. There has to be a balance with both that is sorely missing today. MMT has practical approaches to mitigate this imbalance.

<https://www.youtube.com/watch?v=ROuXUr4yg8A&t=2s>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Fri, 27 Jan 2023 16:20:30 GMT

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Interesting to read about Japan's inflation rate. Their central bank hasn't done the destructive habit of raising their interest rate to control inflation. They've left it alone. Their inflation rate is now at 4% and expected to drop to 2% in time. The US is at 6.5 now and aiming to drop to 3.2% hopefully. What it shows with monetary policy is that it is unnecessary to put people out of work and make the public have to spend more for goods and services to get inflation under control.

There is a false notion also with western ideology that the bond market can be driven up with speculation which is totally false to reality. Any sovereign government can do this.

Bill Mitchell, lead author of Modern Monetary Theory can see through the Investment cabals propaganda that warps reality.:

Bank of Japan stuns financial markets again!

There was disbelief last week among financial markets over the Bank of Japan's decision to leave their policy settings unchanged.

One Twitter hero who keep pronouncing Modern Monetary Theory (MMT) dead (he seems obsessed with our work) also wrote recently that the major play in financial markets now is pressuring the Bank of Japan to change policy and come into line with the rest of the world.

He seems to think that it is the financial market greed merchants who rule the show and can force the policy makers in Japan to cower in fear and adjust policy so that the speculators walk away with billions in profits irrespective of the policy impacts on the people of Japan.

He is continually wrong about everything including the power of the financial markets.

There is now widespread financial market speculation aiming to profit from a change in the Bank's policy, which the 'clever' financial markets think is inevitable because, after all, mainstream economics says that when inflation is rising interest rates have to rise.

Fools' logic.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 30 Jan 2023 18:09:16 GMT

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What causes inflation? The latest revelation I seem to hear is that the government has been spending too much. Sounds very familiar. So the debt limit chicken game is in effect. Give concessions or shut down the government. This charade has been a staple for many years now. There may be, just maybe, other factors involved that aren't fleshed out... At all. Here's one. Asset inflation. Michael Hudson explains:

What has really been inflated, since 2008, has not been consumer prices, but asset prices -- [that is,] real estate prices, stocks and bond prices, things that the 1% hold. Wealth has been inflated much more than goods and services. [This is especially true] for real estate.

This debt has been inflated not by government debt, not by government deficits, but by the Federal Reserve creating a \$9 trillion subsidy to the banks to support real estate prices, and hence the value of bank-held mortgages and stock and bond prices.

What about the big corporations showing tremendous profits during this period?
Hudson:

All across the board in the United States companies have been saying, "We're raising the prices because we think there's going to be inflation, and we're just trying to raise it in advance."

Since the Democrats took power in the 1990s under Clinton, they've stopped the anti-monopoly regulation. They've stopped the antitrust laws from being enforced, and you have a great concentration of monopolies, and they can raise prices for whatever they want, as much as they want. For agricultural goods, the distributors have simply raised the prices without paying the farmers and the dairy farmers any more.

So when you say that inflation is only a monetary phenomenon, what Milton Friedman is saying is, "Don't look at the power structure. Don't look at how markets are structured. Don't look at monopolies. Don't look at how the wealthy corporations are inflating [prices]. Look at something that we can blame on labor."

The meaning of money.

Hudson:

Money is -- most people think of it as an asset: what you have in your pocket. All monetary assets have debt on the other side of the balance sheet. All money is debt. The currency in your pockets is actually, technically, a debt to you.

By far [though], most money is bank credit. And bank credit is debt. And if you look at debt, then you have a whole different perspective, not only on inflation, but on how wealth is created and how the economy is polarizing.

You have to look at the whole economy as an economic system, which you and I have been talking about for years. The purpose of the mainstream media talking about inflation is to prevent you from looking at how the economy is working, to prevent you from looking at how corporations are raising prices, and to prevent you from looking at monopolies and war.

When an economy is financialized, privatized and monopolized, we have thus..

The Hudson Paradox:

More money and credit is used to bid up asset prices for housing, and retirement income, and that puts downward pressure on consumer spending. Because if you have to spend more money on paying a mortgage, on a house that's rising in price, if you have to spend more money on rent, if you have to spend money on monopolized healthcare services, on monopoly goods in general, then you are going to have less and less income to spend on goods and services.

Again, what's deflated is [the] spending of 99% -- well certainly 90% -- of the population on goods and services, because their spending is diverted to pay for access to assets and to monopolized goods, and to goods that are subject to protectionism or warfare.

So the irony is that asset price inflation leads to rising housing prices and consumer income deflation. You have to look at the economy as an economic system, [not simply as] two variables (consumer prices and money).

You have to look at who owns the wealth, who owes what to whom, how much debt is diverting money away from consumer spending to the upper asset holders (the 1%, the 10%), who owns most of the stocks and bonds and real estate, and who are now buying up private capital investment in medical practices, and almost every kind of consumer goods, and taking them

private, and sharply raising the prices.

If you don't look at how the economy is structured, and how the ownership is changing, and the relationship between ownership and non-ownership, and consumption and labor, you're going to miss all of the variables that are really necessary to explain how the economy works. Most discussions of inflation are designed to avoid talking about how the economy works.

So what's wrong with privatization and monopolization?

Hudson:

What's caused this is the privatization of what used to be social infrastructure services. The whole dynamic of industrial capitalism, a century ago, was to lower the cost of basic needs, of retirement income, of healthcare, of education, because if you could provide these basic needs freely, or at subsidized prices, then you wouldn't have to pay labor more wages to buy a high-priced education, or high-priced healthcare. You would make your industry more productive because you [lowered] the cost of living by socializing the cost of education, medicine, transportation, communications.

The prices of these monopolized services have increased not only because of higher debt service, but because of higher dividends, higher managerial payments. None of this would occur under the previous public sector services. So you have a transformation of the organization of industry as a result of privatization that builds huge financial costs to the banks and to the financial sector into the pricing of goods and services. So the whole character of what the prices consist of is transformed and expanded and inflated.

What is capitalism now?

Well, there's obviously two kinds of capitalism. The textbooks like to talk about industrial capitalism, especially industrial capitalism as it seemed to be evolving in the 19th century into socialism.

But what we've had instead is something very different, and that's finance capitalism, that's based on basically rentier income: land rent, monopoly rent, natural resource rent, and financial debt charges. So when you talk about demand, the textbooks think, "Well, workers pay their wages on buying goods and services." But that's not what they do at all. That's not how it works. Before they have any money to spend at all, they have to pay their taxes that are taken off, and their medical care. That's taken off the top of their paycheck, and they are given after-tax income.

So the actual disposable personal income is not simply what they can spend after paying taxes, but what they can spend after paying taxes and rentier services. And [the] increase in these various forms of economic rent has widened so much that it squeezes what's actually available out of the worker's paycheck to spend on goods and services.

And if you don't look at this rentier overhead, then you're not going to understand why finance capitalism today doesn't produce the rosy results that advocates of industrialism talked about. They are 100 years behind the times. They are not looking at the transformation into finance capitalism and how it's transformed the economy.

What's the Federal Reserve's role?

Hudson:

Well, the Federal Reserve was created in 1913 to take monetary policy out of the hands of government. The idea was, actions that the Treasury used to do -- managing the economy -- would be transferred to Wall Street and other centers. The Treasury Secretary was not even allowed to be a member of the Federal Reserve Board.

J.P. Morgan organized the bankers and said, "We're going to take the twelve Treasury districts and we're going to make them into Federal Reserve districts. Basically we're going to shift economic planning away from Washington and put it in the hands of Wall Street in New York, Boston, Philadelphia, Chicago, San Francisco. But we're not going to let the government do the planning. The problem is that people vote for politicians. And you don't vote for who's going to be on the Federal Reserve Board. We've got to take planning away from democracy and put it where it belongs: in the hands of the 1% and the bankers."

That was the purpose of central banks in every country. Central banks were the alternative to socialism. Central banks were to prevent industrial capitalism from developing into socialism, but [rather] to develop into a financialized capitalism that instead of being productive was predatory.

What's wrong with this Federal Reserve policy?

Hudson:

Well, what's wrong with it is that it believes that the way to make an economy grow is to make it poorer.

This is the doctrine that the International Monetary Fund tells all of its borrowers. Latin America, Africa, Asia. [The IMF says to them,] "If you can only prevent labor unionization. If you can only cut social spending. If you can lower wages, you'll be more competitive and you will grow. So yes, we will bail you out of debt so you can pay the bondholders in the United States and other dollar bondholders, and the foreigners who've lent you money, because the World Bank has pushed you into dependency on the creditor nations. If you can pay them by being poorer."

That's the financial philosophy. The financial philosophy in a nutshell, is: Pay labor less, leave the economic surplus for the owners of wealth, the owners of money, and most of all the owners of [monopolies on] creating credit and creating money. That's what makes Western capitalism different from the Chinese system, where it's the central bank of China that creates the credit, not the commercial banks that end up turning all of this rent into interest and economic overhead that is responsible for most of the cost increases.

What are the long term consequences of this policy?

Hudson:

The fact is that the debt that has been run up can't be paid. There is no way that the Federal Reserve can cope with the fact that every recovery since WWII, every recovery since 1945, has started from a higher and higher and higher debt level, until, now, there's so much debt that the economy cannot compete, and cannot avoid homelessness and polarization, unless the debt is wiped out.

And that is what the Federal Reserve doesn't do. The Federal Reserve can't change the financial system and say, "Well, for the last 100 years, actually for centuries, commercial banks, when they make a loan, they make it against collateral. Banks do not make loans in order to create new means of production. The stock market may do that, for seed capital. But banks don't lend for

assets that are not already in place. They only lend against assets that are already there that they can foreclose on if the debt can't be paid."

Well, we're now in a mass foreclosure period, and the reason that all this \$9 trillion was created when Obama bailed out the banks, was that the banks were insolvent. They had made so many bad loans that, as the FDIC had pointed out, Citibank was bankrupt, all the big banks were broke. We spoke about that in the very first show. And the financial system is still basically insolvent. It's being kept alive -- it's a zombie-bank system, keeping zombie corporations afloat by more and more debt that ultimately is going to have to be written down.

But banks don't do that. And the only solution is beyond the Federal Reserve's policy. Number one, [it has to] write off the bad debts. This is certainly obvious for many Global South countries. But you also have to have a different financial system. You have to make credit a public utility, as it is in China. A public utility that actually is designed to create money and credit, to create new means of production, without adding to the overhead costs and debt service.

This requires de-privatization as well as making credit a public utility. Economic rent should be socialized and used as the basic tax base so you don't have rent being used to pay interest. You have rent to prevent housing prices from being bid up on credit by a financial sector whose job is to inflate asset prices to keep the Ponzi scheme going so the economy doesn't --

So this is the ongoing dilemma that is never addressed, never discussed or made note of. It's sacrilege to challenge the conventional dysfunction. That's all for now folks. See what you think.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 11 Feb 2023 14:58:54 GMT
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It never fails to amaze me what it will take for the American public to say enough already! What compels us to pick sides on petty issues bandied back and forth in our legislative bodies? That we can't realize that it's all just a ruse to steer us away from realizing that our monetary system is of economic decrepitude. This one article pinpoints the chronic nature of our financialized system preying upon the public. They're infinite source of revenue they think.

<https://www.npr.org/sections/health-shots/2023/02/11/1154962356/ers-hiring-fewer-doctors>

Listening to stirring visions for rekindling our once thriving manufacturing and service economy falls flat with the realization that the general public is stressed with so much debt deflation of their income that the idea our economy can thrive again with all the overhead heaped on us is ludicrous.

As long as this type of fleecing of America is allowed, it's wishful thinking at best, or a fraud most likely perpetrated on our society by our banking, finance and bribed political cartel.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 14 Feb 2023 17:40:43 GMT
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Money is political

Fascinating reading this transcript. What is money really and how it has manipulated the world over the millennia. Read it and learn.

<https://michael-hudson.com/2023/02/since-money-is-political/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 15 Mar 2023 17:05:48 GMT
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If anybody want's to get a handle on the latest continuum of financial chaos going on. It's just a part of our existence now right? But the banking failures happening in the news lately get some deserved media treatment and the underlying dysfunction of the Federal Reserve system enabling our Wall Street, corporatized and financialized economy to be the single source of all the chaos. Easy Money. There was a movie with that title. But Rodney Dangerfield had to work for it. These creeps barely lifted a finger. The Fed. did the work for them.

Frontline: The Age Of Easy Money
<https://www.pbs.org/wgbh/frontline/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 19 Mar 2023 18:46:50 GMT
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Even Investment CEO's acknowledge that the role of the Federal Reserve and central banks world wide are the crux of our financial turmoil. Jeremy Grantham expresses his disdain of this institution's chairmen over the decades. How can the publics financial stability and long term optimism occur when unfettered speculation is allowed and indulged with no penalties. Jeremy was featured in the documentary Age of Easy Money insinuating the Fed is the promotor of high finance as a bloodsucker mentality.

<https://www.bloomberg.com/news/articles/2023-03-10/podcast-jeremy-grantham-says-fed-has-be-en-horror-show-since-greenspan?leadSource=uverify%20wall>

I wonder if anyone here feels the same? The only time anyone bothers to comment on this thread is to say the national debt has to be lowered. But how does anyone suspect it can be lowered unless it's born on the backs of the wage earners? Do we have to take concessions on our social entitlements? What has to give, further austerity for the majority or not allowing the tiny minority to grab and keep as much for themselves whatever chaos from their gluttony occurs.

If I were totally in charge, this is what I would want to do. If someone convinced me my thoughts were wrong - I'd listen - but this is the way I think, and a list of the things I'd do if I could.

1. I would reduce all social programs except those for the truly needy. That means demonstrably incapable of work. All others would perform whatever work they were capable of doing, which would be enforced by law.

We have some voluntary programs like that, usually used for those that have "special needs." But it is voluntary and not mandatory. Many don't participate, and that's a waste - both for the individual and for society. I would make that process mandatory, so for those that didn't voluntarily choose a workplace, assign work appropriate for their skill level. If someone is truly incapable, then they would receive unilateral social services, of course. But if they can be of assistance in some way, then they should.

The work mandate is really more for all the able-bodied folks that have chosen a path that doesn't include work. It's for many of the homeless. It's for the drug addicts. And it's for those that are just down on their luck. I'm not trying to make a judgement call here - not at least a mean-spirited one - but working and interacting with others always helps one's state of mind. And it also helps get 'em off the welfare teat. So work should be mandated rather than allowing welfare to be a way of life.

Consequence of failure to comply would be incarceration, and by that, I don't mean a jail where folks don't do anything productive. They would perform work which would be used for profit and would pay for their room and board. So they would either work voluntarily or through incarceration. This "work jail" wouldn't be as much a jail as it would be an organization that provides room, board and food and hires out the individuals living there to organizations that need their labor.

These kinds of "work programs" are common in recovery circles. They're not quite the same as halfway houses - which require each person in the house to have a job and be responsible - but they're similar. In this case, the work program actually sends out people in a crew to do work that is paid for by contracting individuals and organizations. It is often work like landscaping and construction, but could be anything.

This mandated work wouldn't apply to seniors and wouldn't reduce social security for all the folks that have paid in for a lifetime. That wouldn't be fair to them. But I would have no problem with things that help 'em stay active, maybe offering some kinds of age-appropriate work for those that wanted to participate. I don't think it would be fair to mandate that, but it would be nice to offer work assistance to seniors as perks.

Many seniors have part time jobs to help with that anyway. Maybe offer government or "government-adjacent" service work to gain extra medical benefits, or maybe other types of additional benefits. That would help the social security program stay alive, help seniors stay active and help the younger crowd with funding what is an increasingly lopsided transfer program.

2. I would mandate a path that reduced the national debt. I wouldn't tank the economy to do it, but I would definitely move in that direction. So that would mean reduction of services at least until we achieve budget credits enough to pay down the debt in some period of time, which by now - with our huge debt - would probably take quite some time to do.

3. Industries that were important but losing profits - especially due to things like energy or ecology - would be protected by subsidy. Examples are steel, rare earth mining and working, all energy industries (e.g. oil, gas, nuclear, solar, wind), integrated circuits, aerospace, etc. We cannot allow competing economies to financially undercut these industries and then monopolize on them.

I'd put all financial emphasis on maintaining the strength of our industries. I think our strength in the last 100 years or so was largely from our industrial might, and I think we need to fight to protect it. Dump all the costs for social services and put 'em into protecting our technical strengths and the industries that provided them.

4. I think federal politicians should not be allowed to own any stocks, bonds or any other sort of financial instrument. If one chooses to enter federal politics, they agree to sell all such things and never purchase any others for the rest of their lives.

They also should not be allowed to participate in any private business venture of any sort, nor should their spouses. And any family or friend that owns a business or is an executive in a business should have to endure quarterly inspections from the federal government, looking specifically for any sort of "favor." Penalties for taking advantage of political ties should be strict, rising to the same level as treason.

That may be strict, but it should be part of the requirements for entering politics. Family members of those in politics may have jobs, but they cannot have jobs that could potentially allow a misuse of power.

I think one of our biggest problems is that we allow politicians to profit from "business deals" - which then compromises them - so I think they should not be allowed to have any business entanglements, whatsoever. They get a pension, and that's it. If you want to enter politics, you must be permanently barred from owning any investment at all. If that's not what you want, then don't enter politics.

Right now, it's clear to me there's too much "having cake and eating it too" up in Washington. And I think that's probably our single biggest problem. Take the power grab and the pork party out of the equation.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 20 Mar 2023 12:46:23 GMT
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Great Wayne. Thanks for a dialog with your practical views. I know that a large part of the MMT

initiative is to have a national job guarantee program with a livable income to help stabilize the social network from the inevitable downturn in the business cycle. The current unemployment system is a hodge podge variety, ineffective and wasteful.

Interesting your view on financial emphasis on maintaining industry. That was the construct of Industrial oriented economics. Which promoted socialized subsidies as a means to keep the cost of living low for a competitive working class. That has been usurped by rise of finance capitalism. Driving up asset prices and the cost of living. Resulting in a chronic loss of an industrial base in this country. A mixed economy is a healthier economy.

For me one of the most dysfunctional aspect of politics is the rise of quid pro quo lobbying and campaign finance. Eliminating influence access of the elite could go a long way towards an ethical legislative effort benefiting the better portion of the population. Your points on nepotism and insider enrichment politically are right on.

The economists I've been following have some very good ideas to add to a public dialog that do not get the attention they deserve. Our entire new century has been wallowing in crisis mode from a system of economic doctrine that isn't effective to the greater portion of the public. Amongst the few are:

A National job guarantee, worker co-ops, land taxation rather than personal property taxation, public utilities and public banking, limiting the Federal Reserve by putting the purse strings back to the Treasury Dept., bolstering Social Security by raising the income threshold from where it ends now and not the least, a national healthcare system.

All utilized to help average citizens be able to thrive by their own means in a more stable economic system.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 21 Mar 2023 16:31:05 GMT

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I'm wondering Wayne after re reading your response, how much of an emphasis you would require of the financial part of our economy to be regulated? If you take into account the FIRE, (finance-banking, insurance, real estate) sector and how it affects the economy by historically driving up assets, wealth speculation and tax diversion. With the amount of social upheaval it's caused and the amount of monetary governmental bail out lavished with no punitive repercussion has caused in our national debt. Do you feel that is an aspect of restructuring?

Does the amount annually now spent on the military industrial complex, our maintaining over 700 military installations worldwide and our forays in foreign entanglements adding trillions to the national debt need reevaluation?

Can we shore up our Social Security system by raising the income level on payroll tax? And can we provide universal health care, Medicare for all as a social subsidy? Or do we continue to rely on the free market and the insurance industry as we have been to further burden the working class being able to make ends meet.

And how far does the national debt have to come down? I ask because your proposals seem mainly aimed at a public personal responsibility issues that government has indulged excessive wasteful social programs to alleviate. Some of the punitive measures I don't know if they could be legislated constitutionally. In lieu of the financial, military and unearned tax diversion aspects have on our federal debt load.

I think there are issues with some of our stop gap social spending. As it doesn't address the chronic core issues with our economic doctrine. Our free market trickle down supply side economy has been a long drawn out study in wealth disparity and an erosion of an ability to thrive in an economic system captured by financial engineering to make as much, grab as much and pay as little back to societies benefit. Our industry has been depleted, our cost of living skyrocket and our inflation adjusted wages stagnated for decades. Now our Federal Reserve system requires the working class to endure more pain along with inflation by putting people out of work. While once again, bailing out the investor class.

I don't perceive any conscious effort in our national discourse to look at the structure of what our economic system has evolved into. And what can be changed structurally to get things rolling more smoothly. It's as if what Margaret Thatcher claimed, "There is no other way". And we have to live within this framework that we have. That as far as I can tell, isn't working. For the majority.

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Tue, 21 Mar 2023 18:15:41 GMT

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You know, Rusty, my thoughts are just that - thoughts. I don't waste much time pondering an exact mechanism for accomplishing any of those things because I don't expect any of it to happen. Too many people with too many other agendas. So I'm not even looking at ways to influence anything politically.

I would love to see us travel down those kinds of roads though. If we even began to contemplate them, we could find solutions that fit. I'm sure of that. But I'm equally sure that many of those things aren't popular with most of the folks pushing the cart.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 21 Mar 2023 22:16:34 GMT

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As always Wayne I admire your candor. I know it's a hard road to hoe. It's just been my desire to try and understand the way things were before in history, now at this time and what could be later on. If thoughts become a common desire, things can happen. Good things.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 22 Mar 2023 12:34:41 GMT
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Here's something for anyone here to get a handle on, a sense of, if one can dismiss whatever ideology or preconceived notions of the way our economy and our political system functions today. And learn about what factors that are driving this maelstrom of events going on here and abroad. The structural corrosion underpinning why things are as they're said to be. It will be worth investing time in absorbing this.

Dennis Kucinich & Michael Hudson on the banking situation and a lot more.

<https://michael-hudson.com/2023/03/with-dennis-kucinich-on-the-financialized-economy-collapse/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 24 Mar 2023 17:01:16 GMT
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Sometimes I make comments on a blog done by Robert Reich. He was the labor secretary under the Clinton administration. His recent blog was over the hearing with the Tik Tok executive and the implication that there is a threat to our National Security.

Distinguishing between a Chinese challenge and a Chinese enemy.:

A few years ago it was Huawei posing an ominous National Security risk. Recently those dangerous Spy balloons were a National Security risk. Those Chinese are sending up fighter planes when our carriers in the South China Sea send up reconnaissance aircraft. Imagine that. Are there any Chinese warships lurking in the Gulf of Mexico? Everything gets amped up with China, everything's a National Security risk.

Paranoia runs deep when people and nations themselves lose control of their grip on reality. The reality is our dominance and standing in the world has diminished. The most populated portion of the world has found itself able to exceed what we've taken for granted since WWII. Industrial and economic dominance. To the point of breaking away from our dollar hegemony. Which we've used to try to corral nations we disagree with using our sanctions. Which never work and never change the will of the nation directed at. Like Cuba for instance. Russia sidestepped it like a tango dancer.

We can't internally face the fact we're our own worst enemy. That our own economic doctrine has over the decades weakened our dominance abroad and impoverished our population within. So, lashing out for National Security culprits is a copout to examining our very own dysfunction. And our media goes right along with whatever latest National Security risk that blows up. We're dumb, seriously dumb. The Chinese must view our behavior as if watching an old Keystone Cops movie. Laughable, if it weren't so dangerous.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Fri, 07 Apr 2023 15:55:28 GMT
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Banking and finance capitalism goes hand in hand. Banking's profit is someone's debt. Trouble is, banking is more than loans here and there for cars and homes. It's speculative too. It uses profits and deposits to tease out more profit by investing in asset stripping from private equity, ramping up real estate holdings, playing in the bond and stock market with derivatives and hedge betting. You name it they're playing at the table at the casino. And when they get into trouble either from outright fraud, like the housing crisis of 08 and more recently with the bond market. They don't have enough holdings to cover their deposits. Who ya gonna call? Daddy Warbucks Chairman Powell and the Federal Reserve. He'll write a blank check for us every time.

There is one bank, over 100 years old now in North Dakota that is a publicly, state owned bank in this country that don't play those games. Not allowed. They're in it to serve the public's needs. Bread & butter loans for farmers, companies and people that need those services. No hanky panky no fraud. What ever profits made go into the states coffers for the needs of... The state of North Dakota.

Richard Wolff points this out in this blog. And the outright stonewall put up to duplicate this type of bank nationwide. Presumably for the usual reasons. Free enterprise and keeping socialism in check. There's somethings though that free enterprise can not and will not be able to provide. Service without maximizing profit. Socialism can and should work right along side with capitalism. As a benefit to the population at large. Keeping the cost of living from being speculated upon.

Banking is one of the natural monopolies that should be socialized. But the political process as it is, being bribed by lobbying and campaign financing insures only one successful little bank in North Dakota be the only example of socialized banking. What a shame that issues such as wokeness, critical race theory and transgender identity take precedence over the real issue as the banking system is. Like the Wizard of Oz. Pay no attention to that man behind the curtain.

https://www.rdwolff.com/the_jimmy_dore_show_this_is_why_the_banks_are_failing_now

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 07 May 2023 12:40:31 GMT
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Reading the latest on current banking solvency, the chacterization is the notion of too big to fail meaning allowing the banking industries hostage taking of our economy. Their proxy insurance holder being the Federal Reserve system. Their cops on the take are the regulatory agencies. Their law firm are the legislatures, and their chief spokesperson the US president. Our democracy is captured by private banking for the enrichment of a tiny minority of the population. Their main function is not of commerce or industry. It's simply speculation.

Any small bank can fail with no repercussion, but at some point in the hierarchy of banking, holdings and speculative assets on the skids create a domino effect. With the backstop only of the

Federal Reserve to "Bailout" the investments that go beyond the 250K FDIC guarantee. The notion of the government taking over control of such an institution is considered an act of socialism. A term most despised in our capitalism democracy.

So now as has been bullied time and again when our legislative body gets the notion to deal with government spending by threatening defaulting on government payments. Purely on an utterly false premise of the debt ceiling. Demanding that spending be curtailed. Which always, always is social in nature. Keep in mind where the lion's share of socialized support is going.

Our banking masters.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sun, 21 May 2023 23:48:00 GMT

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Having just watched the segment on 60 Minutes about Pentagon price gouging makes me wonder if the current Debt Ceiling fiasco will address any "trimming" of the military budget. Or any impetus by the government to force corporations making war material to adhere to an ethical cost or face litigation and taxation to their unearned investment income. While the debt ceiling itself is a blatant hostage technique to demand compliance politically. It's all theatrics and a farce.

But the ridiculous harm it's capable of is too real. Unfortunately, radicalism is a big part of the political show these days. While threats to create economic chaos if reining in the budget by short changing social programs isn't had, the military budget gets larger and larger every year with no oversight, no audits, no limits. Priorities seem convoluted.

<https://www.cbsnews.com/news/weapons-contractors-price-gouging-pentagon-60-minutes-transcript-2023-05-21/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 25 May 2023 15:36:38 GMT

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Great article from a great economist, Bill Mitchell. Godfather of MMT. Here talking about the insularity or closed off nature of academic economists. An example of GroupThink as he calls it. Another great economist of the non-orthodox variety, Michael Hudson just refers to it as "tunnel vision". The inability or deliberate habit of not perceiving the need to look beyond their narrow abstract concepts. Kind of like Libertarian's with their singular micro economic view grafted upon the macro realm of thinking.

Apparently politics and the world in general are more comfortable with trying to put a square peg in a round hole. With western neoliberal economic doctrine entrenched that regularly reinforces this paradigm as Margaret Thatcher said, "There is no alternative". No alternative to GroupThink that is.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 01 Jun 2023 15:17:59 GMT

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An intelligent conversation on the pragmatic economic method of China is having on the international worlds stage. And the equally negative resistance of the western worlds neoliberal stance is, against realizing positive change to it's methods of debt servicing to it's faltering economies. Really interesting. I think.

<https://michael-hudson.com/2023/05/achieving-by-undermining/>

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Thu, 01 Jun 2023 23:00:36 GMT

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It looks like Michael Hudson is becoming concerned about the national debt, largely because of the increased interest rates that we've begun to pay.

There are a lot of things to blame for the debt, and probably many of them are legitimate complaints. But it is what it is. We have excessive debt.

Surely we can't just default or react in any other self-defeating way. But we probably should trim fat where we can and pony-up payments to pay it down over a period of time. With this huge debt, that period of time would probably need to be decades. That's OK, most people buy a home on a thirty-year note, so a goal of that length or even longer is at least movement in the right direction.

I think we're either going to make a decision to "hunker down" and reduce debt - which is a painful choice - or we're going to have some sort of crisis that may be much more painful.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Fri, 02 Jun 2023 11:37:12 GMT

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Yes he is concerned about debt. Private debt and balance of payment debt. Private debt the public is saddled with from financialization, privatization and monopolization. And balance of payment debt from our dollar domination as the world currency that we've misused and abused so much over the decades that countries are now pulling away from it.

The discussion points out this changing dynamic in world trade and finance. Which is moving

away from US dominance that has amounted to a free lunch so to speak for America to move it's industry offshore, finance our war mongering and military industrial complex and colonialize foreign economies. The Chinese success phenomena has brought forth a schism in how the world is aligning its relationships with trade and economic doctrines.

Our public debt is MMT, our private debt inflicts compound interest on the public's ability to thrive through debt deflation from the (FIRE) sectors asset inflation. Paying more and more servicing debt at the expense of goods and services.

Our balance of payments debt is now becoming critical due to the free lunch coming to an end internationally using the dollar as a world currency. Foreign debt denominated in other currencies can imperil a weakening dollar.

Our current debt ceiling is a lousy political stunt that points to the futility of what neoliberalism has painted this country into a corner over time. It has benefitted a small segment of the population at the expense of the majority.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 08 Jun 2023 17:19:47 GMT

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This is a good primer by Ben Norton on what the BRICS alliance is all about & why its being done. The dollar dominance is starting to crumble. It's only natural that this would happen eventually. Had the original Bretton Woods conference gone along with Keynes idea of the Bancor as a world trade currency. America would not have had the ability to control economies throughout the world as it has done. The US wanted domination in its currency when a great portion of the world was decimated by world war.

How the BRICS Bank is resisting US financial domination

<https://www.youtube.com/watch?v=ltteCyO366o>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Fri, 09 Jun 2023 20:40:26 GMT

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Ben does it again. This time speaking to Roland Boer. An Australian philosophy scholar having lived in China the last 16 years. He wrote a book called, Socialism with Chinese Characteristics: A Guide for Foreigners.

Here he points out some history of how China over the last 70 years or so has reshaped their Marxist philosophy into a working, refining doctrine to their economy and political regime that has brought their population from a once poverty stricken and imperialized country to the leader in manufacturing and too many other to mention fields of disciplines that rivals the best in the world.

In particular is his unmasking of a country that in lieu of his experiences living there, contradicts

the notions bestowed on it by the western nations that are now and particularly the US committed to a cold war mentality to their success. I think this video brings to mind some very disturbing contradictions to our views of what this country is and what it has accomplished. Pretty impressive in my view. Especially and ironically their political system and how egalitarian it is to ours. I think we could learn quite a lot from what they are doing in a continuum that our system of governance and economics seems very static and inefficient.

<https://www.youtube.com/watch?v=mgcyqkEOhQc>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 10 Jun 2023 12:55:19 GMT
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Denial isn't just a river in Egypt. Our leaders in Washington and throughout Europe have taken up that practice. We have a political climate that uses adversarial confrontation and is financed by special interests. The results have been a disarray of the legislative process. Meanwhile, other parts of the world are being more pragmatic. And their economies are showing the results of that. I hope we can wake up from this malaise. That's my version of being woke is anyway. Richard Wolff gives a good summation of the geopolitical scene going on now. The world truly is, a-changin. We're stuck in the past, scratching our noggins about how to be great again without any frank self evaluation.

https://www.rdwolff.com/the_world_economy_is_changing_the_people_know_but_their_leaders_don_t

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 20 Jun 2023 18:12:28 GMT
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This was a tough read. To get the jest of and just how pervasive is the corrupt dealing of our financial industry is. And not just here in the US. But certainly well established in the free market economies of the world. Control fraud is a term coined to explain the engineering behind financial malfeasance. It's what the GFC or great financial crisis of 2008 was all about. It is just an aspect of what finance capitalism is and is perpetuated from it's influence of the political landscape.

Bill Black was a banking regulator during the now quaint in comparison, Savings & Loan scandal of the 1980's. He's now one of the foremost academic scholars concerning white collar crime and institutional fraud, or, control fraud. His acclaimed book, *The Best Way to Rob a Bank, Is to Own One*. Is a thorough analysis of the GFC. Nothing has stopped this behavior by the too big to fail banks and Wall St. financial institutions since. As they are perpetually bailed out by our Federal Reserve system.

At lest some journalists on the fringe like Patrick Lovell try to bring to light this abomination of morality to our attention. From his blog:

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 06 Jul 2023 15:27:22 GMT

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Wow! Another great insight by Hudson. He da man! Why does history repeat over and over again? Because human nature is such that influence is gained with the grease of wealth to lubricate the law. The Supreme Court is in the news more often than not in an unsavory light here of late. What's the difference of it though than our legislators? Campaign finance and lobbying is our countries legalized source of bribery. Neither party addresses it or has any notion to change it. We proudly claim we live in a democracy, that we have "suffrage", or, the right to vote whom ever to represent us. But do they?

When the conundrum becomes too vexing for our legislators, some entity in the political spectra takes it to the highest court in the land. To presumably settle the matter. And our constitution becomes the blueprint for making the call. But does the constitution itself give enough latitude to interpret in todays context. And can it be improved upon? A good example of democracy was from the Irish high courts allowing for an amendment in their constitution to come from the will of the people of Ireland. In a country of traditional religious values. They settled their abortion issue by vote. We apparently are not capable of that in this country. Maybe we're too tapped out in private debt to provide the necessary lubrication.

Should There Really be a Supreme Court?

<https://michael-hudson.com/2023/07/should-there-really-be-a-supreme-court/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sun, 09 Jul 2023 13:51:59 GMT

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I'm struck by what the possibilities are by learning to cooperate on the scale of geopolitical relationships. Here of late the US has been sending over diplomatic and economic representatives to China under the auspices of "improving" relations with the world's largest real economy. It's interesting to compare the two systems of governance without the, shall we say, rather biased rhetoric we are given in the news. You have to get off the information highway and look at some of the secondary roads of thoughts to give an alternative to what's typically written.

Recently a debate was conducted at the Abigail Adams Institute near Harvard university between Arnaud Bertrand, a French entrepreneur and scholar and Adrian Zenz, an opposing scholar on the subject matter bluntly of, "Is the Chinese system better than the American system, to give prosperity, stability and freedom to it's people"? This debate is discussed in the Global Times in an interview with Arnaud Bertrand. Who won the debate by vote from the audience. His thoughts

are interesting in the context of our countries diplomacy with China and the movement to decouple the American dollar from its unipolar role in trade and finance since WWII.

This dovetails well with the Australian scholar living in China for years has written about. Personally I think it's high time we get off our high horse and ponder our state of affairs internally and externally around the globe. Things are changing now. Thanks to China. It's our wake up call to be a better nation for ourselves and the rest of the world. I'm glad some people here in the US want the same.

<https://www.globaltimes.cn/page/202306/1293254.shtml>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 10 Jul 2023 17:57:51 GMT

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Nice follow up to the prior in another interview with French entrepreneur Arnaud Bertrand. Having "lived" in China and done business there. What strikes me is from the media interpretation we seem to get on this country. Life there must be an oppressive experience dictated by a monolithic government in every aspect of life. Expand your horizons and read. And compare what Mr. Bertrand explains the contradictions to what we're made to believe and what he's experienced first hand. To me I sense nothing more than propaganda covering for a system that is in denial of it's compounding shortcomings and it's eroding economic philosophy.

It seems self defeating for a country that promotes it's ideals and history as being fair and democratic, when compared by actual deeds and actions showing metrics in all aspects of society that fail to support what is promoted. To then denigrate and denounce other countries as not being up to it's standards of good governance.

<https://www.globaltimes.cn/page/202208/1274198.shtml?id=11>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sun, 23 Jul 2023 14:54:19 GMT

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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 its own entitlement. Just using GDP to point out a country's productivity is misleading. As our GDP compares with China's. What isn't accounted for is our GDP is skewed by the finance sector's 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 its 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.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Wed, 26 Jul 2023 15:08:47 GMT
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Take some time out in your life and listen here to this very simple to understand dialog and reason why our means of living has become so compromised and contentious these days. In our western culture this same dynamic has gone on cyclically since ancient Rome and Greece. Where landlords and eventually bankers have used their influence on government to gain leverage and setup their free lunch from working society.

The cycle continues today leading to what we constantly read and hear from news outlets as a cold war with China. China, now a socialist country that learned to do what our country did in the late 19th and early 20th century. Develop a mixed industrial & service economy without the rent-free class of finance banking loading down society with debt. Their banking is a public utility, a natural monopoly without the profit motive of private banking. Socialism was the trajectory of industrialism in the west that never got implemented due to financial capitalists' relationships with government.

China's success now is perceived as a threat to the financial class that has enveloped our economy. Thus the cold war status constantly amplified by news. All during a time in our civilization's history that our development and use of technology has come to heads with the climatic nature of our very planet. We squabble over nations bettering their prospects for their citizens as it may interfere eventually with the financial class elite's means to extract their free lunch. Human nature. But, selfish, petty human nature.

Michael Hudson.... <https://www.youtube.com/watch?v=uQrNTgfPvQ8&t=1s>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 05 Aug 2023 16:20:12 GMT
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Banking not only has its compound interest to amplify money, thanks to legislation of both political parties. It enjoys the thrill of investing in the casino of Wall St too. And when it loses just asks for a bail out from the Federal Reserve.

Our Ponzi scheme economy: The Breeding of Money.

On The Breeding Of Money - by Gordog
by Gordog

Some continue to delude themselves about the so-called US economy, which is nothing but a house of cards---and this meaningless, completely fabricated 'metric' of GDP. In real terms, China's economy is already bigger by half than the US. And that is being charitable.

Let us review some basic facts about how NUMBERS actually work. This is known as MATHEMATICS.

Take for instance the Ponzi Scheme. This is an ingenious bilking scam where a group of investors is promised a guaranteed rate of return. Since there is no PRODUCTIVE business of any kind that can generate any return, the only way to pay those initial investors is to draw in more investors over the next term, usually a year. The incoming investors are likewise paid their return by the next crop of investors, etc. Now it is obvious just from this description that the amount of new investors has to INCREASE each year, in order for this to stay afloat.

The mathematical underpinning of this scheme is exponential growth. This is a mathematical function where the growth of something is a function of the EXPONENT of TIME.

In simple terms: if you start with a single cell that splits in two...then those two each split in two and so on, it is obvious that the number of cells doubles at a given rate of time. In a Petri dish, such organisms will rapidly multiply in number until they have exhausted all the nutrients available...and everybody DIES!

Now let's consider a bank that is lending money at interest. Here we have a group of BORROWERS rather than investors.

If in the first year, the bank has a given number of borrowers, it will receive back not just the amount of money it has lent, but an additional amount of money in interest. This accumulation of interest will continue building in perpetuity, according to the exponential math exactly like the Ponzi Scheme or Petri dish.

This is the fundamental mathematics of both. Only they are mirror images of each other. One is drawing in lenders [investors], while the other is drawing in borrowers. From the wiki entry on exponential growth:

Finance:

Compound interest at a constant interest rate provides exponential growth of the capital. See also rule of 72.

Pyramid schemes or Ponzi schemes also show this type of growth resulting in high profits for a few initial investors and losses among great numbers of investors.

For instance if you borrow money at a rate of 9 percent interest per year, the amount you owe is DOUBLE after just 8 years [provided you are required to just pay it all back in one lump sum and not payments].

Now let's take into account that the ONLY way for brand new money to come into existence is if it is created as a BANK LOAN. That is actually how our system works. The borrower can be a consumer, a corporation or a government. It doesn't matter. But somebody has to step up to the bank counter and say 'I want a loan' before any new money can come into existence.

So here is the catch 22: Because the borrowers in any given year are also paying back interest, that means that more and more brand new money has to come into being each year, simply to account for that extra interest money that wasn't there before!

So you need an ever greater amount of borrowers stepping up and asking for loans.

Where do they come from? Can you just keep going like this forever?

Obviously the Petri dish and the Ponzi Scheme both tell us that this is a house built on foundations of sand. It cannot possibly continue in perpetuity. It all has to come crashing down.

Consider that 100 years ago, very few ordinary people needed to borrow money. Oftentimes people would buy a house or a car with money they had saved. By the time of the postwar years of the 1940s, you already had a new kind of borrowing culture emerging, where people would often seek credit to buy their own home more quickly.

[Recall the scene in Frank Capra's *It's a Wonderful Life*, where George Bailey [Jimmy Stewart] who runs a family savings and loan that lends to aspiring homeowners, confronts the badguy Henry Potter who is a slumlord and wants to ruin the small family S&L.]

For good or bad, this depiction of getting ordinary folks to borrow money so they can more quickly own their own home, as something positive and progressive, took root. Of course getting people to borrow for buying a house and car was just the beginning. Soon, you needed a whole new crop of borrowers, so we started women entering the workforce and becoming part of the debt slave pool.

[Remember, just like the Ponzi Scheme, the interest lending scheme needs EVER GREATER numbers of borrowers each year.]

Then when that dried up, you had to start importing brand new PEOPLE, ie immigrants! Today that is an increasingly fraught subject as the wheels continue to come off this Ponzi machine and there is less to go around for everybody. So people start resenting the newcomers. Yet, the powers that be insist on bringing in ever more people! They are needed. Each one is going to go to the bank and borrow to buy a car, a house, etc. Just like that Ponzi Scheme somehow has to find new investors to avert going tits up. Then you had credit cards, and then a very big one: EDUCATION. Now you have not only mom and pop debt slaving away, but even junior has to be pressed into the chain gang, before having even gotten an education or a vocation in life.

Is there any possible stone that has been left unturned in the search for new debt slaves? And this

is all supposed to be so 'glorious'?

Some have foreseen all of those problems, such as Michael Hudson. He told us long ago that ancient civilizations had all come up against the same problem with EXPONENTIAL MATH: When you attach interest to loans, the amount of debt reaches unmanageable levels and has to simply be wiped clean. We see this from the graph of exponential math:

A real productive economy can be expected to grow only linearly, as in the red line. And even then, at some point it cannot grow any more!

But the amount of accumulated debt starts overtaking the amount produced by the real economy until it is double, triple or even many more times that of the real, productive economy. Obviously, the only thing you are doing is producing money itself, not actual and real things! That is why we have had ZIRP for more than a decade now. Zero interest rate policy. Not wanting to actually write off unpayable debt, at least cutting the money creation rate to zero is supposed to accomplish the same thing.

On the matter of wealth and gaining it, The Great Thinker had much to say:

There are two sorts of wealth-getting, as I have said; one is a part of household management, the other is retail trade: the former necessary and honorable, while that which consists in exchange is justly censured; for it is unnatural, and a mode by which men gain from one another.

The most hated sort, and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural object of it. For money was intended to be used in exchange, but not to increase at interest.

And this term interest, which means the birth of money from money, is applied to the breeding of money because the offspring resembles the parent. Wherefore of all modes of getting wealth this is the most unnatural.

Aristotle, Politics Book One, Part X

As I have come to learn from reading, listening and interpreting for myself a few years now. The U.S. government does not HAVE to borrow to pay it's bills. It is a sovereign country with it's own currency. It does so to keep our Ponzi going. And deficit growing. The IMF and World Bank are an investment vehicle that's led to impoverishing counties to make them debt slaves and sell off their assets in their country. The US trade debt is from cycling back dollars from foreign trade in the form of IOU's, (bonds). Without producing any goods in exchange. This free lunch as it's known is what partly accounts for countries grouping together to circumvent our advantage and their disadvantage. The BRICS initiative. As well as our use of sanctions to try and control countries that are not in compliance with our National Security interests. Which are world wide and contentious in scope by means of regime change, clandestine operations and nearly continuous hot spot wars since the end of WWII.

If we do not come to terms with the way our economy and society have played out. It seems to me that a good part of the world will shun our business in time. And we have the wild card of our environmental reckoning to deal with. Now is a crucial time it seems to start cooperating rather than agitating.

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 12 Aug 2023 23:12:29 GMT
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This is the phony crap that makes up some of our financial economy. Instead of making practical things for society. This circus is rolled out as a swell opportunity for the investment set. That's the business model for Wall Street. Hucksterism. Our economy now is so overloaded with debt servicing by real WORKING people. That buying goods and services is diminished augmented by inflation to keep a few living as they're accustomed to.
We Work is an oxymoron.

<https://wallstreetonparade.com/2023/08/weworks-stock-imploded-to-13-cents-yesterday-its-cult-master-adam-neumann-cashed-out-years-ago-and-is-a-billionaire/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 13 Aug 2023 13:49:18 GMT
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This is a wonderful synthesis of a book I've read and re-read called, *Destiny of Civilization*, by Michael Hudson. He has been advising Chinese economic academia for some time now on how to avoid the pitfall of finance capitalism. Keeping the rentier class from influencing elected government and eventually taking the reins of economic planning in a country. Their income is a non productive form of free lunch that imposes rent extraction, and debt service from the working class. Driving up cost of living for the real economy the working class lives in. Hudson explains in this four part videos that are Chinese in origin. They include some clever graphics to accentuate Hudson's dialogue. Making us laypeople better to understand the concepts he presents.

It's one of the best I've perused being a long time advocate of his amazing historical and thorough debunking of our neoliberal economic doctrine. I don't know what or how our population can come to realize that the economic conditions we all are going through now is anything more than what Mr. Hudson explains so eloquently. Always with a Cheshire cat's grin on his face for the sheer irony to what the enablers to our system of democracy tout as in the best interest to our citizenry.

Four parts of gettin real here y'all.

<https://michael-hudson.com/2023/08/the-destiny-of-china/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Tue, 12 Sep 2023 11:37:55 GMT
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100 years of the rise of corporate concentration. Monopolization. Asset shares going to the top 1%. Each graph showing a steady climb upwards.
This is where our economy has shared it's wealth to. Does that seem fair?

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Tue, 19 Sep 2023 17:25:13 GMT

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Punishing working people for our national debt is the scapegoat of neoliberalism and libertarianism. Like the greater public has caused this great public debt situation. It falls mainly on our financial system and our military industrial complex. Do we need 7 to 800 military bases throughout the world? Exact figures not known and maybe the Pentagon doesn't even know. Our big banking system is totally corrupt as pointed out in the article by the watchdog organization Wall Street on Parade.

<https://wallstreetonparade.com/2023/09/professors-point-to-jpmorgan-chase-as-poster-boy-of-a-financial-system-dependent-on-corruption-to-sustain-itself/>

Our world financial dominance and military diplomacy is being rejected by the greater populated world with the BRICS alliance. Our country represents 4% of the worlds population but has acted as if it's the lone designated representative of righteous ethical attainment. All the while our cost of living skyrockets, our crime rate soars, our populations longevity shrinks, private debt highest ever and poverty increases.

Like the blues number, Before you accuse me, take a look at yourself.

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Wed, 27 Sep 2023 19:35:44 GMT

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The new world order emerging from the BRICS coalition and China's Belt & Road initiative is a sign of America's and Europe's waning influence. The BRICS alliance has added 6 more members to it's charter and the list is growing. China's Belt & Road alliance is building infrastructure there and more in underdeveloped countries in it's need for raw materials and trade opportunities. It's doing so by not indebting these countries like US controlled World Bank & IMF fund has. It is the strategic purpose for China that our country and certainly now Europe can't match. As Europe now because of Ukraine's war are paying way more for LNG and oil from the US and other countries besides Russia now. Hurting their economies. Though Europe's trick is to buy some from India who is supplied by Russia.

However, Europe's economy and especially Germany is tanking as a result of this. Their currency's are the Euro, which means no currency sovereignty for any of the Euro Zone members. They can't do MMT like the US can. We can do it, but we cripple ourselves instead by holding the government hostage for our foolish and petty political brinkmanship. Such is neoliberalism.

This coalition and initiative going on is in principally Asia, Africa and South America is a direct

result of the US led G7 countries decades of indebting and colonizing countries for their natural resources and cheap labor. And from the US sanctioning and trade dollarization that these countries want to get out from under. It's coming back to bite us in the posterior. Our country is doing everything it can to try and thwart this from happening. It's likely we will fail. And I have no sympathy for us. We have not acted in good faith or with virtue with the poor countries. And even with our allies, as Germany is finding out. Henry Kissinger once said, "To be an enemy of the US is dangerous. To be a friend is fatal".

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sat, 30 Sep 2023 16:01:18 GMT
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This is something to ponder with a clear mind not closed by pessimism. It's from the Ministry of Foreign Affairs of the People's Republic of China. A dialogue of proposals for the world. And particularly this country. The USA.

I think its inspirational.

https://www.fmprc.gov.cn/eng/zxxx_662805/202309/t20230926_11150122.html

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Sun, 15 Oct 2023 14:15:44 GMT
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Geopolitical poker. That's the game played by the IMF and World Bank. The US arm of the Pentagon. A gauntlet is being thrown down in geopolitical statecraft with China and the BRICS association in the IMF/World Bank quota percentage. The US holds veto power over every other nation to block resolutions not favoring the IMF/World Bank conditions for making loans to countries. With the advent of the BRICS alliance making inroads with financing nations obtaining loans for their needs to create infrastructure and trade opportunity.

Here is a breakdown from Michael Hudson of what this "offer" from the US amounts to. In effect, a poker throw down from the house to the players to abide to the houses loaded deck. Hudson ends with a proposition the Chinese might just take. To further up the ante the US offers.

BRICS and the Belt Road Initiative is a thorn in the US side of making the rules, and breaking them when it suits our needs.

<https://michael-hudson.com/2023/10/twice-as-important/>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 23 Oct 2023 14:04:11 GMT

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I (finally) found this video I saw on youtube in terms of Chinese and Russia's economic and geopolitical agenda's. Here's a formal Chinese state media interview with old Vladimir. The Putinator. By the Chinese media group. It's a discussion question and answer highlighting the relationship between Putin and Xi of China over the years. For me, the pragmatism of what is shaping the Belt & Road initiative and the BRICS alliance between Russia and China is what constitutes a mutually beneficial relationship of two countries employing cooperation and concession for each party. Something Putin highlights over their long history in the video. Something our world needs more of to overcome the looming obstacles of climate change and general peaceful platitudes.

There is also, towards the latter part of the interview, Putin's take on our country's geo-political stance and actions from diplomacy over the years. The points he makes are very similar to what the few in our own country speak of that run contrary to the official narrative. For the record, Putin has stated that Russia's interests lay with Asia and the Southern tier of BRICS aligning countries. Europe is not part of this shift. The narrative of Russia wanting to expand the old Soviet vassal states bordering it is a fallacy that conveniently ties into the current hostilities in Ukraine.

This video of course can be dismissed as propaganda coming from Chinese state media. Its totally cast as mutual admiration. Then again, so is much of western media and official government media in this country. It all comes down to action speaks louder than words. And the agenda underlying a country's interests. You haven't witnessed China involved in the art of war over the last too many decades as has the US.

China, Russia and the other BRICS countries are forming a brand new alliance that runs counter to what our country has come to expect of the whole wide world over the years since the end of WWII. It's a tectonic shift away from our unipolarity and dollar-Pentagon diplomacy. Really a fascinating ongoing piece of work.

<https://www.youtube.com/watch?v=fHDWgUuyyQw>

Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Mon, 23 Oct 2023 14:50:45 GMT

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Back in 2008, Salon.com wrote this article about "novi russki" in London. They are whom many call "Russian oligarks" today.

New Tsars

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Mon, 23 Oct 2023 16:43:08 GMT

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The Russian oligarchs generally get the crude and vulgar treatment compared to our brand of obscenely rich, (oligarchs). It must of been like the wild west in the beginning days of sorting out a market economy from a diametrically different one not long past. A lot of graft and corruption. Come to think of it. We've had our share of it too. 2008 was a doozy. The bankers got off Scott free. Thanks Obama.

Rootin Tootin Vladimir Putin as I've called him has been around in high capacity leadership since 1999. He may be no angel. He may have done questionable things. But I have come to view him as a very shrewd and intelligent person. This piece from the blog, Moon of Alabama I follow shows his keen observation years before what is coming to pass now.

<https://www.moonofalabama.org/2023/10/the-penny-drops-the-world-is-multi-polar.html#more>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 26 Oct 2023 14:14:31 GMT

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Good old Bill. Bill Mitchell, the principal author of macro economics Modern Monetary Theory text book. The study of how a sovereign government actually has the capacity to operate from. The real world. Not an idealized concept that neoliberalism contrived to maximize profits and entitlements to a small class of people in society.

Here's Bill in a video with him explaining his study of the social aspects of capital as it has played out principally since WWII till today. And what his doctrine of thinking of how society and government can be utilized differently than the paradox of what capitalism in the neoliberal era has achieved. That is, instead of the economy taking the primary lead in society, with government as it's enabler and society and our biosphere, (planet) in the maximization of profit. To reversing priorities with society and our planet at the forefront in concert with government and the economy being means to serve the common good.

The planet and it's biosphere has no say other than it's reaction to our affects on it. The economy is not bound towards it's stability unless profit could be gained from such activity. Traditionally our society has had little to say in how the effects of capital has had on the common good of most of the inhabitants of this planet. And government is the only arbiter of determining what the priorities should be. With capitalism's track record as it stands now, particularly under the guise of neoliberalism. Society, our planet and our economy needs an overhaul.

<https://www.youtube.com/watch?v=6ppYKJt5sKQ&t=6s>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 11 Nov 2023 13:41:21 GMT

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Very interesting accounting of the relationship between the US and Israel. Centered on the US geopolitical imperial interests historically. The Middle East is crucial for oil and container ship

transport through the Suez canal. President Biden famously said as a senator in the 80's that if Israel didn't exist, we'd have to create one. In military terms, Israel is considered our land based aircraft carrier. A military staging area for potential war. Ostensibly, Iran.

Our long history of geopolitical meddling and subterfuge. Now being challenged by the BRICS coalition. The fight to control energy via American Imperialism.

Ben Norton & Michael Hudson:

<https://www.youtube.com/watch?v=9AeAfFTqMk>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Thu, 23 Nov 2023 16:34:06 GMT

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Learn what finance capitalism is and what it has done to our country. Capitalism is portrayed as a one size fits all. Socialism is downplayed and portrayed as a slippery slope towards totalitarianism. Our country had during the latter part of the 19th till the post war 20th century, a mixed industrial capitalism economy. Which was promoted with the need for socialism to augment the cost of labor to make our trade competitive.

Since the late 1970's our economy has evolved into a financialized economy. Downplaying government's role in the economy. Allowing for the notion of markets being the arbiter of guiding the economy. The principal market being the financial markets. Having outsourced industry to geoglobal center's with cheap labor.

This is a fascinating tag team of two progressive economists, Steven Keen & Michael Hudson explaining how this transition from industrial to financial economy. And what it's wrought.

<https://www.youtube.com/watch?v=1q8wgMQjDFI>

Subject: Re: Modern Monetary Theory

Posted by [Rusty](#) on Sat, 27 Jan 2024 14:52:24 GMT

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Most Americans have no clue to what influence big banking has on their lives. It's the murky world of finance. Like medieval sorcerers working magic with money. It's more though a slight of hand with fraud of the public trust and bribe of the legislative process. Wall Street on Parade is one of a few journalistic sources that expose the true goings on in big finance.

The fact that private banking being a part of governmental policy making in the Federal Reserve accounts for the perpetuation of public scandal always managed to be swept under the rug.

Two legislative events have helped cause this. Repeal of the Glass Steagall Act in the Clinton

administration allowed for banking and wall st. to use access of pension funds and other public investments to speculate with to their advantage. And bailouts of financial institutions when their bets go wrong.

The other legislative incentive was the Citizens United during the Bush administration and finalized by the Supreme Court. Has allowed private interest big money into political campaign funding. And the revolving door from government service to the lobbying sector. The grease to the palm in legislation.

Wall Street on Parade has a nice article to a new book exposing the Banking cartel. Busting the Bankers Club. Good luck with that.

<https://wallstreetonparade.com/2024/01/naming-names-professor-exposes-the-banking-cartel-that-has-hijacked-u-s-democracy/>

Subject: Re: Modern Monetary Theory
Posted by [Rusty](#) on Mon, 12 Feb 2024 01:34:19 GMT
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The biggest impediment to our economic turmoil is banking. Private banking unleashed in the 1990's Clinton administration from the Glass Stiegel Act of the 1930's after the stock market crash of the 20's. The last barrier to keep private banking from unchecked speculative behavior. Resulting in total control fraud in 2008 in the housing collapse. This discussion in transcript to the video gives clues for what would be needed to realign our economy towards becoming a REAL economy again. From the fictitious financialized debt laden one we have now.

<https://www.nakedcapitalism.com/2024/02/economic-solutions-how-to-go-from-financialized-neoliberalism-to-a-productive-sustainable-economy.html>
