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## FROM OUR AUDIENCE

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### “MODERN MONETARY THEORY” – AND AN OVERDUE DEBATE (?) ON TAP FOR THE 2020 ELECTION SEASON?

*Chris, I TRULY appreciated your outlining thoughts on the Green New Deal, monetary issues and especially the cultural/religious foundation of how we should be looking at money recently (NOTE: on the KE Report, at <http://www.kereport.com/2019/02/09/hour-2-politics-3/>.) As someone else who's a student of monetary history as you clearly are, I'm heartened, but wonder just how effective the "opposition" to the established order will prove to be. Or are the proposals of "AOC" and everyone else going to be just the latest wheel-spinning that leads nowhere, and leaves the Fed/global money masters in charge, as always? Thoughts?*



As you know from following me for so long, I have as often as not gravitated to political “liberals” when it comes to economic issues. Many, like New York’s newest political media star Rep. Alexandria Ocasio-Cortez (D-NY)—speaking at left with, among others, Sen. Ed Markey (D-MA) who’s at far right in the nearby photo—are now jumping on monetary and related issues anew. One manifestation is the well-intentioned but *horribly* unrealistic Green New Deal proposals.

We’re seeing dusted-off “soak the rich” calls; everything from higher marginal tax rates on “the wealthy” to the so-called Tobin Tax, which would add a tax to many financial transactions in the global markets, where trillions of dollars change hands daily.

And then, of course, we have the renewed discussion (and a VERY disingenuous one at that from some quarters) that animates ME the most: of what some as a catch-all phrase call **Modern Monetary Theory**. The definition of exactly *what* is being spoken of has been quite fungible—and is in the eye of the

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beholder—especially as it comes from people who have no real idea of what it is they are talking about in most cases. The entire often inane and off-point discussion reminds me of what the late President John Adams said once upon a time:

*“All the perplexities, confusion and distress in America arise, not from defects in the Constitution or confederation, not from want of honor or virtue, so much as from downright ignorance of the nature of coin, credit and circulation.”*

The common denominator of everyone who is weighing in on this “debate”—and there is NO more important issue that we should be discussing *nationally*, given that every other evil in America pretty much has its foundation in the money/banking system—is that **NOBODY in it is threatening the Federal Reserve itself**. President Trump is holding forth even more as I write this over his view that the Fed should be cutting rates and printing even more money. He is doubling down on the hypocritical long-time G.O.P. mantra of borrow and spend; superior, it’s believed, to the “socialist” Democrats with their tax and spend priorities. *The self-proclaimed King of Debt is thus presiding over a renewed explosion in the federal deficit, in case you missed the news.*



**Tragically, the Democrat Party’s lead activists are doing nothing to effectively fill this yawning void of vision—and understanding of history—as they alternately channel F.D.R. and Karl Marx.** At last week’s *nauseating* grilling of banking chieftains presided over at a House Banking Committee hearing by Chair, Rep. Maxine Waters (D-CA)—one who makes Prissy from *Gone With the Wind* sound like a Rhodes scholar—NOTHING of any real substance was discussed. As always, race-baiting, identity politics and the usual Marxist class warfare were the key topics; as if one would fix what’s wrong with La Cosa Nostra if only those xenophobic Italians would let a few Germans and Irishmen take part in the activities.

One of the more interesting things about the ramped-up wrangling over *legitimate* concerns over many of these monetary/economic issues—despite the near-impotence of the politicians to even understand the root causes of said problems, let alone offer viable, realistic solutions—is that **the central bank itself has nevertheless been sucked into the increasingly polarized political debate**. I’ve commented recently on the podcasts of the unprecedented move by Fed Chairman Jerome Powell to talk to the hoi polloi’s concerns via his recent *60 Minutes* interview. Now, we have the added subterfuge of the so-called “Fed Listens” sessions that recently kicked off in Dallas. Ostensibly, they will bring the central banking wizards closer to the people...show that the Fed understands society’s needs...blah, blah (see <https://www.keranews.org/post/federal-reserve-kicks-nationwide-listening-sessions-south-dallas.>)

Of course, *nowhere* in this debate is the most critical issue: **the Fed itself as an institution, and whether it should exist**. Nobody in what I fear is just another scripted debate has raised such a thing. The AOC’s, Bernie Sanders and the rest are all pushing policies that would cost a LOT of money; yet they *could* be paid for with a reordering of the money system to, for example, one based on *social credit*. Not a one of them dares—or, just as tragic, even has the understanding—to call for *the abolition of the Fed itself*.



**When either AOC or The Orange Wonder starts talking about THIS, it will be “game on!” But don’t hold your breath.**

The Orange Wonder is proud of his portrait of “Old Hickory,” in the White House. Yet I daresay Trump would only return a blank look if you asked him to articulate Andy Jackson’s position on central banking. The United States of America in all its history has never had a president as opposed to “the money power” and central banking as was Jackson. But I’m not holding my breath waiting for Trump either to call for *interest-free* issuance of currency *outside of the Fed system*.

With *nobody* daring to suggest something last tried back in 1963 by President Kennedy—and we all remember how that ended—the **Fed has stepped into the void with its own disingenuous definition of Modern Monetary Theory**, in order to discredit anything that would challenge its control and the status quo. Recent condescending and deliberately diversionary comments by both Powell and his immediate predecessor, Janet Yellen, seek to define all these calls for, effectively, massive monetary stimulus as necessarily rooted in *the existing system*. And if that’s the case, it won’t work.

Maybe one of these days we’ll get the equivalent of “The emperor has no clothes” moment, and a debate will begin over *the government’s* right to issue currency on an interest-free basis. Unlike the diversions articulated by the system’s spokespeople, **there is NO need for money to be borrowed from a banking system at interest when it can be freely issued by government**. All else being equal, people understood years ago that “money” does not *have* to begin with private/commercial banks, or via their alchemy of creating it out of thin air via fractional reserve banking. It continues to disappoint me today that so many who should know better have no qualms with the Federal Reserve’s monetary inflation and the DEBT associated with it, but automatically reject interest-free social credit or nationally-created currency as something far worse.

**My concern—in answer to your ending question—is that the present debate seems almost pre-ordained to go down in flames.** The AOC’s, et al are unlikely to carry the day since—UNLESS they do attack the Federal Reserve system itself and advocate some form of *national* currency/social credit—their pie-in-the-sky proposals are unworkable *on this basis alone*.

I will continue to discuss this, as the debate over the very nature of our monetary system, as well as many *problems* that “the left” *correctly* identifies, animates me more than most anything else



politically. For now, in case you hadn’t seen it yet, I’ll also offer a recent video discussion my assistant Abby and I had over AOC, the Green New Deal and the rest: <https://www.youtube.com/watch?v=MC8ybbM52sY&t=15s> will get you there.

And these topics will *especially* be featured increasingly on my NEWEST web site! -- <https://www.economiclifeboat.org/> It is a work in progress, but you’ll see a

couple “intro” videos likewise already on the home page of what is still pretty much a “skeleton” of a web site. I hope to finally, *officially* kick off the site by the beginning of Summer...stay tuned!

*The above is excerpted from the April 15, 2019 Issue.*

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