**“Glen’s Parallax Perspectives”** is a series of TV programs that offer fresh ways for people to see issues such as foreign policy, social and economic justice, governmental functioning, and so forth. We provide voices and viewpoints that are rarely heard in mainstream media.

Mainstream media, politicians, and culture see the world in conventional ways. The Establishment is stuck in how they see the world. In order to solve problems, we need to see things differently. Glen Anderson created this TV series to help people see things differently so we can solve problems at all levels from the local to the global.

This series title refers to “Parallax Perspectives.” ***Parallax*** is the view you get by looking from different perspectives. For example, put one finger in front of your nose and another finger farther away. Close one eye. Then open that eye and close the other. Your fingers will seem to move. This is called a “parallax” view. This TV series invites you to look at issues from fresh perspectives.

Each program airs three times a week (currently every Monday at 1:30 pm, every Wednesday at 5:00 pm, and every Thursday at 9:00 pm) for the entire month on Thurston Community Television (TCTV), channel 22 for cable TV subscribers in Thurston County, Washington. You can see TCTV’s current schedule at [**www.tctv.net**](http://www.tctv.net). This is part of Thurston County Media,[**www.tcmedia.org**](http://www.tcmedia.org).

**You can also watch the program described below through your computer** at [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org). All episodes of “Glen’s Parallax Perspectives” are posted on that blog’s “TV Programs” part and also in one or more of the categories listed in the right side of the computer screen. Also, see much information about a variety of issues grouped by topic at my blog, [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org).

🡪 Please invite other people to watch this video at the “TV Programs” part of [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org) and/or read this thorough summary there.

🡪 See many excellent sources of information near the end of this document.

🡪 The end of this document lists some excellent sources of information.

**Here is this month’s program:**

**June 2018**

**“A Creative, Practical Way to Fund Jobs, Infrastructure, Climate Cures”**

by Glen Anderson, producer and host of the TV series “Glen’s Parallax Perspectives”

The June 2018 episode of “Glen’s Parallax Perspectives” examines a proposal for a **rapid** conversion to a green economy – and **rapid** progress to meeting other urgent needs – based on some fresh thinking about economics. This interview can open a lot of people’s eyes to recognize a bold and practical way to solve a variety of problems.

Conventional thinking says we can’t afford it, but the method we discussed during this interview – the Modern Monetary Theory approach – shows how it could actually be done **without** causing economic problems.

Our guest – Randy Mandell – has a long background working on climate, global economics, and today’s topic, the Modern Monetary Theory (MMT). Randy is active with organizations working on this, and he enjoys doing outreach to inform the general public.

**We started with a brief summary of the U.S.’s economic problems.**

We started our interview with Randy providing some context for our conversation. He summarized the economic problems the U.S. has been experiencing – the kinds of problems for which Modern Monetary Theory would be a great remedy. The economic remedy that we discussed is a great remedy for several problems that have been plaguing our nation for a number of years.

He said since the early 1970s the U.S. has been experiencing worsening economic inequality and a huge concentration of wealth. Modern Monetary Theory (MMT) would allow us to rapidly move to a full-employment economy that addresses education, health care and retirement. It would allow a rapid transition to a green economy to avert climate disaster. We could do all of this without borrowing money or increasing taxes.

This might sound too good to be true, but when we do truly fresh thinking, new possibilities occur that had not been available with the old thinking.

**The Trump/Republican tax cuts in December 2017 will make problems worse. Republicans will try to address their worsening deficit by cutting Social Security and other programs that help people.**

Our economy was already suffering before Trump and the Republicans cut taxes for the richest people and for big business. Now – in order to pay for those reckless tax cuts – they want to cut spending for Social Security and other things that ordinary people need.

Randy said we really have had the potential for Modern Money since 1971, when the U.S. went off the gold standard. (We discussed this a few minutes later.)

Randy explained that many of the terms they use are “loaded,” so if we think in their terms we will be in trouble. Modern Money provides a better way to approach the issues.

He said we need to rethink terms like “taxes” and “the deficit.” Most of the economics textbooks were written in the 1960s when the U.S. was still on the gold standard. They have been obsolete since 1971.

If we understand the current economics, we can recognize that rather than cut Social Security or any social programs, we can actually increase them.

**We should be guaranteeing jobs for everyone willing and able to work.**

During the Great Depression of the 1930s, President Franklin Roosevelt’s New Deal used a lot of federal spending to create jobs, stimulate the economy, and build a lot of publicly owned infrastructure. He also proposed a “Second Bill of Rights” that began with the right to a job.

In late April 2018 Bernie Sanders proposed important programs, including a guaranteed job program. He proposed that everyone who wants to work should be guaranteed a job at a living wage with good benefits. Instead of fighting over a smaller pie, we could increase the pie’s size so everyone can have a job and health care and a green economy.

When someone proposes a bold program such as this, people ask, “How would you pay for it?” Randy said Bernie did not get sucked into that trap. Bernie said people don’t ask that question when the U.S. government increases military spending or funds gigantic bank bailouts.

During Bernie Sanders’ 2016 presidential campaign, his top economic advisor was Stephanie Kelton, a Ph.D. economist who strongly supports Modern Monetary Theory.

People can read her articles and watch her videos about MMT by seeing the links at the end of this printed summary of our interview that you are reading now.

You can invite your friends to read and watch Stephanie Kelton’s information and insights by visiting [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org), clicking either the “Economics” part or the “TV Programs” part, clicking the title of this TV interview, **“A Creative, Practical Way to Fund Jobs, Infrastructure, Climate Cures,”** and clicking the link to read the document you are reading now, which summarizes what we said. Some of Stephanie Kelton’s great videos are listed at the end of this document. She makes a very compelling case for MMT.

**In1971 the U.S. went off the gold standard. This created the opportunity for Modern Monetary Theory (MMT), which is a smart, creative, practical way to pay for what we really need.**

Randy summarized the basic concept of Modern Monetary Theory at this point during the interview, and later we explored more aspects of MMT and how it would be very useful and practical.

Randy explained that before 1971 the U.S. was on the gold standard. This meant that the dollars the government printed were backed up by gold that the government owned, and the value of a dollar was based on the price of gold. Therefore, before 1971 the U.S. government could print only enough dollars in reference to the amount of gold on hand.

**Now, without being tied to gold, the U.S. government could print as much money as it wants, provided that we have the resources to use those dollars.**  Currently, he said, about 25% of our industrial capacity is not being used. Also, we have about 20 million unemployed or underemployed people. **Therefore, the government could print enough money to put those available but unused resources (people and industrial capacity) the increase in money supply would be balanced by the increase in goods and services, so no inflation would occur.**

In this way, MMT could rapidly put people to work and solve a variety of social and environmental problems, including helping the climate.

Our economy has a lot of slack (unemployed and underemployed persons, and unused industrial capacity), so it makes sense to put these to good use. MMT provides the method, since the U.S. is not on the gold standard, so we can create money without being limited by the amount of gold the government owns.

Randy explained that after going off the gold standard, our kind of money is called “fiat currency.” The government just creates money by its own authority. He said how we actually spend and how we tax are different from how people think we spend and tax. He explained the concepts.

He explained that the U.S. is different from a household, different from a business, and different from a state or local government. People who say our government “must live within its means” are wrong. The U.S. government is actually self-financing. The U.S. government alone issues currency. It has a monopoly on issuing currency. Everybody else uses the currency, but they obtain currency only after the U.S. government has first issued and spent it.

**The federal government issues and spends dollars without first having to acquire them. The government creates the money. Since 1971 it has not had to borrow or tax in order to finance federal spending.** People don’t know that. The U.S. government simply types dollars amounts on keyboards and places them in the accounts of where it has decided to spend it. The money is created from scratch (“*de novo*”).

If too much money is out there, the excess needs to be eliminated. This is the sole role of federal taxes. The taxes are collected and that money is deleted. Tax revenue is not re-spent. Taxes do not fund the federal government. Taxes are the way to prevent excess money from circulating and causing inflation. They are not the source of federal spending. People do not understand this.

This fiat currency situation creates great opportunities for the federal government to create and spend money to solve problems and meet needs.

Inflation is “too many dollars chasing too few goods.” Taxes are a way to clear away the excess dollars. If we were already at full employment, more government spending could cause inflation. But with so many people unemployed and underemployed – and with so much idle industrial resources – our economy could absorb much more spending without causing inflation. The increase in goods and services would balance out the increase in currency circulating, so no inflation would occur.

If we hire people to build and install solar panels or to build green, affordable housing, we are creating useful goods and services for our society. These benefits are important. Building good things are not inflationary because we are using resources that otherwise are idle and unused. If we invest too much in this, we can tax the excess money to prevent inflation.

**No, the U.S. is NOT like a household.**

Republicans and Democrats alike keep saying that the federal government is like a household and must “live within its means” and can’t spend more. Randy explained why that household analogy is not valid.

Households and businesses are constrained by the amounts of their income. State and local governments are required by law to balance their budgets. But the federal government is not required to balance its budget. Right-wing proposals to balance the federal budget would prevent the kinds of reforms we are discussing, and it would prevent the Keynesian economic stimulus that our national economy needs to get out of slumps. Furthermore, actually balancing the budget would really hurt our economy.

Randy explained that if a balanced federal budget were required, it would have to borrow or tax in order to finance spending. This would mean borrowing from banks and paying back with interest to the banks. When this would cause financial stress upon the federal government, this would lead to privatizing a number of governmental functions. This is really the purpose of the people demanding a balanced budget.

Although the balanced budget supporters say they don’t want debt to be “a burden on our children,” having to pay back to banks with interest really would be “a burden on our children.” We discussed this further a few minutes later.

**The economic reasoning behind Modern Monetary Theory is actually solid, so the word “Theory” is not needed.**

MMT is actually very solid, so – although the term has been “Modern Monetary Theory” – we could actually dispense with the term “theory.” The name had already been created before so many people recognized this as obviously valid.

The term “theory” does not mean tentativeness; it is a term that refers to a compilation of evidence. The theory of gravity and the theory of evolution are very well established.

**When the U.S. left the gold standard in 1971, MMT was exactly how the new system worked.** Randy said it should be called Modern Money **Description**.

**We could guarantee jobs for everyone willing and able to work.**

A few minutes ago we said that both President Franklin Roosevelt and presidential candidate Bernie Sanders proposed that every person should have a right to a job. Randy said that whenever the topic comes up people ask how to pay for it. Modern Monetary Theory does provide a clear answer. The federal government could simply increase the money supply to hire people to provide goods and services. With MMT there would be no need to borrow or to raise taxes. MMT is fresh thinking that takes away the constraint that people assume would interfere with creating jobs.

A bold job-creating program could use idle resources and hire people. Then after we have hired the unemployed and underemployed people and activated the resources that had been idle, the program could stop its growth. We have a long way to go before we would max out, and we could accomplish a lot of social good before then.

**We could use MMT to protect the climate, build infrastructure, and meet many more needs.**

Randy and I both have strong backgrounds in the climate movement, and we care about the environment and many other issues. The good news is that MMT can accomplish a lot for various areas of need. MMT could create jobs for insulation, alternative energy, and other climate needs. MMT could also build infrastructure and solve other problems too. Randy said the solutions would really be self-financing by creating the money to accomplish those social goods without having to borrow or raise taxes.

Student debt is a huge problem now. MMT could make college affordable, so no new debts would accrue.

Banks have made loans without a reasonable likelihood that they will be paid back. That is basically predatory, as were many mortgages that led to the crash of 2007-2008. Likewise, students have been trapped in loans that are not payable, and many of those debts were predatory too.

(A fact that we did not mention during the interview is that Betsy DeVos, Trump’s Secretary of the Department of Education, eliminated some protections for students who were victimized by predatory and fraudulent loans by unscrupulous lenders.) When a loan is unpayable, either the borrower must suffer or the loan should be wiped off the books.

Randy said in some ways the economic pie is shrinking and people are fighting over the various pieces of the economic pie. In contrast, the government could use MMT to give everyone an opportunity for a job, health care, education and so forth. This would allow our society to come back together as a more cohesive democracy. This would make it easier to approach issues like writing off unpayable debts.

Glen said that when unscrupulous banks and financial institutions committed frauds, pyramid schemes, and other problems that caused the crash of 2007-2008, those banks and financial institutions should have suffered the losses, because they had caused the problems. Instead the government gave trillions of dollars to bail them out and “externalized” the bailout costs to the population as a whole.

Randy said that when that crash occurred, MMT would have provided other remedies instead of the bailouts. MMT experts such as Michael Hudson [see the list of resources at the end of this document] suggested that if we bail out the banks they should have to write off unpayable loans that they wrongly issued.

**MMT would save money from “safety net” expenses.**

Gross injustices in our society and our economy have made it necessary to create big, expensive band-aids referred to as the “social safety net.” These include “welfare,” food stamps, subsidized low-income housing, unemployment compensation, and other programs. If we start using MMT to solve social and economic problems, this could relieve part of the need for anti-poverty programs, anti-hunger programs, and other “social safety net” programs.

Randy said it is very expensive and painful for our society to have so much unemployment and underemployment. Our society loses a lot from the diminished economic output. Economic stress provokes drug use, including the opioid epidemic, and mental health problems and domestic violence and crime and prisons and many other kinds of costs – both economic and human. A good jobs program could cost less than we are paying for these side effects from unemployment and underemployment. MMT could relieve much human misery.

Human misery is caused by other political abuses, such as the financial greed and cynical partisan politics that caused the people of Flint, Michigan, and other communities to suffer from horribly dangerous drinking water. It is just plain wrong to say “we didn’t have the money” to solve Flint’s water problems. That was never true. We spent trillions of dollars to bail out the banks. Flint had many unemployed people. The federal government could easily have provided money to protect the health of Flint’s people. Water contaminated with lead from dangerous lead pipes causes brain damage in children. It is cruel to have failed to solve the problem as soon as it was noticed.

Likewise in Puerto Rico the federal government could have immediately spent money to help the island recover from the hurricane.

**Besides Flint and Puerto Rico, let’s use MMT to solve many other problems.**

Randy said if we had fixed the problems in Flint and Puerto Rico immediately, people would ask, “What else could we do?” People would see that MMT could create solutions for many, many other problems. Some powerful vested interests don’t want the public to consider the great possibilities for change.

Glen said MMT’s radical re-thinking allows us to consider using the federal government’s huge potential for initiatives to solve a great many other problems. MMT could help us create a truly great society with economic justice, a healthy environment, and much more.

**We reinforced the point that MMT would NOT cause inflation.**

A few minutes ago Randy explained why MMT would not cause inflation. Glen said now that this is such an important point for the viewers to understand that he asked Randy to summarize the reasoning again.

We have unused capacity of productive resources (idle factories, etc.) and unemployed and underemployed people who want to work. Randy confirmed that inflation kicks in only after we have used up all of the idle resources.

He urged using MMT to employ all of the idle resources. Even if a bit of inflation occurs, we will be so much better off – with a green economy, more social and economic justice, etc. – that this would be worth it. A bit of inflation would be more than offset by everyone having health care, good education, good housing, a more sustainable climate, and so forth.

**“Trickle-down” economics does NOT work. MMT would stimulate the economy very well.**

Economic elites in both of the big political parties – especially Republicans – keep giving money and tax breaks to banks, big corporations and extremely rich people. They claim that prosperity will “trickle-down” onto the rest of us. However, over and over again, responsible economists have proven that “trickle-down” economics do not work.

MMT is altogether different from “trickle-down.” When rich people get tax breaks and other gifts, they tend to buy more stock, which drives up the stock prices, and they speculate in the gambling of our “casino economy.” Those are harmful to the economy.

But MMT is a better way to help the economy. In order for someone to open a business, that new business would need customers. So to help the economy we should put money in people’s pockets so they can spend it at new businesses. We can increase people’s purchasing power by providing money to poor and working class people. MMT’s jobs programs would pay livable wages, so people will have money to spend.

Also, the guaranteed job at a livable wage provides a buffer in case of an economic downturn, rather than have people suffer in a downward spiral into recession or depression. In turn, this helps businesses survive too.

Providing poor and working class people with reliable and sufficient earnings would strengthen the economy, in contrast to “trickle-down,” which does not. Instead of adding resources to the very top with the futile hope that it would “trickle down,” MMT actually raises the floor, meets everybody’s needs, and provides a more stable, prosperous economy. Randy emphasized that businesses need paying customers with cash in their pockets.

Randy said our current economy is designed to concentrate wealth. Tax breaks likewise are designed to concentrate wealth. Glen said both of the big political parties seek to concentrate wealth. One party brags about it, and the other party laments it but does it anyway. Bill Clinton was an extreme privatizer and deregulator. Barack Obama also promoted privatization and deregulation in several ways.

**MMT would NOT make the deficit worse.**

MMT’s proposal would not make the deficit worse because MMT is not borrowing. It would have the federal government print money, create jobs, and accomplish various kinds of values that serve the economy and the society overall. MMT bypasses the banks and the debt system. Instead it simply creates jobs, uses productive capacity that’s not being used now, and creates benefits for our society.

Randy explained that we need to understand what the deficit really is, instead of the misinformation that has been drilled into our heads. At the beginning, the government wants to create a military, build roads, and do other things that cost money. The government pays people dollars to do the work. The government requires people to pay taxes in those dollars, so that’s why people need dollars. The government created taxes as a way to retrieve dollars it has paid out to accomplish the work the government has decided to do. People cannot pay their taxes until the government has first spent the money that the government had created.

If the federal government balanced its budget – taxed at a 100% rate based on its spending – it would suck all of the money out of the economy and nobody would have money to spend to meet their needs. There would be no federal deficit, but there would be no money in circulation for any household or business.

In order to have money circulating throughout the economy, the federal government needs to spend money but tax only part of it back. The remainder circulates for people and businesses to spend to meet their needs.

Randy summarized, “The government deficit is the mirror image of the private sector surplus.” The money in circulation throughout our economy is the money that the government has spent over many years but has not been collected through taxes and deleted from existence.

The money in circulation is technically a debt, but it never needs to be paid back. As long as inflation is not occurring, this money just circulates. If you really wanted a balanced budget you’d have to take all of that money back into the government and starve the national economy.

**If the government spends more than it collects, the government has a deficit, but households and businesses have a surplus. These are mirror images of each other.**

When President Clinton ran a surplus, the private sector went into a deficit. This meant that the private sector had to borrow money from banks and that money had to be paid back to the banks with interest. This hurt the economy, but it was good for the banks.

The federal deficit is money that circulates interest-free. It’s what we spend in our daily lives. In order to have money to spend in our daily lives, we need the mirror image of the federal deficit.

A few decades ago there was not enough money in circulation, so we had very high interest rates (up to 15% and 18%), and that prevented people from buying things, building houses, etc., so this hurt the economy.

Randy expressed appreciation for what Michael Hudson (a writer about MMT whose writings I list at the end of this summary of our interview) had said. Michael Hudson said that governments create money and banks create debt. When government spends, it is technically a debt but it never needs to be paid back. As long as it is not inflationary, people use the (debt) money the government has circulated to spend for whatever we want to buy.

In contrast, banks create debts that must be paid back with interest. If the government does not provide enough money, the people have to turn to banks to borrow money they want. Therefore, if the government were to balance its budget instead of running a deficit, people would become more indebted to banks, and banks would suck more money out of the economy through interest. Instead of having more debt to banks, MMT proposes having more money from the government circulating without needing to be paid back.

The money in circulation is technically a debt, but paying off the deficit would remove all money from circulation.

**Therefore, the federal deficit is NOT “a burden on our children.”**

A few minutes before we briefly debunked the myth that the federal deficit is “a burden on our children.” Now Randy explained further why it is NOT “a burden on our children.”

Spending money now to create full employment and solve problems such as protecting the climate would actually be good for our kids. Failing to do that would seriously hurt our climate, crash our economy, and further polarize our society. All of those failures to spend would be a serious “debt” that would hurt our kids. We should use MMT to spend now – which would not create a debt that would need to be paid back – in order to provide a better future for our kids. Using MMT is a way to invest in a better future for our kids.

Actually, as we have explained, MMT is already how the government has been spending, but people don’t realize that. The government recently used MMT to add tens of billions of dollars to the military budget – and a decade ago they spent trillions of dollars to bail out the banks. They did not raise taxes or sell government bonds; they simply spent it using MMT. We need to recognize that we should use MMT boldly to serve the broad public good.

Randy said the government really does understand MMT because they made those huge expenditures without asking where the money would come from and without raising taxes to pay for them. They ask where the money would come from only when the government is considering Social Security or other good things.

Our Social Security taxes do not really pay for Social Security. He said the government imposes such taxes in order to create the illusion that social programs must be paid for by imposing taxes.

A few minutes before this, Randy had said that the government spends without having to borrow or tax. They spend to accomplish what it wants to do and to release money into the economy. Taxes are the way to remove excess money from the economy. Taxes are NOT re-spent.

**We debunked the myths about the “free market,” de-regulating, cutting taxes, and imposing “austerity” cuts upon social programs.**

Advocates of the so-called “free market” believe that markets always self-correct everything, so we do not need to regulate anything. Those “free-market” believers keep de-regulating, cutting taxes, and imposing “austerity” cuts upon people in need.

Randy distinguished those abuses from the common sense of going to an actual market and deciding between buying an apple or buying an orange. This is altogether different from macro level financial or governmental matters.

He said that the government’s decision to spend a huge amount on the military instead of spending for health care has thereby made a huge decision that affects our national economy. This is hardly a “market.” It is money and politics. When the government chooses to spend hundreds of billions of dollars on the military and lets the private sector manipulate our nation’s health care, that is a **political** choice not a “market” choice. Likewise in many other ways the federal budget allocates resources – very lavish spending – to help big business but fails to help ordinary people. Again, those are **political** decisions, not “market” decisions.

Glen mentioned the concept of “tax expenditures.” When a federal, state or local legislative body appropriates money to spend for some purpose, it is called an “expenditure.” But if the same legislative body give a tax break or loophole to somebody, the net result is the same – a decrease in the governmental body’s money – but it is not recorded as such.

Some tax reformers have urged that governments recognize these as “tax expenditures,” track the dollar amounts, and analyze whether those have been good decisions years later. Although appropriations need to be renewed in every budget cycle, tax breaks and loopholes can persist forever without adequate review. This is another way in which political decisions bypass smart economics and avoid public accountability.

Both of us agreed that we should stop using the other side’s terminology without questioning it. We need to redefine things and reclaim honest, accurate terminology.

Glen gave the example of “national security,” which many people think means more militarism. Actually, our nation would be more “secure” if everybody had adequate food, housing, education, health care, a clean environment, etc. That’s what would truly make our nation “secure.” Don’t buy into the perverted terminology.

Let’s reclaim terminology for smarter public policy about economics and everything else.

**What is the popular image of a “taxpayer”?**

Relevant to our interview topic is the concept of “taxpayer.” We need to rethink this terminology too.

Randy pointed out that people’s taxes do **not** really fund governmental spending. This misconception causes people to think we need rich people (“taxpayers”) to fund governmental programs.

Actually, as we have said, the government spends first, and then collects taxes to remove excess money from the economy. Therefore, the government is **not** spending taxpayers’ money. Rather, it spends **the people’s** money. The government makes **political** decisions about what to spend it on (*e.g*., to spend it on the military instead of on health care). It really is the people’s money, so it should be spent for purposes that serve people.

He read a quotation from something Raul Carrillo had written that debunks the common image of who a “taxpayer” is. Raul Carrillo wrote:

“… by using the ‘taxpayer money’ frame, they were spreading, however unwittingly, a racist, sexist, classist myth. One quick exercise shows why. Picture a ‘taxpayer.’ What does on look like? A homeless Black trans teen? An immigrant day laborer waiting on the corner? A young mom trying to cobble together enough income to feed her family. Unlikely.

“There is more than enough housing for the homeless, food for the hungry, and medicine for the sick. There is enough low carbon-emission technology to transform our energy system, quit exacerbating the climate crisis, and hire unemployed people all in one fell swoop. And there is more than enough public money to manage it all.”

We debunked the notion that a “taxpayer” is only a rich white person. The federal government issues “the people’s money.”

Randy explained that instead of different issue constituencies fighting each other for small parts of a finite-sized federal fiscal pie, we should all come together and demand that the government use MMT to efficiently use “the people’s money” to fund all of what our nation needs.

**The public is deeply concerned about widening economic inequality and concentrated wealth.**

Glen said that people are deeply concerned about the widening gap between extremely rich people and everybody else. Wealth inequality is extremely dangerous for the health of people, the health of our society, and the health of democracy itself. He asked Randy to explain how MMT could help to solve this problem of economic inequality.

Randy said that people want to tax the rich in order to reduce economic inequality. However, as he had said before, the money the federal government receives from taxes is simply deleted for the money in circulation, so taxing the rich would not pay for the positive programs we want to accomplish.

He said a better remedy would be to use MMT to create full employment, fund education, health care, and other positive goals. In this way MMT would elevate the floor so we would bring poor and working class people upward. This would reduce inequality and stopping the bleeding and suffering. It would fund the things our society really needs. Therefore, MMT is a better, more practical, more effective remedy than merely taxing the rich.

Randy also said that a “tax-the-rich” strategy pits people against each other. Glen said that this is the kind of resentment that Trump drew upon to generate support for his 2016 election campaign. White voters had been feeling the economic squeeze since the 1970s, so Trump exploited that and redirected their anger against poor people and people of color, blaming them for white people’s economic suffering. Trump tricked white voters who had been economically squeezed into voting for him as a way to vent against the polarization that he had been fomenting. Glen affirmed that Randy’s strategy to lift the floor would be a better way to achieve economic justice than merely pitting people against each other.

Randy said that raising the floor and creating full employment to meet public needs (education, health care, environmental protection, etc.) would create a situation in which people are really helping each other throughout our economy. This would build a unified nation and would build confidence that the government really can meet people’s needs and serve the broad public interest. Although some powerful people would rather keep us divided, polarized and angry, using MMT to help our economy and our democracy would be tremendously good.

**Fund things that help everybody, protect the climate, retire student debt, etc.**

Liberals and progressives want to fund things that help everybody. They want to create good jobs, build infrastructure, provide good health care and housing, retire student debt, protect the climate, and so forth. Typically liberals and progressives want to accomplish these goals by taxing rich people so we can fund new programs. A moment ago Randy explained why MMT is a much better strategy for accomplishing these goals.

Now he said that when people propose universal health care or free college, the Republicans say we can’t afford those, and the corporate Democrats say let’s ask Mitch McConnell and Paul Ryan to raise taxes. Congress’s leaders keep saying no, so the corporate Democrats say, “Keep voting for us and eventually we’ll get there.”

He said it is easy to distinguish a true populist from a corporate person. While the corporate politicians keep saying, “Let’s ask for a tax increase,” the truly progressive person says, “We can simply just do it!”

Glen agreed that the approach liberals keep taking is a dead end, and everybody knows that. MMT is the creative remedy that we could use to break out of the trap. Conventional terminology and “conventional wisdom” trap us in the old, worn-out thinking. MMT is the fresh approach that can break us free.

**Why don’t politicians, mainstream media, political progressives, etc., discuss MMT?**

Glen asked Randy why MMT is not being talked about more. Why don’t political progressives, mainstream media or politicians mention MMT? Randy said that MMT actually is starting to “take off.” It is being talked about increasingly. We’re talking about it for a full hour now, and some other great videos explain it for an hour or even two hours.

Randy said Stephanie Kelton, a Ph.D. economist was Bernie Sanders’ top economic advisor for his 2016 presidential campaign, and she strongly supports MMT. If either of them mentioned a bold economic proposal even briefly, then Fox News or mainstream media would “spin” it badly.

The general public really needs to understand MMT before politicians will be able to seriously speak about it. People have to understand the terminology and the concepts.

This is a current obstacle, but it is “do-able.” We have to build on the growing movement. A lot of vested interests do not want MMT because they profit from the status quo.

We are in a non-inflationary time, so we should be asking why are working class people forced to pay taxes. When poor and working class people pay taxes, they end up with less spendable income, so they end up more poor. Spendable income declines, so people live paycheck-to-paycheck. They end up having to get “payday loans.” Going to full employment would eliminate a lot of these problems. In Ohio there are more “payday loans” offices than McDonald’s fast-food outlets. A lot of vested interests would not want MMT to solve the problems.

**How could we build public understanding of MMT? How could we attract many allies?**

Glen said that in order to accomplish any good public goal, we need to build a big, diverse, grassroots movement. He asked Randy how we could help the public understand MMT – in addition to encouraging people to watch this interview and see the many other good videos and writings about MMT. (See the list of many excellent resources at the end of this document.)

How could we attract many allies to work for MMT? Randy said more and more people are writing and speaking about MMT and reaching out in a variety of ways. We need to make more progress among people working to protect the climate and people in the labor movement. He said young people in the “millennial” age group become enthusiastic when they hear about it. Likewise, among other communities that are not doing well nowadays, once they hear about MMT and get beyond the status quo’s terminology, MMT is going to take off. Conventional misunderstandings of these economic concepts and terminology are an obstacle, but once we clarify those we can get beyond them, and then MMT is going to take off.

Glen agreed. It’s not a simple slogan like “build the wall” that serves a simplistic sound bite. TV and radio news can easily handle a simple slogan as a sound bite, but something like MMT that requires some explanation is perceived as more complex and therefore not as “newsworthy” as a simplistic slogan.

When we were on the phone preparing for this interview, Randy told Glen that he has conducted a lot of speaking engagements about MMT and can see when people’s eyes show their “mental wheels start turning” and they really “get it.” Randy said that people get depressed when they hear about the climate crisis or global “free market” schemes such as the Trans-Pacific Partnership (TPP).

He said that early in the speaking engagements it’s necessary to explain that our taxes do not fund federal spending, and people are hurt by that because they know taxes are expensive and they work so hard to earn the money to pay those taxes, so they are disappointed that they money did not go where they expected it to go. But he said that after people get through that clarification about taxes, it is possible to proceed with **an eye-opener such as this story:**

Randy said that a few years ago California suffered many serious wildfires but could not afford to hire enough people to fight those fires, so the state used its prisoners to fight wildfires and paid them virtually nothing. After the fires had been suppressed at the end of the summer and some of those prisoners became eligible for early release, the State of California refused to release them and kept them in prison so they would be available to fight the next summer’s fires for practically no wages.

Instead of that, the federal government could have used MMT to simply give California a grant to hire firefighters at a living wage with benefits. This would have allowed the State to release the prisoners for their eligible release dates and save taxpayers a lot of money from paying for unnecessary incarceration.

MMT could have funded the firefighting labor costs. This would have created actual jobs at a living wage so the people released from prison would have had money in their pockets, which would have allowed them to spend to help the economies of their various parts of California. In this way MMT would have reduced poverty.

Randy said that when he tells this story, people really “get it” and get excited about see how MMT could be the practical solution for many problems.

**How could we begin to use MMT?**

People keep saying we need to “think globally and act locally.” Local and state governments are required to balance their budgets, but the national economic system would allow MMT, so MMT would require national action. Glen asked Randy how we might proceed locally in addition to spreading the word among the general public and various issue-based constituencies.

Randy said we could organize locally at the city, county, and state legislative district levels. These local elected officials need to tell their members of Congress to use MMT to solve local problems.

He suggested developing state-level jobs programs. Identify the costs of those state-level jobs programs. Also identify the amounts of the costs that these jobs programs would save (by reducing costs for unemployment compensation, food stamps, Medicaid, the criminal justice system, etc.). Beyond these cost savings, also identify the value of what these newly hired people could accomplish, such as building houses for homeless people and many other useful things that help society. Very likely you’ll find that the jobs programs would break even financially. But in case they would need a little money invested in them, public banks (owned by state or local governments) could finance them.

Randy said he participated in an international gathering of MMT advocates. They discovered that hiring people at the local level to clean up pollution could actually save enough money by reducing health costs to pay for the cost of hiring people to clean up the pollution.

Randy said that using MMT to create jobs can reduce costs for health care, drug abuse, domestic violence, etc., etc., etc. Although the human benefits are the most important, we can promote MMT by showing that it will save money, especially in the long run. It’s better to fund after-school programs than to have those kids end up in jail.

Glen mentioned that rigorous economic research conducted by a small state agency, the Washington State Institute for Public Policy ([**www.wsipp.wa.gov**](http://www.wsipp.wa.gov)) and by other entities has been proving that the criminal justice system that exists now is horribly ineffective and wasteful. Quite a wide variety of preventive programs (pre-natal care and home visits for at-risk teen mothers, etc., etc.) save money instead of wasting money later when at-risk young people get into the criminal justice system. Randy’s logic about using MMT to solve social programs makes a huge amount of practical sense.

Likewise, hiring people to convert to a green economy would produce savings. The savings would not be huge at first, but over time the savings would become astronomical.

If people started doing this in several states, people in other states would see that MMT is a workable solution, so MMT would spread from the small starting level to greater nationwide successes.

An obstacle is that some vested interests (payday lending companies, private prisons, etc.) profit from the dysfunctional current realities, and these vested interests are politically powerful.

**How could our viewers help promote MMT?**

Probably some of the people watching this interview would like to help promote Modern Monetary Theory. Let’s study up on it locally in the Olympia community or elsewhere wherever you might live. Randy expressed appreciation for Olympia’s Pat Holm, who wants to organize around this. Anyone reading this who wants to connect may contact me. (See end of this document.)

**I wrote a one-page summary of MMT based on a speaking engagement Randy Mandell conducted in Seattle. The summary is at the very end of this document. You might want to copy and paste it to share it with friends.**

**Closing encouragement**

I thanked Randy Mandell for sharing his expertise with us, and I thanked the viewers for watching.

We closed with a good, brief summary and encouragement printed in a progressive economic magazine called ***Dollars & Sense***. Their March-April 2018 issue features a great article on pages 7-14. Their introduction to the topic is a good way to summarize the interview we’ve been conducting during this past hour. The magazine say MMT offers:

“an alternative understanding of finance and monetary policy that could point to a way out of neoliberal economic policies that have led to … regional disparities and to widening inequality.

“Modern monetary theory (MMT) addresses the connection between lending (and debt) and money, and undermines the standard views of taxes and deficits that justify austerity policies.

“MMT points to a way to stimulate the economy by providing the finance and credit people need to buy products, and that businesses need to be able to sell their products, and in that way moving economic policies beyond austerity and deficit fear-mongering.

“The MMT approach could finance government policies – including infrastructure spending, direct job-creation, national health care, and industrial policy – that would lead to full employment and greater equality.”

I’m confident that the people watching this interview support these goals. I hope you’ll consider MMT as a practical way to achieve them.

**Many excellent sources can inform us and help us move ahead.**

Since I started studying Modern Monetary Theory, I have discovered a great many excellent sources of information. Some have been suggested by Randy and some by other friends. Of course, once I tapped into some sources of information I found that they – in turn – recommend additional sources too. I have enjoyed studying up on MMT to prepare for this interview.

**I’m posting many information sources’ links below. Please invite your friends to see these sources. Ask them to visit my blog,** [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org)**. At the right side of the screen, click the link to either “Economics” or “TV Programs.” Click this program episode’s title, “A Creative, Practical Way to Fund Jobs, Infrastructure, Climate Cures.”**

Those parts of my blog offer the link for watching this interview, and they also offer the link to the document you are reading now. This is a thorough summary of what we said during this interview. **See below for a great list of information sources.**

These resources include videos, some of which feature Randy Mandell, whom I interviewed here. The resource list also includes articles, books and organizations supporting Modern Monetary Theory.

Also you can search the web for Stephanie Kelton, Michael Hudson, and some other experts mentioned in the resource lists below, because they have written and spoken widely about MMT.

Randy Mandell’s videos:

Randy Mandell laid out a strong case for MMT in the first 18 minutes of the video at the link below. He further explained for another 22 minutes, followed by Q&A and discussion.  He spoke in the fall of 2016 in Seattle. You can watch it at [**www.youtube.com/watch?v=7ccvE2be0d8**](http://www.youtube.com/watch?v=7ccvE2be0d8)

Randy Mandell and Harrison Karlewicz led a breakout group at an Indivisible North Seattle meeting on Sunday, June 4, 2017. Watch [**https://www.youtube.com/watch?v=R7eoZA3wqpI**](https://www.youtube.com/watch?v=R7eoZA3wqpI)

Search the web for “Modern Money Revolution” to find more videos and resources.

Other great videos:

There are many YouTube videos on the subject.

Search the web for “Deficit Owls” to find more videos and resources.

Dr Stephanie Kelton (Bernie's chief economist during his 2016 presidential campaign) has a brief 30 min video about MMT: [**https://www.youtube.com/watch?v=Bnf53cnThHk&feature=youtu.be**](https://www.youtube.com/watch?v=Bnf53cnThHk&feature=youtu.be)

She explains MMT at this link: [**https://www.youtube.com/watch?v=TkDLagTs1eg**](https://www.youtube.com/watch?v=TkDLagTs1eg)

Stephanie Kelton is an expert on MMT. **Search for “Stephanie Kelton + MMT” to find writings, articles, etc.**

Examples: “The Angry Birds Approach to Understanding Deficits in the Modern Economy:

[**https://www.youtube.com/results?search\_query=stephanie+kelton+angry+birds**](https://www.youtube.com/results?search_query=stephanie+kelton+angry+birds)

Search for Stephanie Kelton’s name to see other items: [**https://www.youtube.com/**](https://www.youtube.com/)

Ann Pettifor spoke about “How Society Can Break The Despotic Power of Finance” at the 2014 Warwick Economics Summit. Watch a 30-minute video at[**https://www.youtube.com/watch?v=NzrvsOZTqKo**](https://www.youtube.com/watch?v=NzrvsOZTqKo)

Ann Pettifor’s 12-minute video from 2017 clearly explains “The Production of Money.” Watch [**https://www.youtube.com/watch?v=F4eGTY6RWeg**](https://www.youtube.com/watch?v=F4eGTY6RWeg)

For an easy way to get up to speed on what Modern Money can do, how it can be used to improve the lives of ordinary people, see this presentation: [**https://www.youtube.com/watch?v=jH0uXhpyGpo**](https://www.youtube.com/watch?v=jH0uXhpyGpo)

This 2-hour video by economics professor Dr Fadhel Kaboub is excellent. It explains how MMT can create a job guarantee program: [**https://www.facebook.com/RealProgressive/videos/1997267763935977/UzpfSTgwNzczNDE5MjcyMzE3MzoxMDE0ODE3NTM4NjgxNTAz/**](https://www.facebook.com/RealProgressive/videos/1997267763935977/UzpfSTgwNzczNDE5MjcyMzE3MzoxMDE0ODE3NTM4NjgxNTAz/)

Articles:

Near the end of our interview, Randy Mandell mentioned a Facebook page for “Modern Money Revolution.” He said it provides links to a great many excellent resources. It is affiliated with the national level organization [**www.ModernMoneyNetwork.org**](http://www.ModernMoneyNetwork.org)

The May 22/29, 2017, issue of ***The Nation*** ([www.thenation.com](http://www.thenation.com)) has a thorough article on pages 12-15 about MMT.

This can help people understand MMT: [**https://modernmoneybasics.com/facts/**](https://modernmoneybasics.com/facts/)

A good introduction to MMT is at this link (Olympia’s Alan Nasser’s article at CounterPunch): [**http://www.alannasser.org/articles/howmodernmoneyworks.htm**](http://www.alannasser.org/articles/howmodernmoneyworks.htm)

Visit [**www.realprogressivesusa.com**](http://www.realprogressivesusa.com) and in in the upper right corner click the search icon and type MMT or visit directly[**http://www.realprogressivesusa.com/search?filter%5Bsearch%5D=news.posts&q=MMT**](http://www.realprogressivesusa.com/search?filter%5Bsearch%5D=news.posts&q=MMT)

Raul Carrillo wrote this excellent article on the social justice implications:
[**https://splinternews.com/the-dangerous-myth-of-taxpayer-money1819658902**](https://splinternews.com/the-dangerous-myth-of-taxpayer-money1819658902)

Good articles, talks, and other items are on this Facebook page: [**https://www.facebook.com/modernmoneyrevolution/**](https://www.facebook.com/modernmoneyrevolution/)

This article is good: [**https://www.thepeoplesnewsonline.co.uk/single-post/2018/03/29/modern-monetary-theory-holds-huge-possibilities-for-the-country/?doing\_wp\_cron=1522728930.7922070026397705078125**](https://www.thepeoplesnewsonline.co.uk/single-post/2018/03/29/modern-monetary-theory-holds-huge-possibilities-for-the-country/?doing_wp_cron=1522728930.7922070026397705078125)

A recent and important article at CounterPunch includes information about positive money: [**https://www.counterpunch.org/2018/01/22/behind-the-money-curtain-a-left-take-on-taxes-spending-and-modern-monetary-theory/**](https://www.counterpunch.org/2018/01/22/behind-the-money-curtain-a-left-take-on-taxes-spending-and-modern-monetary-theory/)

[**www.realprogressivesusa.com**](http://www.realprogressivesusa.com)provides interesting information on MMT and other issues.

For decades I have subscribed to a progressive economic magazine, ***Dollars & Sense***.  Visit their website [**www.dollarsandsense.org**](http://www.dollarsandsense.org)and read the MMT article on pages 7-14 of their March-April 2018 issue

Dennis Kucinich had tried to do this when in Congress. The National Employment Act.[**https://www.thenation.com/article/our-political-economy-is-designed-to-create-poverty-and-inequality**](https://www.thenation.com/article/our-political-economy-is-designed-to-create-poverty-and-inequality)

Trump's infrastructure proposals threaten local communities and promise to accelerate corporatization. But there is another way. Our allies at The Next System Project offer alternatives in their most recent policy brief, [**Rebuilding America's Infrastructure**](http://click.actionnetwork.org/mpss/c/4QA/ni0YAA/t.261/WZGv-OU8TQapjD-ET3V7dA/h1/O4cGXcqm-2FWyJZZlWNvBqnQ-2FB6f3C5yhC2SIIhSFjxv7i7951aX8rZQ3X76ySMkjkZWoWN1vERyG5c244LlfY0dmA6aEUM1MQTcaieTHn2FzdHwuOC8qA8uV-2FrTtox-2BY-2Bip33NHpETbrMSUUHkCqTqrHMTFN6iJKScSZRT8SQ7CVhfNOzwshXBAAZFUpybP-2BZYKWoFNB3kQpB-2FpbI33lJL2yOgJ0WpoLDi-2B988zjFKaDRm-2B0Acbjyunpk-2Fi7lM19wVvx67mXFdGDMA59Bm0pazwMSij1cZKIlNoB-2B9oiyKouo1XgvkCAYBSi6wVpCJfnKXwL-2FJBLI43ZuL31dW6XZRrEC3bQ0UZ83-2B3VUZ9WFonkS1klB3w2yzDdUMwnFLXm6)**. --** [**https://thenextsystem.org/rebuilding-americas-infrastructure?link\_id=1&can\_id=1d662460c0abb8939c5044c82927552b&source=email-drain-the-swamp-there-is-another-way&email\_referrer=drain-the-swamp-there-is-another-way\_\_\_190398&email\_subject=economic-democracy-not-privatization**](https://thenextsystem.org/rebuilding-americas-infrastructure?link_id=1&can_id=1d662460c0abb8939c5044c82927552b&source=email-drain-the-swamp-there-is-another-way&email_referrer=drain-the-swamp-there-is-another-way___190398&email_subject=economic-democracy-not-privatization) **See this summary:**

In this policy brief for The Next System Project, Democracy Collaborative Fellow Ellen Brown, founder of the Public Banking Institute, explores what's wrong with President Trump's approach to infrastructure. By focusing on private investment and public-private partnerships (PPPs) to come up with the capital to invest in repairing and upgrading our infrastructure, his plan will accelerate (partial) privatization of public assets and impose huge costs upon local residents, to be repaid through local taxes and extractive and regressive user fees like tolls.

Drawing on the historical precedents of both Lincoln's investments in railroad infrastructure and FDR's financing strategies for the New Deal, Brown shows how public strategies for investing in infrastructure make far more sense than what Trump is likely to put on the table. She estimates that an approach grounded in the use of public depository banks, either at the federal level or spread across a state-by-state network, could cut the $1.18 Trillion financing costs associated with a $1 Trillion investment in infrastructure in the Trump plan, once the returns demanded by private investors are factored in, to a mere $200 Billion. Not only would such public banks be able to lend money for infrastructure projects at a far lower rate, the interest earned on such loans would return to the public coffers.

Brown also identifies an even bolder approach that could bring the costs of investment in infrastructure down to zero. By embracing its power to create money for the public good using an innovative "qualitative easing" approach to inject new money into the real economy, the federal government could directly cover the costs of the pressing upgrades and repairs to our nation's roads, bridges, dams, water supplies, electrical grid, and transit lines without the need to borrow any money at all.

To read and share the brief highlighted above, click this link: [**http://www.thenextsystem.org/rebuilding-americas-infrastructure/**](http://click.actionnetwork.org/mpss/c/4QA/ni0YAA/t.261/WZGv-OU8TQapjD-ET3V7dA/h3/O4cGXcqm-2FWyJZZlWNvBqnQ-2FB6f3C5yhC2SIIhSFjxv7i7951aX8rZQ3X76ySMkjkZWoWN1vERyG5c244LlfY0QU01AMT4V-2FsyJITrdLEHEF9bmI8Wvaytpf69aMUZKE0ejniUwjONf3P9GwXzaRKtMxK4a60U3vHsn7Webt3FXqxo7rKos1hrrKggt22o8EBWMVbETKYqd3qPgbOT7wiL9l4J5E-2FemMGTGyL-2FR1PNhWD-2FRZXkB5BfpOKbGS-2BmB-2F9tSB-2Fn8zj35QZGQABHtqY30aSP36V3h1jX1EuB-2FfTqB-2BL9Vb3gailwh1YWeCE8-2BMYs4lqBeNE1vAMId7ZWxHvzKGi7jRIijz5Zmou-2FUsEKXdPpZFm11bFAe0JFDuG-2BhIp)

Books:

The book ***Understanding Modern Mone*y** by L. Randall Wray is a great source of info.

Michael Hudson's new book, ***J Is for Junk Economics***, is subtitled ***A Guide to Reality in an Age of Deception*.** He makes sense of a number of economic principles and myths that mainstream economists, business schools, media and politicians have distorted. He has written other books – including ***Killing the Host***, which is in the Timberland Regional Library. Michael Hudson has conducted many fascinating interviews. His website is [**www.michael-hudson.com**](http://www.michael-hudson.com)

Nomi Prins wrote a powerful new book,[***Collusion: How Central Bankers Rigged the World***](https://tomdispatch.us2.list-manage.com/track/click?u=6cb39ff0b1f670c349f828c73&id=1692791daa&e=35f504f39b), which brings fresh insights to the 2007-2008 global economic meltdown and the responses to it since then. She lambastes the crony capitalists and their corrupt economic abuses. Many progressives have praised it, including Jeremy Scahill, Ralph Nader, Greg Palast, and others. Her career had been insight the big financial establishment.

Organizations:

[**www.ModernMoneyNetwork.org**](http://www.ModernMoneyNetwork.org) is a national organization. Randy’s local group “Modern Money Revolution” is affiliated with it. See the Facebook page for this local group in addition to the national organization.

A new non-profit organization is promoting MMT.  The Binzagr Institute for Sustainable Prosperity ([**www.binzagr-institute.org**](http://www.binzagr-institute.org)) will popularize it so more people will understand it.

Some members of Seattle’s [**350.org**](http://350.org) and Climate Reality are trying to educate folks to these ideas.  It is a way to pay for massive efforts to protect the climate. It could happen quickly if people understood these concepts.

Other experts besides those listed above:

Some people in other nations support MMT, including Steve Keen from Australia.

We need public banks. Ellen Brown is an excellent resource on public banks, but I don’t know whether she has studied MMT. Search the web for “Ellen Brown + banks”

You can get information about a wide variety of issues related to peace, social justice and nonviolence through my blog, [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org)or by phoning me at
(360) 491-9093 or e-mailing me at **glenanderson@integra.net**

**We're all one human family, and we all share one planet.**

**We can create a better world, but we all have to work at it.**

**The world needs whatever you can do to help!**

**🡪 See a ONE-PAGE SUMMARY of MMT on the next page.**

**You might want to copy and send it to your friends.**

We Need Creative, Bold Economic Alternatives!

Here Is a Way to Rapidly Change to a Green Economy

by Glen Anderson

Randy Mandell, a Seattle activist with 350.org, Occupy, and other issues, is one of a growing number of people urging bold new ways to rapidly improve our national economy and finance public benefits, including conversion to a green economy. He explains the plan clearly in a video at [**www.youtube.com/watch?v=7ccvE2be0d8**](http://www.youtube.com/watch?v=7ccvE2be0d8)

The idea is called Modern Monetary Theory (MMT). (The term “Modern” pertains to our monetary system after the U.S. got off the gold standard in 1971.) The U.S. could use MMT to rapidly create full employment, living wage jobs, and green housing. MMT could transform our economy toward green renewable energy. MMT could work as rapidly and significantly as the way the U.S. ramped up military weapons production for World War II.

MMT is a fresh alternative to the conventional thinking taught in economics textbooks, which fools us into thinking we can’t afford to fund what our society really needs. MMT supporters are helping us see this alternative. Randy Mandell recommends books about MMT, including L. Randall Wray’s ***Understanding Modern Money***.

Nowadays most money is simply electronic numbers in computers, not currency or coins. Money is no longer backed by gold. Whenever a bank makes a loan, it simply creates new money out of thin air and requires the money to be paid back eventually – with interest. The federal government – freed from the gold standard – can simply create and spend money to meet our society’s needs, without borrowing and without raising taxes.

MMT’s creative new insight is that actually, the government itself could create the necessary money to fund important activities, without asking banks to create money in the form of a loan (with interest). Just a few years ago the government did exactly this when it “bailed out” big banks. Banks routinely create money whenever they loan money to people who must pay it back with interest. But the government itself could simply create money without borrowing from banks, and use the new money to buy solar panels or housing or education or create jobs. Since the government created the money itself, there would be no loan to pay back to a bank. Our society would benefit from the goods and services and jobs created.

Politicians are wrong to say the government cannot afford the social safety net or infrastructure or conversion to green energy projects. If the government really wanted to fund those purposes, it could easily create that money to buy what the public needs. There is no need for the “austerity” myth or budget cuts.

MMT would not cause inflation, because we would be creating jobs for unemployed people and using productive capacity that is currently not being used. Some people would praise this as “democratic socialism.”

Mandell lays out all of this in the first 18 minutes of the video at [**www.youtube.com/watch?v=7ccvE2be0d8**](http://www.youtube.com/watch?v=7ccvE2be0d8)

Then he says that MMT’s proposal would not make the federal budget deficit worse because it is not issuing bonds. It prints money, puts people to work, and creates various kinds of values that serve the economy and the society overall. It totally bypasses the banks and the debt system. It does not increase the deficit or taxes. It simply creates jobs, uses productive capacity that’s not being used now, and creates benefits for our society.

Much of the debt that led to the 2007-2008 crash was fraudulently or unethically imposed upon people by banks. Our government should have canceled the debts and let the unethical banks suffer the losses they caused.

But the government refused to hold unethical banks accountable and refused to cancel unjust debts. Instead it kept in place the debts owed by people and by state and local governments. These debts caused horrible suffering, “austerity” budget cuts in social services, privatization of public services, the poisoned water in Flint, Michigan, etc.

We could use MMT to rebuild the economy to serve what people and society need.

A new non-profit organization – the Binzagr Institute for Sustainable Prosperity ([**www.binzagr-institute.org**](http://www.binzagr-institute.org)) will popularize MMT so more people will understand it. MMT’s approach would have broad public appeal if we could help the public, politicians and mainstream media understand it. MMT could create many more jobs, help our climate, and create many other public benefits. This is a great opportunity to connect the climate movement with many other movements – and create the urgent mobilization that we need in order to save planet earth.

To learn more, watch Glen Anderson’s one-hour interview with Randy Mandell and/or read the thorough summary of what we said. Visit [**www.parallaxperspectives.org**](http://www.parallaxperspectives.org), click “Economics” or “TV Programs,” and click **“A Creative, Practical Way to Fund Jobs, Infrastructure, Climate Cures.”**