

Zer dago 'kilt'-aren azpian? What is under the 'kilt'?

Aspaldiko irudiak



https://www.google.es/search?safe=active&biw=1099&bih=613&tbm=isch&sa=1&ei=cezaXO_rBYe2Ur-Kktgl&q=under+the+kilt&oq=under+the+kilt&gs_l=img.3..0i19j0i7i30i19i3.17137.17137..20232...0.0..0.178.178.0j1.....1....1..gws-wiz-img.-Vxbb8TVe7k



(<https://www.snopes.com/tachyon/images/photos/risque/graphics/queen1.jpg?resize=450,351>)

Oraingo irudia: **Kilt berria**

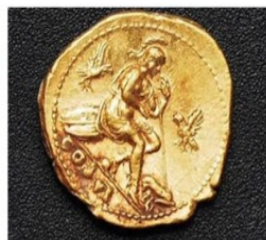
MMT SCOTLAND Warren Mosler

(https://www.youtube.com/watch?time_continue=419&v=MClYK7vS_jw)

What does Scotland Want?

- A comfortable standard of living?
- Economic opportunity?
- Full employment at reasonable wages?
- Social equity?
- Free public health and education?
- Retirement with dignity?
- The real resources are already there!
- That's why it can happen!

The Story of Pompeii



MMT Fundamentals

- Funds to pay taxes and buy bonds come only from the state.
- Therefore the state necessarily, from inception, spends or lends first and then taxes can be paid and bonds purchased
- Therefore state spending is not constrained by revenues

The MMT Money Story

- The state desires to provision itself.
- The state imposes tax liabilities payable in its currency as the tax credit
- This results in sellers of goods and services (unemployment) seeking state currency.
- The state then makes its desired purchases.
- Taxes are paid and bonds purchased.

What Happens to State Spending?

- After the state spends, the private sector has only two choices
- Use the money to pay taxes, in which case it's removed from the economy
- Don't use the money to pay taxes, in which case it remains in the economy until it is used to pay taxes

The Public Debt

- The public debt is the funds spent by the state that have not yet been used to pay taxes
- It constitutes what is best thought of as the net money supply of the economy
- A growing economy is expected to include a growing net money supply

Unemployment

- Taxation, by design, causes unemployment
- Unemployment is the evidence the state has not spent enough to cover the need to pay taxes and the desire to save
- If the state doesn't spend enough to cover the need to pay taxes and desire to save, the evidence is unemployment

Reversing Unemployment

- Unemployment is the evidence that the state's tax policy caused more unemployed than the state has hired
- The state has the option to reduce the tax liabilities or get the unemployed hired through increased public spending

Proposals for the UK

- Increase the annual deficit by 5% of GDP
- Use fiscal policy to sustain full employment
- Implement a Job Guarantee
- Sustain a permanent 0% interest rate policy
- Adequately fund public services, investment, and research

Implementation of the Kilt

- Require all taxes to be paid in Kilt
- All government employees get paid in Kilt
- The deed is done!

What Does NOT Change

- Nominal taxes and government wages are not altered
- Sterling bank deposits are not converted
- Sterling debt is not redenominated
- Non government private contracts are not required to be converted to kilts
- The ability to purchase imports remains

The Current Bank of Scotland

- The government of Scotland retains all legally owned net assets, including any artwork, buildings, furniture, and gold.
- The remaining sterling balance sheet entries continue as property of the Bank of England.

The New Central Bank of Scotland (CBS)

- The new CBS is a public bank
- There is no capital structure
- There are only kilt accounts
- Officers are appointed by Parliament
- Private banks each have one CBS account

Functions of the CBS

- Process government payments and receipts
- Process member bank payments and receipts
- Provide unlimited kilt bank deposit insurance
- Provide unlimited kilt bank liquidity
- Regulate and supervise member banks

Monetary Policy

- CBS accounts are non interest bearing
- Net government spending remains in member bank CBS accounts
- Permanent 0% rate policy
- No government securities
- No interbank lending
- CBS funded Job Guarantee

Fiscal Policy

- Fiscal spending and taxing targets output and employment goals
- With a permanent 0% rate policy, there are no interest payments on the public debt

Trade

- Exports are real economic costs
- Imports are real economic benefits
- Imports minus exports are the real terms of trade

Real Wealth

- Real goods and services produced domestically
- Plus real imports
- Minus real exports
- Full employment and optimized real terms of trade optimize real wealth

Public Infrastructure for Public Purpose

- Banking/Payments system
- Public safety, health, and education
- Retirement income
- Support for those unable to work
- Job Guarantee for anyone willing to work

UK Debt Sharing?

- An independent Scotland has no debt sharing obligation with the UK's public debt
- Said debt sharing defies monetary logic
- The UK public debt consists of UK tax credits- pounds sterling- spent by the state that have not yet been used to pay taxes.

(Thanks a lot, Warren¹)

Oharra: *mutatis mutandis*, antzekoa plantetu daiteke Katalunia eta Euskal Herriarentzat

Gehigarriak:

(a) Warren Mosler and Bill Mitchell's talk:

<http://pileusmmt.libsyn.com/15-warren-mosler-bill-mitchell-patricia-pino-chris-cook-modern-monetary-theory-and-the-economics-of-an-independent-scotland>

1 Dakienak badaki, ez dakienak baleki!

(b) Warren Mosler in a busy Glasgow pub:

<http://pileusmnt.libsyn.com/16-warren-mosler-treasures-kilts-fish-chips>