How Public Money is Born (part 1)

1. (1977-1985) Unifying Battles of Ideas in Economics — Striving
2. (1986-2002) Futures Studies, Sustainability and System Dynamics — Futures Studies
3. (2003-2009) Accounting System Dynamics and Macroeconomic Modeling — ASD Macro Modeling
4. **(2010-2014) Modeling American Monetary Act and the Birth of Public Money** (followed by the Academic Assassination) — Public Money

Why We Need A Paradigm Shift in Economics (part 2)

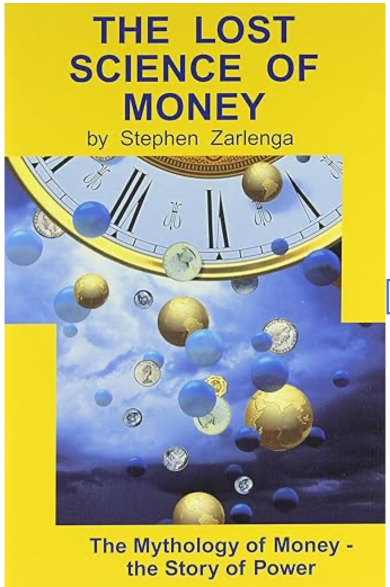
5. (2015-) Academic Resurrection and Findings of "Money as Debt"
6. (2021-) Paradigm Shift in Economics as a Science **(Debt Money —> Public Money)**
7. (2025-) Public Money and MuRatopia Economy — Paradigm Shift

4. (2010-2014) Modeling American Monetary Act and the Birth of Public Money

Financial Crisis (Lehman Shock) in 2008 and
Search for its Economic Causes

with Stephen Zarlenga
Founder of AMI

July 26, 2011 Washington DC



2002

Lessons from the Great Depression in 1930s

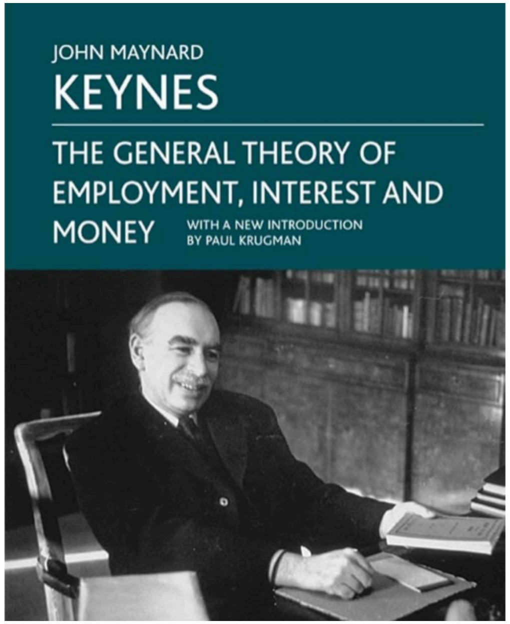
(1) Chicago Plan
Henry Simons & Paul Douglas (Chicago)
Irving Fisher(Yale) : 100% Money Plan
- Failed to be Implemented

(2) Banking Act of 1933 (Glass–Steagall Act)
Separation of Depository Banks from Wall Street Investment Banks
- Repealed in 1999 by Gramm-Leach-Bliley Act

4. (2010-2014) Modeling American Monetary Act and the Birth of Public Money

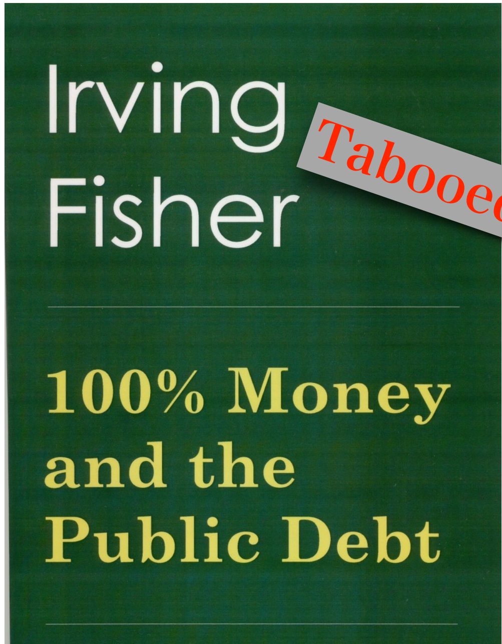
- Two Major Lessons from the Great Depression -

General Theory



1936

Chicago Plan



Professor Emeritus of Economics
Yale University, 1936

Tabooed in Economics !

As I have stated elsewhere*, I have come to believe that the plan, "properly worked out and applied, is incomparably the best proposal ever [illegible] for speedily and permanently [illegible] the problem of depressions; for it would remove the chief cause of both booms and depressions, namely the instability of demand deposits, tied as they are now, to bank loans." (p.8)

* 100% MONEY, Aldephi Company, NY, 1936

4. (2010-2014) Modeling American Monetary Act and the Birth of Public Money

A Monetary Reform:
Chicago Plan → American Monetary Act

A Debt Money System - Money out of Nothing -	A Public Money System - the American Monetary Act -
1. Privately-Owned Central Bank issues Money (Notes)	1. Government Issues Money (Nationalization of the Central Bank)
2. Credit Creation by Commercial Banks (A Fractional Reserve System)	2. 100% Fractional Reserve （Abolishment of the Credit Creation）
3. Monetary Control by (and for) the Elite Bankers	3. Money as Public Utility for the Economic Growth and Public Welfare

4. (2010-2014) Modeling American Monetary Act and the Birth of Public Money

Workings of A Public Money System of Open Macroeconomies

- Modeling the American Monetary Act Completed-

The Birth of "Public Money"

- Debt-Free Money
- Interest-Free Money
- Government Money
- Government-issued Money
- Treasury-issued Money
- Sovereign Money
- National Money
- State Money
- etc.

The 29th International Conf. of the System Dynamics Society

Washington D.C. USA

July 24 - 28, 2011

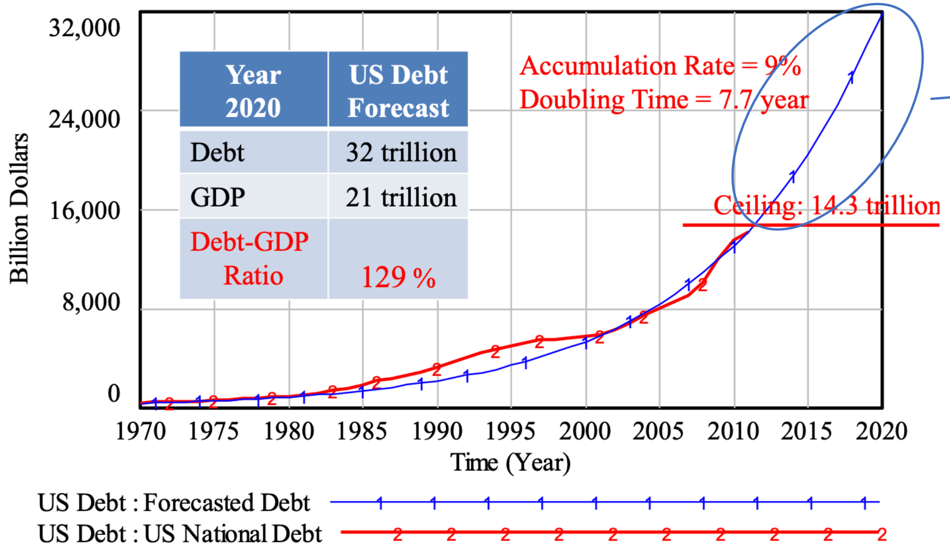
Prof. Kaoru Yamaguchi, Ph.D.
Doshisha Business School
Doshisha University, Kyoto, Japan
E-mail: kaoyamag@mail.doshisha.ac.jp

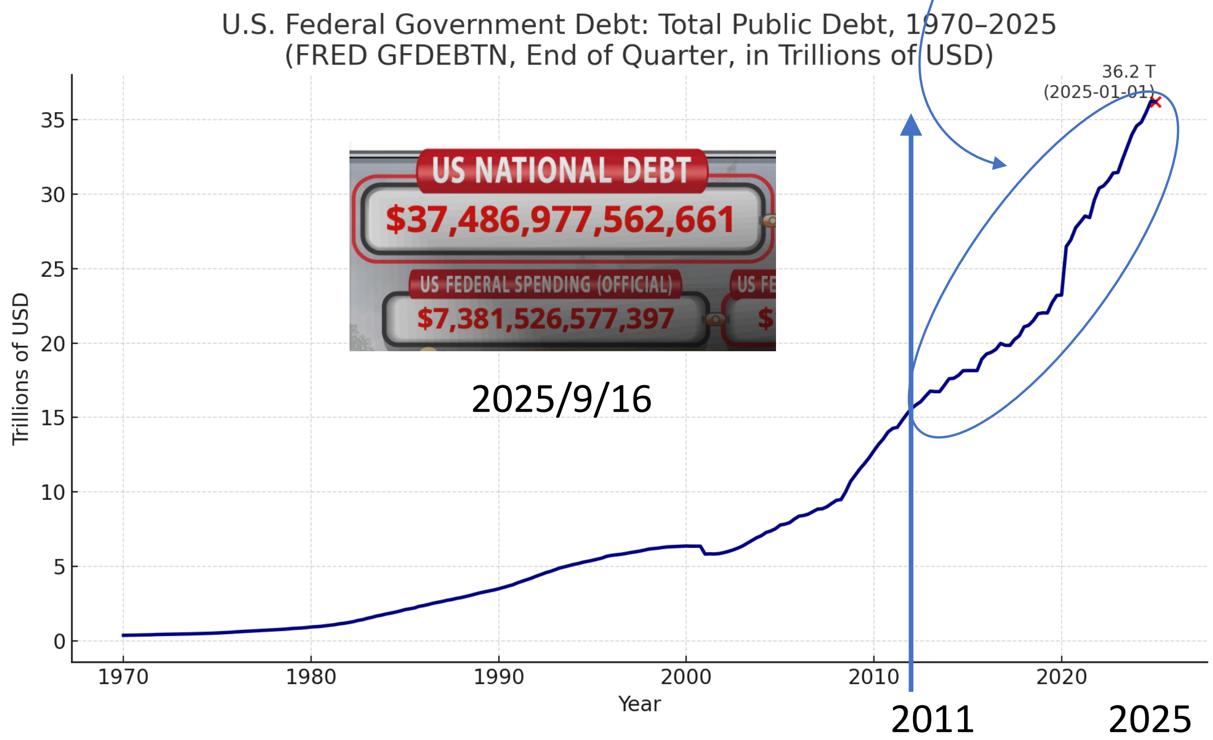
US National Debt and its Forecast

1970 - 2020

predicted in 2011

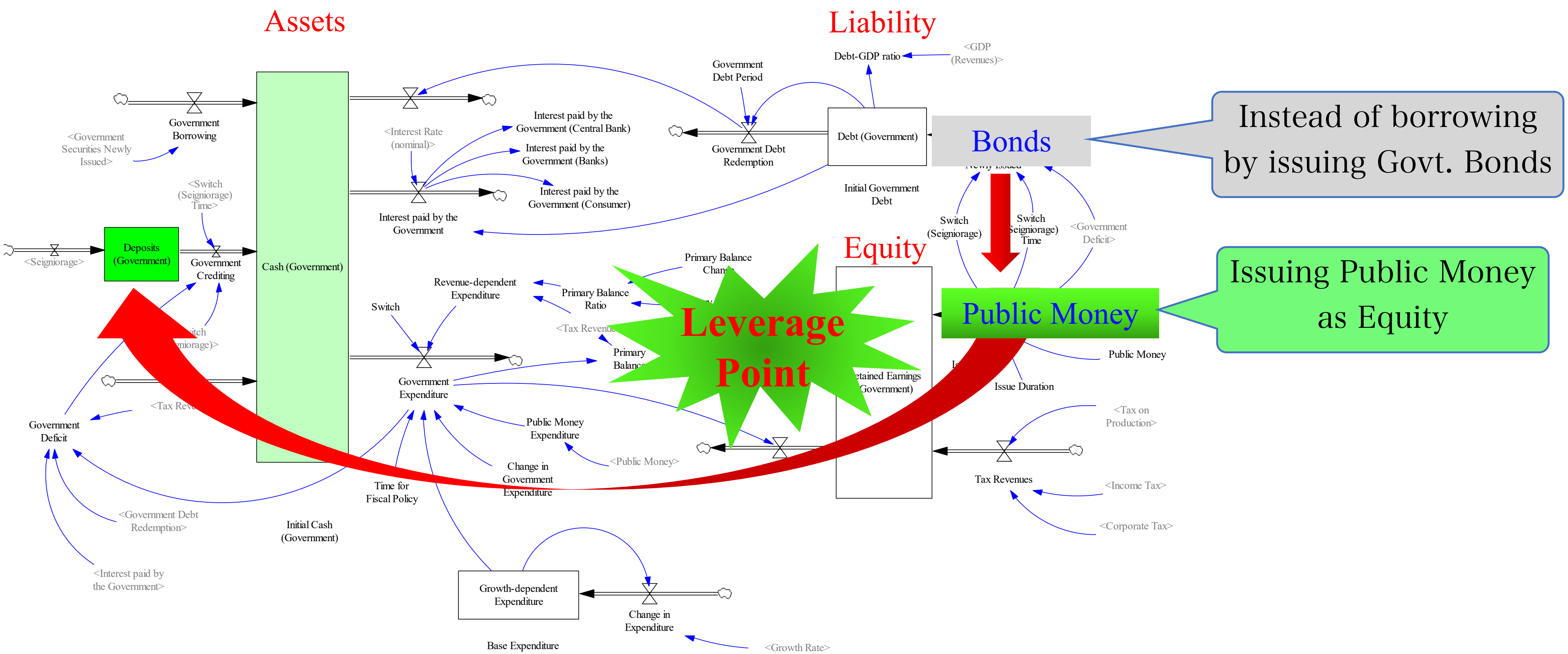
US Debt Accumulation followed as Predicted 15 years ago !





A Public Money System

1. Government Issues Money



4. (2010-2014) Modeling American Monetary Act and the Birth of Public Money

Congressional Briefing 2011, July 26, 2011
Office of Congressman Dennis Kucinich

Briefing Outline
Prof. Kaoru Yamaguchi, Ph.D.
Graduate School of Business
Doshisha University, Kyoto, Japan

A. There are only two types of money:
- a. Public Money
- b. Debt Money

B. Under the Debt Money System, someone has to keep borrowing to provide a sufficient money supply for growing economies.

C. That "someone" must be the Government. Thus, a balanced budget does not work for th national government. Persistent borrowing eventually leads to a debt crisis. Raising the debt ceiling is like providing a painkiller without an operation.

D. A debt crisis is an impasse, leading to one of three scenarios:
- a. Default
- b. Financial Meltdown
- c. Hyperinflation

E. To avoid an impasse, debt must be reduced, either by spending less or taxing more.

F. This debt reduction policy, however, triggers:
- a. Recession and Unemployment
- b. Social Disorder and Turmoil (like Greece)

CONCLUSION: The current Debt Money system is a dead-end.

US Congressional Briefing
July 26, 2011
At Capitol Hill, Washington DC

G. Public Money as proposed by the American Monetary Act:
- a. The government issues money (not bank notes from banks)
- b. 100% Fractional Reserve (no credit money)
- c. Constant increase in Public Money as a Public Utility

H. Under the Public Money System, current government debt can be gradually reduced **without** recession, unemployment or inflation.

I. A Public Money Policy becomes simpler than Keynesian Policies:
- a. Recession and Unemployment→ Increase public money
- b. Inflation → Decrease public money

CONCLUSION: the Public Money System is worth being implemented

J. The National Emergency Employment Defense "NEED" Act (HR 6550) in 111th Congress) fully incorporates the Public Money System.

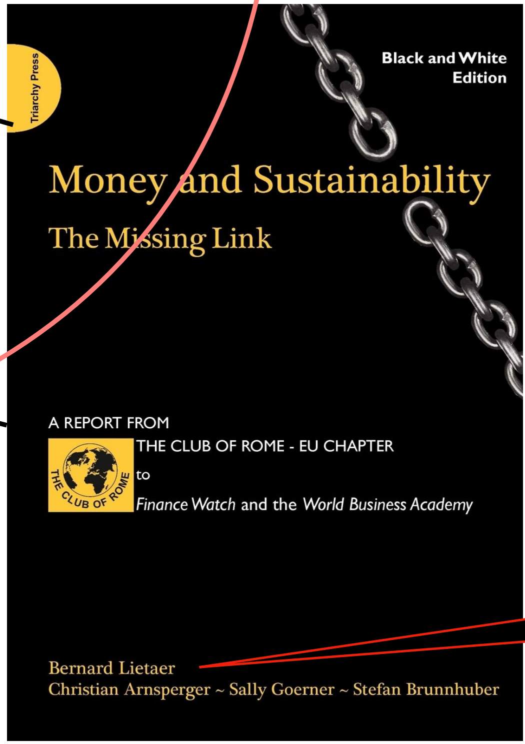
Congressman Dennis Kucinich is proposing the American Monetary Act, an equivalent of the Chicago Plan. On 26 July 2011, Kucinich invited Professor Kaoru Yamaguchi from Doshisha University in Japan, to give a congressional monetary briefing on this idea. Yamaguchi's paper uses a systems approach to show that the liquidation of debts under the current monetary regime will trigger multiple recession and massive unemployment in the USA with contagion to other economies. In contrast, under the American Monetary Act , debt reduction and even debt liquidation can be put into effect without causing recession, unemployment and inflation, either in the USA or abroad. (Money and Sustainability, 2012, p.129.)

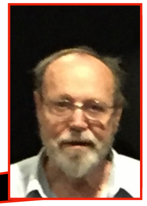
Any version of the Chicago Plan will be fought to the death by the banking system because it threatens both its power base and its business model. Even after the excesses triggering the 2007-2008 collapse, or in the middle of the Great Depression of the 1930s, the banking lobby managed to deflect the implementation of any significant changes. Recall that in 2010, for every elected official in Washington, there were three high-level lobbyists working full-time for the banking system.

(Money and Sustainability, 2012, p.130-31.)

Academic Assassination

- 2011/7/26 Congressional Briefing
- 2012/5/30 A Report from The Club of Rome - EU Chapter
  "Money and Sustainability" (210 pages)
- 2013/3/31 Dismissal from Doshisha University, Japan





1942 - 2019

Surviving Academic Work of "Public Money" for Younger Researchers