[Fwd: Discussion Has Begun on GP-US Proposal: ID 918 ???????
     - 2018 Platform Amendment - Fair Taxation] (Sue)

  6. Re: Discussion Has Begun on GP-US Proposal: ID 918 - 2018
     Platform Amendment - Fair Taxation (Joe Bongiovanni)

Message: 1
Date: Thu, 12 Jul 2018 02:59:26 -0400
From: "Sue" <peters.s@startmail.com>
To: natlcomvotes@green.gpus.org
Subject: [usgp-nc] [Fwd: Discussion Has Begun on GP-US Proposal: ID
918 ??????? - 2018 Platform Amendment - Fair Taxation]

Mr. Firestone,
Again, I say that you do not know how bookkeeping works.

For my career, I designed business data processing systems for Wall
Street firms. Most of my experience involved the accounting of the
institutions. My last 15 years was spent in the corporate checking accounts of a Wall
Street bank.

MOVING MONEY BETWEEN ACCOUNTS: When money is moved from one account to
another, two transactions are created, at the same time. The first
takes money out of the sending account (known as debiting the account); the other
puts money into the receiving account (known as crediting the account). This
is basic bookkeeping operations. Both transactions are required to be
created at the same time and processed together.

At the beginning of banking, it was done by hand. Today it is done by
computers.

Let's look at the accounts at the New York Fed.

PAYING MY TAXES: When I pay my taxes, IRS deposits my check into the
Treasury account. As a result, my bank's reserves are marked down; the Treasury
reserves are marked up. The reserves are moved. This is done by
creating two transactions. The first removes the reserves from the bank?s account.
The second adds the reserves to the Treasury?s account.

This is basic bookkeeping operations. It is called moving money between
accounts.

You insist on using the terms 'destroying' bank reserves, and
'creating' Treasury reserves. I believe you want to use the word 'creating'
because you want to believe the NY Fed Bank can create reserves for the Treasury account.
BY LAW, the NY Fed Bank is NOT ALLOWED to create reserves for the Treasury
account. The Treasury must get reserves either from taxes or borrowing.

The bankers wrote the 1913 Federal Reserve Law. They designed this
system to keep our government in debt and to enrich their banks and the
corporations that have grown up around them. Greening the Dollar in the current
platform removes this system and gives back to Congress the power to issue
debt-free money. Our colonial legislatures created colonial script; Lincoln's
Congress created Greenbacks; and we can create debt-free U.S. Money.

Please study the website GreensForMonetaryReform.org. Come to my panel
at Salt Lake City on Greening the Dollar and funding the Green New
Deal. Our federal government will no longer have to borrow and the debt
can be paid off.

Sue Peters
Member, NY County GP
Member, NYS GP State Committee
Advisor for money reform, National Committee
GreensForMonetaryReform.org
212 864 0229

Message: 2
Date: Wed, 11 Jul 2018 07:48:16 -0400
From: Janet Martell <ninth.st@frontier.com>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
- 2018 Platform Amendment - Fair Taxation

I agree with Jared here. The MMT argument is difficult to follow and is just another convoluted way of saying that spending priorities are political, and the government has the power to rearrange its priorities. I think our current platform language is quite clear on that message, and in is more radical and democratic -- and easier to understand -- than the MMT reasoning. We don't need to "fix" our platform this way.

Jan Martell
Alt, NC

Message: 11
Date: Tue, 10 Jul 2018 12:34:46 -0400
From: "Sue" <peters.s@startmail.com>
To: natlcomvotes@green.gpus.org, "Sue Peters" <peters.s@startmail.com>
Subject: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
??????? - 2018 Platform Amendment - Fair Taxation

Dear Jared,

I would like to respond to your questions.

First, I support voting NO to the NB proposal #918 to change FAIR
TAXATION.

Second, I support the current platform on money reform for many
reasons. The current platform represents public control of debt-free
money issuance. It represents the removal of the bank-run system
(called Fractional Reserve Banking). As long as the private banks have
the legal power to create what we all use as money, our government will
be under the banks? influence.

Third, this morning I was thinking about your questions (taxes vanish
or are destroyed when they are received? all money spent by Congress is
created as it is spent?), and I had a moment of clarity about the MMT
descriptions.?

My thoughts:

MMT is attempting to describe, in layman?s terms, the bookkeeping of
the Treasury?s account at the central bank (NY Federal Reserve Bank). I
believe, however, that MMT does not understand this bookkeeping, and
that is why MMT says taxes disappear and money is created when spent.
These statements, of course, don?t make sense.

To understand this bookkeeping you could listen to Professor Joseph
Huber, who is extremely knowledgeable about how the current bank system
operates. <https://www.youtube.com/watch?v=AsN3ZTZA7yY&t=1703s>. However,
I will try to simplify Professor Huber. This might be difficult since
the system was designed by central bankers in 1910 and meant to confuse
the public. And they have succeeded!? But, believe me, the bankers at
the top know how to manipulate this system to put all of us into debt!

Here I go.?

First, the Treasury?s account at the NY Fed can ONLY contain reserves.
Think of ?reserves? as central bank money. Only central bank money is
found in accounts at the 12 Federal Reserve banks.

Second, the money you and I use is called bankmoney, and can NEVER be
found in the accounts of the central bank. Our bankmoney can only be
found in accounts in banks ? checking, saving, etc.

Are you still with me?

Given this separation of the two kinds of money, how can I pay my taxes
in April with a check from my bank to the IRS which DEPOSITS it into
the Treasury account? Given this separation of the two kinds of money,
how can the IRS WITHDRAW money from the Treasury account and pay me my
tax refund by doing a direct deposit into my bank? Simply. It goes on
all the time between the banks and the central bank.?

Rule #1. When the IRS DEPOSITS my tax payment check into the Treasury
account, my bank MUST SEND its own reserves, in the exact amount of my
check, to the Treasury account. Of course, my bank reduces my checking
account balance by the exact amount of my check! Darn.

Rule #2. When the IRS withdraws my tax refund from the Treasury account
and deposits it into my bank account, my bank MUST RECEIVE reserves, in
the exact amount of the refund check, from the Treasury account. Of
course, my bank must increase my checking account balance by the exact
amount of my check! Yay.

So there is nothing vanishing, when I pay my taxes. There is nothing
created, when I receive my tax refund. My bankmoney is represented by
reserves being moved between my bank and the Treasury account at the
central bank.

Rule #3. The central bank is the only institution that can create
central bank money (reserves). And BY LAW, the central bank is
prohibited from creating reserves and putting these reserves into the
Treasury?s account. The bankers put that into the law, because they
always want the Treasury to BORROW money from them.?

?MMT just does not understand the bookkeeping between the banks and the
central bank. I hope this is not too confusing, but the top bankers
want it to be.

Sue Peters
Member, NY County GP
Member, NYS GP State Committee
Advisor for money reform, National Committee
GreensForMonetaryReform.org
212 864 0229

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Message: 13
Date: Tue, 10 Jul 2018 11:52:37 -0500
From: rubies200 <rubies1111@gmail.com>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
??????? - 2018 Platform Amendment - Fair Taxation
Content-Type: text/plain; charset="UTF-8"

Thank you, Sue for your clear explanation of how the Federal Reserve
operates vis-a-vis the Treasury. And thanks for the link!

Nekita Gandy
Delegate GPMS

Message: 11
Date: Tue, 10 Jul 2018 03:16:50 +0000
From: Rita Jacobs <rjacobs@arq.net>
To: Joe Firestone <eisai@comcast.net>, National Committee Votes and
GP-US Work <natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc]  Discussion Has Begun on GP-US Proposal: ID 918
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To Joe Firestone:

I refer you to a publication of the Congressional Research Service, titled "Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples." <https://fas.org/sgp/crs/misc/R44582.pdf>

The information in this Report seems to contradict your statement that "taxes do not actually fund spending in the end, but rather drain demand from the private sector by destroying M1 . . . "

Specifically, the information on Funding Sources starting on page 19, describes the funding sources. The General Fund (GF) of the Treasury Department is the default source for funding budget items. See specific details in footnotes 76-78.  In particular, Footnote 77 on page 20:

31 U.S.C. 3302(b) requires, ?(b) Except as provided in section 3718(b) [1] of this title, an official or agent of the Government receiving money for the Government from any source shall deposit the money in the Treasury as soon as practicable without deduction for any charge or claim.?

Unless you can find a statute that exempts Internal Revenue Service from depositing money in the Treasury, it is clear that taxes are used to fund spending.  Do you have citations to any authority that exempts IRS from depositing funds in the Treasury?

Rita Jacobs, JD

Alternate Delegate,
GPMI

Message: 7
Date: Mon, 9 Jul 2018 11:45:46 +0000 (UTC)
From: Tim Willard <dravidic@yahoo.com>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc]  Discussion Has Begun on GP-US Proposal: ID 918
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Joe,
Am I clear in understanding that the proposal calls for repealing FICA taxes and not replacing them with anything?

Tim Willard, MD Del
Green Party Candidate for Montgomery County Council At Large [http://www.timforcouncil.org/https://www.facebook.com/timformoco/twitter](http://www.timforcouncil.org/https%3A/www.facebook.com/timformoco/twitter):? @TimWillard4MoCoinstagram: tim.willard

Message: 6
Date: Mon, 02 Jul 2018 17:42:34 -0400
From: Janet Martell <ninth.st@frontier.com>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
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I have now cruised through all of the Nebraska amendments, and I recommend rejecting them all without much debate. They are full of unsupported, sweeping statements and simply remove longstanding policies that have wide support in this party without much explanation. The changes appear to be based on some ideas coming out of Modern Monetary Theory which is a cult that the Green Party has not signed on to. Changing our platform to fit its precepts would be premature, to say the least. To introduce and gain acceptance for these ideas would take a long, patient campaign of education and persuasion, something the authors of these amendments have not bothered to undertake. They thought the best way to introduce their ideas was just to pop them straight into the platform. Well, I don't think so.

Jan Martell
Alt, NC

Message: 7
Date: Mon, 2 Jul 2018 12:50:59 -0500
From: iconofcharles Ostdiek <iconofcharles@gmail.com>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
- 2018 Platform Amendment - Fair Taxation
Message-ID:
<CAB+7RPb69tC5bsdL-TH1rRJS606N9AY=1PhLYAuqCVwGyZJZZg@mail.gmail.com>
Content-Type: text/plain; charset="UTF-8"

thanks, rita,
 i'm working on getting an answer for you. (i'm not one of the authors and
haven't done nearly as much research as them on these proposals.)
--charles ostdiek
delegate, nebraska
cochair, ngp

Date: Mon, 2 Jul 2018 15:07:00 -0400
From: Hunt Hobbs <s.h.hobbs5@gmail.com>
To: Tim A Willard <dravidic@yahoo.com>,  National Committee Votes and
GP-US Work <natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
- 2018 Platform Amendment - Fair Taxation
Message-ID:
<CAL+eMNvHZ3Jxthm2VKRefiw8a1OxnUxeKhQbdSWDZJjZ7cYpdg@mail.gmail.com>
Content-Type: text/plain; charset="UTF-8"

I gave to agree with my colleague Tim. I read over the language and I'm
having trouble discerning the substantive distinction and what the intent
is supposed to be.

Hunt Hobbs, Co-Chair Maryland Green Party

**Amend #8:
Replace: 8. Apply the Federal Insurance Contributions Act (Social Security and Medicare) taxes to investment income and to all levels of income, not merely the first $106,800 earned
To read: 8. Repeal Federal Insurance Contributions Act (Social Security and Medicare) taxes.**

In reading the rest of the platform, I do not find a reference to how Social Security and Medicare are to be funded. I realize that there are general references to several areas of taxation, but I think that the separate funding of Social Security is still somewhat vital to to the public understanding of what benefits they are entitled to as a result of their work history.

Also a question for Howard Switzer:

You stated: We do want to promote the general welfare but the notion that taxes aren't
or can't be spent by government is simply not true.
I can only surmise why MMT would insist this is the case it only confuses
the issue and perhaps that is the point.

I don't know what you mean by this. Does this have something to do with the current platform and its proposed amendments? Please explain. Thank  you.

Rita Jacobs

Alternate Rep GPMI

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Message: 10
Date: Mon, 25 Jun 2018 17:11:33 -0500
From: Wesson Gaige <wesgaige@mac.com>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
- 2018 Platform Amendment - Fair Taxation
Message-ID: <6DE444EE-AEB8-4645-9805-48E9CDB932B8@mac.com>
Content-Type: text/plain; charset=utf-8

To the proposers,

Rita?s observation in spot on.  Please explain why we would want to replace #8.  Please explain why we would want to replace it with your new wording.

Thanks

Wesson Gaige
GPTX Co-chair
GPTX delegate
GPAX
He/Him/His

Message: 7
Date: Tue, 26 Jun 2018 12:29:03 +0000
From: Rita Jacobs <rjacobs@arq.net>
To: National Committee Votes and GP-US Work
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
- 2018 Platform Amendment - Fair Taxation
Message-ID:
<DM5PR1301MB2042136EF351A4267CBC67FAAD490@DM5PR1301MB2042.namprd13.prod.outlook.com>

Content-Type: text/plain; charset="iso-8859-1"

Thank you for your response, Howard. I agree with you that the statement that "The Green Party knows that at the federal level, taxes do not fund spending" should not be part of any proposal. Because it is not true. I must have missed that statement somewhere.

Rita Jacobs

Alternate Delegate

Date: Sat, 23 Jun 2018 00:20:45 -0500
From: Howard Switzer <hmsarchitecture@gmail.com>
To: "The natlcomvotes (aka National Committee Votes) listserv is for
decision-making and management of GP-US affairs."
<natlcomvotes@green.gpus.org>
Subject: Re: [usgp-nc] Discussion Has Begun on GP-US Proposal: ID 918
- 2018 Platform Amendment - Fair Taxation

SO, ...ON TAXES:

Greening the Dollar changes the tax picture considerably. In a Sovereign
Money System, such as Greening  the Dollar, taxes are needed only as a
temporary mechanism to take "excess" money out of circulation to control
inflation, that is, when the money supply exceeds demand.   Greening the
Dollar, a Sovereign Money System, is about publicly creating a means, the
tool we call money, by which citizens themselves can create, distribute and
consume their own production. It is paying into circulation the means by
which the citizens themselves can create earned wealth and with the
autonomy to do it their way.