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Modern Money: A Blueprint for Successful Capitalisms.

(An outline of a prospective volume)

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"One never steps into the same river twice" Heracletes

"Toto, I've a feeling we're not in Kansas anymore. .We must be  
over the rainbow." Dorathy in the Wizard of Oz.

Santayana

Oliver Wendall Holmes

Our subject is the practice of money, banking and finance along with the  
determinents of the character of the performance of the economy and  
society.

The last years of the 20th Century are a time of revolutions:

in computing, controlling data and instantaneous  
global communication,

in the former Socialist economies which are in transit  
to either capitalism, communism or choas,

in the rich capitalist economies

which are not now performing up to the standards  
established in the third quarter of the century, during which the  
benefits of economic progress weres widely distributer through the land,

which need to confront the possible break downs of the monetary and financial system which reigned through the successful era.

Use the credit, charge and debit card material as well as the securitization material and the explanation of the behavior in an era of rapid institutional change and heightened uncertainty of a financially sophisticated monetary production economy.

Introduction.

I. The framework.

The reader will better appreciate what follows if the argument starts with an explicit statement of the authors priors. Our aim is to establish the conditions that lead to a successful monetary production economy. In order to do this we first have to make precise the attributes of a successful monetary production or capitalist economy.

1.. Avoid depressions

2. Growth

3.. Benefits of growth a widely dispersed through

the economy

4. The benefits of growth

a. Consumption standards

b. The quality of the environment

c. Socially supplied consumption

5. Aggregate net worth

a. Increases.

b. Wide dispersion

- c. Improves independence and security as long as depressions are avoided
- d. Housing and consumer durables
- e. Accumulation of financial assets
  - 1. direct ownership
  - 2. intermediate liabilities
  - 3. Funds and "managed money"

B. Failed Monetary Production Economies

C. The Essential Difference Between a Monetary Production Economy and a Centralized Socialist Economy. Financing Structure

II. Structural Characteristics

A Industrial Structure

B. Financial Structure

III Banking and Securitization

A. A Bills of Exchange Economy

B. Enhancement

C. Banks

D. Securitization

IV. The Roots of Instability

A. The Premium for Quality

1. Default risk

2. Rate risk

3. Marketability and pledging

B. Cash flows and assets

1. The financing of positions

2. Corporate liability structures

V. The Theory of Endogenous Instability

VI. Containing Forces

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