

Framing on The Coin: "Small ball" vs. "Game changing"

Submitted by lambert on Fri, 01/04/2013 - 2:15pm

On the coin, there are two schools of thought, let's call them "small ball" and "game changer":

#1. "Small ball" is the political class -- [Drum](#) [1], [Benen](#) [2], [Atrios](#) [3], etc. They see The Coin as a counter in the political game being played in the arena called The Grand Bargain: Tax policy, the debt ceiling, entitlement cuts (with all the players being agreed on entitlement cuts). Basically, the political class The Coin is a way to *epater les Republicans* on the debt ceiling, and after that happy task is accomplished, Treasury's #mintthecoin power is to be put back in its box or even outlawed.

#2. "[Game changers](#)" [4] feel that the small ball crowd is, in essence, treating a ring of power as a poker chip. The key point is that in a fiat currency regime, such as one that exists in the United States today (even if it's "fiat for me and not for thee," so far as the ruling class is concerned) there is no need at all for our sovereign government to borrow money from the banks to spend*. [Minting the coin makes this crystal clear. One commenter at NC wrote](#) [5]:

The practical effect of [The Coin] would be to neutralize the power of the extreme right-wing tea party to damage the full faith and credit of the U\$.

I would argue that's perspective #1. I'd rewrite it more like this:

The practical effect would be to neutralize the power of the banksters over fiscal policy.

Obviously, that's a game changer that people who profit from playing the existing game are very concerned that people not understand. Hence [Krugman's nonsensical idea](#) [6] that at some point the coin would have to be bought back (no, because it is seigniorage, d'oh!).

Anyhow, [Krugman's column](#) [6] (following shortly on an [AEI](#) [7] article, interestingly enough) has licensed "progressives" to talk about the coin, but only as "small ball" and not as "game changing."

NOTE * And if there *is* such a need, then who is the sovereign? Eh?

NOTE Do notice that anything that decreases the power of the banksters over fiscal policy isn't [Serious](#) [8]. Do notice also that all the career "progressives" have reduced The Coin from a strategy with a public purpose to a tactic in a partisan skirmish. As we would expect.



No votes yet

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Links

- [1] <http://www.motherjones.com/kevin-drum/2012/12/four-theories-would-allow-president-obama-ignore-debt-ceiling>
- [2] http://maddowblog.msnbc.com/_news/2013/01/04/16350366-time-for-a-1-trillion-platinum-coin?lite
- [3] <http://www.eschatonblog.com/2013/01/mint-coin.html>
- [4] http://www.correntewire.com/proof_platinum_coin_seigniorage_a_political_game_changer_for_progressives
- [5] <http://www.nakedcapitalism.com/2013/01/links-1412-2.html#comment-1002438>
- [6] <http://krugman.blogs.nytimes.com/2013/01/02/debt-in-a-time-of-zero/>
- [7] <http://www.aei-ideas.org/2012/12/how-could-washington-avoid-a-debt-ceiling-default-mint-a-few-trillion-dollar-platinum-coins-seriously>
- [8] <http://www.correntewire.com/glossary#Serious>