

# ***The Deficit Myth***

**Henry George School of Social Science**

Spring 2022

## ***Week 2 (April 25 2022) Discussion Questions***

### ***Chapter 1: Don't Think of a Household***

- Explain the difference between a government which is a currency issuer and one which is a currency user.
- What are the conditions which, per Kelton, a country must meet in order to be monetarily sovereign?
- Explain Kelton's use of the nomenclature (TAB)S versus S(TAB).
- What does it mean for a government to "provision itself"?
- Explain how the imposition of a tax drives demand for the currency in which the tax is to be paid.
- Kelton identifies 4 rationales for (federal) taxation. (32-34) Explain them in your own terms.
- Kelton characterizes U.S. federal government borrowing as a choice rather than a necessity. Explain why.
- Kelton criticizes the PAYGO rules which Congress imposes on itself. What are those rules and why does she take issue with them?