

# Morning Call

The top stories on government finance, accounting and transparency

JULY 15, 2020

## Top 3 Reads



### Charles & Agnes Kazarian Foundation

#### [Citizens' Wealth Glossary: 2020](#)

Includes "... the debt and cash deficit framework is both chronically flawed and massively value destructive in part because it enables corruption and mismanagement. In point of fact, for massive and highly complex organizations (unlike households or small businesses), cash-based fiscal balances (i.e., cash deficits) provide vastly more flexibility to create fiscal illusions than do numbers calculated in accordance with international accounting standards."



### Milwaukee Journal Sentinel

#### [Time will tell whether staggering debt will eventually lead to crisis](#)

Op-ed by Tom Saler, includes "The thing about tipping points is that you never quite know where they are until you, well, tip. Since the current debt super-cycle began in the early 1980s, economists and investors alike have fretted — intermittently, at least — over the size of the federal budget deficit ... Robert Louis Stevenson once cautioned that 'sooner or later, we all wake up to a breakfast of consequences.' Nice line, but is it true for an economy built on staggering sums of fiat money?"



### American Institute for Economic Research

#### [The Fed's liquidity confusion](#)

By Thomas Hogan, includes "The Fed is responsible for ensuring that the supply of money is equal to the total amount demanded. It is not responsible, however, for ensuring that each company and municipal government has sufficient cash to meet its obligations. ... Powell misapplied the term 'liquidity' in support of the Fed's nonbank lending facilities, such as the misnamed Municipal Liquidity Facility (MLF). ... What Chair Powell calls 'liquidity' is really credit allocation. The Fed is not merely providing liquidity to the financial system. It is distorting the allocation of credit by lending to some entities and not to others."

Source: <https://t.e2ma.net/message/q6i23c/i0o491f>