International Journal of Managerial Studies and Research (IJMSR)
Volume 10, Issue 11, November 2022, PP 24-58
ISSN 2349-0330 (Print) & ISSN 2349-0349 (Online)
https://doi.org/10.20431/2349-0349.1011003
www.arcjournals.org

Effectiveness, Efficiency, and Social Benefits of the New Public Policies

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Abstract: *The objective of this paper is to determine and measure the effectiveness, the efficiency, and the social benefits of our new modern and "progressive" public policies (monetary and fiscal). By using different policy rules and a VAR model, we test the effectiveness and efficiency of monetary and fiscal policies by testing the effects of policy instruments (i_{FF},MB,M^s, T, and G) on the objective variables, prices, unemployment, growth of GDP, stock market, long-term interest rate, and trade account. A stationarity and co integration test for our series is used, too. The empirical results show that the most of the public policy tools do not have a significant effect on the objective variables. The benefits, lately, are insignificant and the social cost enormous and the reason might be the incompetence, the corruption or the control of the policy makers. They must know what the true objective of their policy is, but they cannot satisfy it, which is the maximization of the social welfare, the wellbeing in every sector in the lives of the citizens of the country. There is a need to fix all these dysfunctional institutions and improve our democratic system. What their new liberal public policies have caused to people is just uncertainty, an enormous social cost, and pessimism for the future. We must go back to our traditional policies and to our 3,000 years old value system, civilization, culture, and education. Public policies must prevent crises and satisfy the current, the future, and eternal needs of humans (persons), our citizens.*

Keywords: *Monetary Policy, Central Banks and Their Policies, Interest Rates, Central Banking, Financial Markets and the Macro-economy, Production, International Trade Policy Protection, International Policy Coordination*

JEL (Classification): *E52, E58, E43, E44, E23, F13, F42*

1. INTRODUCTION

The economy beyond the free market depends also on our government's and central bank's decisions to improve its growth, output, income, employment, stability, and social welfare. Public policies (monetary, fiscal, and trade) are institutionalized proposals derived from economic theories and practices to solve or best to prevent, if it is possible, relevant and real-world problems, which affect the social welfare of our citizens. These policies are guided by a conception and implemented by programs as a course of action created and enacted, typically by the central bank (Fed) and the government, in response to current economic problems and to broader social issues.[1] Beyond this

[1] A social issue is a problem that affects many or all people within a society. It is a group of common problems in present-day society and ones that people cannot solve by themselves. It is the consequence of factors extending beyond an individual's control and power to correct them. Social issues are the sources of economic, political, ethical, and moral conflicting opinions, perceptions, and prejudices on the grounds of what is perceived as morally correct or incorrect in our personal life, traditional values, safety, security, justice, peace, prosperity (wellbeing), rights and obligations, in our thousands years old civilization or interpersonal social life decisions and expectations from our decision makers (government and institutions), due to incompetence, ignorance, controls, and luck of the knowledge of TRUTH. Social issues are distinguished into economic, political, educational, security and safety, privacy, liberty, and social welfare. There can be disagreements about what social issues are worth solving, or which should take precedence because there is the self-interest, conflicts, and the ignorance (I wish to know fifty years ago what I know today) that make us to have different views. A basic rule of behavior can be the following: «Πάνταοὖνὅσαἄνθέλητεἵναποιῶσινὑμῖνοἱἄνθρωποι, οὕτωκαίὑμεῖςποιεῖτεαὐτοῖς.» "Do to others whatever you would like them to do to you." (Matthew 7: 12). There

broad definition, public policy has been conceptualized in a variety of ways. A popular way of understanding and engaging in public policy is through a series of stages known as "the policy cycle".[2] The characterization of particular stages can vary, but a basic sequence is: pin-pointing of the issue =>identification of the problem => theoretical rapprochement =>prevention of its damage =>agenda setting=>formulation=>legitimation=>implementation=> evaluation.

The government (fiscal policy) and officials (Fed, monetary policy) considered as the primary policymakers that bear responsibility to reflect the interests of a host of different stakeholders (citizens, businesses, society, and "allies"). Policy design entails conscious and deliberate effort to define policy aims and map them instrumentally, based on philosophies, economic history, economic theories, mathematics, statistics, and econometrics, and true historical data. The public data, today, are very suspicious because are "political data" and this might be the reason that public policies are ineffective. Academics and other "experts" in policy studies have developed a range of tools and approaches to help in this task and hopefully their suggestions are correct, scientific, ethical and objective and not based on the suppliers' of grants expected outcomes.[3]

The fundamental ethical requirement is that public policies, financial markets, and the economy must provide what they have promised and be fair with their citizens (taxpayers) and customers (suppliers and demanders of funds). The regulation in public policies and finance must be based on ethical and moral issues that we know for 3,000 years,[4] like fairness, justice, transparency, truth, duties of fiduciaries, etc. Finance ethics is concerned not only with individual conduct, but also with the operation of financial markets and institutions. Financial managers, who try to satisfy firms' objective, maximization of shareholders wealth, raise also ethical issues. The monetary policy (excess liquidity) can create ethical problems (risk to securities' investors and taxpayers, inflation, negative real returns, enormous social cost to the society at large)[5] with the artificial bubbles and their burst by speculators. Fiscal policy must be the most responsible public policy because deals directly primarily with people's wellbeing and secondly, with their economic wealth and income. Of course, we cannot ignore morality and ethics in government's actions, rules, peace, and policies because we will become monsters (sub-humans). Unfortunately, something is absolutely wrong, today, with the liberal governments in power in most of the nations.

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is a variety of methods people use to combat social issues. But, inside our political process, the most common is that people vote for leaders in a democracy, who appoint the officials in the administration and institutions, hoping that they will advance social issues and ideals. Unfortunately, inside of these institutions are the bureaucrats, the deep state, the establishment, the swamp, who are controlled by the "elites" (thirteen families), which are the true decision makers. In the U.S., today, the "social issues" refer to topics of national political interest, over which the public is deeply divided, due to influence (political and media), heterogeneity, and luck of knowledge, that are the subject of intense partisan advocacy, debates, discussions, misinformation, propaganda, pressures, threats, briberies, voting integrity, demonstrations, riots, lootings, crimes, open borders, even wars, and other serious conflicts and reactions. See, De Ruiter and Springmeier (2018).

[2] See, Warner (2022).

[3] We saw this, lately, very extensively with the suspicious COVID-19 and their vaccines mandates. "I am the science" said Dr. Fauci. https://bgr.com/science/dr-fauci-if-you-attack-me-youre-attacking-science/ . Also, if you do not agree with the government view, you spread misinformation. "If freedom of speech is taken away, then dumb and silent we may be led, like sheep to the slaughter." (President George Washington). The Biden administration had announced they will be establishing a Disinformation Governance Board to counter what they deem to be "lies" online about government, elections, COVID, immigration, Russia and whatever else the Orwellian "Ministry of Truth" deems necessary to correct the opinions of U.S. citizens, apparently.
https://wenstrup.house.gov/updates/documentsingle.aspx?DocumentID=405627. Μεγάληἡἀπάτη!..

[4] Since the time of the first economist, Hesiod (Ἡσίοδος; 8th century B.C.) in his poem (writing) *Works and Days* (*ἜργακαίἩμέραι*). See, Papanikos (2022).

[5] The money supply from $7,464.4 billion (1/7/2008) reached $15,567.3 billion (3/9/2020), it became $19,108.3 billion (11/16/2020), $21,696.8 billion (5/24/2022), $21,705.9 billion (7/26/2022) and $21,503.4 (10/25/2022). See, https://fred.stlouisfed.org/series/WM2NS . A money growth of 190.67% or 15.35% p.a. is causing an enormous inflation. The DJIA from 6,547.05 on March 9, 2009 reached 30,046.24 on November 24, 2020, and 36,799.65 on January 4, 2022. A stock market growth by 30,252.6 points or 462.08% (39.33% p.a.); causing a unique bubble in the financial market. On September 30, 2022, the DJIA fell to 28,725.51, a decline by 8,074.14 points or -21.94%.

2. The Latest Two Monetary Policy Regimes

Central bank (the Fed), as "lenders of the last resort", normally offers a *discount window*,[6] where commercial banks and other depository institutions are able to borrow reserves (R_B) from the central bank to meet temporary shortages of liquidity caused by internal or external disruptions. This created a stable financial environment, where investment can occur; thereby affecting the money supply, allowing for the growth of the economy as a whole. The latest global financial crises (2007 to present)[7] have generated a new form of monetary policy (the zero interest rate regime), particularly used when interest rates are kept at or near zero percent ($i_{FF} \cong 0\%$) and try to stimulate the markets and the economy with an enormous growth of money supply,[8] having also concerns about deflation ($\pi < 0$), which was impossible and was referred to as *unconventional monetary policy*.[9]These new policies include credit easing,[10] quantitative easing,[11] forward guidance, and signaling, and many other new tools (instruments). In credit easing, a central bank purchases private sector assets to improve liquidity and improve access to credit. Signaling can be used to lower market expectations for lower interest rates in the future. For example, during the credit crisis of 2008, the Fed indicated rates would be low for an "extended period", until the end of 2015. The Fed raised the federal funds rates from 0.25% to 0.50% on December 16, 2015, but the enormous liquidity for seven years kept the effective rate below 0.50%. On March 16, 2020, the Fed went back to zero interest rate: $0.00\% \leq \bar{\imath}_{FF} \leq 0.25\%$for two full years, until March 15, 2022.[12] After March 16, 2022, the target federal funds started going up and on November 2, 2022, it became: $3.75\% \leq \bar{\imath}_{FF} \leq 4.00\%$.[13]

2.1. Interest Rate Reaction Functions

We can use different monetary policy rules (interest rate reaction functions) to test the efficiency and effectiveness of the target interest rate ($\bar{i}_{FF}$) and of course, to see if the level of the federal funds rate is optimal. The objective of the Fed is, stabilization of output (maximum employment) and prices (inflation target, $\bar{\pi}_t = 2\%$), hoping to stimulate consumption and investment. Central bank's behavior (reaction to inflation and output-employment) can be presented with an interest rate reaction function, eq. (1), as follows:

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[6] The discount rate was ($i_{DR} = 1\%$) on July 15, 2016; it became: $i_{DR} = 2.50\%$ (7/28/2022); and now, (11/7/2022), it is: $i_{DR} = 4.00\%$. See, https://fred.stlouisfed.org/categories/118

[7] See, Kallianiotis (2015).

[8] The monetary base was (8/15/2007), $860.826 billion and became (10/14/2015), $4,104.649 billion; a growth of 376.827% or 46.179% per annum. In May 2022, it was $5,591.6 billion (a growth of 37.057% p.a. since 2007).Now, (10/25/2022), it is $5,410.9 billion. https://fred.stlouisfed.org/series/BOGMBASE . The money supply (M2) from $7,350.60 billion reached $12,149.60 billion during the same period; a growth of 65.287% or 8.161% per annum. The money supply continues to grow; with July 6, 2016, it was $12,798.50 billion. With June 6, 2022), it was: $M2 = \$21,745.6$ billion, a growth of 13.205% p.a. Now (10/25/2022), it is $M2 = \$21,503.4$ billion. See, https://fred.stlouisfed.org/series/M2SL

[9] See, Williamson (2014).

[10] Credit easing involves increasing the money supply by the purchase not of government bonds, but of private-sector assets, such as corporate bonds and residential mortgage–backed securities. In 2010, the Federal Reserve purchased $1.25 trillion of mortgage-backed securities to support the sagging mortgage market. These purchases increased the monetary base in a way similar to a purchase of government securities. On June 22, 2022, the mortgage-backed securities were $2.731 trillion and on November 2, 2022 fell a little to $2.679 trillion. See, https://www.federalreserve.gov/releases/h41/current/h41.htm

[11]*Quantitative easing (QE)* is a monetary policy used by central banks to stimulate the economy, when standard monetary policy has become "ineffective" (and fiscal policy has been questionable). A central bank can implement quantitative easing by buying financial assets from commercial banks and other financial institutions.This process is raising the prices of those financial assets and lowering their yield, while simultaneously increasing the money supply. These reserves were $3,228.4 billion with July 26, 2022 and we were paying interest (IOR): $i_{IOR} = 2.40\%$. Now (10/25/2022), they are a little less, $3,131.4 billion and the interest is: $i_{IOR} = 3.90\%$.
https://www.federalreserve.gov/releases/h41/current/h41.htm

[12] See,"Fed's interest rate history: A look at the fed funds rate from the 1980s to the present".
https://www.bankrate.com/banking/federal-reserve/history-of-federal-funds-rate/

[13] See,Federal Reserve issues FOMC statement.
https://www.federalreserve.gov/newsevents/pressreleases/monetary20221102a.htm

$$\bar{i}_{FF_t} = \rho \bar{i}_{FF_{t-1}} + (1-\rho)(\pi_t + r_t^*) + \alpha_\pi (\pi_t - \pi_t^*) - \alpha_u (u_t - u_t^N) \tag{1}$$

where, $\bar{i}_{FF_t}$ = the target federal funds rate, π_t = the rate of inflation as measured by the GDP deflator, π_t^* = the desired rate of inflation,[14] r_t^* = the assumed equilibrium real interest rate,

u_t = the unemployment rate, u_t^N = the natural level of unemployment, and ρ = the weight put on the past federal funds rate setting.

We can run a simplified regression of eq. (1), which is presented in eq. (2). The target interest rate will follow the changes in inflation and unemployment based on the coefficients estimated in eq. (2). This interest rate measured by the reaction function must be the target federal funds rate:

$$\bar{i}_{FF_t} = \alpha_0 + \alpha_1 \bar{i}_{FF_{t-1}} + \alpha_2 \pi_t + \alpha_3 u_t^{GAP} + \alpha_4 u_{t-1}^{GAP} + \varepsilon_t \tag{2}$$

where, $u_t^{GAP} = u_t - u_t^N$.

Using monthly data for the U.S. economy (1954:08-2022:08), we have:

$$\underset{(0.033)}{\bar{i}_t = 0.070^{**}} + \underset{(0.005)}{0.985^{***}} \bar{i}_{t-1} + \underset{(0.005)}{0.014^{***}} \pi_t - \underset{(0.040)}{0.144^{***}} u_t^{GAP} + \underset{(0.040)}{0.118^{***}} u_{t-1}^{GAP}$$

$$R^2 = 0.982, \quad SER = 0.483, \quad F = 11{,}302.18, \quad D-W = 1.302, \quad N = 817$$

The size of the partial adjustment, coefficient α_1, which is 0.985*** provides direct evidence that the observed degree of persistence in federal funds rates is greater than the one that can be attributed to systematic policy responses to persistent inflation and unemployment (output) fluctuations. The coefficients of regression show that the federal funds rate must respond significantly to an increase in inflation (α_2 = 0.014***), but less aggressively to induce an increase in target rate and a tightening monetary policy. The federal funds rate must respond sufficiently aggressively to an increase in unemployment (α_3 = -0.144***) to induce a reduction in interest rate and an effective easing monetary policy.

A specific case of eq. (1) is the Taylor rule by putting $\rho = 0$. According to Taylor's original version of the rule, the nominal interest rate should respond to divergences of actual inflation rates from *target* inflation rates and of actual GDP from *potential* GDP. By substituting, from the original equation the logarithm of GDP with the unemployment rate, we have the following eq. (3):

$$\bar{i}_{FF_t} = \pi_t + r_t^* + \alpha_\pi (\pi_t - \pi_t^*) - \alpha_u (u_t - u_t^N) \tag{3}$$

Taylor (1993) proposed an $\alpha_\pi = 0.5$ and $\alpha_u = -0.5$. The rule "recommends" a high interest rate (a "tight" monetary policy) when inflation is above its target, in order to reduce inflationary pressure, as we have now, and a low interest rate ("easy" monetary policy) when the unemployment rate is above its natural level to stimulate production, output, and employment.[15]

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[14] The Fed ultimately stated explicitly that its target was a 2% per year increase in the raw personal consumption expenditures deflator. See, Williamson (2014, p. 112). Here, we forecast the inflation by using an ARMA (2,1) process, eq (1΄) in footnote 18, bellow.

[15] If the economy has a high inflation and it is in a recession (with high unemployment), we must have a target interest rate: $\bar{i}_{FF} = 5.4\% + 1\% + 0.5(5.4\% - 2\%) - 0.5(5.9\% - 4\%) = 7.15\%$. This should have been the federal funds rate in June 2021, but it was between 0.00% and 0.25%, which was very low; and it was ineffective, it did not improve growth and did not reduce inflation and unemployment; it just increased the bubble in the stock market. (*Sic*).

In addition, financial market plays a major role in market oriented economies and its optimal growth has a positive effect on investors' and consumers' confidence and their wealth. The opposite happens, if growth is artificially enormous (abnormal bubbles). Kallianiotis (2020c) rule is an expansion of eq. (3) by using an extra term, the growth of the financial market (g_{DJIA_t}), as follows,

$$\bar{i}_{FF_t} = \pi_t + r_t^* + \alpha_\pi(\pi_t - \pi_t^*) - \alpha_u(u_t - u_t^N) + \alpha_{DJIA}(g_{DJIA_t} - g_{DJIA_t}^*) \tag{4}$$

where, g_{DJIA_t} = the actual growth of the DJIA index, $g_{DJIA_t}^*$ = the optimal (the bubble prevention) growth of the DJIA ($g_{DJIA}^* = HRP = 8.9\%$),[16] and $\alpha_\pi = 0.25$, $\alpha_u = -0.50$,[17] $\alpha_{DJIA} = 0.25$

The monetary policy is more effective on prices (inflation) and financial markets (stability or bubbles). On growth and unemployment, it is less effective because money is a veil (neutrality of money in the long-run). The negative relationship between inflation and unemployment can be seen with a Phillips curve. The Phillips curve can be written as follows:

$$\pi_t = \pi_t^e - \psi(u_{t-1} - u_t^N) \tag{5}$$

Testing empirically this Phillips curve, we have supported this theory for the last seventy years.[18]

The biggest surprise for the Fed was that inflation did not accelerate in response to lower interest rates during that extended period of low interest rate; from 2008 to 2015 ($\bar{\pi} = 1.552\%$) because the unemployment was high (official $\bar{\pi} = 6.9\%$)[19]and this high unemployment causes reduction in personal income and aggregate demand, which affect negatively the price level.[20]But, it seems that there was a need to invert the yield curve, raising federal funds rate above US10YTB,[21]to keep inflation under control and reduce the bubble that was creating in the financial market. Figure 1.

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[16] For the Historic Risk Premium (HRP), see, Ross, Westerfield, Jaffe, and Jordan (2022, p. 311).

[17]The coefficient of unemployment is higher because full employment is the most important objective of every policy. Citizens of a country need work (employment), certainty (zero risk), confidence for the financial market (no bubbles and enormous declines), and low inflation (the true cost of production of a good). And above all, they need a democratic system and not something like the current indescribable one.

[18] Here, we forecast the inflation, as follows:

$$\pi_t^e = \pi_t^* = \underset{(0.859)}{3.830^{***}} + \underset{(0.036)}{1.285^{***}}\pi_{t-1} - \underset{(0.033)}{0.299^{***}}\pi_{t-2} - \underset{(0.024)}{0.893^{***}}\varepsilon_{t-1} \tag{1'}$$

$$R^2 = 0.356, SER = 3.393, F = 119.526, D-W = 1.998, N = 869, RMSE = 3.385$$

Then, there is a Phillips curve in our economy: $\pi_t = \pi_t^e - \phi(u_t - u_t^N) + \varepsilon_t$, which gives the following regression:

$$\pi_t = \underset{(0.034)}{1.034^{***}}\pi_t^e - \underset{(0.060)}{0.097^{*}}(u_t - 4) \tag{2'}$$

$$R^2 = 0.358, SER = 3.384, D-W = 2.024, N = 867, RMSE = 0.224$$

[19] See, https://www.macrotrends.net/countries/USA/united-states/unemployment-rate

[20] The SGS give an inflation for these two periods from 7% to 14% and an unemployment from 14% to 23%.The ShadowStats Alternate Unemployment Rate for June 2018 was 21.5%. See, http://www.shadowstats.com/alternate_data/unemployment-charts

[21]On November 17, 2022, the rates were: $i_{10YTB} = 3.772\%$and $i_{FF}^{eff} = 3.83\%$. See, http://www.fedprimerate.com/fedfundsrate/federal_funds_rate_history.htm and https://www.bloomberg.com/markets/rates-bonds/government-bonds/us

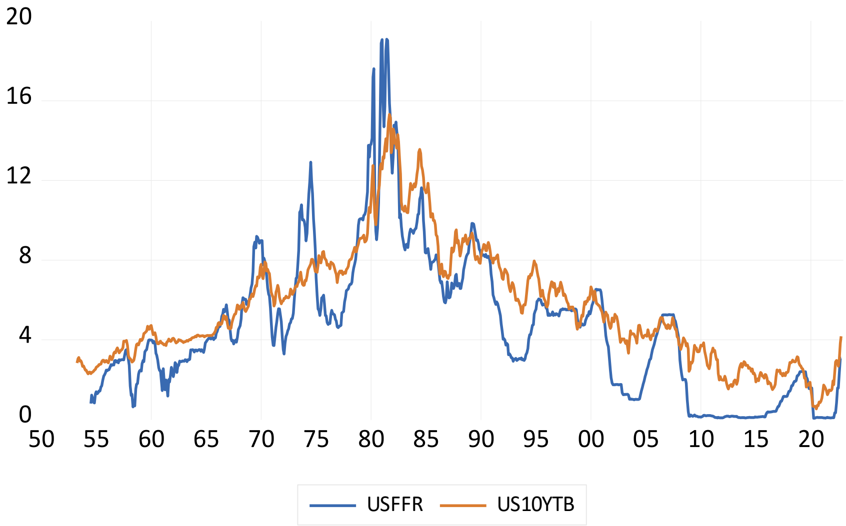

Figure1. *The Effective Federal Funds Rate and the Yield on 10-Year Treasury Bonds.*

Note: *USFFR = effective federal funds rate and US10YTB = yield on the 10-year Treasury Bond.*

2.2. The Monetary Policy Instruments

Before 2007, the Fed implemented monetary policy with *limited reserves*, Figure 2, by supplying non-borrowed (R^*) and borrowed (R_B) reserves, in the banking system ($R^* + R_B = R_T^s$) and relied on OMO, as its key instrument (tool). After the financial crisis of 2008, the Fed implements monetary policy with *ample reserves*, Figure 3, by using many new instruments[22]and it relies on interest on reserves (IOR) and since 2014, on interest on overnight reverse repurchase agreements(*IONRRP*), too.

With the previous regime, banks held reserves to meet the Fed's regulatory reserve requirements (R_R),[23] which was 10% on demand deposits and some excess reserves (R_E) to meet the banking demands of their customers.[24] The interest on reserves ($R_R + R_E = R_T^d$) was zero ($i_{IOR} = 0$), which was the appropriate and socially fair practice. When banks needed extra reserves to meet their demands, they were borrowing these reserves from the federal funds market or through Fed's discount window. If banks had excess reserves, they could lend them in the federal funds market at the i_{FF}^{eff}. The demand and supply of reserves are depicted in Figure 2. To raise the i_{FF}, the Fed decreases the supply of reserves (R^*) by selling U.S. Treasury securities in the open market. To lower the i_{FF}, the Fed increases the supply of reserves (R^*) by buying government securities and later (December 2008),[25] mortgage-back securities, too, in the open market, or by changing the reserve requirements (R_R).Also, it was using the discount rate (i_{DR}), reserve requirements ratio (r_R), and margin requirements (r_m).[26] If the central bank wished to lower interest rates, it purchased government debt, thereby increasing the amount of cash in circulation or crediting banks' reserves; the R^* shifts to the right, Figure 2.

[22]Policy Tools. https://www.federalreserve.gov/monetarypolicy/policytools.htm . See, also, The Fed's New Monetary Policy Tools. https://research.stlouisfed.org/publications/page1-econ/2020/08/03/the-feds-new-monetary-policy-tools

[23]As announced on March 15, 2020, the Board reduced reserve requirement ratios to zero percent effective March 26, 2020. See, https://www.federalreserve.gov/monetarypolicy/reservereq.htm . See also,https://www.thebalance.com/reserve-requirement-3305883

[24] See, Kallianiotis (2017).

[25]On November 25, 2008, Federal Reserve announces it will initiate a program to purchase the direct obligations of housing-related government-sponsored enterprises and mortgage-backed securities backed by Fannie Mae, Freddie Mac, and Ginnie Mae. https://www.federalreserve.gov/newsevents/pressreleases/monetary20081125b.htm

[26] See, Kallianiotis (2017).

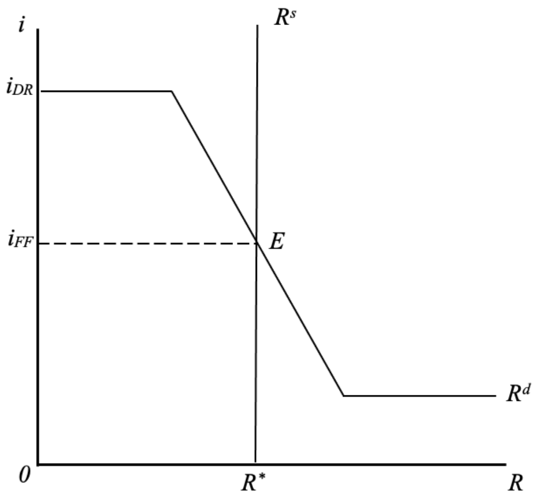

Figure2. *Market with Limited Reserves*

Note: R^d = *demand for reserves,* R^s = *supply of reserves,* i = *interest rates,* i_{DR} = *discount rate,* i_{FF} = *federal funds rate,* R = *reserves,* R^* = *non-borrowed reserves, and* E = *equilibrium (* $R^s = R^d$ *).*

Banks, before November 2008, were minimizing their holdings of excess reserves because $i_{IOER} = 0$. Then, with $i_{IOER} > 0$, banks have an incentive to hold more excess reserves. The i_{IOER} became a tool to influence banks to hold more excess reserves at the Fed. The Fed has since that time the i_{IOER} as a new tool for implementing monetary policy. Since November 2008, $i_{IORR} = i_{IOER}$ and since March 26, 2020, the Fed abandoned the required reserves ($R_R = 0$).[27] This *IORR* made Fed's policy effectiveness irrelevant for banks. The Fed shifted to an ample-reserves framework and reserve requirements are not anymore a tool of monetary policy. Thus, now, we have only *IOR* (i_{IOR}) and since 2014, the Fed introduced the *ION RRP*($i_{ON\ RRP}$). The reserves are still remained "ample",[28] Figure 3.

When there is a large quantity of reserves in the banking system, as it is lately, Figure 3, the Fed can no longer influence the i_{FF} by making small changes in the supply of reserves (R^s). Why we need all these non-borrowed reserves (R^*)? What was the reason of this idle enormous liquidity with the economy lockdown, businesses have no workers because of the vaccine mandates, a vast demand for imports,[29] a supply chain problem, and a very anemic *AD*? Why the taxpayers have to pay billions of

[27] See, "Reserve Requirements", https://www.federalreserve.gov/monetarypolicy/reservereq.htm. Also, "The Financial Services Regulatory Relief Act of 2006 authorized the Federal Reserve Banks to pay interest on balances held by or on behalf of eligible institutions in master accounts at Reserve Banks, subject to regulations of the Board of Governors, effective October 1, 2011. The effective date of this authority was advanced to October 1, 2008, by the Emergency Economic Stabilization Act of 2008." See, "Interest on Reserve Balances", https://www.federalreserve.gov/monetarypolicy/reserve-balances.htm

[28] In January 2019, the FOMC released a statement saying, it would continue to implement policy with ample reserves in the long run.See, Board of Governors of the Federal Reserve System. "Statement Regarding Monetary Policy Implementation and Balance Sheet Normalization." Press release, January 30, 2019; https://www.federalreserve.gov/newsevents/pressreleases/monetary20190130c.htm

More recently, in response to the COVID-19 pandemic, reserves have grown substantially. By May 2020, reserves expanded and stood above $3.218 trillion, at a higher level than their peak during the aftermath of the Great Recession; on January 28, 2021, they were $3.135 trillion; on February 23, 2021, they were $3.154 trillion; on March 23, 2021 became $3.346 trillion; on June 28, 2022, they became $3.318 trillion,and lately, July 26, 2002 fell to $3,228.4 billion, on September 27, 2022, they became $3,305.9 billion and on October 25, 2022 fell to $3,131.4 billion. See, .https://fred.stlouisfed.org/series/TOTRESNS

[29] See, "United States Imports",https://tradingeconomics.com/united-states/imports**.** See also**, "**List of imports of the United States",

dollars to the corrupted banks for keeping these idle excess reserves? Is this policy efficient, effective, fair, ethical, or social? All this money supply caused the enormous double digit inflation $\pi = 18\%$,[30] and an official[31] $\pi = 9.1\%$, which is already, here and will stay for a long time. How we will control the bubble in the financial market? Who is going to compensate the poor individuals with their huge loses in their IRA? The market manipulators and the insiders have started taking advantage of this situation, and the Fed is increasing the interest rate, as already they are doing. All these have generated an unfair huge social cost.

The Fed is using since October 1, 2008,[32] its administered rates (i_{IOR} and $i_{ON\ RRP}$) to influence the i_{FF}. The demand for reserves curve (R^d) turns flat between the new administered rates at point E_1, Figure 3, which helps to keep the i_{FF} into the $FOMC$'s target range ($3.75\% \leq \bar{\imath}_{FF} \leq 4.00\%$). With these enormous "ample" reserves, the Fed does not need to make daily OMO (OMP or OMS), as it did before with the limited reserves to hit the i_{FF} target. Now, small shifts of the supply curve (R^s) have no effect on the i_{FF}. The main tool for keeping the i_{FF} on its target and driving the demand curve flat is the i_{IOR}. Banks invest their money short-term based on the interest rate and the risk. They can invest in Treasury Bills ($i_{RF} = 4.06\%$), by offering loans to banks ($i_{FF}^{eff} = 3.83\%$), or by depositing to the Fed ($i_{IOR} = 3.90\%$).[33] Banks prefer to deposit their money to the Fed because i_{IOR} is higher compared to the alternative S-T investments and it is also a safe overnight investment. (*Sic*). If the i_{FF} were to fall very far below the i_{IOR}, banks would borrow in the federal funds market and deposit those reserves at the Fed, earning a profit (arbitrage, π_A) on the difference ($\pi_A = i_{IOR} - i_{FF}$). This arbitrage ensures that the i_{FF} does not fall much below i_{IOR}. [$EX\ D_{FF} \Rightarrow i_{FF} \uparrow$ *and* $EX\ S_{\mathrm{Re}\,serves} \Rightarrow i_{IOR} \downarrow$]

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https://en.wikipedia.org/wiki/List_of_imports_of_the_United_States . Further see, "What Are the Top 10 U.S. Imports?", https://traderiskguaranty.com/trgpeak/what-are-the-top-10-u-s-imports/

[30] See, SGS, http://www.shadowstats.com/alternate_data/inflation-charts

[31] See, Stephen Miller, "U.S. Inflation Rate Reaches 8.6% in May, a 40-Year High, Pushing Wages Up". In June 2022, the CPI rose 9.1% and the PPI rose 10.8%. https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/annual-inflation-hit-40-year-high-in-may.aspx . In September 2022, it was $\pi = 8.2\%$.

[32] On July 26, 2022 they were, $i_{IOR} = 2.40\%$, $i_{ON\ RRP} = 2.30\%$, $i_{FF}^{eff} = 2.33\%$, and $i_{DR} = 2.50\%$. On October 21, 2022, they were: $i_{IOR} = 3.15\%$, $i_{ON\ RRP} = 3.05\%$, $i_{FF}^{eff} = 3.08\%$, and $i_{DR} = 3.25\%$. On November 7, 2022, the interest rates became: :$i_{IOR} = 3.90\%$, $i_{ON\ RRP} = 3.80\%$, $i_{FF}^{eff} = 3.83\%$, and $i_{DR} = 4.00\%$. See, "Interest on Reserve Balances". https://www.federalreserve.gov/monetarypolicy/reserve-balances.htm . See also, "Effective Federal Funds Rate", https://www.newyorkfed.org/markets/reference-rates/effr . Further, "FRB Rates - discount, fed funds, primary credit", https://fred.stlouisfed.org/categories/118

[33] The T-Bill rate in the secondary market was, $i_{RF} = 0.02\%$ on June 30, 2021 and became in one year $i_{RF} = 4.06\%$ (November 7, 2022). See, https://tradingeconomics.com/united-states/interest-rate and https://ycharts.com/indicators/3_month_t_bill and https://fred.stlouisfed.org/series/TB3MS

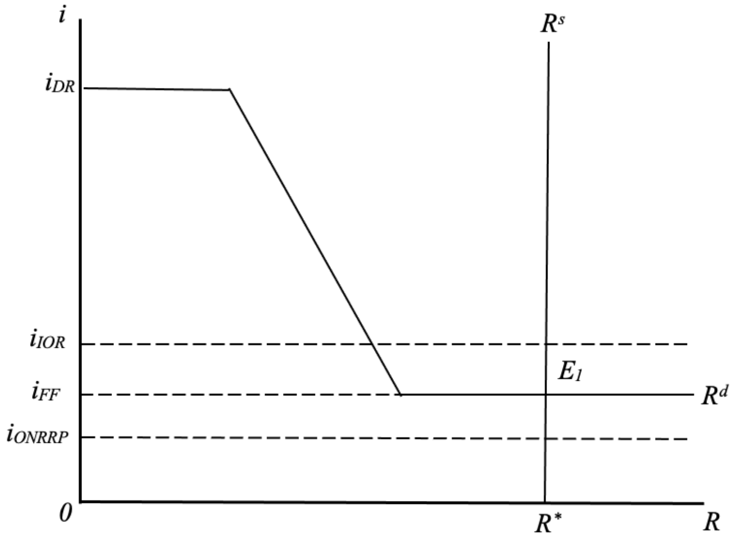

Figure3. *New Monetary Policy with Ample Reserves*

Note: i = *interest rates*, i_{FF} = *federal funds rate*, i_{DR} = *discount rate*, i_{IOR} = *interest rate on reserves*, i_{ONRRP} = *interest rate on overnight reverse repurchase*, R = *reserves*, R^d = *demand for reserves*, R^s = *supply of reserves*, R^* = *non-borrowed reserves*, E = *equilibrium* ($R^s = R^d$).

Thus, when the Fed raises or lowers the i_{IOR}, the i_{FF} moves up or down, too. Consequently, the Fed can keep the i_{FF} into the target range set by the *FOMC* through adjustment of the i_{IOR}. The Fed sets the i_{IOR} directly, so this interest rate serves as an effective monetary policy tool. Now, this i_{IOR} [34]is the *primary tool* used by the Fed for influencing the i_{FF}, Figure 3. The old tools were satisfied the same objective without charging citizens with any cost, as they have to pay, now, the *IOR* and *ION RRP* (bail out cost to taxpayers of hundreds of billions of dollars per annum). In 2014, the *FOMC* announced that it will use the Overnight Reverse Repurchase Agreement Facility (*ON RRP*)[35] to help control the i_{FF}. This facility is a form of *OMO*, where the Fed interacts with many nonbank financial institutions (large money market funds and government-sponsored enterprises).[36] When one nonbank financial institution uses the *ON RRP* facility, it deposits reserves at the Fed overnight receiving securities as collateral. The next day the transaction is "unwound";[37] the Fed buys back the securities and the institution earns the $i_{ON\ RRP}$, which the Fed sets, on the cash it deposited at the Fed (another bail out cost), Figure 3. This investment facility is a risk-free option and these institutions are willing to lend funds to this relatively low rate, the $i_{ON\ RRP}$, but not lower. For this reason, the $i_{ON\ RRP}$ acts as a reservation rate and institutions can use it to arbitrage other short-term rates. Thus, the interest rate paid on *ON RRP* transactions and it is below the i_{IOR}, acts like a floor for the i_{FF} and serves as a *supplementary policy tool* by the Fed, Figure 3.

[34] See, Board of Governors of the Federal Reserve System. "Interest on Required Reserve Balances and Excess Balances".https://www.federalreserve.gov/monetarypolicy/reqresbalances.htm

[35] See, Board of Governors of the Federal Reserve System. "Overnight Reverse Repurchase Agreement Facility". https://www.federalreserve.gov/monetarypolicy/overnight-reverse-repurchase-agreements.htm.

[36] See, "What Is a Money Market Fund?", https://www.investopedia.com/investing/do-money-market-funds-pay/ and "Government-Sponsored Enterprise (GSE)", https://www.investopedia.com/terms/g/gse.asp . See also, Federal Reserve Bank of New York, "Reverse Repo Counterparties". https://www.newyorkfed.org/markets/rrp_counterparties.

[37] Unwind = To closeout a relativelycomplicatedinvestmentposition.

Some reasonable questions arise, now. Why the Fed needs these overnight deposits (ONRRP)?[38] Why the tax payers to pay some more billion dollars per annum to these money market nonbank lenders? Why we do not increase the deposit rate (i_D) to increase the deposits (demand for deposit accounts)[39] in our banks, if they need more liquidity? Make at least the saving account rate $i_D \geq i_{ONRRP} \cong 3.80\%$ and not zero ($i_D = 0.05\%$), as it is for 14 years.[40]Why we exploit the depositors? Why we confiscate their deposits? This new policy is not necessary and it has also a very high social cost (trillions of dollars bail out cost to tax payers and bail in cost to depositors). The federal funds market can provide the liquidity for the banks through the OMO without forcing the people to bail out banks by paying *IOR* and *IONRRP*. The limited reserve system is sufficient to provide all reserves needed in our banking system and concurrently, it maximizes the social benefits.

The Fed introduced new lending programs during the global financial crisis in 2007-2008.[41] Thus, the Federal Reserve has a variety of policy tools (instruments)[42]that it was using in the past or it is still using them, now, in order to implement monetary policy and support the economy during the latest global financial and the suspicious coronavirus (COVID-19) economic and social crises, too.

2.3. The Mostly Zero Interest Rate Era (MZIRE)

The new monetary policy[43] was used by the Fed to improve the economy after the global financial crisis. From 2008:12 to 2015:11 (period of zero federal funds rate), by applying the interest rate reaction function, eq. (2), we had:

$$\bar{i}_t = \underset{(0.009)}{0.036^{***}} + \underset{(0.065)}{0.573^{***}}\, \bar{i}_{t-1} + \underset{(0.001)}{0.001}\pi_t + \underset{(0.015)}{0.015}u_t^{GAP} - \underset{(0.015)}{0.011}u_{t-1}^{GAP}$$

$$R^2 = 0.622, \quad SER = 0.025, \quad F = 32{,}512, \quad D-W = 1.079, \quad N = 84$$

The results show that the only significant effect is from the lagged federal funds rate. The inflation and unemployment have no significant effect on i_{FF}. Thus, with increases in inflation or unemployment, there is no need for changes in the federal funds rate. Very stranger results or the official inflation and unemployment are a little suspicious (different than the actual).

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[38] See, "How the Fed's Overnight Reverse Repo Facility Works", JANUARY 11, 2022. HTTPS://LIBERTYSTREETECONOMICS.NEWYORKFED.ORG/2022/01/HOW-THE-FEDS-OVERNIGHT-REVERSE-REPO-FACILITY-WORKS/

[39] See, Hadjimichalakis (1982).

[40] In this case the real deposit rate will be: $r_D = 3.80\% - 8.2\% = -4.4\%$, which is still negative, but not -8.15% , as it is now. The deposit rate must be: $i_D = \pi_t^e + 1\%$ or $r_D = 1\%$. Today, $i_D = 8.2\% + 1\% = 9.2\%$.

[41] They were: (1) Term Auction Facility (TAF) on December 12, 2007. (2) Term Securities Lending Facility (TSLF) on March 11, 2008. (3) Swap Lines on March 11. 2008. (4) Loans to J.P. Morgan to buy Bear Sterns on March 14, 2008. (5) Primary Dealer Credit Facility (PDCF) on March 16, 2008. (6) Loans to AIG on September 16, 2008. (7) Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF) on September 19, 2008. (8) Commercial Paper Funding Facility (CPFF) on October 7, 2008. (9) Money Market Investor Funding Facility (MMIFF) on October 21, 2008. (10) Term Asset-Backed Securities Loan Facility (TALF) on November 25, 2008. See, Mishkin and Eakins (2018, p. 224).

[42]These instruments are the followings: (1)Open Market Operations. (2) Discount Window and Discount Rate. (3) Reserve Requirements. (4) Interest on Required Reserve Balances and Excess Balances. (5) Overnight Reverse Repurchase Agreement Facility. (6) Term Deposit Facility. (7) Commercial Paper Funding Facility. (8) Primary Dealer Credit Facility. (9) Money Market Mutual Fund Liquidity Facility . (10) Primary Market Corporate Credit Facility. (11) Secondary Market Corporate Credit Facility. (12) Term Asset-Backed Securities Loan Facility. (13) Paycheck Protection Program Liquidity Facility. (14) Municipal Liquidity Facility. (15) Main Street Lending Program. (16) Central Bank Liquidity Swaps. (17) Temporary Foreign and International Monetary Authorities (FIMA) Repo Facility. (18) Expired Policy Tools. (19) Margin Requirements. See, Overview of Margin Requirements. https://www.finra.org/rules-guidance/key-topics/margin-accounts . Also, https://www.investopedia.com/terms/i/initialmargin.asp . Further, All Regulations, https://www.federalreserve.gov/supervisionreg/reglisting.htm

[43] See, "Federal Funds Rate History 1990 to 2022". https://www.forbes.com/advisor/investing/fed-funds-rate-history/

Then, we test the same reaction function from 2015:12 up to 2020:02 (new regime: the $\bar{\imath}_{FF}$was between 0.25% and 2.50%)[44] and the results were,

$$\bar{i}_t = 0.055 + 0.984^{***}\,\bar{i}_{t-1} - 0.004\pi_t + 0.110u_t^{GAP} - 0.084u_{t-1}^{GAP}$$
$$(0.076)(0.046) \qquad (0.006) \quad (0.116) \qquad (0.117)$$

$$R^2 = 0.985, \quad SER = 0.095, \quad F = 742.510, \quad D-W = 1.208, \quad N = 51$$

The same results are sowing during this period, too. Inflation and unemployment have no effect on i_{FF}. Something is wrong with our economic theories and policies. (*Sic*).

Further, from 2020:03 up to 2022:02 (COVID-19: zero federal funds rate again), we have,

$$\bar{i}_t = -0.226^{*} + 1.194^{***}\,\bar{i}_{t-1} + 0.033^{***}\pi_t - 0.023u_t^{GAP} + 0.032u_{t-1}^{GAP}$$
$$(0.127) \quad (0.126) \qquad (0.011) \qquad (0.029) \qquad (0.026)$$

$$R^2 = 0.826, \quad SER = 0.249, \quad F = 29.590, \quad D-W = 1.166, \quad N = 30$$

During the period, the inflation had significant effect on i_{FF}, but not the unemployment rate.

Lastly, from 2022:03 (March 16, 2022), the target federal funds rate started to go up again and now (since 11/2/2022), it is: $3.75\% \leq \bar{\imath}_{FF} \leq 4.00\%$.[45]

The conclusion is, here, that during the latest three monetary policy regimes from 2008 to 2022, the coefficients of regressions are insignificant, showing that the federal funds rate does not respond significantly to an increase in inflation to induce an increase in real rates and a tightening monetary policy. Also, the federal funds rate does not respond sufficiently aggressively to an increase in unemployment to induce a reduction in interest rate and an effective easing monetary policy. Thus, these monetary policies the last fourteen (14) years have nothing to do with the real sector (Main Street) of the economy and its objectives (inflation, growth, and unemployment). The only effects are on interest rate (negative real returns), double digit inflation, negative GDP growth, and on financial markets (a new enormous bubble, which has started losing air since January 5, 2022).[46] And a third worse effect, the bail in of the banks (negative real deposit rate, depositors are paying interest on their deposits to the banks for "safe keeping their deposits in banks' computer memory") and the bail out of the banks (taxpayers are paying the interest on reserves of the banks, *IOR* and on deposits of nonbank financial institutions, *IONRRP*). (Sic). Thus, there is an ethical issue,[47] here, the social benefits are very limited or imaginary from this monetary policy; the social cost exceeds these unreal social benefits. It seems that this New Monetary Policy follows orders from the Liberal New World Order. (*Sic*).

Now, we use the two rules mentioned above to evaluate the target federal funds rate. The results, from: (1) Taylor's rule [eq. (3)] and (2) Kallianiotis' rule [eq. (4)], are as follows.[48]

(1) Taylor's Rule:

The target federal funds rate was between (0.00%-0.25%) for the period 2008:12 to 2015:11 (Zero Interest Rate Regime).[49] Thus, i_{FF} must have been:

$i_{FF} = 1.586\% + 1\% + 0.5(1.586\% - 2\%) - 0.5(7.838\% - 4\%) = 0.46\%$; but, it was

[44] On March 17, 2020, the federal funds rate went back to: $0.00\% \leq i_{FF} \leq 0.25\%$ until March 16, 2022.

[45] See, "Policy Tools". https://www.federalreserve.gov/monetarypolicy/openmarket.htm

[46] See, Kallianiotis and Petsas (2020, Table 1).

[47] These monetary policies are unfair, wrong, anti-social, and against the poor citizens of the country. And after all of these deceptions, from the global financial crisis, came the Chinese plague, the coronavirus. The deduction from all these crises is very simple; we need a strong fiscal and trade policy that have to be in favor of the poor people, a "pro-American" fiscal policy and an effective monetary one.

[48] For more details, see, Kallianiotis and Petsas (2020).

[49] For federal funds target rate, see,http://www.fedprimerate.com/fedfundsrate/federal_funds_rate_history.htm

between 0% and 0.25% (average $\bar{i}_{FF}^{eff} = 0.129\%$), which was low.

From 2015:12 to 2018:12 (New Regime) the i_{FF} must have been:

$i_{FF} = 1.906\% + 1\% + 0.5(1.906\% - 2\%) - 0.5(4.389\% - 4\%) = 2.6645\%$; but, it was

between 0.25% and 2.50% (average $\bar{i}_{FF}^{eff} = 1.054\%$), which was too low.

Thus, Taylor's rule recommends higher federal funds rate.

(2) Then, the Kallianiotis rule,[50] which gives the following results: For the ZIRR (2008:12-2015:11) the i_{FF} must have been:

$i_{FF} = 1.586\% + 1\% + 0.25(1.586\% - 2\%) - 0.50(7.838\% - 4\%) + 0.25(9.952\% - 8.9\%) = -0.1735\%$, which was good closed to zero (0.00%-0.25%).

For the NR (2015:12-2018:12) the i_{FF} must have been:

$i_{FF} = 1.906\% + 1\% + 0.25(1.906\% - 2\%) - 0.50(4.389\% - 4\%) + 0.25(10.78\% - 8.9\%) = 3.158\%$, which was very low (average 1.054%).

Consequently, all the results, with the two rules, show that the target rates of our central bank (Fed) were very low. The empirical results and all the tests and rules reveal that these monetary policies do not promote social welfare, because its social benefits are less than its social cost. If the Fed had started raising the i_{FF} gradually since July 2013, we would have no inflation and no bubbles in the stock markets. Fed's inefficiency and ineffectiveness is obvious the last fourteen years. It must be completely controlled; there is no other explanation for its anti-social policy.

The Zero Interest Rate Era (ZIRE) was from December 16, 2008 to December 15, 2015, a seven-year period, in which the target range for the federal funds rate was pegged between zero and 0.25%($\bar{i}_{FF} = 0\% - 0.25\%$) and again from March 16, 2020 to March 15, 2022. The market was flooded with trillions of dollars of excess reserves ($2.331 trillion in December 2015,R_T = $3.218 trillion in March 2022, $3.306 trillion on September 27, 2022, and $3.131 trillion on October 25, 2022)[51] as banks earned 0.25% on reserve balances at the Fed and an enormous monetary base ($3.822 trillion on December 23, 2015, $5.537 trillion in March 2022, $5.582 trillion on September 27, 2022, and $5.411 trillion on October 25, 2022),[52] which generated (endogenously) a money supply ($12.36 trillion on December 23, 2015, $21.74 trillion in March 2022, $21.711 trillion with September 27, 2022, and $21.503 trillion in October 25, 2022).[53] The main concern was output stabilization, as output appeared to grow along a path that was considered to be well below the potential for GDP (the real GDP growth was $g_{RGDP_t} = -2.703\%$ in 2008:Q1, -1.903% (2008:Q3), -8.188% (2008:Q4), -5.428% (2009:Q1), -0.540% (2009:Q2), -1.536% (2011:Q1), $g_{RGDP} = -1\%$ in 2014:Q1, -5.1% in 2020:Q1 and then, it came the Chinese virus and the GDP became -31.2% in 2020:Q2, -1.6% in 2022:Q1, -0.6% in

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[50] Kallianiotis rule with June 2021 gives: (1) With official data, the target federal funds rate ($\bar{i}_{FF}$) must have been:

$i_{FF} = 5.4\% + 1\% + 0.25(5.4\% - 2\%) - 0.50(5.9\% - 4\%) + 0.25(18.22\% - 8.9\%) = 8.63\%$

(2) With SGS data, the $\bar{i}_{FF}$ should have been:

$i_{FF} = 13\% + 1\% + 0.25(13\% - 2\%) - 0.50(25.8\% - 4\%) + 0.25(18.22\% - 8.9\%) = 8.18\%$

With July 2022: (1) Official data: 8.5%+1%+0.25(8.5%-2%)-0.50(3.5%-4%)+0.25(29.58%-8.9%) =16.545%

(2) SGS data: 18%+1%+0.25(18%-2%)-0.50(24.4%-4%)+0.25(29.58%-8.9%) =17.97%

Then, the target rate was: $\bar{\imath}_{FF}$ =2.50%, which was very low.

[51] See, https://fred.stlouisfed.org/series/EXCSRESNS

[52] See, https://fred.stlouisfed.org/series/BASE/ and https://fred.stlouisfed.org/series/BOGMBASE

[53]Later, it is worse, with June 11, 2018, the M2 was $14.1 trillion and with October 25, 2022, it became $21.503 trillion. See, https://fred.stlouisfed.org/series/M2. See, also, https://www.federalreserve.gov/releases/h6/current/default.htm and https://fred.stlouisfed.org/series/M2SL

2022:Q2, and 2.6% in 2022:Q3).[54] Official inflation ($\bar{\pi} = 1.552\%$) tended to remain below the Fed's 2%long-termobjective and the Fed was anxious for a possible deflation $(-\pi)$,[55] which would increase the real cost of capital [$r = i - \pi$; then, $r = i - (-\pi) \Rightarrow r = i + \pi$], but it was actually above the Fed's target. In 2018, the Federal Reserve was troubled how it would set short-term interest rates in an effort to keep them from drifting too high; but an increase in its benchmark raises questions about its ability to keep borrowing costs in check.[56]

Although the Fed has a target range for federal funds, the actual new monetary policy rate set by the Fed is the interest rate on reserves (i_{IOR}), Figure 3. As it turns out, the period with the IOR set at the top of the target range for federal funds(0.25%) extended for exactly seven years.[57]Now, (since 11/7/2022), it is $i_{IOR} = 3.90\%$. Both the level and the volatility of the federal funds went close to zero in September 2008 as the Fed flooded the money market with bank reserves. Initially, the Fed supplied about $600 billion in reserves mainly by making loans of 180 days or less. The Fed justified this action as insurance against the worldwide collapse of financial markets (the 1st global crisis of the 21st century) and a replay of the Great Depression. Then, in February 2020, came the 2nd global crisis of the 21st catastrophic century, the planned COVID-19. Now, they are working for the 3rd one (it might be the environment, or a global famine, or the destruction of agriculture, or a new pandemic, or WWIII, etc.).[58]Generally, the Fed had shown an aversion to reversing interest rate movements within a short time span until March 16, 2022, which has caused four serious economic problems: (1) inflation, (2) bubble in the stock market, (3) bail out cost to taxpayers, and (4) bail in cost to depositors. How is this possible our monetary policy to be considered fair, efficient, and social?

2.4. Social Cost and Benefits of the New Monetary Policy

The new monetary policy tools(ample reserves, *IOR* and *IONRRP*), which keep the deposit rate closed to zero are, if not anything else, making this public policy an unfair and unethical new monetary policy by going against small savers (investors) and poor taxpayers. Political leaders have no power to regulate the "independent" private central banks, but they can do something for these dishonest ("corrupted")and uncontrolled commercial banks. Central banks' policies are ineffective for the economy, non-preventable for a new financial crisis, and anti-social for the people. Especially, now, with the suspicious coronavirus fraud[59]and the double digits inflation; the necessary public policy is a combination of monetary and fair and moderate fiscal stimulus policy (no higher taxes due to recession and no war on fossil fuels and in Ukraine[60]) that the government provided.[61] The latest monetary policies benefit only large banks,[62] and generate an enormous social cost.

[54] See, https://tradingeconomics.com/united-states/gdp-growth. Also, https://fred.stlouisfed.org/series/A191RL1Q225SBEA and https://fred.stlouisfed.org/series/GDPC1/ . In addition, see, *FRED*, https://fred.stlouisfed.org/series/GDPC1/. Further, Gross Domestic Product, Third Quarter 2022 (Advance Estimate) | U.S. Bureau of Economic Analysis (BEA)

[55] But from March 2021 ($\pi = 2.6\%$), it started to be above the Fed's target reaching 7.0% in December 2021, it became 8.5% in March 2022, 9.1% in June 2022, and 8.2% in September 2022. See, U.S. Inflation Rate. https://www.usinflationcalculator.com/inflation/current-inflation-rates/

[56]See, "The Fed's Latest Challenge: Keeping Benchmark Rate in Check", *The wall Street Journal*, June 27, 2018. https://www.wsj.com/articles/the-feds-latest-challenge-keeping-benchmark-rate-in-check-1530091800

[57]See, Gagnon and Sack (2014).

[58] Their ultimate objective is public information, they are not hiding it anymore; it is the reduction of population. See, "What Is the Malthusian Theory of Population?". https://www.economicsonline.co.uk/managing_the_economy/what-is-the-malthusian-theory-of-population.html/. The "forerunner" Klaus Schwab, chairman of the World Economic Forum said in the G-20 Summit in Indonesia on November 16, 2022 that "we need a Great Reset". See, World Economic Forum Chairman Klaus Schwab Announces His Plans For A "Deep Systemic And Structural Restructuring Of Our World" At The G20 Summit. https://www.eviemagazine.com/post/world-economic-forum-chairman-klaus-schwab-announces-his-plans-deep-systemic-structural-restructuring-world-g20

[59] Dr. Fauci, CDC, and the medical bureaucracy have destroyed the science of medicine and the country. No one trust them anymore. You were not allowed to disagree with Fauci ("I represent science", he was saying). They were the greatest damage for the people and a sinful damage to our children, with the deadly vaccine mandates. (*Fox News*, 8/22/2022).

[60] Our pseudo-leaders do not know how to make peace and we have elected them to keep us safe, secure, free, and prosperous. They have failed and we must reject them (vote them out from the governments).

With November 2015, the social cost was in hundreds of billions of dollars.[63]It is obvious, the central bank is working only for the banks and satisfies only their objectives, which are profitability and liquidity. This monetary policy is against the poor depositors (bail in cost = **$838.310** billion p.a. or the "official" bail in cost = $104.104 billion) and against the poor taxpayers (bail out cost = **$5.923** billion p.a.). Thus, it was a pure anti-social policy and at the same time, it had created enormous bubbles in the stock market (a hidden new global crisis, which found an excuse to burst, the Wuhan coronavirus and the increases in federal funds rate to control the inflation that their policies have created).[64] With this anti-social and unethical monetary policy, the deposit and saving rate were falling and the personal consumption expenditures were increasing. Thus, the household debt is going up.[65]The social cost of this modern monetary policy is enormous, so this policy is wrong, because in any policy the objective is minimization of cost and maximization of benefits.

Unfortunately, the lack of fairness and ethics in monetary policy is continued and taxpayers and depositors are ripped off endlessly. The higher the i_{IOR}, the higher the i_{ONRRP},and the higher the inflation π, the higher will be the bail out and the bail in cost. With November 3,2022, we had:

(I_a) The total reserves were: R_T =3,131.4 billion.

The $i_{IOR} = i_{RF} + 0.20\% = 3.72\% + 0.20\% = 3.92\%$. But, it was $i_{IOR} = 3.90\%$.

Thus, Fed is paying total interest on these reserves (I_R) = $3,131.4 billion x 3.90% = **$122.125** billion per annum. This is a *bail out cost* that taxpayers are paying.

(I_b) The overnight reverse repurchase agreements: $2,230.840 billion.

The $i_{ONRRP} = 3.80\%$.

Fed pays an interest of: **$84.772** billion p.a. (*bail out cost*)

(II) Total deposits (D_T) = $17,782.9112 billion.[66]

i_D = 0.05%

Banks were paying an insignificant total interest on deposits (I_D) = $17,782.9112 billion x 0.05% = **$8.891** billion per annum.

(III) The official inflation rate is (π) = 8.3%; then, $r_D = i_D - \pi$ = 0.05% -8.3% = -8.25%

Thus, depositors were paying to their banks (*bail in*): $17,782.9112 x (-8.25%) = **$1,467.09** billion.

The SGS consumer inflation (1980-based)[67] was π = 17%.

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[61] See, "Fiscal Stimulus Needed to Fight Recessions", https://www.cbpp.org/research/economy/fiscal-stimulus-needed-to-fight-recessions . But not to make the national debt unsustainable, with some exaggerated and without moderation wastes. Also, "the inflation reduction act" will cause inflation and higher taxes by hiring 78,000 IRS armed agents. (*Sic*). On September 13, 2022, the White House had a big party celebrating the approval of this new act and the economic destruction that will follow and the DJIA fell 1,300 points on that day. (*FoxNews*, 9/13/2022).

[62] «... Θάκαταργήσωμενὲπίσηςὅλατάχρηματιστήρια... Θ' ἀντικαταστήσωμεν τά χρηματιστήρια διά μεγάλων εἰδικῶν πιστωτικῶν ἱδρυμάτων ὧν ὁ προορισμός θά εἶναι νά καθορίζωσι τήν τιμήν τῶν βιομηχανικῶν ἀξιῶν συμφώνως πρός τάς βλέψεις τῆς [παγκοσμίου] κυβερνήσεως.» [ΠρωτόκολλονΚΑ΄ (Π.Σ.Σ.)]. Intimidating plans!..

[63] See, Kallianiotis (2022a).

[64]The DJIA reached 29,551.42 (2/12/2020) and with coronavirus' negative effects on health and economy, it fell to 18,591.93 (3/23/2020), it lost 10,959.49 points (-37.09%). I had read somewhere a few years ago that: "we (the economic elites) will abolish the stock exchanges and we will create large financial institutions…" (Sic).

[65] The total personal debt (2/27/2021) was $21.137 trillion x 11% = $2.325 trillion annual interest on personal debt and with 11/8/2022) had become $24.067 trillion x 13.46% = $3.239 trillion p.a. See, https://usdebtclock.org/. Actually, the average person is paying taxes (plus the unethical property taxes), interest, and insurance premium; the rest of his income is consumed. For this reason his saving is negative (dissaving, borrowing).

[66] See, Deposits, All Commercial Banks.https://fred.stlouisfed.org/series/DPSACBW027SBOG .

The true *bail in* was: $17,782.9112 x (-16.95%) = **$3,014.203** billion p.a.

(IV) Banks could offer loans: $R_E + D_T$ = $3,131.4 billion + $17,782.9112 billion = $20,914.311 billion.

Banks' interest rate was from 6.92% (mortgage rate) to 34.99% (credit cards with bad credit scores). The average i_{CC} = 20.00%. Then, the average loan rate was: $\bar{i}_L$ = (6.92%+20.00%): 2 = 13.46%.

Banks were having an interest revenue (R_I) of $20,914.311 billion x 13.46% = **$2,815.066** billion p.a.

Consequently, with the beginning of November 2022, the social cost is going up. Bail out cost to taxpayers is $206.897 billion p.a. and the bail in cost to depositors is $3,014.203 billion and the official is $1,467.09 billion.

The Fed's current balance sheet is so huge (it was $4,497.660 billion in December 2014,on July 13, 2022 it was $8,895.867 billion, on October 17, 2022, it was $8,743.922 billion, and on November2, 2022 it was $8,676.870 billion)[68] that with the new announced policy rate decrease again (March 15, 2020), it generated surprising results, like inflation and higher market risk. There are no improvements to the bail out cost (taxpayers), due to high interest rate on reserves(i_{IOR}) and on *ONRRP* agreements (i_{ONRRP}); also, there is deterioration to the bail in cost (depositors) from the high inflation that has been attained. Unfortunately, the social benefits are imaginary because the real ones are closed to zero. The level of banks' capital is another factor that must be considered by the regulators (central bank, FDIC, comptroller of the currency, etc.). A low capital level is increasing the risk of the banks and consequently, the cost of financial crises (by bailing them out in case of a financial crisis); so the banks' capital affects the real economy.[69] Risk-averse consumers prefer higher capital levels because it increases the financial stability in the economy and the world. The tax-payers must not bailout the liberal, corrupted, and deregulated financial institutions in case of a new bank crisis, as it happened in 2008 because it is completely unfair and unethical.[70] Firestone, Lorenc, and Ranish (2019), by evaluating the economic costs and benefits of bank capital in the U.S., found that the optimal capital ratio is from just over 13% to 26%.[71] The current average capital ratio is 12.5% for the U.S. banks, which is relatively low.

3. THE LATEST UNPRINCIPLED FISCAL POLICY

Fiscal policy is the public policy, where the government revenue (collection of taxes, T) and government spending (expenditure, G) are used to influence a country's economy. The use of government revenue and expenditures to influence macroeconomic variables developed after the Great Depression in 1930s. Fiscal policy is theorized that government changes in the levels of

[67] See, http://www.shadowstats.com/alternate_data/inflation-charts

[68] See,https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm and https://fred.stlouisfed.org/series/WALCL. Also, https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

[69] In Cyprus, the EU forced the depositors to bail in banks by offering 50% of their deposits to increase the capital of banks. See, Matthew O'Brien. "Everything You Need to Know About the Cyprus Bank Disaster: Taxing insured bank deposits is the worst way to pay for the bailout." https://www.theatlantic.com/business/archive/2013/03/everything-you-need-to-know-about-the-cyprus-bank-disaster/274096/. Since 2008, with zero deposit rates, the Fed has imposed indirectly a similar policy on U.S. depositors. Thus, the policy makers are the same globally since British Revolution in 1640 (for 382 years). The expected globalization is here and it is very "successful".

[70] The total lost household wealth at that time was between $19.2 and $22 trillion. See, https://www.pbs.org/wgbh/frontline/article/how-much-did-the-financial-crisis-cost/ and https://www.huffpost.com/entry/financial-crisis-cost-gao_n_2687553. See also, "I helped bail out the banks, Congress needs to oversee the stimulus now", https://thehill.com/blogs/congress-blog/politics/496307-i-helped-bail-out-the-banks-congress-needs-to-oversee-the . In addition, See, Kallianiotis (2021a and b).

[71] See, Firestone, Lorenc, and Ranish (2019). See also, Farla-e-Castro (2019). Further, "What's a Countercyclical Capital Buffer?", https://fredblog.stlouisfed.org/2019/09/whats-a-countercyclical-capital-buffer/

taxation and government spending influence aggregate demand (AD). Regulations, taxes, and other restrictions affect negatively the aggregate supply (AS) and consequently the level of economic activity (GDP, u, and prices). Monetary and fiscal policy are the key strategies used by a country's central bank (Fed) and government (U.S. Treasury) to advance its economic objectives (stability, confidence, efficiency, output, and employment). The combination of these policies enables authorities to target inflation (which is considered "healthy" by the Fed at the level of 2%) and to increase employment, unemployment to be at the natural level, u_t^N about 4% for the U.S.and the output (production) to be at the full employment level (Q_t^F); and people must have certainty, security and safety in their lives and trust for their government. This implies that fiscal policy is used to stabilize the economy over the course of the business cycle and the entire society.

3.1. Fiscal Policy Objectives: Analysis of Variables and Parameters

The objective of fiscal policy is also maximization of social welfare, by having a fair, efficient, incorruptible, and optimal tax and spending system. The amount of taxes people pays and the methods used to impose those taxes are influenced by many different factors that are far beyond citizen control. To understand it better, one has to pay attention to fiscal policy. It is a concept that seems esoteric, but it really comes down to a few simple things based: (1) On the government budget (GB=T-G).[72](2) On its efficiency, effectiveness, and ideology (today, it is extreme liberalism, with promiscuous spending, G, and inconceivable taxes, T). (3) On public goods sustainability. (4) On safety, security, ethics and morality. A serious problem for our economy is that big businesses do not pay taxes[73] and as consequence the national debt is going up,[74] and the next generation has to pay for the current mistakes and abuses. Another serious problem is the war against natural resources, family, children, education, values, sovereign nations, truth, and God.

Economists (if they know the truth and they are not bribed to lie, through grants and awards) along with affiliated other benevolent social scientists, philosophers, politicians and their advisors would need to develop a set of ethical, moral, "minimum mandatory" and "best practices" analyses of the macro-economy that will maximize objectively the social welfare of the citizens. This would formalize the guidelines and the tools for controlling and improving liquidity, stability, confidence, sustainability, efficiency, and effectiveness in the economy via a combined fiscal, monetary, and trade

[72] See, "Budget of the U.S. Government". With 2021, it was T = \$3,581 billion, G = \$7,249 billion and BD = \$3,669 billion; the BD as a percentage of GDP was 16.7%. With 2022, it is T= \$4,174 billion, G = \$6,011 billion, and BD = \$1,837 billion or 7.8% of the GDP. file:///C:/Users/JK/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.IE5/51F9Y8AK/budget_fy22%20(1).pdf . With August 10, 2022, the BD was \$1.626 trillion and the ND = \$30.638 trillion. With October 27, 2022, the ND = \$31.241 trillion and the BD = \$1.086 trillion and with November 8, 2022, the ND = \$31.267 trillion. https://www.usdebtclock.org/

[73] "The tax-avoiding companies represent various industries and collectively enjoyed almost \$40.5 billion in U.S. pretax income in 2020, according to their annual financial reports. The statutory federal tax rate for corporate profits was 21 percent. The 55 corporations would have paid a collective total of \$8.5 billion for the year had they paid that rate on their 2020 income. Instead, they received \$3.5 billion in tax rebates." See, "55 Corporations Paid \$0 in Federal Taxes on 2020 Profit", https://itep.org/55-profitable-corporations-zero-corporate-tax/ See, also, https://www.pgpf.org/finding-solutions/understanding-the-budget/revenues? utm_term=government%20expenditure&utm_campaign=The+Budget&utm_source=adwords&utm_medium=ppc . Biden increased the corporate tax rate to 25%. Also, he passed, with the help of Kamala (51-50), the "Inflation Reduction Act" (actually, an increase in taxes and protection of the environment act, ἀπάτη) to stop the "extreme weather", but it is increasing taxes in a period of recession and benefits politically the democrats' ideology. With this act, they will hire 87,000 IRS armed agents. See, (*Fox News*, 8/5/2022). See also a summary of the act, file:///C:/Users/JK/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.IE5/51F9Y8AK/inflation_reduction_act_one_page_summary%20(1).pdf

[74] The Treasury Secretary, Janet Yellen, said that "the deficit and debt do not matter". See, https://www.kennedy.senate.gov/public/2021/11/kennedy-to-yellen-how-much-debt-is-too-much-i-m-looking-for-a-numberb . But, she said: "I was wrong on inflation". https://www.ny1.com/nyc/all-boroughs/politics/2022/06/01/treasury-secretary-janet-yellen---i-was-wrong--about-inflation . The amazing was that she is worrying about fewer abortions, "Banning abortion would be very bad (very damaging) for the economy". (*Fox News*, May 27, 2022). How these ignorant liberals will improve the economy and the society?

policies. Some of these analyses are already executed by various controlled institutions, government agencies, and the private central banks around the world; but are not in coordination and need to be formalized by economists into a set of decision support tools for policymakers.

Economic variables and parameters of the economy that these fiscal tools would analyze include:[75](1) Appropriate Budgetary Accounting: tax revenue (T), government expenditures (G), budget deficits (BD),[76] national debt (ND),[77] and financing of national debts.[78](2) Unemployment: The fiscal policy objective is full employment or unemployment at the natural level (u^N). People must have full time jobs, a dissent income that can satisfy their needs,[79] and a pension during their retirements, but do not exist. For this reason, the labor participation rate was small for ages 15-24, 50.49% in 2021,[80] for the entire population and for September 2022 the *LFPR* was 62.3%.[81] (3) Inflation: This is an objective of public policy, but mostly of monetary policy and less of an issue of fiscal policy, except if it is a liberal administration in power, like the current.[82] The latest globalist, environmentalist, and "the allies first" trends will destroy the country.[83] Europe already is dead for over sixty years, due to its liberalism. (4) Balance of Trade: The fiscal policy must equalize exports and imports (TA=X-M=0). A deficit in trade account[84] means import of unemployment from the foreign countries. This policy is anti-social and unethical because it is of high risk and anti-American.[85] (5) National Debt or

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[75] See, Hoexter (2013). See also, Kallianiotis (2022a and c).

[76]The federal budget deficit was about $3.1 trillion in fiscal year 2020 (15.2% of GDP) and $1.705 trillion with July 21, 2022. See, https://www.cbo.gov/topics/budget and https://www.usdebtclock.org/

[77] The U.S. national debt was $27.411 trillion with December 8, 2020, $30.595 trillion with July 21, 2022, and ND = $31.290 trillion with November19, 2022. See, https://www.usdebtclock.org/

[78]See, Federal Debt. https://www.gao.gov/americas_fiscal_future?t=federal_debt . See also, HOW DOES THE TREASURY ISSUE DEBT?HTTPS://WWW.PGPF.ORG/BLOG/2020/04/HOW-DOES-THE-TREASURY-ISSUE-DEBT

[79]An elementary school teacher was asking her students, "what will you become when you grow up?" and a student said, "I would like to be on welfare". The official unemployment rate with May 2020 was 13.3%. See, THE EMPLOYMENT SITUATION —MAY 2020. file:///C:/Users/JK/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.IE5/U5CSIOWY/empsit.pdf . The unemployment rate was in February 2020: 3.5%, March: 4.4%; Then came the coronavirus lockdown and it increased in April to 14.7%, in May fell to 13.3%, and in November to 6.7%. In June 2022, it fell below the natural level, it was 3.6% and in September became 3.5%.https://tradingeconomics.com/united-states/unemployment-rate . The economy needs a trade-off (balance) between heath care and economic health. TheMay 2020 ShadowStats Alternate Unemployment was 34.0%, 36.5% net of BLS errors, and in November became 26.3%.In June 2022, it was 24.3% and in September became 24.4%.See, http://www.shadowstats.com/alternate_data/unemployment-charts

[80] See, U.S. Labor Force Participation Rate 1990-2022 | MacroTrends

[81] See. What is the Labor Force Participation Rate? - UnemploymentData.com

[82] It was 0.1% in May 2020, due to the recession and in October 2020, it was 1.2%. In June 2022, became 9.1% and in September 8.2%. See, https://tradingeconomics.com/united-states/inflation-cpi . The SGS give an inflation of 7% and 8% for the same period and 18% for June 2022 and for September 2022, it became 17%. This is a serious inflationary tax on poor people.

[83] The U.S. faces an enormous threat from China (economic, technological, and military); but, the corrupted (controlled) "establishment" lies by saying that the threat is Russia. We are a big threat for Russia and its civilization.

[84] The U.S. trade deficit increased from $676.7 billion in 2020 to $859.1 billion in 2021; with China the trade deficit was $355.3 trillion. The U.S. monthly trade deficit increased in April 2022 to $87.1 billion and in September 2022 it became $92.2 billion. See, https://www.thebalance.com/u-s-trade-deficit-causes-effects-trade-partners-3306276

[85]The outbreak of the new coronavirus has forced a large number of Chinese drug manufacturers to shut down. That could be bad news for the United States, which depends on China and India for its drug supply. See, https://www.cfr.org/in-brief/coronavirus-disrupt-us-drug-supply-shortages-fda . Also see, "Why You Shouldn't Trust Anyone Who Claims 80 Percent of America's Drugs Come From China", https://reason.com/2020/04/06/why-you-shouldnt-trust-anyone-who-claims-80-percent-of-americas-drugs-come-from-china/ . It was an article in the past in the Wall Street Journal, which was saying that all the vitamins from abroad have only the same three ingredients: flour, water, and color and nothing else. This is a big deception for our people.

Sovereign Debt Issuance and Management: Sovereign debt is a central (federal) government's debt.[86](6) GDP and Alternatives to GDP because GDP does not measure many actions and conducts.[87] An alternative, like the Net Economic Welfare (NEW) might be a more accurate one. (7) Material Sustainability (land,[88]water, waste, food production, energy, agriculture, stock-breeding):[89]The first priority of public policies is to save the people and not the environment.[90] (8) Public Goods: these are social or collective goods and are part of the public wealth and belong to the current and future generations. The public goods (like, national security, monuments, infrastructure, street lighting, parks, etc.) exist to support and improve the private goods, without depriving individuals of their freedoms and rights. (9) The Endless wars that the country is involved for so many years with enormous cost and zero benefits.[91]The number one objective of the government must be peace, security, and safety of the citizens. Actually, all these wars have generated negative benefits because the rest of the world considers U.S. as "the most dangerous nation for the global peace".[92] (10) Relentless attack of the opposition liberal party on the government, the President Trump, and the

[86] "OECD Sovereign Borrowing Outlook 2019, Sovereign Borrowing Outlook for OECD Countries", file:///C:/Users/JK/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.IE5/U5CSIOWY/Sovereign-Borrowing-Outlook-in-OECD-Countries-2019.pdf . See also, UN/DESA Policy Brief #72: COVID-19 and sovereign debt, https://www.un.org/development/desa/dpad/publication/un-desa-policy-brief-72-covid-19-and-sovereign-debt/

[87] This behavior is going on in the U.S. the last years with this anti-American Cultural Revolution. See, "Welcome to America's Cultural Revolution", https://www.nationalreview.com/2020/06/welcome-to-americas-cultural-revolution/ . See also, "Tucker Carlson: Cultural Revolution has come to America – brainwashing underway", https://www.foxnews.com/opinion/cults-allies-george-floyd-tucker-carlson

[88] Many thousands of acres of farm land in U.S. are bought by China and Bill Gates. These actions are very suspicious and constitute national security threat and destruction of agriculture. (*Fox News*, 7/14/2022).

[89] Actually, they want us (Christians) to become Buddhists. See, Lisa Kemmerer, Buddhist Ethics: Compassion for All: Animals. *Animals: Tradition - Philosophy - Religion Article from All-Creatures.org*. Buddhist Ethics: Compassion for All: Animals - Animals: Tradition - Philosophy - Religion Article from All-Creatures.org Also, FOOD SYSTEMS & SUSTAINABLE AGRICULTURE*:* Food Tech, from Farm to Table, https://www.theimpactivate.com/food-tech-from-farm-to-table/?gclid=Cj0KCQjw0Mb3BRCaARIsAPSNGpVBBxWIPmD02UvHs7kcntcbsgpC_DxFIF3r12gD-k1OJ2UPKD4xp3UaAvokEALw_wcB . Further,Sustainability and Materials, file:///C:/Users/JK/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.IE5/51F9Y8AK/pga_062612.pdf

[90] This suspicious obsession with the environment satisfies only their ultimate objective: reduction in population. In *Spring 2022*, Bill Gates says: **"We'll have another pandemic. It will be a different pathogen next time."** Is he planning for it, or planning *it?* Either way, this quote is raising the suspicion of patriots everywhere. Remember what Gates said in a 2010 speech: "The world today has 6.8 billion people. That's heading up to about nine billion. Now, if we do a really great job on new vaccines, health care, reproductive health services, **we could lower [world population] by, perhaps, 10 or 15 percent.**" See, https://thedcpatriot.com/is-bill-gates-planning-the-next-pandemic/

[91] There is no need for endless wars since 1940. These interferences have no benefits for the Americans, only cost (in humans and money), hatred, and hostility. President Trump had avoided all these wars and had to face the opposition from the warlike generals (and John Bolton). At least 800,000 people have been killed by direct war violence in Iraq, Afghanistan, Syria, Libya, Yemen, and Pakistan. More than 310,000 civilians have been killed in the fighting. Yugoslavia was divided in seven nations. An additional 12.6 million Syrians are displaced, many as a result of the U.S. war against the Islamic State in Syria. These people are now, as immigrants to Europe (mostly in Greece, more than 3 millions that have made the country like Pakistan). See, https://watson.brown.edu/costsofwar/costs/human . Through Fiscal Year 2020, the United States federal government has spent or obligated $6.4 trillion dollars on the absurd wars in Afghanistan, Pakistan, and Iraq. https://watson.brown.edu/costsofwar/costs/economic .See also, Immigration to Greece, https://en.wikipedia.org/wiki/Immigration_to_Greece . A new war has started in Ukraine in 2022, but U.S., EU, and NATO were involved since 2014 trying to take this Russian nation away from its mother Russia, as they have done with all the previous Socialist Republics. But, Saint Vladimir, who became a Christian in 988 A.D. and Christianized the KievanRus is protecting all Russians (in Russia and Ukraine).Gudula Rothschild, window of Mayer Amschel Rothschild once said: "There will be no wars if my sons do not want it." See, Bertha Badt Strauss, "The Rise of the Rothschilds", in *Menorah*, May 1928.

[92] See, Mearsheimer and Walt (2007).

previous administration.[93](11) Ethical commitment to the integrity, continuance, and improvement of the nation and its values (independence, self-sufficiency, autarky, respect of nations' sovereignty, culture, civilization, freedom, human rights, free speech, free and fair press, faith, family, respect of life, value system, etc.). Also, Ethical and moral commitment to the future and future generations.[94]

All these issues, variables, and parameters that public policies consider, analyze, and improve must be ethical, moral and reveal the social and political state of an advanced nation with ancient moral philosophical values and Christianity, the Reveal Truth. United States as an advance nation had all these values, but it needs to ameliorate its wellbeing through democratic improvements. Unfortunately, at the moment with the current administration, there is no light at the horizon, the sun is covered by this cloud, the same wrapper prevents the Grace of God to reach us. It is very sad for the people to face this lack of leadership in the entire West. It reminds Rome in 4th century A.D.

Thus, fiscal policy is how governments adjust their spending levels and tax rates so they can influence positively the economy. It touches many parts of society, including businesses, households, infrastructure, recently (the COVID-19 planned crisis,[95]the "infrastructure" bill,[96]the war in Ukraine,[97]

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[93] This behavior by the opposition party (Democrats), the liberals, the leftists, the globalists, and many others is unique in the U.S. political history. It shows lack of respect to our institutions and to our democracy. They started with the impeachment of Donald Trump, which was initiated on December 18, 2019, on charges of abuse of power and obstruction of Congress. Trump was later acquitted by the Senate on these two counts of impeachment on February 5, 2020. The Democrats alleged that he had solicited foreign interference (Russia) in the 2016 U.S. presidential election (because Democrats lost the elections). The inquiry reported that Trump withheld military aid and an invitation to the White House to Ukrainian president VolodymyrZelensky in order to announce an investigation into Joe Biden. After the impeachment, they found the coronavirus and the lockdowns to blame the President; then, its negative effects on the economy, and then, by encouraging the liberal riots to destroy and loot stores and monuments. Even we have the creation, with the tolerance of the liberal local leaders (mayor and governor), of an "autonomous zone" in Seattle. The worst of all was the election irregularities (voter fraud) on November 3, 2020. Now, the country has an illegitimate president and the rest of the world is ready to take advantage of our multiform crises. (*Sic*). See, https://en.wikipedia.org/wiki/Impeachment_of_Donald_Trump . See also, The State of Capitol Hill Autonomous Zone (CHAZ), https://www.city-journal.org/seattle-chaz?gclid=Cj0KCQjw0Mb3BRCaARIsAPSNGpVH93fp-gXGEn09Y5tUNYDVmN9-BhpaLKdN8Cle4eeYkj_dzFsjhj8aAhkqEALw_wcB . See also, "Seattle's 'Autonomous Zone' is latest escalation in city's lurch to the left: What to know", https://www.foxnews.com/politics/seattle-history-liberal . Further, Nascar banned Confederate flags from races. Meanwhile, President Trump said he will "not even consider" renaming military bases that bear the names of Confederate generals, even though top liberal Pentagon officials said they're open to a discussion. Trump opposes efforts to remove Confederate commanders' names from military bases.https://www.cnn.com/2020/06/10/politics/donald-trump-army-bases-renaming/index.html . In addition, The Hill's Campaign Report: Republicans go on attack over calls to 'defund the police', https://thehill.com/homenews/campaign/501709-the-hills-campaign-report-calls-to-defund-police-enter-2020-campaign. Then, since January 2021, with the new administration everything has changed in the U.S.: the Afghanistan disaster, open borders, crime, drugs, the January 6 committee,the green revolution, inflation, energy prices, Ukraine, the Midterm election on November 8, 2022, etc. The country is in chaos and drag along the entire submissive Europe through the NATO organization.

[94] «Ἄμμεςδέγ' ἐσόμεθαπολλῷκάρρονες» ("We will become better than you"). This was what the Ancient Spartan children were telling to their parents and grandparents.http://mariasot.blogspot.com/2016/02/blog-post_16.html

[95]As of October 1, 2020, roughly $2.59 trillion in new budgetary resources have been made available for federal agencies to respond to the pandemic. See, https://datalab.usaspending.gov/federal-covid-funding/ . In addition to granting new agency funding, the legislation also mandated the government defer and reduce taxes to provide relief to individuals and businesses. The Congressional Budget Office (CBO) estimated the two-year impact will be over $902 billion in tax relief, which reach $3.92 trillion. Further, see, "Where $5 Trillion in Pandemic Stimulus Money Went", https://www.nytimes.com/interactive/2022/03/11/us/how-covid-stimulus-money-was-spent.html

[96]Biden's infrastructure plan will invest roughly $3 trillion on roads, electricity and broadband, as well as Medicare, education and climate change. See, https://smartasset.com/financial-advisor/biden-infrastructure-plan . See also, "Everything In The $1.2 Trillion Infrastructure Bill: New Roads, Electric School Buses And More", https://www.forbes.com/sites/jonathanponciano/2021/11/15/everything-in-the-12-trillion-infrastructure-bill-

illegal immigrants,[98] Afghanistan disaster,[99] vaccines mandates,[100] the “inflation reduction act”) and many others, mostly, for ideological reasons and political benefits. (*Sic*). The national debt has increase $7.855 trillion or 34.57% in the last 30 months or 13.83% per annum.[101]In most governments, taxes and spending are controlled by legislative bodies, and in the United States, that legislative body is Congress or they are approved by the current administration (government, party in power). While Congress makes the ultimate decisions about who pays how much for taxes, and where tax revenues are spent, they are influenced by special interests, lobbyists and politics. Corruption, unfairness, and injustice is everywhere in the entire administration.[102] (*Sic*).

Unfortunately, the U.S. economy is experienced a stagflation, very high inflation (17%),[103] negative growth, and high unemployment (24.3%).[104] In 2022:Q1 the real GDP was -1.6%,[105] in 2022:Q2 it was -0.6%, and in 2022:Q3 it was 2.6%.The official data are different because they have to satisfy the political objective, which is that the government is doing very well in all sectors, especially lately that the midterm elections were very close. Even, they redefined recession, as they have done with inflation and unemployment for a long time.[106]The COVID-19 pandemic has pushed the global economy into the worst recession since World War II, small businesses are bankrupt and entire malls are vacant, with economists predicting that the global economy will shrink by 5.2% this year. Because of this, governments around the world have been doing their best to boost their individual economies with various stimulus packages. But, they face a major constrain the “environment” obsession,[107] reduction of coal, oil, and natural gas production; lately, they have to comply with reduction in stock-breeding and agriculture. (*Sic*). Political leaders are controlled (followers), so our democratic system does not work.

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biden-just-signed-new-roads-electric-school-buses-and-more/ . On July 26, 2022, I went to Mountain Pocono in NE Pennsylvania, which is full of windmills and no one was turning. This is really a big deception!..

[97] See, “Four Ways to Understand the $54 Billion in U.S. Spending on Ukraine”, https://www.nytimes.com/interactive/2022/05/20/upshot/ukraine-us-aid-size.html . Even, the war hawk, Henry Kissinger, criticizes the Biden administration that promoted this war between the U.S. and Russia. See, “Modern US Warmongering Is Scaring Henry Kissinger”. https://caityjohnstone.medium.com/modern-us-warmongering-is-scaring-henry-kissinger-59fcd32b4760

[98] “An estimated $250 billion U.S. illegal immigrant cost reported circa 2018.” See, “Cost of Illegal Immigration by State 2022”, https://worldpopulationreview.com/state-rankings/cost-of-illegal-immigration-by-state. See also, “Report: Illegal immigration costs taxpayers $116 billion annually; Californians, Texans, Floridians pay the most”, https://www.thecentersquare.com/national/report-illegal-immigration-costs-taxpayers-116-billion-annually-californians-texans-floridians-pay-the-most/article_f942e522-c5b0-11e9-93e6-0ff213e44ae5.html

[99] See, “The War In Afghanistan Cost America $300 Million Per Day For 20 Years, With Big Bills Yet To Come”, https://www.forbes.com/sites/hanktucker/2021/08/16/the-war-in-afghanistan-cost-america-300-million-per-day-for-20-years-with-big-bills-yet-to-come/See also, The cost in Afghanistan War: $2.313 trillion and 243,000 deaths. https://watson.brown.edu/costsofwar/figures/2021/human-and-budgetary-costs-date-us-war-afghanistan-2001-2022 . Further, The cost of Taliban-Seized U.S. military equipment was $85 billion. The U.S. foreign policy is anti-American. See, Mearsheimer and Walt (2007).

[100] The fact is that Americans have already paid the cost of a vaccine for COVID. Well over $12 billion has been handed over to drug corporations with no strings attached. https://www.lowerdrugpricesnow.org/press/statement-on-pfizer-receiving-2-billion-from-taxpayers-for-covid-vaccine/. Biden said the pandemic is over and the CDC continues to force people to be vaccinated. What erratic policies are these?

[101] See, “U.S. National Debt by Year”, https://www.thebalance.com/national-debt-by-year-compared-to-gdp-and-major-events-3306287 . See also, https://www.usdebtclock.org/

[102] Sen. Ted Cruz said, “Corrupted justice (DOJ) wants to investigate President Trump.” (*Fox News*, July 27, 2022). On August 8, 2022, 30 FBI agents raided Trump’s home at Mar-A-Lago, Palm Beach, Florida for 9 hours and took 15 boxes of material. Next day, August 9, 2022, IRS ordered to hand Trump's tax return to the House Committee. Their objective is to eliminate Democratic Party’s rivals. This corruption and abuse of power situation cannot be called “Democracy” anymore. The country is in chaos. (*TV News*, August 9, 2022).

[103] See, SGS. http://www.shadowstats.com/alternate_data/inflation-charts

[104] See, SGS. http://www.shadowstats.com/alternate_data/unemployment-charts

[105] See, Gross Domestic Product.https://www.bea.gov/data/gdp/gross-domestic-product

[106] Unfortunately, this is the century of misinformation. Today, only fake data and fake news are all these that feed the public. These people are followers and believers of the Big Liar, so enemies of the Truth.

[107] Research disputes Democrats’ climate change. The global warming is over, global cooling has started until next April. The temperature changes when we have summer and winter, nothing else. (*Fox News*, 10/9/2022).

3.2. Social Cost and Benefits of the Current Liberal Fiscal Policy

Undoubtedly, except a good monetary policy, the country needs a good fiscal policy and a fair trade policy, which can reduce the social cost and maximize the social benefits. But, the latest fiscal policy is so liberal that the social benefits are non-existent, due to extreme anti-social behavior of some minorities and institutions, which are supported by this controlled government. Countries must be independent, homogeneous,[108]self-sufficient, and sovereign nations, too. A sovereign nation cannot follow orders from the "elites" (dark powers). The unfair free trade policies have destroyed the U.S. and the EU economies.[109]Also, social welfare is necessary to improve the wellbeing of the citizens of a country, but the distribution of the country's wealth plays a major role towards this objective.[110]Consumption is affected positively by income, prices (low inflation), and loans; it is affected negatively by unemployment, outsourcing, wealth deprivation, low interest rate (rate of return), taxes, and risk. An increase in wealth reduces public consumption because this measurement of aggregate wealth belongs to the rich people (the top 1% or at least the top 10%) and already they consume at their maximum level; but, the distribution of wealth is a problem,[111] the wealth of the poor people is falling and for this reason consumption is falling,[112] too. Of course, we do not want an unfair equity, but a fair distribution based on merit, ability, education, and hard work (meritocracy vs equality and equity).[113] Prices (energy and food prices and inflation in general) are going up and consumption is not increasing (even though that the demand for consumer's goods and services is inelastic). Taxes and government spending are tools of fiscal policy. These two instruments have to be used with a fair, effective, and optimal way that means ethically and efficiently. Unfortunately, there

[108]**A**cording to Herodotus (Ἡρόδοτος, a Greek historian who was born in Halicarnassus, Caria and lived in the fifth century B.C., c. 484–425 B.C. and referred as "The Father of History"), he was saying that a nation must be,«ὁμόαιμον, ὁμόγλωσσον, ὁμόθρησκον, ὁμότροπον» (omoemon = same blood, omoglosson = same language, omothriskon = same religion, omotropon = same ways, behaviour. Today, the dark powers try to destroy sovereign nations by ruining their homogeneity (with the illegal immigrants) and by changing their traditions and cultures and they are "very successful" (sic), due to our ignorance of history and the treason by their pseudo-politicians.

[109] See, Kallianiotis (2018).

[110] Exaggerated and huge salaries are means of control for people by the "elites". How is it possible a person to receive $100 million salary? What is his marginal product of labor? What is he going to do with all this income? I remember the story with a Greek newspaper reporter, Alexandros Papadiamadis, in the beginning of the 20th century. His salary was 28 Drs. and he said to the Newspaper owner. "Please, give to me only 20 Drs., they are enough for me because I am single and I do not need all this money; give the remaining 8 Drs. to my colleague, who has a family and children. The highest salary might be $1,000,000 or the most $1,500,000 per year, which is $125,000 per month, $4,167 per day, and $521 per hour. Minimum salary could be about $80,000 p.a., $6,667 per month, $222 per day, and $28 per hour.

[111]Wealth inequality in the United States, https://en.wikipedia.org/wiki/Wealth_inequality_in_the_United_States
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See, Shares of Wealth in the U.S.https://equitablegrowth.org/the-distribution-of-wealth-in-the-united-states-and-implications-for-a-net-worth-tax/
See also, https://www.stlouisfed.org/open-vault/2019/august/wealth-inequality-in-america-facts-figures
Further see, https://www.brookings.edu/blog/up-front/2019/06/25/six-facts-about-wealth-in-the-united-states/

[112]Real Personal Consumption Expenditures(Percent Change from Preceding Period)
Also, Real Personal Consumption Expenditures (DPCERO1Q156NBEA) (Percent Change from Quarter One Year)
Source: https://fred.stlouisfed.org/series/DPCERO1Q156NBEA

[113] God created a world that's filled with incredible diversity and variety. The variety of people He has created is also unique. In fact, everyone is different. There are no two of us alike. We are each special. We are persons (personalities). In spite of our great diversity, we were all created in the image of God. Therefore, we all have some things in common, things that make up our 'humanness'. We've already noted that all humans have the capacity to think, reason, make decisions, worship, communicate, create, appreciate beauty, etc. We also have similar limitations and needs. We all need food, shelter and clothing. We also need to be loved and to love others, even our enemies. We are also constrained by our physical capacity and strength, knowledge, mortality, and senses, to mention just a few of our limitations. But do these similarities make us all identical? Not in the least! Though we have certain traits and characteristics that we share, we're also very different from one another. Everyone of us is unique, a one-of-a-kind, special. This uniqueness doesn't happen by accident. It's also part of God's grand design and plan. Even our striving to affirm our own identity isn't accidental. See, "The Uniqueness Of Each Person", https://www.disciplebuilding.org/2017/11/15/uniqueness-person/ .

is an unfair and unethical tax, the property tax, which is imposed on individuals' home. This home does not generate any income, it has only expenses and the family has to pay rent (property taxes) for its own home. Inefficiencies, corruption, abuse of power, going against political opponents, and waste is another "tax" (unfair spending) by the government. Thus, both extreme systems are similar (developed by the same people) and against private property; the poor individual has no property because he cannot afford to pay property taxes. Property taxes have to be abolished for homes that they house the family of the owner. Only progressive income taxes are sufficient for a prosperous nation. Then, high inflation and high taxes are the social costs of fiscal policy.

In enacting fiscal policy, which encompasses the budgeting process of a sovereign government, as well as the justifications for budget decisions, politicians make historical compromises with, and commitments to, their ethical (liberal) ideals in the form of real initiatives and operations of government because there is an enormous conflict of interest, between supporters, businesses, media, liberal elites; also, an existing corrupted establishment, a strong anti-American lobby, and a deep swamp (παρακράτος). Unlike proclamations of ethical probity and the censures of their competitors that politicians may utter during their campaigns and during their speeches, but in office they cannot satisfy their promises. People do not trust politicians[114] and institutions[115] (even the DOJ and FBI) any more. Due to oppositions from the different branches (legislative,[116]executive, and judicial)and their different political parties (Republicans and Democrats) of government, the budgetary and fiscal decisions made by lawmakers even though that they are key components of their effective morality, a morality that has, by design, enormous and differential impact on others (citizens and businesses) cannot be materialized. Unfortunately, it depends on the will of the opposition party and especially, if this party has the majority of the senate, nothing can pass because they want to show to the voters that this administration has failed and they must vote for the other party that is more effective.[117]During the previous administration up to 2020, we saw that the federal system was not very effective, too. Governors and mayors, in different blue states and cities, did not follow administration's orders or directions. Liberal judges also were cancelling or ban executive orders. (*Sic*). Now, during this November of 2022, there were the midterm elections and it is very difficult to predict what type of extremities took place by the overzealous liberals.[118] All these corruptions, establishments, conflicts between the parties, incompetence, ignorance, ideologies, and divisions make the fiscal policy ineffective and socially very costly, due to its inefficiency. The social benefits are zero and in some cases negative.

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[114] See, https://www.axios.com/2022/03/23/poll-americans-dont-trust-federal-government

[115] See, What Happens When Americans Don't Trust Institutions? https://fivethirtyeight.com/features/what-happens-when-americans-dont-trust-institutions/

[116] The legislative branch, the Congress is composed of two parts:

(1) Senate: There are two elected Senators per state, totaling 100 Senators. A Senate term is six years and there is no limit to the number of terms an individual can serve.

(2) House of Representatives—There are 435 elected Representatives, which are divided among the 50 states in proportion to their total population. There are additional non-voting delegates, who represent the District of Columbia and the territories. A Representative serves a two-year term, and there is no limit to the number of terms an individual can serve.

A question exists, here, and needs answer. How is it possible, these politicians with $175,000 salary after 6 years are millionaires?

[117] I remember very well my professor of Microeconomics in my GraduateSchool, where he was saying that "the politicians have only one objective, to be reelected and nothing else". Now, after forty years, I see that he was absolutely right. They have no other objective; their corruption must be over 99%. What a misfortune for our societies, today!..

[118] After the elections results, which took many days to come out, Biden said that will change "Nothing". Everything is perfect. See, "Joe Biden said he'll do 'nothing' differently after the midterm elections because he's 'confident these policies are working': 'I'm not gonna change' ", Joe Biden said he'll do 'nothing' differently after the midterm elections because he's 'confident these policies are working': 'I'm not gonna change' (yahoo.com)

Lastly, this new unexpected healthcare, financial, economic, and suspicious social crisis, which was caused by China and the WHO was unique in human history.[119]Unfortunately, the reasons that we have these problems are the incompetence of the governments around the world and the controlled U.N. and all the international institutions by the Illuminati and forced to act against their own country and citizens. The government gave a $2.2 trillion stimulus to Americans with the objective to help the destroyed economy.[120]They destroyed small businesses with this financial crisis and with the lockdown and vaccine mandates during the coronavirus pandemic; we have abandoned the anti-trust laws and we have created only oligopolies, and very soon, there will be only monopolies, which were open and working during the close down of the other businesses. And in November of 2020 (during the elections), it appeared a second wave of the coronavirus (increases in hospitalization and deaths). Lately, they were talking for a new wave of COVID-19 that was coming in Fall 2022 (control of elections again). (Sic). How can we trust politicians that they just lie? These unethical practices have destroyed family business and had created enormous unemployment and mistrust to government, its agencies, the "experts", and institutions. Also, the streets in the cities were empty with abandoned stores and no one was walking there, except riots, looters, arsonists, and statues desecrators. And then, it came the election of November 3, 2020 that the Democrats were preparing for four years with only one objective, to win with all the unethical means the presidency and they were "successful", but they lost the legitimacy forever. It is moreover obvious that our democracy does not work.[121]China had destroyed countries economically with its unfair competition and now; it has devastated their health, economy, and society. It has to pay reparation to all nations for these crimes.[122]Consequently, globalization raises many ethical issues and makes the unethical behavior and culture of some nations' global problems. Unfortunately, the actions of the government were insignificant, anti-social, and above all anti-democratic. Thus, the social cost of the fiscal policy since 2020 and during the pandemic was and continues to be unfair and enormous.

3.3. Effectiveness and Efficiency of the New Public Policies

Further, to test the effectiveness of the monetary and fiscal policy during the two regimes (Old 1995 to 2008 and New 2009 to present), a VAR model is constructed. We use a vector auto regression (VAR) model for the interrelated objective variables of the monetary and fiscal policy ($djia_t$, $rgdp_t$, i_{10YTB_t}, p_t, u_t, and ta_t)[123] as endogenous variables. Also, they are used as a function with their lagged values all these endogenous variables in the system plus the monetary policy instruments ($i_{FF_t}^{eff}$, mb_t,

[119] The objective of the "forerunners" globalists is one, the demonic war against God's creation, the reduction of population. This objective is in every law, but it is hidden.

[120] More than one million dead Americans were sent stimulus checks, costing the federal government near $1.4 billion in April 2020, a government watchdog reported on June 24, 2020. The size of our government (the establishment) is inefficient (diseconomies of large scale). See, https://dailycaller.com/2020/06/25/one-million-dead-americans-stimulus-checks-report-coronavirus/. They encourage people to stay home, receive the social benefits, and vote for them.

[121] These corruptions, dishonesty in media and big Tech, fraud, and irregularities cannot be found in any third world country. They are the innovations of Illuminati to demote the traditional American Christian civilization.

[122] The world's deaths were 483,217 and in U.S. they were 121,979 with June 25, 2020. (*Fox News*). The monetary and economic cost is in thousands of trillions of dollars. "Output losses of this magnitude are immense. The lost output in the Great Recession was only one-quarter as large. The economic loss is more than twice the total monetary outlay for all the wars the US has fought since 9/11, including those in Afghanistan, Iraq, and Syria. By another metric, this cost is roughly the estimate of damages (such as from decreased agricultural productivity and more frequent severe other events) from 50 years of change." See, "The COVID-19 Pandemic and the $16 Trillion Virus", https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7604733/

[123]Which are: ln of DJIA, ln of RGDP, yield on 10YTB, ln of CPI, USU rate, and ln of TA.

and m_t) and the fiscal policy tools (t_t and g_t) as exogenous variables. The mathematical representation is as follows:

$$
\begin{aligned}
djia_t &= \alpha_{11} djia_{t-j} + \beta_{12} rgdp_{t-j} + \gamma_{13} i_{10YTB_{t-j}} + \delta_{14} p_{t-j} + \zeta_{15} u_{t-j} + \eta_{16} ta_{t-j} + c_o \\
&\quad + \theta_{11} i_{FF_t}^{eff} + \kappa_{12} mb_t + \lambda_{13} m_t + \mu_{14} t_t + \xi_{15} g_t + \varepsilon_{1t} \\
rgdp_t &= \alpha_{21} djia_{t-j} + \beta_{22} rgdp_{t-j} + \gamma_{23} i_{10YTB_{t-j}} + \delta_{24} p_{t-j} + \zeta_{25} u_{t-j} + \eta_{26} ta_{t-j} + c_o \\
&\quad + \theta_{21} i_{FF_t}^{eff} + \kappa_{22} mb_t + \lambda_{23} m_t + \mu_{24} t_t + \xi_{25} g_t + \varepsilon_{2t} \\
i_{10YTB_t} &= \alpha_{31} djia_{t-j} + \beta_{32} rgdp_{t-j} + \gamma_{33} i_{10YTB_{t-j}} + \delta_{34} p_{t-j} + \zeta_{35} u_{t-j} + \eta_{36} ta_{t-j} + c_o \\
&\quad + \theta_{31} i_{FF_t}^{eff} + \kappa_{32} mb_t + \lambda_{33} m_t + \mu_{34} t_t + \xi_{35} g_t + \varepsilon_{3t} \\
p_t &= \alpha_{41} djia_{t-j} + \beta_{42} rgdp_{t-j} + \gamma_{43} i_{10YTB_{t-j}} + \delta_{44} p_{t-j} + \zeta_{45} u_{t-j} + \eta_{46} ta_{t-j} + c_o \\
&\quad + \theta_{41} i_{FF_t}^{eff} + \kappa_{42} mb_t + \lambda_{43} m_t + \mu_{44} t_t + \xi_{45} g_t + \varepsilon_{4t} \\
u_t &= \alpha_{51} djia_{t-j} + \beta_{52} rgdp_{t-j} + \gamma_{53} i_{10YTB_{t-j}} + \delta_{54} p_{t-j} + \zeta_{55} u_{t-j} + \eta_{56} ta_{t-j} + c_o \\
&\quad + \theta_{51} i_{FF_t}^{eff} + \kappa_{52} mb_t + \lambda_{53} m_t + \mu_{54} t_t + \xi_{55} g_t + \varepsilon_{5t} \\
ta_t &= \alpha_{61} djia_{t-j} + \beta_{62} rgdp_{t-j} + \gamma_{63} i_{10YTB_{t-j}} + \delta_{64} p_{t-j} + \zeta_{65} u_{t-j} + \eta_{66} ta_{t-j} + c_o \\
&\quad + \theta_{61} i_{FF_t}^{eff} + \kappa_{62} mb_t + \lambda_{63} m_t + \mu_{64} t_t + \xi_{65} g_t + \varepsilon_{5t}
\end{aligned}
\tag{6}
$$

We start testing the stationarity of the variables used in the VAR model. A stationary series is I(0). A difference stationary series is said to be integrated and is denoted as I(d), where d is the order of integration. The order of integration is the number of unit roots contained in the series or the number of differencing operations it takes to make the series stationary. If there is one or two unit root, the series is an I(1) or I(2). Standard inference procedures do not apply to regressions, which contain an integrated dependent variable or integrated regressors. Therefore, it is important to check whether a series is stationary or not before using it in a regression. Here, we use an Augmented Dickey-Fuller Test to test their stationarity, Table 1. The only I(0) series is the LUSDJIA. There are two series as I(2), LUSRGDP2012 and LUSGCTR. The other series are I(1).

Table1. *Augmented Dickey-Fuller Test*

Variables in levels (Y_t)	ADF	I(d)	Variables in 1st difference [$D(Y_t)$]	ADF	I(d)
LUSDJIA	-3.278**	I(0)	Δ(LUSDJIA)	-12.495***	I(1)
LUSRGDP2012	-1.919	I(2)	Δ(LUSRGDP2012)	-1.336	I(2)
US10YTB	-2.386	I(1)	Δ(US10YTB)	-10.309***	I(1)
LUSCPI	-0.406	I(1)	Δ(LUSCPI)	-7.589***	I(1)
USU	-0.756	I(1)	Δ(USU)	-5.147***	I(1)
LUSCA	-1.294	I(1)	Δ(LUSCA)	-12.530***	I(1)
USFFR	-1.080	I(1)	Δ(USFFR)	-3.761***	I(1)
LUSMB	1.663	I(1)	Δ(LUSMB)	2.999***	I(1)
LUSM2	-0.263	I(1)	Δ(LUSM2)	-3.275**	I(1)
LUSGCTR	-1.625	I(2)	Δ(LUSGCTR)	-1.820	I(2)
LUSGCEGI	1.528	I(1)	Δ(LUSGCEGI)	-2.654*	I(1)

Note: *$djia_t$ =LUSDJIA= ln of U.S. Dow Jones Industrial Average Index, $rgdp_t$ = LUSRGDP2009= ln of U.S. real GDP, i_{10YTB_t} =US10YTB= U.S 10-Year Treasury Bonds Rate, p_t = LUSCPI = ln of U.S. CPI, u_t = USU = U.S. unemployment rate, ta_t = LUSCA = ln of U.S. Current Account, c_0 = constant term, $i^{eff}_{FF_t}$ = USFFR = U.S. effective federal funds rate, mb_t =LUSMB = ln of U.S. monetary base, m_t =LUSM2= ln of U.S. money supply (M2), t_t =LUSGCTR= ln of U.S. government current tax revenue, g_t = LUSGCEGI = ln of U.S. government consumption expenditures and government investment, *** = significant at the 1% level, ** = significant at the 5% level, * = significant at the 10% level.*

Source: *Economagic.com and Bloomberg.*

Now, the empirical results of the VAR, eq. (6), for the Old Regime (1995-2008) are presented in Table 2. The monetary and fiscal policy tools are not very effective on our ultimate objective variables because their coefficients are insignificant or with wrong signs (ineffective and inefficient). (1) The financial market (LUSDJIA) is affected significantly (at the 10% level) by the monetary base (LUSMB), but it has a wrong sign (-). It is affected significantly (at the 5% level) by the government taxes (LUSGCTR), but it has again wrong sign (-). (2) The real income (LUSRGDP2012) is not affected by the monetary policy instruments. It is affected by the government taxes (at the 10% level), but it has wrong sign (+). It is also affected by the government spending (LUSGCEGI) significantly (at the 1% level). (3) The L-T interest rate (US10YTB) is not affected at all by the monetary policy instruments. It is affected significantly (at 5% level) by the government spending (crowding out effect). (4) The price level (LUSCPI) is affected significantly (at 1% level) by the monetary base, but it has wrong sign (-). It is affected significantly (at 1% level) by the government spending. (5) The unemployment rate (USU) is affected significantly (at 1% level) by the federal funds rate, but it has wrong sign (-). It is affected significantly (at 1% level) by the monetary base, but it has wrong sign (+) and also by the money supply (LUSM2) significantly (at 1% level), but it has wrong sign (+), too. It is affected significantly (at 5% level) by taxes, but it has wrong sign (-). Lastly, it is affected significantly (at 10% level) by government spending (g); an increase in (g) reduces unemployment (u).(6) The international trade (current account, LUSCA) is not affected at all by monetary or fiscal policy. It needs a trade policy tool (dollar devaluation, tariffs, import taxes, quota, export subsidies, etc.)

Table2. *Vector Auto regression Estimates (1995:01-2008:11)*

Variables	$djia_t$	$rgdp_t$	i_{10YTB_t}	p_t	u_t	ta_t
$djia_{t-1}$	0.774^{***}	0.022^{***}	1.001^{***}	-0.006	0.101	0.038
	(0.089)	(0.009)	(0.443)	(0.005)	(0.263)	(0.037)
$djia_{t-2}$	-0.028	0.009	-0.241	0.007	-0.301	0.004
	(0.086)	(0.009)	(0.426)	(0.005)	(0.253)	(0.035)
$rgdp_{t-1}$	0.545	0.509^{***}	-0.574	-0.008	-4.392^{**}	-0.565^{*}
	(0.774)	(0.079)	(3.840)	(0.045)	(2.284)	(0.320)
$rgdp_{t-2}$	0.487	0.257^{***}	-4.483	0.068	-3.697	-0.096
	(0.816)	(0.083)	(4.047)	(0.048)	(2.407)	(0.337)
$i_{10YTB_{t-1}}$	-0.011	-0.004^{**}	1.029^{***}	0.002^{*}	0.031	-0.005
	(0.017)	(0.002)	(0.083)	(0.001)	(0.050)	(0.007)
$i_{10YTB_{t-2}}$	0.005	0.002	-0.210^{***}	-0.002^{**}	0.002	0.002
	(0.016)	(0.002)	(0.080)	(0.001)	(0.048)	(0.007)
p_{t-1}	-1.432	-0.182	8.807	1.186^{***}	5.639	-0.476
	(1.296)	(0.132)	(6.432)	(0.076)	(3.826)	(0.536)

p_{t-2}	0.034	-0.026	-11.028*	-0.396***	2.074	0.882
	(1.250)	(0.127)	(6.202)	(0.073)	(3.689)	(0.517)
u_{t-1}	-0.019	0.001	0.056	0.001	0.374***	0.008
	(0.027)	(0.003)	(0.134)	(0.002)	(0.079)	(0.011)
u_{t-2}	0.012	0.001	0.029	-0.001	0.159**	-0.005
	(0.024)	(0.002)	(0.122)	(0.001)	(0.072)	(0.010)
ta_{t-1}	-0.076	-0.012	-1.917*	0.044***	-0.184	0.595***
	(0.199)	(0.020)	(0.990)	(0.012)	(0.589)	(0.083)
ta_{t-2}	0.307	-0.042**	0.430	-0.27**	-0.099	0.190***
	(0.204)	(0.021)	(1.011)	(0.012)	(0.601)	(0.084)
c_0	-4.093	1.827***	38.710**	0.004	35.450***	3.415**
	(3.721)	(0.378)	(18.463)	(0.217)	(10.983)	(1.540)
$i^{eff}_{FF_t}$	-0.009	-0.001	-0.007	-0.001	-0.055**	0.001
	(0.008)	(0.001)	(0.041)	(0.001)	(0.024)	(0.003)
mb_t	-0.127*	-0.006	0.392	-0.018***	0.598***	0.016
	(0.073)	(0.007)	(0.363)	(0.004)	(0.216)	(0.030)
m_t	0.173	-0.030	-2.176	0.016	3.167***	-0.153
	(0.343)	(0.035)	(1.703)	(0.020)	(1.013)	(0.142)
t_t	0.528**	0.045*	1.455	-0.008	-1.692**	0.092
	(0.255)	(0.026)	(1.264)	(0.015)	(0.752)	(0.105)
g_t	-0.115	0.147***	3.101**	0.073***	-1.580*	0.104
	(0.301)	(0.031)	(1.494)	(0.018)	(0.889)	(0.125)
R^2	0.981	0.999	0.961	0.999	0.969	0.981
SEE	0.042	0.004	0.207	0.002	0.123	0.017
F	451.669	8386.507	219.437	18262.64	280.349	458.782
N	167	167	167	167	167	167

Note: $djia_t$ *=LUSDJIA= ln of U.S. Dow Jones Industrial Average Index,* $rgdp_t$ *= LUSRGDP2009= ln of U.S. real GDP,* i_{10YTB_t} *=US10YTB= U.S 10-Year Treasury Bonds Rate,* p_t *= LUSCPI = ln of U.S. CPI,* u_t *= USU = U.S. unemployment rate,* ta_t *= LUSCA = ln of U.S. Current Account,* c_0 *= constant term,* $i^{eff}_{FF_t}$ *= USFFR = U.S. effective federal funds rate,* mb_t *=LUSMB = ln of U.S. monetary base,* m_t *=LUSM2= ln of U.S. money supply (M2),* t_t *=LUSGCTR= ln of U.S. government current tax revenue,* g_t *= LUSGCEGI = ln of U.S. government consumption expenditures and government investment,* *** *= significant at the 1% level,* ** *= significant at the 5% level,* * *= significant at the 10% level,* R^2 *= R-squared, SEE =S.E. equation, F = F-statistic, and N =number of observations.*

Source: *Economagic.com and Bloomberg.*

Engle and Granger (1987) pointed out that a linear combination of two or more non-stationary series may be stationary. If such a stationary linear combination exists, the non-stationary-series are said to be co integrated. The stationary linear combination is called the co integrating equation and may be interpreted as a long-run equilibrium relationship among the variables. The co integration test output for the six-variable VAR system is shown in Table 3. The result show that the Trace test indicates 3 co integrating equations at the 1% level and the Max-Eigen value test indicates 3 co integrating equations at the 1% level and 1 co integrating equation at the 5% level.

Table3. *Johansen Co integration Test*
Sample: 1995:01-2008:11
Included Observations: 168
Trend assumption: Linear deterministic trend
Series: LUSDJIA, LUSRGDP2012, US10YTB, LUSCPI, USU, LUSCA
Exogenous Series: USFFR, LUSMB, LUSM2, LUSGCTR, LUSGCEGI

Rank	Eigenvalue	Trace Statistic	Critical Value (0.05)	Max-Eigen Statistic	Critical Value (0.05)
r = 0	0.4369	216.810	95.754***	96.470***	40.078
r ≤ 1	0.2947	120.340	69.819***	58.647***	33.877
r ≤ 2	0.1815	61.693	47.856***	33.638***	27.584
r ≤ 3	0.1265	28.056	29.797*	22.722**	21.132
r ≤ 4	0.0312	5.334	15.495	5.332	14.265
r ≤ 5	0.0001	0.001	3.841	0.001	3.841

Note: *Trace test indicates 3 cointegratingeqs. at the 1% level (***) and 1 cointegrating eq. at 10% level (*); ***denotes rejection of the hypothesis at the 5% level and * rejection of the hypothesis at the 10% level.*
*Max-eigenvalue test indicates 3 cointegratingeqs at the 1% level (***) and 1 cointegrating eq. at the 5% level; *** denotes rejection of the hypothesis at the 1% level and ** rejection of the hypothesis at the 5% level.*
Source: *VAR of Table 2.*

Then, the New regime (2009 to present) is tested the same way, as the previous one and the results appeared in Table 4. The new public policy tools have a small effect on the ultimate objective variables. (1) The financial market (LUSDJIA) is affected significantly my the monetary base (LUSMB) (at the 10% level). (2) The U.S. income (LUSGDP) is significantly affected (at 1% level) by the federal funds rate (USFFR), but it has a wrong sign. An increase in federal funds rate is increasing production. Also, it is affected by money supply (LUSM2), significant (at 1% level), by taxes (LUSGCTR) but it has wrong sign (at 1% level) and by government spending (at 1% level). (3) The L-T interest rate (US10YTB) is not affected by any monetary or fiscal policy tool. (4) The price level (LUSCPI) is significantly affected by the federal funds (USFFR), by taxes (LUSGCTR), and by government spending (LUSGCEGI) (at 1% level). All these policy tools are causing inflation. (5) The unemployment (USU) is affected by federal funds (USFFR), but it has wrong sign (at 1% level); also, by money supply (LUSM2) with wrong sign (at 1% level), by taxes (at 1% level) but wrong sign again, and by government spending (at 10% level). (6) The current account (LUSCA) is significantly affected by the government spending (at 1% level).

Table4. *Vector Auto regression Estimates (2008:12-2022:06)*

Variables	$djia_t$	$rgdp_t$	i_{10YTB_t}	p_t	u_t	ta_t
$djia_{t-1}$	0.770***	0.010	0.851**	0.006	3.491***	0.051
	(0.085)	(0.018)	(0.386)	(0.005)	(1.418)	(0.047)
$djia_{t-2}$	-0.096	0.041**	-1.202***	-0.008	-4.255***	0.001
	(0.087)	(0.019)	(0.394)	(0.005)	(1.446)	(0.048)
$rgdp_{t-1}$	0.430	0.325***	-1.005	-0.009	0.521	0.097
	(0.460)	(0.098)	(2.082)	(0.027)	(7.639)	(0.254)
$rgdp_{t-2}$	0.353	0.042	2.334	-0.003	2.708	0.781***
	(0.440)	(0.094)	(1.991)	(0.026)	(7.307)	(0.243)
$i_{10YTB_{t-1}}$	0.012	0.001	1.098***	0.001	-0.570*	0.013
	(0.018)	(0.004)	(0.083)	(0.001)	(0.305)	(0.010)
$i_{10YTB_{t-2}}$	0.002	-0.013***	-0.187**	-0.002	1.027***	0.015
	(0.020)	(0.004)	(0.089)	(0.001)	(0.328)	(0.011)
p_{t-1}	-0.912	0.501*	16.451***	1.252***	-4.738	0.528

	(1.276)	(0.272)	(5.771)	(0.075)	(21.176)	(0.705)
p_{t-2}	0.732	-0.361	-20.181^{***}	-0.289^{***}	26.521	0.744
	(1.324)	(0.282)	(5.989)	(0.076)	(21.976)	(0.731)
u_{t-1}	0.001	-0.004^{***}	0.013	0.001	0.598^{***}	0.009^{***}
	(0.006)	(0.001)	(0.029)	(0.001)	(0.107)	(0.004)
u_{t-2}	0.013^{**}	0.002	0.006	0.001	-0.085	0.016^{***}
	(0.006)	(0.001)	(0.028)	(0.001)	(0.101)	(0.003)
ta_{t-1}	-0.120	0.045^{*}	-0.553	-0.003	-1.517	0.289^{***}
	(0.111)	(0.024)	(0.500)	(0.006)	(1.836)	(0.061)
ta_{t-2}	0.359^{***}	-0.082^{***}	0.163	-0.016^{**}	4.570^{**}	0.229^{***}
	(0.113)	(0.024)	(0.512)	(0.007)	(1.880)	(0.063)
c_0	-4.547^{*}	2.636^{***}	2.854	0.093	-41.857	1.388
	(2.279)	(0.485)	(10.308)	(0.133)	(37.826)	(1.259)
$i^{eff}_{FF_t}$	0.020	0.021^{***}	0.060	0.003^{***}	-1.167^{***}	0.002
	(0.018)	(0.004)	(0.080)	(0.001)	(0.292)	(0.010)
mb_t	0.114^{*}	0.010	0.142	0.003	-1.343	0.008
	(0.058)	(0.012)	(0.261)	(0.003)	(0.957)	(0.032)
m_t	0.084	0.063	-0.438	-0.011	6.965^{***}	0.119
	(0.159)	(0.034)	(0.721)	(0.009)	(2.646)	(0.088)
t_t	-0.089	0.164^{***}	1.032	0.031^{***}	-16.471^{***}	0.040
	(0.180)	(0.038)	(0.814)	(0.011)	(2.989)	(0.099)
g_t	0.004	0.031^{***}	0.257	0.008^{***}	-1.539^{*}	0.360^{***}
	(0.050)	(0.011)	(0.225)	(0.003)	(0.827)	(0.028)
R^2	0.989	0.997	0.938	0.999	0.920	0.918
SEE	0.043	0.009	0.193	0.002	0.707	0.024
F	748.272	2741.216	121.938	7340.492	92.242	90.603
N	155	155	155	155	155	155

Note: *See, Table 2.*
Source: *See, Table 2.*

Table 5 shows the co integration of the non-stationary series of the VAR system, Table 4. The Trace test indicates 3 co integrating equations at 1% level and the Max-Eigen value test indicates 2 co integrating equations at the 1% level and 1 co integrating equation at the 5% level. Lastly, Figures 4 and 5 give the Response to Cholesky Innovations for the two VAR models. They show that a shock to the j^{th} variable not only directly affects the j^{th} variable, but is also transmitted to all the other (5) endogenous variables through the dynamic (lag) structure of the VAR model. The impulse response function traces the effect of a one-time shock to one of the innovations on current and future values of the endogenous variables.

Table5. *Johansen Co integration Test*

Sample: 2008:12-2022:06; Included Observations: 154; Trend assumption: Linear deterministic trend
Series: LUSDJIA, LUSRGDP2012, US10YTB, LUSCPI, USU, LUSCA
Exogenous Series: USFFR, LUSMB, LUSM2, LUSGCTR, LUSGCEGI

Rank	Eigenvalue	Trace Statistic	Critical Value (0.05)	Max-Eigen Statistic	Critical Value (0.05)
r = 0	0.4922	249.510	95.754^{***}	104.371^{***}	40.078
r ≤ 1	0.4422	145.139	69.819^{***}	89.900^{***}	33.877
r ≤ 2	0.1905	55.239	47.856^{***}	32.541^{**}	27.584
r ≤ 3	0.1018	22.698	29.797	16.539	21.132
r ≤ 4	0.0342	6.159	15.495	5.365	14.265
r ≤ 5	0.0051	0.794	3.841	0.794	3.841

Note: *Trace test indicates 3 cointegratingeqs. at the 1% level (***); ***denotes rejection of the hypothesis at the 1% level.*

*Max-eigen value test indicates 2cointegratingeqs at the 1% level (***) and 1 cointegrating eq. at the 5% level; *** denotes rejection of the hypothesis at the 1% level and ** rejection of the hypothesis at the 5% level.*

Source: *VAR of Table 4.*

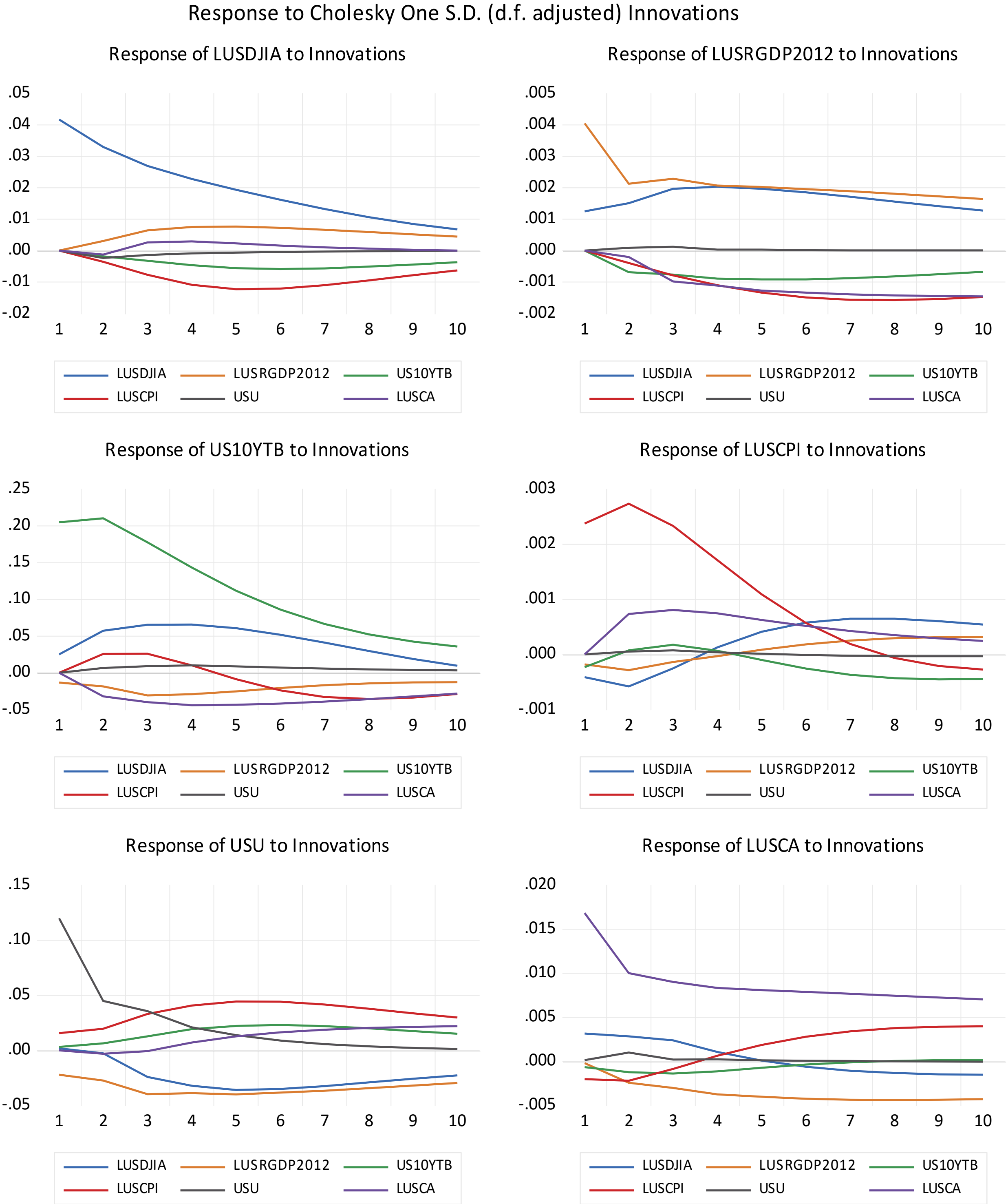

Figure4. *Response to Cholesky One S.D. Innovation of VAR of Table 4*

Note: *See, Table 2.;* **Source:** *VAR of Table 2.*

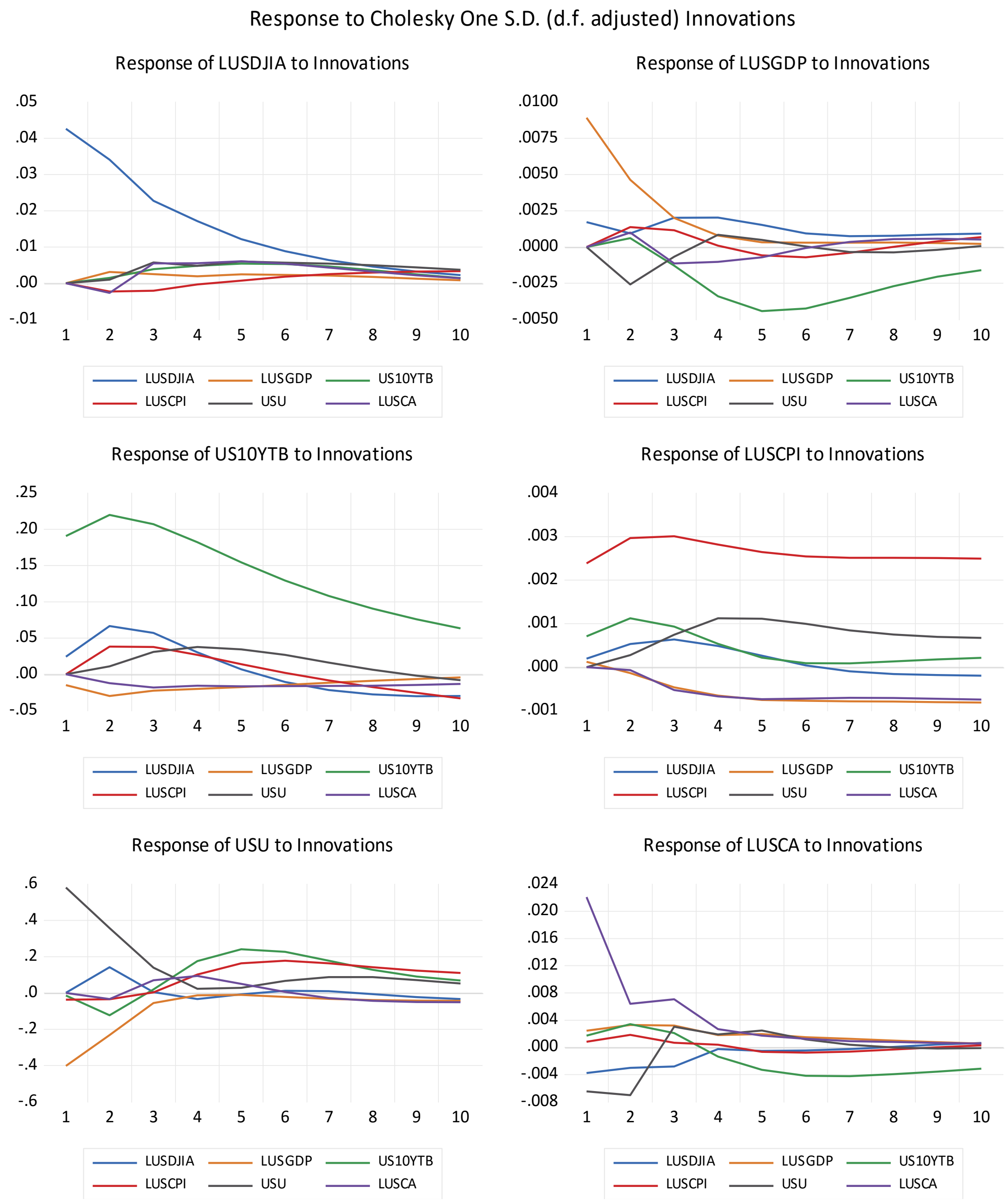

Figure5. *Response to Cholesky One S.D. Innovation of VAR of Table 4*

Note: *See, Table 2.*

Source: *VAR of Table 4*

4. CONCLUDING DEDUCTIONS

Monetary policy and fiscal policy refer to the two most widely recognized tools of public policies, used to influence a nation's economic activity.[124] Monetary policy is primarily concerned with the management of interest rates[125] (target federal funds rate) and the total supply of money in circulation

[124] See, Troy Segal, "Monetary Policy vs. Fiscal Policy: What's the Difference?", https://www.investopedia.com/ask/answers/100314/whats-difference-between-monetary-policy-and-fiscal-policy.asp

[125] The optimal interest rate on deposits (savings accounts) must be: $i^*_{D_t} = \pi^e_t + 1\%$ and the optimal interest rate on loans (the highest) must be: $i^*_{L_t} = i_{P_t} + 5\%$, where i^*_D = the optimal deposit rate, π^e = expected true inflation rate, i^*_L = the optimal loan rate, and i_P = the prime rate.

and it is carried out by the central bank (the Fed). Fiscal policy is a collective term for the taxing and spending actions of the government to improve the social welfare. In the United States, the national fiscal policy is determined by the executive and legislative branches of the government, but there are many political issues (unethical politics, corruption, liberalism, left-wing extremism, the Washington swamp, abortion,[126]globalism, "global warming", "global order", control of agricultural production, supply chain problems, food scarcity and shortages, unnecessary wars, Ukraine, lack of free speech, fake news and propaganda, manipulation of the language, redefining recession and inflation, politicizing the justice system, the FBI, the CIA, the DOJ, and the rest of institutions, voting to illegal immigrants, enormous government spending, vaccine mandates, fraudulent data for COVID-19, the bacteria trap masks, drugs and suicides,[127]deification of "science", atheism, 87,000 new IRS armed agents, raiding of President Trump home, terrorizing political enemies, a war against our civilization, "the fair election act", deterioration of freedoms and individual liberties, political correctness, gender politics in schools, critical racist theory, equity, "white supremacy", New Age Movement, creeping authoritarianism, "disinformation governance board" (ministry of truth), sanctions to Putin that hurt Europe, U.S., and the world, "stay home eat worms", "the inflation reduction act", "domestic terrorism bill", bureaucracy, crime and violence, open borders, "radical gender theory",[128] kids indoctrination, woke racism, black lives matter, elimination of fossil fuels, green energy nightmare, defunding police, loss of respect by the rest of the world, etc.) and conflicts between the two parties (Republicans and Democrats), which avert its application.[129] All these problems have made America a nation in decline. What a pity our politicians to allow this global mafia to destroy the Western civilization.[130]

These modern monetary and liberal fiscal policies have minimized the social benefits and the economy is going to a deep recession and the country into a permanent destruction. How is this possible to happen with all the economists and "experts", after 5,000 years moral and ethical civilization and Revelation, who are working for the central bank and the U.S. Treasury? They must be completely controlled and just follow orders dictated by the liberal globalists. In financial markets there have been observed many unethical practices and behavior, like, (1) Scams, (2) Frauds, (3)

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[126] Abortion is the worst crime that ignorant leaders have made as law of the land. «Τριπλό τό ἔγκλημα, καί δολοφονία ἐμβρύων, καί κερδοσκοπία, καί δολοφονία διά τῶν ἐμβολίων.»«Ὁἄνθρωπος, στήνἉγίαΓραφήὁμολογεῖταιὡςἔμψυχοςεἰκώντοῦΘεοῦ... τόκαθ' ὁμοίωσιν.» See, π. ΣτυλιανόςἘμμ. Καρπαθίου, *Τά «ἐμβόλια» ἔναντιτοῦCovid-Sars 2*, *Βοανεργές*, Ἀρ. Τεύχους 120, Μάρτιος-Ἀπρίλιος 2022, σσ. 74-83.

[127] The ultimate objective from the "forerunners" elites is reduction of population with any means. The U.S. army had 30,177 suicides the last 20 years. (*Fox News*, 10/7/2022).

[128] Trans organizations poised to lower age children for genital and chest transition surgeries. These actions are criminal, but there is no moral government and ethical justice system to restrict them. (*Fox News*, 9/6/2022).

[129] These policies-politics have become the objective by the Democratic Party the last six years. They tried for 4 years with all the unethical means to go against the administration (the Republic party and the President). They tried to impeach the President starting with Russia, then Ukraine, impeachment, Coronavirus, economic crisis, riots, and they were working for a long time on what will be their next "tool", which was the 2020 elections, then came the January 6 committee. Their supporters are the controlled Media with the fake news and propaganda, the high tech companies (Google, Facebook, Twitter, Microsoft, etc.), and the establishment (professional politicians, FBI, CIA, DOJ, lobbyists, and the global elites). See, https://www.bbc.com/news/world-us-canada-50802150 . Also, "2019 CIGI-Ipsos Global Survey on Internet Security and Trust", https://www.cigionline.org/internet-survey-2019 .
See also, The Voter Fraud in the 2020 Elections. "A Sampling of Recent Election Fraud Cases from Across the United States"https://www.heritage.org/voterfraud ; https://www.heritage.org/voterfraud/search . "Trump calls legal system a 'broken disgrace' after judge orders deposition in E. Jean Carroll defamation suit", Published: Oct. 12, 2022. https://www.marketwatch.com/story/trump-calls-legal-system-a-broken-disgrace-after-judge-orders-deposition-in-e-jean-carroll-defamation-suit-01665627175?cx_testId=3&cx_testVariant=cx_2&cx_artPos=6&mod=WTRN#cxrecs_s

[130] "Learn the Truth "and the Truth will make you Free." (John 8, 32). See, Αλεξάντερ Ντούγκιν, «Είμαστε αντιμέτωποι με τη Δύση ως ιδεολογία, φιλελευθερισμός, παγκοσμιοποίηση, μετανθρωπισμός». https://orthodoxostypos.gr/e%ce%af%ce%bc%ce%b1%cf%83%cf%84%ce%b5-%ce%b1%ce%bd%cf%84%ce%b9%ce%bc%ce%ad%cf%84%cf%89%cf%80%ce%bf%ce%b9-%ce%bc%ce%b5-%cf%84%ce%b7-%ce%b4%cf%8d%cf%83%ce%b7-%cf%89%cf%82-%ce%b9%ce%b4%ce%b5%ce%bf%ce%bb/

Unfair trading practices, (4) Securities scams, (5) Churning, (6) Insider trading,[131] (7) Window dressing, (8) Market manipulations, Woke policies,[132] etc.[133]Without regulations, moderation in money supply, trust, fairness, and confidence financial markets cannot function effectively and efficiently.[134] All these markets and institutions have been created to benefit us (the people) and maximize our wellbeing. Massive overvaluations of equity happened in 2007, 2015, 2018, 2019, 2020 and in 2022 by reaching DJIA = 36,799.65 (1/4/2022), with the different pseudo-euphoria (election results, vaccine, climate fantasies, etc.) and the destructive enormous liquidity by the Fed and with the only 50% margin requirements.[135]The central bank must not allow the financial market to grow 39% per annum.

Most of the public policies are wrong, anti-social, and unacceptable. The reason might be the ignorance of the policy makers, but some policies are intentional, are dictated by the "elites" (the "forerunners" = dark powers), who want to control the world with fear (even fear of nuclear war), intimidation, rules and mandates, energy rationing and lately with equity (poverty). Public policy is the process by which governments (fiscal policy) and central banks (monetary policy) translate their political and economic vision into programs and actions to deliver "outcomes, desired changes in the real world". But for the globalists the real world is the illusion that they have in their corrupted and perverse minds. Protecting nature and going against humans, who "destroy" the environment is inhumane. The true "real world" is the financial markets and institutions, businesses, households, and individuals (people), which is constantly changing except the thousand years old value system and civilization, and this has resulted in the movement towards greater use of evidence in policy design, making and implementation, policy ethics, and Pareto optimality.[136] We have to focus on true scientific evidence (no to controlled "experts"), on full information (no fake news and propaganda or political expediency), on history and culture, which will guide public policy making and for evaluating the contribution of any public policy.

Public policy making is an exhausting and time-consuming "policy cycle". Public policy must focus primarily on domestic policy, the welfare of the citizens of the country, and not "the allies first". The basic stages of policy cycle are as follows: a problem is identified, a policy response is formulated, the preferred solution is then selected and implemented with moderation and wisdom, and finally the policy is evaluated. However, the evaluation stage must take an in depth look into what can be learnt from the process as a whole, whether the original problem has been solved, and if not, what is recommended as an alternative course of action or a follow up. Was this policy effective? Was the policy fair? What was the social cost? What are the benefits of this policy? Was the actions taken ethical? Was it Pareto optimal?

[131]*Insider trading* is the trading of a public company's stock or bonds or stock options based on material, nonpublic information about the company. Many politicians are acting as insiders, due to superior information that they have. Their names, due to abuse of power, are very often in the News.

[132] See, "Statement on Nasdaq's Diversity Proposals – A Positive First Step for Investors", https://www.sec.gov/news/public-statement/statement-nasdaq-diversity-080621. These institutions are very dangerous; they have destroyed the western civilization and culture.

"But on Tuesday, Nasdaq, the second-largest stock exchange operator in the world, announced that they would file a proposed rule with the Securities and Exchange Commission to, according to the *Wall Street Journal*, "require listed companies to have at least one woman on their boards, in addition to a director who is a racial minority or one who self-identifies as lesbian, gay, bisexual, transgender or queer." See also,"Woke Nasdaq Should Mind Its Own Business Prominent stock exchange plans to require "token" women, minorities, and LGBTQ people in listed companies' leadership". https://spectator.org/nasdaq-woke-board-woman-lgbt/

[133] See, Hans (2020).

[134]See, Blommestein(2006).

[135] If we want a real and fair growth in the financial market, the margin requirements must be 100% ($r_m = 100\%$).

[136]*Pareto efficiency* or *Pareto optimality* is a situation, where an individual or preference criterion can be better off without making at least one individual or preference criterion worse off. For example, the 2017 Tax Law is not Pareto Optimal because businesses are paying lower taxes, but some individuals higher than before. See, "Tax Cuts and Jobs Act of 2017", https://en.wikipedia.org/wiki/Tax_Cuts_and_Jobs_Act_of_2017

Unfortunately, public policies have proved that are ineffective and inefficient. The new recession is obvious, and it was planned with the global financial crisis[137]since 2008 and the innovated COVID-19 in 2020, imposing the anti-social public policies, with one objective: globalization. You have to submit your country, otherwise you will be forced to give in economically (with a depression) or politically (with a war), which was public knowledge for many years, there is no need to be an economist. Nothing is working, we stay home and they recommend to eat worms, and we are being paid. China is only producing, now, the rest are involved with new ideals, too much corruption, "innovations", saving the environment, abandoning coal, oil, and natural gas, with liberalism, disrespect of human life (abortion, euthanasia, suicide, drugs, and crimes), reduction of population, abandonment of our value system and educational one,[138] inefficiencies, lies, anti-social public policies, lack of democracy, high inflation, enormous cost of living, poverty, homelessness, control of people's lives, globalization and the worst "the great reset"[139] by the forerunners, the enemies of humanity, etc. "The U.S. is a nation in decline." And there is only "one responsible person" forall these, Vladimir Putin. (*Sic*).Of course, we do not believe them because the only person that is not responsible for the global crisis is Vladimir Putin. The other world "leaders" (actually followers) have done too many mistakes and for too many years (since the British Revolution in 1640) that brought the world to today's chaos. It is time to pay, nothing is free(the cost of some of these mistakes is infinite), but the bill will go to poor citizens and the future generations, and not to the true creators of these crises. Happily, there is Divine Justice (θεία δίκη) above our subjective and unfair justice.

ACKNOWLEDGMENTS

I would like to acknowledge the assistance provided by Frank Mensah, Christina F. Piscitelli, and Janice Mecadon. Financial support (professional travel expenses, submission fees, etc.) are provided by Provost's Office (Faculty Travel Funds, Henry George Fund, and Faculty Development Funds). The usual disclaimer applies. Then, all remaining errors are of the author.

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[137]Komlos (2019b, pp. 243-253) gives 31 factors that contributed to this global financial crisis: (1) Greenspan's Ideology, (2) The Financial Innovations, (3) The Rise of the Shadow Banking System, (4) The Neglect of Systemic Risk, (5) Groupthink rendered Greenspan's view politically correct, (6) The Dot-Com Bubble, (7) The lowering of Interest Rates, (8) Credit Rating Agencies, (9) Excessive Faith in Quantitative Finance, (10) Endemic Trade Deficits, (11) Easy Credit, (12) Banks Lowered Underwriting Standards, (13) Expansion of Subprime Lending, (14) Predatory Lending, (15) Bubble in House Prices, (16) The Illusion of Tranquility was Deceptive, (17) Deregulation, (18) High Debt Burden, (19) Financialization, (20) Herd Mentality, (21) Mispricing of Risk, (22) Out of control Leverage, (23) Globalization, (24) Moral Hazard, (25) Lack of Historical Perspective, (26) Hubris was ubiquitous, (27) Culture, (28) Inequality of Income, (29) Corporate Governance, (30) Revolving Door (executive in finance were appointed to government position), and (31) Media (fake news).

[138]See, Stereotypes, Περίστερεοτύπων. https://orthodoxostypos.gr/%cf%80%ce%b5%cf%81%ce%af-%cf%83%cf%84%ce%b5%cf%81%ce%b5%ce%bf%cf%84%cf%8d%cf%80%cf%89%ce%bd/

[139] See, Klaus Schwab and Thierry Malleret, The Great Reset, 2020. See also, Robert Murphy, "Behind Klaus Schwab, the World Economic Forum, and the Great Reset: Part 1", https://mises.org/library/behind-klaus-schwab-world-economic-forum-and-great-reset-part-1?gclid=EAIaIQobChMIrYXyhY7x-AIV6PvICh3HMgfqEAMYAiAAEgIOjfD_BwE. Inaddition, see, «Ἡ "ΜεγάληἘπανεκκίνηση"; ΠρόςτήνΠ ρόοδοἤπρόςτήνΚαταστροφή;», *Βοανεργές*, ἜτοςΚΑ΄, Τεύχος 119, Ἰανουάριος-Φεβρουάριος 2022, σσ. 91-93.

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Citation: *Dr. Ioannis N. Kallianiotis. "Effectiveness, Efficiency, and Social Benefits of the New Public Policies" International Journal of Managerial Studies and Research (IJMSR), vol 10, no. 11, 2022, pp. 24-58 DOI: https://doi.org/10.20431/2349-0349.1011003.*