



# MAYBE MORE DEBT ISN'T THE ANSWER?

WITH JONATHAN ROCHFORD

# Agenda

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- Overview of Keynesian, MMT & Austrian economic schools of thought, & differences between them
- Austrian Economics Overview
- Issues with Keynesian view
- Examples of countries going “cold turkey”
- What is likely vs what is right
- Investment implications



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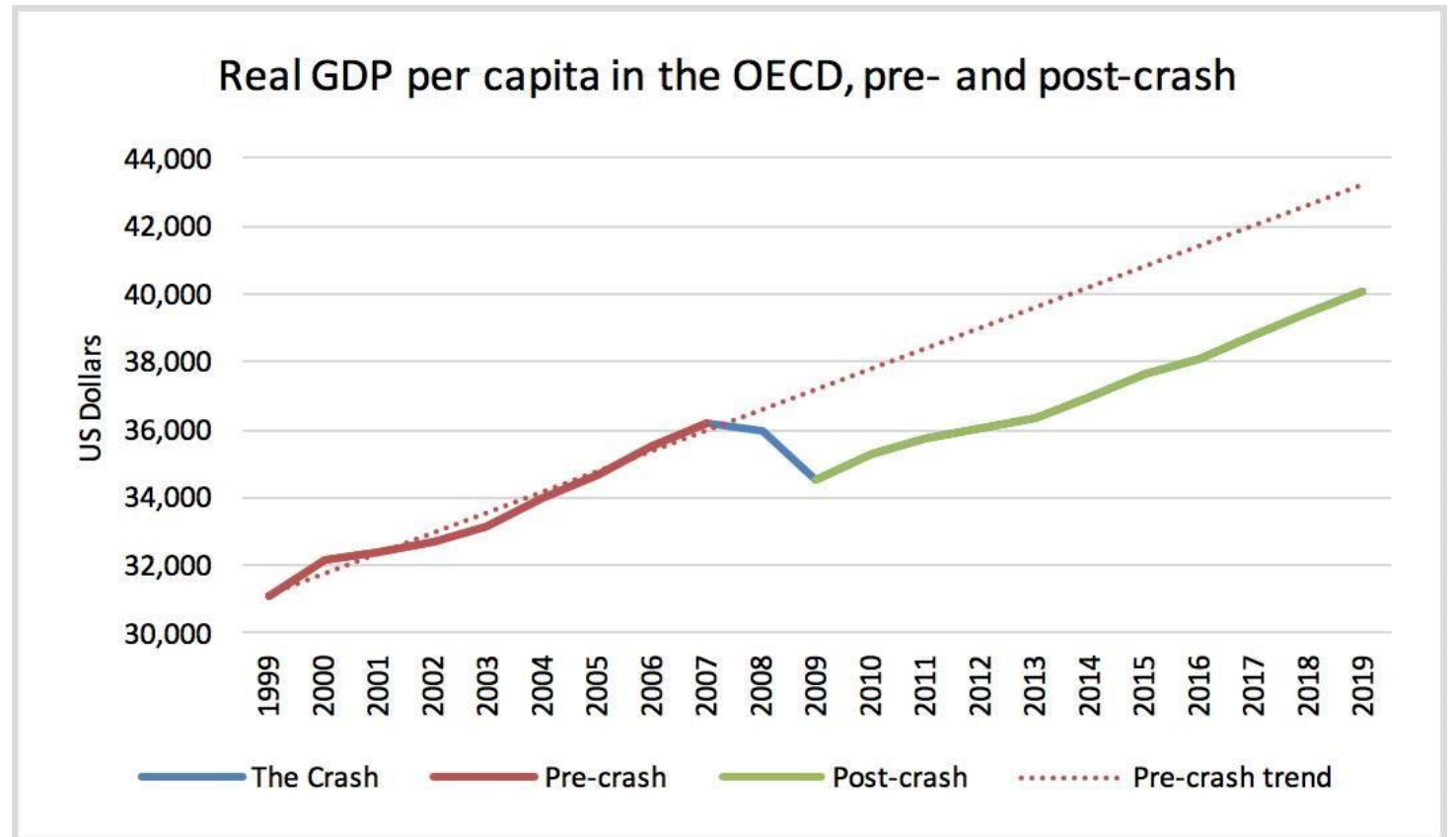
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# The lost growth fallacy:

Three schools of economics:  
Austrian, Keynesian and MMT

The lost growth fallacy

Budget deficits, low interest rates  
and QE go together



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# Recoveries from Credit Busts:

14 Reasons QE is terrible economic policy:

Incentives risk taking

Disincentives saving

Moral hazard

Inflates asset prices

Creates boom/bust cycles

Reduces productivity

Exacerbates wealth inequality

Destroys central bank independence

Encourages fiscal wastefulness

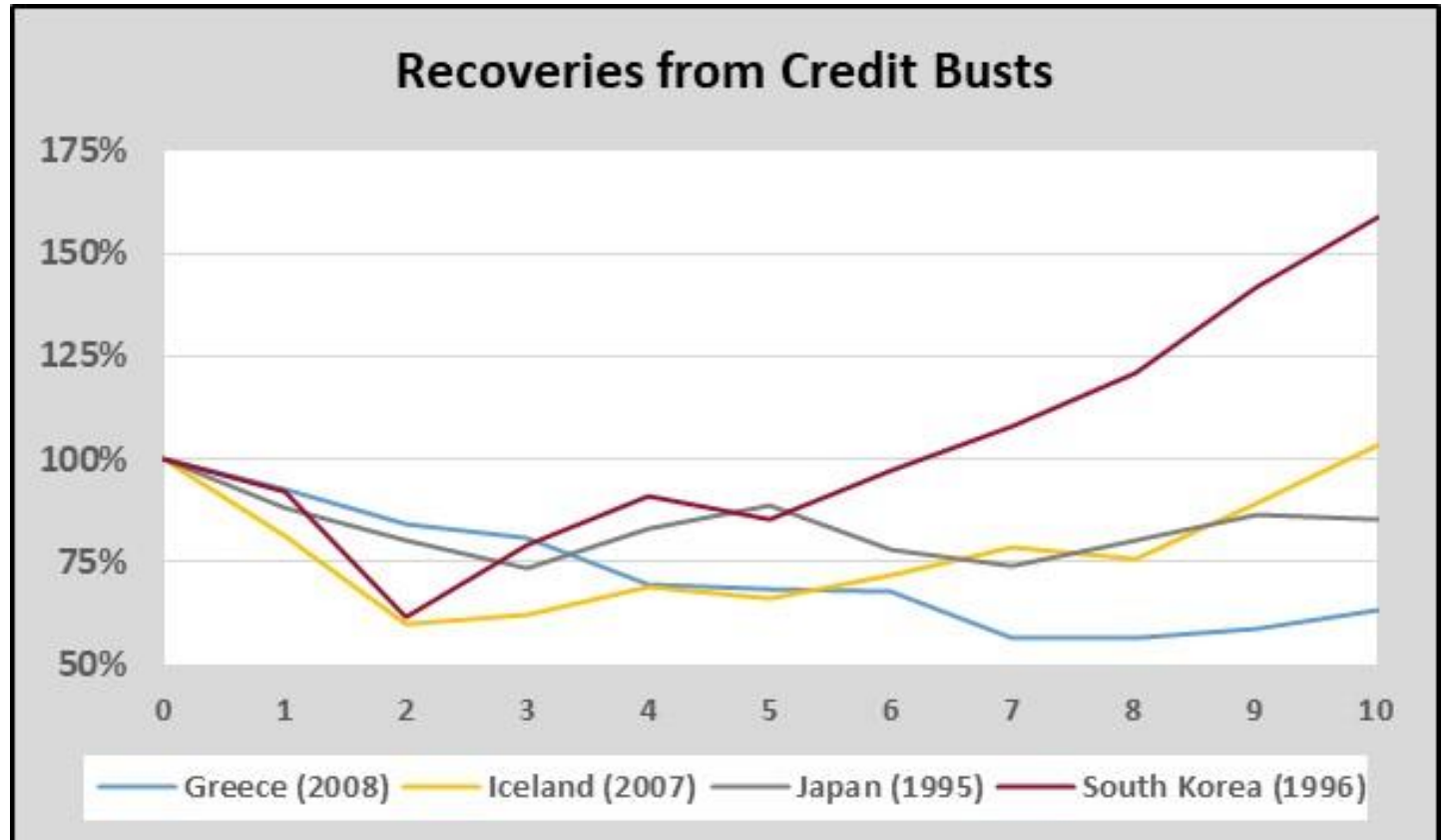
Leads to inflation (eventually)

No History of reversal/highly addictive

Solid history of failure

State ownership of the private sector

Stealing from future generations



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# Additional resources:

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[That Which is Seen, and That Which is Not Seen](#)

Keynes vs Hayek rap battle – part 1 & 2:

<https://www.youtube.com/watch?v=d0nERTFo-Sk>

<https://www.youtube.com/watch?v=GTQnarzmTOc>

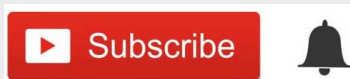
[Reflections on Ray Dalio's Book on Big Debt Crises](#)

[The Arguments Against Austerity are Simplistic and Short Term](#)

[Anatomy of the Crash – the Financial Crisis of 2020](#)

[Foundation for Economic Education](#)

[Mises Institute](#)



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# Investment Implications:

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- Likely outcomes
- Creating zombie companies will mean low interest rates forever
- Allowing unfettered destruction is also dangerous – but very unlikely politically
- Unfettered spending seems to be the path of least resistance
- Four types of gearing: Government, Corporate, Consumer, Inequality



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## Coming up

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# Nucleus Investment Insights : Martin North

[Nucleuswealth.com/webinar](https://nucleuswealth.com/webinar)

next

Thursday 4th June @  
12:30pm AEST



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