For the Record oF LOUISVILLE METRO COUNCIL MINIMUM WAGE FORM

on November 10, 2014 by Daniel Cobble, Citizen

Subj.: "***Current U.S. Monetary Policy Wrong for Min. Wage***"

I am Daniel Cobble. I would very much like to see the minimum wage increased. But attached, here, is an excerpt of my Oct. 3, 2014 letter to the **U.S. Joint Chiefs of Staff in Washington, D.C.** showing why the military should understand how our currently improper monetary policy is weakening our foreign policy, Our national security, making it more difficult to convince other nations to cooperate with President Obama. Please recall that during the Clinton boom years, this was not the case.

Though the U.S. dollar is still rising above other currencies that prompt other nations to trade in dollars, it does not solve the basic problem of attracting investments into the U.S. economy, itself, as well as keeping domestic dollars in the U.S.

Please recall during the Clinton boom years, that Louisville had an unemployment rate of 2%, and the across the nation businesses paid well above the minimum wage to attract workers. Don't you remember this enviable economic condition?

The above are only two examples of how improper monetary policy distorts reality. Today, the housing market is still shaky. Cities and states struggle for tax revenues. Banks are not lending. Student loan debt is out of control. And many small businesses continue to struggle.

That is, we are experiencing life through the prism of improper monetary policy, and thus, the economy is not ready for raising the minimum wage. Marginal businesses would endure further hardships.

We should not raise the minimum wage until we return Our current monetary policy to the 1990s. This means to: **1)** Gradually increase the federal reserve prime interest rate to compete with other nations, **making**

the dollar more attractive and **now being demanded by domestic investors**; **2)** Reinstate the *1933 Glass-Steagall Act*, that separated commercial banking from investment banking, to return trust to Our economy; and **3)** Require investment bankers stop getting their money virtually free from the Feds {**investors should return to competing for their investment dollars in the open market**, making the dollar more attractive to invest in the U.S.} – It is these current policies that are creating the gap between the rich & poor.

Without the clarity of proper monetary policy, increasing the minimum wage now will only create more downward pressures on the U.S. economy. Mayors, City Councils, and Governors should lead in demanding reversal of our current monetary policy. – Also see my attached Sept. 11, 2011 letter to President Obama, requesting the same.

– *Thank you!*

Daniel Cobble

Daniel Cobble
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AN EXCERPT . . .

Submitted by Certified Mail, Item: 7013 0600 0000 0546 9137

From: Daniel Cobble • 3401 Lesway Ct., #12 • Louisville, KY 40220

TO: The Joint Chiefs of Staff
C/o Billy L. Fritz, Chief of Public Correspondence
9999 Joint Staff Pentagon
Washington, D.C. 20318-0400

OCTOBER 3, 2014

w/ One Attachment

RE: • **Why the Pentagon Should Understand How Improper Monetary Policy Weakens Foreign Policy,**

Dear Mr. Frittz,

• HOW IMPROPER MONETARY POLICY WEAKENS FOREIGN POLICY

The other tragedy, here, is the inappropriate U.S. monetary policy (begun as Pres. Clinton was leaving office) that inherently weakens today's U.S. foreign policy. Please recall during the Clinton Presidency, foreign countries were heavily invested in the U.S. (including China). This condition allowed the U.S. to wield its foreign policy with little resistance from other nations, making it easier for Clinton to foster his policies. **For example,** recall the two-month 1999 NATO bombings of Yugoslavia that was readily joined by other nations. – Similarly, today, China wields its foreign policy with little resistance from other nations, including the U.S., due to the massive international investments in China. – And currently, other nations and the U.S. public do not trust U.S. monetary policy, **since the damage has not yet been repaired from 2000 thru the Bush years**, and extended by Pres. Obama. Current monetary policies **discourage foreign investments into the U.S., and chases U.S. domestic dollars overseas** in search of higher interest rates. This is why Pres. Obama is scrambling-around, begging for support from other nations, and making it more difficult for our military by having to go-it-alone for missions.

By the time the *Great Recession* took hold in 2008, after the Feds (and Pres. Bush) had incrementally lowered the prime rate at almost each 3-month quarter, Feds Chairman Ben Bernanke "turned the tables" by "selling" to the American public that a lower-valued dollar (low interest rates) is key improving the economy. And Janet Yellen is continuing this false mantra, which is diametrically opposite to Clinton's policy that demonstrated a higher-value dollar attracting investments into

U.S. communities is the "engine" of a growing economy. Whereby, the super-rich are the only people benefitting from the super-low interest rates, today, **but while Our national security and foreign policy suffers by foreign economies and domestic dollars having massively divested from the U.S. economy**.

And one other point, here, Mr. Frittz**:** As also shown by the Clinton era, proper monetary policy facilitated the "high U.S. corporate tax rate," as opposed to today's climate where corporations are running from this 33% rate. **In fact**, some are seeking to transfer their corporate headquarters overseas. Corporations did not mind paying taxes during those Clinton years, because everyone was prosperous, of which reinforced and assured community prosperity for sustained corporate growth.

Hence, it would behoove the U.S. military, including the Secretary of Defense and Joint Chiefs, to have this basic comprehension of monetary policy, for hashing-out with Presidents. The difference can be the greater expense of war, and needlessly cost the lives of U.S. service-members. But where a "proper monetary policy" becomes the basis of an "internationally respected" (strong) foreign policy (such as today's China) "that can pressure the avoidance of war."

For the Joint Chiefs' reference, I have enclosed copy of my Sept. 11, 2011 correspondence to President Obama, identifying three currently **primary, defunct** monetary policies, and asking him to reverse these policies. – However, this letter<u>does not</u> include the also highly recommended fourth policy of reinstatement of the *Glass-Steagall Act of 1933*, of which protected the U.S. economy and investors, until it was repealed by Clinton while leaving office. A reinstated *Glass-Steagall* would require commercial banking to **place their corporate capital for investments** into separate investment companies, split apart from the commercial banking sector. – These four policies / protections would return trust to the American banking and investment infrastructure, to respectively attract global investments and "return" domestic investments to Our communities. The effect would be greater influence amongst our international affairs, **that's needed to hold China in-check**.

(Though many investment houses, for example, **are finally demanding** the Feds to increase the prime interest rate, opponents of rate hikes {such as noted Investor Peter Schiff] have the "mis-conception" that respectively higher "payments on interest" will affect the economy. But again, **as shown by the Clinton economy**, this effect is "benign," because the cumulative, exponential taxes paid from higher economic activity {generated from the higher-value dollar attracting investments} easily covers those higher interest payments. – Please recall that the Clinton era ran $ billions in budget surpluses.)

x-- Daniel Cobble
Daniel Cobble

Cc: D. Cobble

Attachments: – Sept. 11, 2011 Letr to Pres. Obama to Reverse U.S. Monetary Policy
– Oct. 3, 2014 Excerpt to Joint Chiefs of Staff, Washington, DC

Postal Status: Certified Mail, Item: 7013 0600 0000 0546 9137

<u>***Cert__ d Mail Tracer: #7011 0470 0003 6_ 8706***</u>

From: Daniel Cobble • 3401 Lesway Ct., #12 • Louisville, KY 40220 • 502-499-5249 • www.prose-litigants.org

<u>TO</u>: **President Barack Obama**
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

September 11, 2011

RE: Proven No-Cost Measures for Jobs
- **Creating Jobs w/ Bill Clinton's Monetary Policy;**
- **<u>High or Low Dollar, a False Choice for Americans</u>**

Dear President Obama,

1. Why have you not adopted Pres. Bill Clinton's monetary policy from the economy of the roaring '90s? His distinct policy was competitive prime interest rates set by the Federal Reserve (Feds / Central Bank) for attracting first-tier investments into Our economy. This is a proven no-cost measure. Why is the mainstream media avoiding this fundamental discussion on "Economics 101?" -- **Clinton demonstrated for us that competitive prime rates** (the rate that banks pay to borrow from the Feds) attract first-tier investments into our financial institutions. (First-tier investments are money-market funds, pension funds, saving accounts, certificates-of-deposits, annuities, trust funds, etc.) First-tier investments are then loaned-out to businesses that create jobs, as well as for consumer loans for homes and durable goods (cars, appliances, etc.) as second-tier investments.

A competitive prime rate is raised to be comparable to the prime rate of other powerful foreign economies, such as China, France and Great Britain. The countries with comparably higher rates are those economies experiencing growth, because money flows to their higher interest rates. For example, China's prime rate is currently 6.56%, which helps to account for its 9.7% economic growth in the first quarter of 2011. By contrast, the U.S. prime rate has remained near 0% for some time, now. When Clinton left office the U.S. prime rate was 5.46%.

In other words, a nation's competitive prime rate creates the value for its currency. This is also called a "high currency" (or high dollar in the U.S). Wherefore, **it is a false choice to ask Americans** to choose between a high or low dollar. The low dollar must chase first-tier investments away from Our economy in search of higher overseas interest rates. Clearly, this accounts for the ongoing decrease in economic activity, by contrast to China. Higher rates may increase the cost of goods, but it also creates jobs, the money to pay for those goods, as well as increased tax revenues. -- So, why are we not following Clinton's / China's successful monetary policy? – And, Mr. President, **isn't this also a *<u>National Security</u>* issue**, for protecting Our economy, Our nation?

2. Yet, another bad policy that's creating low demand for the dollar is that investment bankers are allowed to receive investment dollars directly from the Feds. Prior to May 2, 2008, investment bankers (Merrill Lynch, Goldman Sachs, etc.) were required to compete with other Americans by getting their dollars from commercial banks. This created demand for the dollar, and was the original 1913-purpose of the Federal Reserve for monetizing the dollar. This demand attracts investments into our economy. But by contrast, the May 2008 policy now allows high-rollers to get their money virtually free from the Feds, bankrolled by American taxpayers, and again, reducing demand for the dollar. – This also helps to explain the growing gap between the rich & middle class. **For example,** Warren Buffett purchased CSX Railroad and GEICO Insurance at interest free. Buffett is "picked" as a winner, but We lose.

3. And yet, another thing you can do to help the economy is to pressure the Feds to take some responsibility for the 2008 economic collapse. **The Feds can free-up credit** by forgiving much of the debt that it wrongfully sanctioned during the housing bubble. It was the Feds that allowed banks and investment institutions to borrow beyond their means without requiring timely repayment. – However, if the Feds forgive these institutions, then those institutions should be required to forgive the same amount of debt to ***their*** borrowers/customers. In turn, this would restore / reduce across-the-board ratios of assets-to-liabilities, allowing property values to rebound (and reviving the lost tax revenues of states). **This sophisticated measure would help to "reset" Our economy.**

President Obama, **we**, the undersigned, **are asking other citizens to also copy, sign & mail this letter to you.** Please consider the above successful, no-cost measures of Pres. Clinton and China, proving that massive gov'mt spending (and more debt) <u>is not</u> needed to pump-start Our economy. -- ***Thank you, Mr. President.***

Daniel Cobble
Daniel Cobble

Charles Michael Zoeller
Charles Zoeller

Your Signature ____________________
Print Name:

Friends Signature ____________________
Print Name:

Copies to: U.S. Rep. Maxine Waters • George Clooney (Actor) • Sen. Rand Paul • Tea Party USA • Public Distribution