

## Naked Naked Capitalism: A Response To Yves Smith's "Batshit Talk" Re Monetary Sovereignty And The Fed



*"Bring it on!"*

The Naked Capitalism blog, and its primary contributor, Yves Smith, are respected economic sources of information that I will continue to follow, even though, as follows, my own comments are blocked, and I must take the following [NC policy](#) with a huge chunk of salt: "having a high caliber conversation among readers necessitates demanding that readers argue in a fair-minded manner and keep the personal invective down." Indeed it does.

This week, on account of a comment on NC, I was personally attacked by an "MRW" in PART I, PART II, and a third comment. MRW introduced nothing I did not know, made mistakes, and railed against matters I had not raised, nor would. Facetiously addressing me as "Dr."—a qualification obtained from a link—MRW's first words were "What fucking planet are you on?" PART II began in like vein: "In fact, Dr. Johnson, since you have a doctorate and I assume that means you can add..." MRW's third comment began "Oh jeezuss. More G. Edward Griffin horseshit you haven't verified, Dr. Johnson..." The parting shot was "Do your g.d. homework."

Knowing the blogosphere, I did not take MRW's openly ad hominem tirade seriously. But I was flabbergasted when Yves Smith replied to MRW with an emphatic "Thank you!" Yves Smith categorically declared me uninformed of the most basic facts, and in sum dismissed my comments as "Batshit talk" and "hysterics."

My first response to MRW (which began by disarmingly thanking him for his passionate concern) was posted, but not my subsequent responses to MRW's follow-ups or to Yves Smith. I am thus obliged to defend my reputation by this independent publication.

The article's author, Joe Firestone, also responded to my original comment. I tried to reply, accepting his point, and modifying my position. This reply was also blocked. I had to continue my debate with the author of the article on the [New Economic Perspectives](#) blog. After I quoted the full definition of "freely usable currency" under IMF Article XXX(f), noting that it excluded SDR's, we reached a consensus.

A day later, I tried to reply to a comment on NC, re a "War on Cash" article. I proposed distinguishing \$100 notes in discussing causes and reasons re moving to a cashless economy, and included a link to annual production volumes showing hockey-stick growth only for the \$100 note. A month later, in response to an article called "An Open Thread on Water," which expressly solicited comments on water supplies, I promptly submitted a terse comment uniquely noting the potential of "primary water"—water geologically "squeezed" from rocks, found in very large volumes way below ground water. I provided links to a [Scientific American article](#), and to [an institute](#) that had drilled many primary water wells. These comments being blocked, I can only infer that I am comprehensively barred from NC.

\*\*\*\*\*

What triggered my being crudely insulted and not only blocked from particularly responding but generally barred from NC?

(1) My opinion that "[Joe Firestone's] article too readily glosses over the extant loss of sovereignty in allowing US currency to be issued only by and through private banking interests, as decreed by a largely financially captured government."

(2) My assertion (substantiated with a legal citation) that the Federal Reserve *Banks*, as opposed to the Federal Reserve *Board*, are privately owned, and that the distinction between the two is important to bear in mind.

The NC article at issue is [Joe Firestone: Another Danger of the TPP: It Sacrifices Monetary Sovereignty](#) [sic], submitted by Yves Smith. Unfortunately, I didn't save my responses, and so have retyped them from memory. In so doing, I have taken the opportunity to add maybe 50% more detail. Those interested in monetary sovereignty and the Fed just might find that I offered commentary of value, even while rebutting charges of gross ignorance with narrative asides. [Here are all of the at issue comments](#) (after Joe Firestone's article). The comments in red are those that NC blocked, which are necessarily rewritten.

*Clifford Johnson, aka Tom Paine II, June 2015*

**Postscript.** On July 9, 2015, Yves Smith announced the general discontinuation of comments on NC, owing to the impossible burdens of moderation. Without specifics, she regretted the tone of some of her own recent comments. See [Announcing a Site Policy Change](#). In response, I submitted an entirely forgiving three sentence final comment, which I hope somehow got through.