

A Short Essay Regarding M-F (1999) in Terms of Mundell-Fleming Model

I doubt the way of working Mundell-Fleming (M-F) model produces in the actual world. A good example is the case between strong- or weak-Yen and the exchange rate. Yoshihiro Yamazaki (17 Feb 2015) created a chart for how to connect weak-Yen with the M-F model or Fleming model (1999). I respect his pertinent idea he applied to an interpretation for solving the current problem of weak-Yen. Then, why do I oppose his interpretation despite my use of GDP-based database which is applicable to easy comparison between all the models in the world?

This question is deeply involved in the essence of purely endogenous or the *EES* (2013, 1st ed.; 2014, 2nd ed.) and the *HEU* (2015). First, let me explain his intention on his chart (*ibid.*, 53, where he states that the chart is his own or original), by my understanding and by item.

1. The I-S curve does not change or fixed, while the L-M curve has three cases.
2. The I-S curve crosses the L-M curve at point A, B, and C, where point A is a base.
3. If weak-Yen appears, the cross-point is B, while if strong-Yen appears, the cross-point is C.
4. If during 2015, a powerful 'rise in prices' occurs, the L-M curve shifts from A to C, and real money supply decreases. It means, a domestic balance overlaps the balance of payments (BP line) so that the cross point becomes C.
5. Therefore, the rate of interest (interest rate in the chart) rises and simultaneously realizes strong-Yen.
6. Generally in conclusion, if a 'rise in prices' occurs, strong-Yen appears; and if a 'rise in prices' does not occur, weak-Yen appears, with further money supply by the Bank of Japan.

My question to the above 6, conclusions: Is this conclusion true? My answer needs a vital condition evidenced by using the real-assets in the SNA¹ for 86 countries, 1960-2012. True fact is: when deficit is zero, the rate of return/profits is maximized while the net investments divided by *GDP* is minimized. It means, only if deficit decrease actually and considerably, the above 6 works well.

¹ For the original design to the SNA, See Meade, J. E., and J. R. N., Stone (1969). Some economists use the defect in the SNA (93, 2010) while I believe that the SNA is one of human discoveries historically. Rather I admire foresighted economists earlier when the SNA data files/databases had not been available globally.

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In Japan after the 1990s years, government consumption has increased but empty talk. Further, data-information is not balanced or does not realize symmetric data-information, partly due to people's ignorance and indifference to political actions. As a result, people must actually accept the current situation of deflation with a minus real wage rate and also micro poverty; poor workers rapidly increasing the share of total workers.

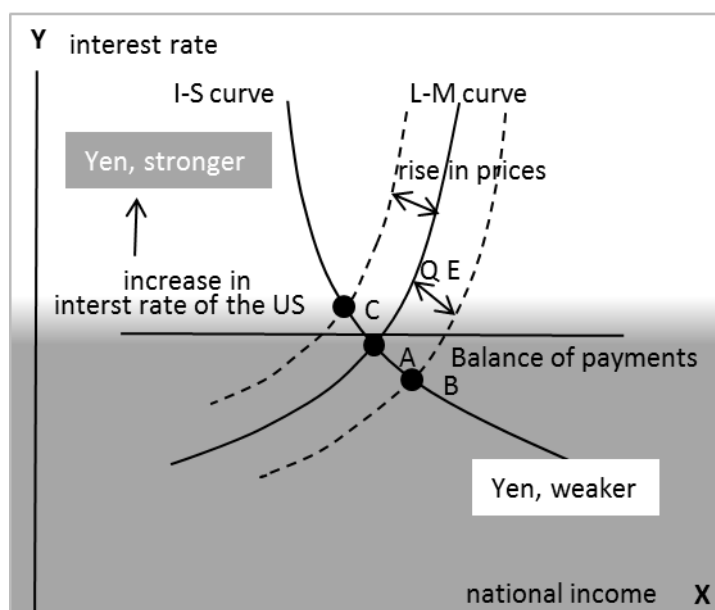


Fig. 1 M-F model and Japan-the US financial policy

Source: Yoshihiro Yamazaki, 'Weak yen is easy to understand by using Mundel- Fleming model' in *"the Economist, Tokyo"*. The above figure is the origin of Yamazaki. However, the author translated into English Yamazaki's chart; by the author's own way and, more clearly with a different design.

Q & A regarding the above figure 1:

Q1: Is this figure truly right?

A1: Yes, it is seemingly truly right and pertinent but, except for one point.

Q2: What point is wrong?

A2: evidences for 86 countries, 1960/90-2012 show that huge deficit is a unique reason why deflation does not stop. The unique reason is based on the real assets. People may believe that the market/financial assets are also involved in the real-assets just like the other side.

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Q3: Do you think that the I-S and L-M curves have some deficit?

A3: No. the I-S and L-M curves are general and universe under the market principles. Prices and quantities are solely determined by goods and services by nature. We must accept this vertical character so that vertical is reinforced by another discovery.

As a whole, point A does not shift to point C, as long as huge national deficits and debts decrease, actually and drastically. Deficit/GDP and national debts/GDP are barometer for a required condition. I am thankful for Yamazaki's new idea for the M-F model so precisely. His focus points are really wonderful.

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A Short Essay Regarding John Quiggin (2010), “*Zombie Economics*”

Why do I take up John Quiggin in this short essay? This is firstly because I was impressed with the intention of the publisher, Princeton University Press, Princeton and Oxford. The subtitle is: *How Dead Ideas still Walk among Us*. Hiroo Yamagata candidly translated *Zombie Economics* into Japanese in Nov 2012, where subtitle is ‘*outlived five economic thoughts*,’ more concretely. I was drawn into the contents of this book, 1) reading translator’s own postscript (ibid., 283-288), 2) feeling warm cooperation between author, translator and editor, Hiroko Oono, of publisher, Chikuma, Tokyo, and 3) challenging for real-time new design, as shown in Preface (ibid., two pages after Contents; no page number).

This is secondly and essentially because five ideas that have played a role in the financial crisis, as shown in Introduction (ibid., 2). I cite these five as follows:

- * the Great Moderation: the idea that the period beginning in 1985 was one of unparalleled macroeconomic stability;
- * the Efficient Markets Hypothesis: the idea that the prices generated by financial markets represent the best possible estimate of the value of any investment;
- * Dynamic Stochastic General Equilibrium: the idea that macroeconomic analysis should not concern itself with economic aggregates like trade balances or debt levels, but should be rigorously derived from microeconomic models of individual behavior;
- * Trickle-down economics: the idea that policies that benefit the well-off will ultimately help everybody; and
- * Privatization: the idea that any function now undertaken by government could be done better by private firms.

I was shocked by the above five ideas in mind. Therefore, in this part of this essay, I explain why I shocked so strongly. Honestly yet apparently, my ideas stand at the opposite side of the above five ideas (for simplicity, Five Ideas hereunder).

First, the essentials of my ideas are:

- 1) My behavior is not against any idea but accept all the ideas hitherto. **Each idea is right** from the viewpoint of each respect. **Essence of each idea differs, just seemingly and solely** as phenomenological results. This is because essence of human life is **closer to Nature or God as absolute existence**, where **true moderation** is expressed by **the origin** of the two-dimensional plane. Human life

could closer and closer to Nature but **human never reach Nature itself. Human always need to reflect and be thankful;**

- 2) My model turns to **a system that unites individuals in a society**, consistently beyond space and time and, under the market principles that are vertical to goods and/or services by nature. **The market principles** have reserved since human life historically began to use money to exchange goods and services. The market principles are 'next' to Nature or God, since prices is always fair and open in a short or long run and **human cannot set up price levels arbitrarily**. System is organic system by nature. This is because indispensable limit of the market principles is reinforced by **human organic system;**
- 3) The system holds **first as the macro level and second simultaneously as the micro level. Data given remain three:** The balance of payments, national debts, and the differences between saving and net investment at the private sector. All the data are 'symmetric' except for capital-stock, whose axiom is **a constant *Omega*** (i.e., the capital-output ratio), whose proof was done by Paul Samuelson (1970). All the variables and parameters are '**symmetric,**' completely differently from 'asymmetric' in the literature. 'Symmetric' could not hold if a constant *Omega* is not discovered beyond space and time; similarly to **a Cobb-Douglas production function.**
- 4) The system holds since the sum of consumption and saving equals the sum of wages and returns/profits under three equalities. Meade and Stone (finally, 1969) led this fact when they set up A System of National Accounts. Foundation comes from **the matching identity** that holds between just before and after redistribution of taxes. Resultantly, the sum of the government and private sectors in the macro level equals the sum of households and enterprises it the micro level.
- 5) **Size of government** is replaced by another expression of taxes divided by *GDP*, where ultimately, this size is indifferent of taxes and *GDP*, due to purely endogenous work in the system. Repeating, except for three parameters explained above, all the variables and parameters are measured accurately and pertinently in a purely endogenous database, which is comparable with all the databases today up-to-date. Further, **the system is wholly policies-oriented** while **strategies remain vertical** yet solely support policies. The system absorbs strategies harmoniously. Resultantly, the essence of the system is neutral to policies and **Laissez-faire prevails** as new discovery in the universe, individually and globally. **Theories = practices = history = countless diversify** by country (culture) and by area (civilization) is given from Heaven, Nature, and Absolute existence; closer to Nature. Accordingly, actual **results=causes** with no probability, no estimation, and no forecasting.

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In short, the real assets express their original states. As clarified by Tobin's (65-86, 1958) 'Liquidity Preference: as Behavior towards Risk,' cash is also a real asset and, work for purely endogenously. Laissez-faire is new yet old historically and in essence.

The next part of this essay is academic comparison between Quiggin's key points and Kamiryo's in the *EES* (2013, 1st; 2014, 2nd) and the *HEU* (2015), published by Better Advances Press, Toronto. This part does not discuss in detail and my earnest desire is to convey what I have in mind pertinently and without using equations and figures, although my system is algebraically and geometrically in an two-dimensional plane or moderately scientifically. Readers are able to flexibly find key words in the above five ideas, 1), 2), 3), 4) and 5), although each is actually connected with each other inseparably and, wholly to strengthen the market principles.

(1) The Great Moderation:

- * the idea that the period beginning in 1985 was one of unparalleled macroeconomic stability;

Actual results changes minute by minute and never repeat the same phenomena. Nevertheless, a person wants to discover a new rule. Actually, nevertheless, a person finds wonderful facts or discoveries once a while. Why? This is because actual data are always within a certain range of purely endogenous data, as evidenced in Kamiryo Endogenous World Table (KEWT) database series. In particular, the KEWT database 9.15, 1960/90-2012, by country and by area, for 86 countries, succeeded in GDP-based. It means that the 9.15 is able to compare with any representative database in the world today. Therefore, we can find new rules when results are close to those of purely endogenous, apart from probability problem and under no assumption.

What is macroeconomic stability? During these years, the differences between actual and endogenous results were small. Why so small in these years? Let us not stick to specific years and periods. Regardless of the initial point of time, periods and length of periods, short or long, actual results are in endogenous equilibrium. Why? Actual results are balanced in two ways; one, visible and, the other invisible. Here one may be respective person, body, or mind. Similarly, the other is defined. So that two ways are: Between persons, between body and mind, or between minds.

If one is positive then, the other is negative. If one is negative then, the other is positive. The levels of positive and negative are countless, beyond space and time. The Old China has conveyed this principle; the Yin and Yang principle, as in Laozi Tao Te Ching, and in the teaching of Confucius. However, these principles remain philosophical and education-oriented. We cannot forecast nor measure each level of attainment of the Yin and Yang principle. It is natural by nature. Measurement is not required at all. The Yin and Yang principle is cooperative with religious spirit and also

non-religious spirit. Human has gotten and obeyed for human safety and happiness. Further, the Yin and Yang principle is independent of two- or multiple- dimensional planes. The Yin and Yang principle is connected with Nature and absolute existence naturally, just like a dutiful child and ancestral feeling. These are not theory or science but human practice-oriented and loosing from the inside.

The organic system geometrically produces the two-dimensional planes.¹ This is hyperbola, where theory=practice=history=philosophy=countless diversify, as roughly touched already. Hyperbola implies complete symmetric. This symmetric makes it possible to measure the level of the Yin and Yang principle. I call it the purely endogenous Yin and Yang principle. Under this principle, positive and negative results=causes or negative and positive results=causes are in a second measured on the two-dimensional planes. The two-dimensional planes are divided into four dimensions; 1st, 2nd, 3rd, and 4th, by right-handed rotation, where if right two dimensions are positive then two dimensions left are negative and, vice versa. Or, 4th, 3rd, 2nd, and 1st, by left-handed rotation, where if upper two dimensions are positive then two dimensions bottom are negative and, vice versa.

(2) The Efficient Markets Hypothesis:

* the idea that the prices generated by financial markets represent the best possible estimate of the value of any investment;

Under the market principles, the price level shows the quality of goods or service (or software) and quantity level shows the physical quantity of goods or service (or software). Note: The price and quantity levels are always vertical and, anywhere. Without a device to unite the price and quantity levels wholly, the market principles are incomplete. Is this true? Yes, the market principles work completely, always and anywhere. The essence of the market principles remains unchanged not as a hypothesis but as a fact. The market principles are effective in quality and efficient in quantity, beyond space and time. Why?

I cannot find a reason. I do not know a reason. The market principles are given from somewhere, just like a fairytale story talked to a child. I shall say: The market principles come from money which we human uses before letters began to use.

¹ In two-dimensional Planes; purely endogenous, endogenous data, actual data, databases, no assumption, the macro level, the micro level, growth GDP, returns/profits, hyperbola, circle, cyclic, diagonal, triangle, golden ratio, silver ratio, parabola, business cycles.

Or, Planes for environment, forest, agriculture, medical, and societies, public and private, towards better cyclical economics and economies; harmoniously connected with vertical strategies.

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Nevertheless, why bring about the market principles since so numerous discussions in reality?

Yes, often in actual data. But, insufficient cases are limited only in a short run. In a long run, the market principles work faithfully. This fact is evidenced in the KEWT 9.15. Generally, within a half year the market principles show their own colors. Time lag is half a year, except for extreme cases that financial policies are arbitrarily taken up by government of a country. Even extreme cases cannot long over one year. Extreme cases are corrected by actual statistics-data wake up that includes both the real assets and financial assets. I am often surprised to find this fact watching 86 country data. Note: original data in the KEWT database series use are *IFS* Yearbooks, IMF and no others; except for some externals that respect each country's own culture policy.

The above fact is reinforced by comparing each country's data with the KEWT database series. The KEWT database 9.15, 1960/90-2012 for 86 countries, evidences this fact and researchers and readers will understand how original dataset of IMF expresses the market principles perfectly.

Lastly, I raise a fact that true character of the market principles turns to 'perfect competition.' I do not hesitate to use same words repeatedly here. Repeating is allowed for communications between readers and Kamiryō. Perfect competition has its own problems, according to the levels of competitions, domestic and international, since politics or the number of votes is most deeply involved. And, I set up six neutrals that include politics. How can we measure 'perfect competition' in reality using actual statistics-data? Purely endogenous presents 'perfect competition,' with no exception. Strategies will cultivate the long distances between perfect competition and various monopolies.

(3) Dynamic Stochastic General Equilibrium (DSGE):

- * The idea that macroeconomic analysis should not concern itself with economic aggregates like trade balances or debt levels, but should be rigorously derived from microeconomic models of individual behavior;

What is an obstacle between the macro level and the micro level? Without solve this obstacle, we cannot get into further discussions at all. The literature states that micro foundation is a base for macro or, macro is independent of micro foundation. This statement is traced back to the utility theory and consumption function. The utility theory is individual-based while consumption function is aggregates-based. Even the macro level is based on individuals' consumption. This may a loving word and justifies the respect of consumers by country.

Now let us take general equilibrium into consideration. People respect the words of general equilibrium; it may be unapproachable. Genius can approach general

equilibrium, they may believe. Are general equilibrium connected with probabilistic thought? My answer is definitely 'not.' Dynamic images a changing instance. Stochastic is a technique for stock price analysis. Does general equilibrium hold in a second? My answer is definitely 'yes.' General equilibrium holds beyond space and time. General equilibrium is a base for policies. DSGE is a strategy. DSGE is vertically used in statistics-data. In this respect, there is no against to DSGE. General equilibrium in DSGE is used for making money as a statics technique. Speculation lives in a mind of man and no one can deny this fact.²

(4) Trickle-down economics:

* The idea that policies that benefit the well-off will ultimately help everybody; and

This idea is also attractive as a desire of human friendship. Do readers believe this idea? My answer is definitely 'not.' Why not? My answer: the relative share of capital or labor is independent of income (as flow) and wealth (as stock). Inequality, macro and micro, apparently exists in the world. Inequality, however, does not exist in actual and purely endogenous world. This statement seems to be irrational when we actually see the difference between the poor and the rich.

Recall the *GDP*-based policy system or symmetric hyperbola explained above. Symmetric connect negative with positive beyond space and time. If a family is poor in an actual world, then, the family is rich in the other side of the same world; in mind or body. The two sides are always balanced, dynamic and stationary. The two sides hold in general equilibrium, minute and in life-time. This is the essence of the existence of the poor and the rich. This essence extends to the differences between a family and country or area in the world. If a family feels unhappy in daily life, the country may be happy simultaneously, and vice versa. The country may be replaced by statesmen or political parties. Then, how can a country be happy for people, of people, and by people?

This is an issue of the level of democracy by country. Does democracy guarantee the happiness of a country? Answer is no or not always. Political system remains vertical. When political system overlaps a whole system or purely endogenous (organic) system, people feel most happy. This is a target of democracy. Remember: politicians operate political system so that politicians decide the current level of people's happiness; the quality of politicians determines the current situation of the

² I cite a contrasting story of Note 2 (ibid., p. 6) in Chapter 1 here: As an economist, Keynes had a lot in common with (Irving) Fisher, but in other respects he could scarcely have more different. A bon vivant and member of the Bloomsbury Group of intellectuals, married to a glamorous Russian ballerina, Keynes was also a successful speculator, whereas Fisher lost much of his personal fortune in the Crash.

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country. Or, nothing is more important than the life of human in the world. Or, peace is a base for democracy. People, old and young and, regardless of races, intuitively know this fact or essence of the life of human. This is because the life of human is given from Nature or God or absolute existence in the universe.

(5) Privatization:

* The idea that any function now undertaken by government could be done better by private firms.

Needlessly, privatization should be judged and evaluated wholly as an organic system created by human. Individuals must live on by getting wages. Individuals earn money as own family management owners or by working at a variety of companies/corporations/organizations, public and private and/or domestic and international. People want to be happy by getting more money at the cost of consumption. Then, for example, people can contribute to other societies in the world more positively. The way of contribution is various; donations, social activities, volunteers, and commuters with other countries and societies.

Yes, we are able to overlap positive actions by learning by doing in this world, instead of negative and positive balances in the essence of general equilibrium. We live by eating happily. We need happier appetite. In this respect, I respect Peter Drucker most. Drucker had continuously advised to beautiful Japan and moderate Japanese until just before his going to Heaven. Life-long employment system is most fitted for Japanese culture and old Japan civilization of agri-culture, indeed, I believe.

Privatization is one of most crucial for me. It broadly spreads in accounting, financing, management or business administration, micro- and macro-economics. Privatization is concretely connected with my last 65-years researches. 65-years life-work is involved in the break-even point (BEP), productivity, and hyperbola, with national accounts, as I clarified several times hitherto. Life-long employment system is most profitable in Japan, in the current global economies, although I admit that people want their own life-style in the 21st century. Honestly, the real wage rate remains minus and consumption, weaker unfortunately, despite great efforts by leaders.

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As an origin of *privatization*, at the end of this part, I cite Quiggin's Note 2 (ibid., 178)³ in Chapter 5 Privatization.

³ The term commonly used at the time was *denationalization*. Although the term *privatization* is commonly attributed to Peter Drucker, Germà Bel concludes that it was first used with reference to the program adopted by the German Nazi Party in the 1930s.

An Essay Regarding Three Japanese Economists

1. Aoki Masahiko (5 Jan., 2015): bright bridge between the US and Japan

Generally his researches are deep and spread widely and flexibly, beyond space and time, using actual statistics and conditions and also know analytical differences between the US and Japan with evidences and historical reviews. In some points, Aoki is similar to Galbraith, J. K. Actually, Aoki (4 Jan., 2000)¹ had an interview with Friedman, Milton (1912-2006). The author's behavior is money-neutral. as the first of six neutrals in the *EES*, so that I feel a common base in this section.

Aoki (5 Jan., 2015) proposes a direction of 'unified growth theory,' as advocated by Galor, Oded (2012), showing a simplified chart that compares Japan, Korea, and China, each pre-war and post-war, three or four stages. Aoki here understandably explains the ideas of Kuznets, S. S. (1971) but, this is connected with Galor's view by Aoki's way of thinking. Finally, Aoki takes busy Piketty, T. (2013) into conclusion, just for Aoki's proposal to a new system design of endogenous growth phase occurred by population aging/decline in birthrate or, in another word 'population-transition' of Kuznets.

When population increases rapidly after finishing war confusion, demographic dividends make economic growth higher, according to Kuznets. This first phase is shown in the chart clearly. Then, as the second phase, the shift of agriculture population to manufacturing industries reaches a limit level, where the rate of return/profits decreases and, decreasing returns to capital (DRC) prevails by country. Further, the second phase turns to the third phase of 'population-transition.' Japan, Korea, and China each have its own style of phase shift, maintaining each characteristic such as nationality, national taste, and culture.

After finishing the shift of agriculture population to manufacturing industries, the third or service industries must bear severe burden of higher productivity per capita, where the capital-labor, accumulation of human capital, and revolutionary system changes are required more globally.

Let the author add one short paragraph at the end. Policy is reinforced by strategies by industry. The rate of technological progress is purely endogenously measured. The mechanics in productivity per capital, macro and micro, is commonly sustainable and measured precisely under an axiom of a constant capital-output ratio, where the capital-labor ratio and the capital-output ratio are asymmetric, as evidenced

¹ See Aoki, Masahiko (Mar., 2014), 217-227, whose data source is Yomiuri Newspaper, 4 Jan., 2000, edited by Kunimatsu, Toru.

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by the hyperbola design in the two-dimensional plane geometrically, as well as algebraically measured by equation under no assumption and the market principles.

Even if economic growth is considerably low, a society enjoys a maximized rate of returns/profits under a minimized rate of net investment, whose highest level is guaranteed by deficit=zero. This discovery essentially differs from Piketty's one, since purely endogenous holds under perfect competition, reinforcing the market principles.

2. Ito, Mitsuharu (July, 2014): desperate work for the 21st Japan

Ito is one of Keynesian school honor students. No doubt, his criticism to Abeno-mix tells us truth moderately for world peace foundation, protecting Article nine of Constitution. This essay solely cites his words and sentences in order of my priority and then by chapter and also by my own way of translating Japanese into English. I am deeply impressed with his strong love to Japan future, since this book was summed up by his dictation in bed of hospital after severe operations. I respect publisher's attitude, helping Ito in bed, as well as Ito. Sincerely I hope he recovers his disease.²

- (1). p. 156: There is a monument built in 1996 by Mayer in Las Palmas de Gran Canaria. The Mayor was impressed by a fact that Japan's Constitution has Article nine stating absolute peace. This square was named 'Nagasaki - Hiroshima.' Late Kobayashi Katsuyo, cooking specialist, wanted to confirm this fact by her own eyes. She actually made a trip to this Island by three airplane connections.³
- (2). p. ix: I (Ito) am now rehabilitating after my sudden disease so that I am quite impatient with writing papers. Thus, Chapters 2, 4, and 7 were written down at Hori, Yuriko's dictation. I am much obliged this publication to Hori and also Ito, Kotaro of Iwanami Shoten, Tokyo.
- (3) p. 31: Sub-title is 'the third absurd view ignoring asymmetry in financial policy.' Financial policy is effective to anti-inflation but invalid for anti-recession/depression, as commonly perceived by Pigou, Robertson, and Galbraith.
- (4) p. 52: Most people who forecast rise in prices do not increase their consumption but decrease. This fact is the adverse of policy-makers' argument.
- (5) p. 75-76: After 1990, redistribution in economy continues to be aggravated in Japan. And, national debts are most terrible among developed countries. Therefore, we need to throw away lips growth-desire. Economic policies must be fitted for matured society and activate 'wisdom' for soft-landing in population decrease society. Under low economic growth, financial condition of a country must

² As long as I investigated on 23 Feb 2015, I could not find his English paper and/or book.

³ *Journal Sekai (World)*, Oct., 2004, page 150.

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naturally turn to surplus throughout structural reform. Further we must prohibit dispatched workers and restore prohibition of in-paid employment agency, in order to save bitter daily-life of miserable dispatched workers. These are the minimum requirements towards directing welfare society.

- (6) p. 83: 'Full-employment surplus' is defined such that at the top of business cycle when full employment is attained, budget revenue is above its total expenses and shows a surplus or plus (not red). This surplus is used for promoting business cycle when business cycle turned to its bottom; we call it anti-cycle policy and I must indicate that this policy is original Keynesian policy. If this is not realized, deficits and debts accumulate endlessly.
- (7) p. 85: Function by redistribution using tax policy: The Gini-Coefficient does not work for the inequality brought about by extremely high income earners, as shown by actual statistics data, Japan, in the long run. The author, Kamiryō, indicates that Ito's statement here is supreme as an indication of essential discovery.
- (8) p. 91: In tax payment in Japan, corporate tax has turned to that paid by large corporations. Roughly 70 % of corporate body does not pay taxes, strange to say. Contrarily, income tax roughly turns to that of salaried employee. Under tax avoidance and evasion: the rise of consumer tax rate, never 'full-employment surplus,' and national debts accumulation with no responsibility. Who is politically responsible for these resultant facts, thinking of the future of people? This is a serious 'substantial' which aims at pre-war society led by politics.
- (9) p. 102: Falsification of data in nuclear fuel experiments: This fact was disclosed by whistle-blowing from the inside. It is impossible for a legal committee to penetrate this fact. Leaders ignore the impossibility final disposition of nuclear fuel. The author indicates this attitude is solely money-oriented and votes 'by nature,' rather than human life and the safety of the world by 'closer to Nature.' An organic system has six aspects 'by nature' as well, where politics-neutral and spiritual-neutral are included since we should not fight but harmonize the world and the earth cooperatively. The Yin and Yang principles works instantly and eternally, by individual, family, society, city, and country and we are balanced, hidden or clearly.
- (10) p. 107: Enterprises that are content with irregular employment surely pay for their transgression in the future. Japan has less population year by year and, young workers less and less rapidly. The enterprises that do not respect young workers' mind cannot naturally live long.
- (11) p. 108: As cleared above, three arrows have broken already as shown by statistics

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data. Why? The author here indicates: the market principles are historically ‘next to Nature/God.’ No one can control the principles, above half a year or so, as evidenced in the *EES* and the *HEU*.

- (12) p. 132: Uchida Kenzo, Kyodo News Service, (1987) forecasted tie difference between two leader-groups, Kishi & Okuno, and Fukuda Takeo (after retirement, see Journal of Sekai (March, 1984)).
- (13) p. 140: Official visit to the Yasukuni Shrine: Ito indicates, Terajima Jitsuro, president, Japan Research Institute, sees through Abe’s behavior such that apparently Listening to the US yet wanting to deny Tokyo Trials and Treaty of San Francisco of Nippon are his true intention.
- (14) p. 145: Conclusion Ito thinks: A society for citizens to live on safely is that the social axis stands at liberal. Regardless of whether the axis is right or left, monistic and stiff society is not preferable. Politics and economic power is divided into two separately. Education is independent of politics. The judiciary and the legislature must be separated from the administrative and, the press/ journalism independent of political power/regime. We older people eagerly desire these rules as storytellers and reciters who know and experience pre-war monistic State Shinto.

3. Ono, Yoshitaka (Feb., 2001): position in Uzawa theory

According to Kojima, Hiroyuki (Feb., 2015), Ono, Yasuyuki is a successor to Uzawa, Hirofumi, since Ono has the same ideas and background and that Ono (2001) proved what Keynes, J. M. (1836) could not.

To my understanding, Ono’s proof is based on micro-economics oriented by insisting on utility of consumption with its extension to money stock under an assumption required for his successful proof.

This section does not explain the proof done by Ono. Rather I present my own view by utilizing Ono’s orthodox proof generalized in the literature (for simplicity, his proof and his theory, hereunder). Ex-post results of his proof and those of my organic system each are the same. Orthodox proof in economics generally uses assumptions to justify the proof. The results are not ex-ante but ex-post when the proof is tested either by economics or econometrics, although econometrics is much easy to apply actual data. His proof is theoretical so that we do not need to compare results respectively.

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His proof is solely expressed by one equation yet, worthy of complete theory, which is true. His theory overlaps my purely endogenous one. Interpretations of his theory are the same as the essence of my organic system. Why?

A fact is explained as follows: My purely endogenous methodology was finalized by 'GDP-based' by using KEWT database 9.15, where theory=practice, ex-ante=ex-post and results=causes, as I state here and there repeatedly. Macro and micro are united and harmonized in an integrated system. Therefore, his theory has no inconsistency with mine, where his utilities wholly supposed by individual and by money stock are melted away immediately. Apparently, my utility is newly established in the macro level yet, there is no actual difference between the macro and micro levels.

I use one equation for macro-utility and its correlation coefficient is one regardless of political systems. The equation is commonly used for 86 countries, whose original data, given/externals and endogenous, are taken from *International Financial Statistics Yearbook*, IMF, by year. There is no assumption in reality and beyond space and time; in the endogenous equilibrium and under the market principles. Why?

My hyperbola functions, each by each, has a symmetric character by nature, which makes all the results and phenomena balanced in the endogenous equilibrium.

As a result, his theory and following interpretations are identified with mine. I do not repeat here vertical characteristics of the market principles (see the *HEU*, summer, 2015). In short, purely endogenous system connects verticals with horizontals wholly as an organic system, easily realizing perfect competitions.

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