The System of Money | Documentary Money Creation | English | Finance System

https://www.youtube.com/watch?v=kw0QVwt7LVI

Much of the change in the way that the global economy works over the last thirty years result from this debt, this third world debt because it's given rich countries and banks and the financial sector enormous amounts of power and control over the poorer bits of the world where a lot of the resources are that we like using and that's being used in a way that many people have compared to a form of colonialism. It's a very real direct form of power that's being used over those countries to force those countries to do what are really in the interests of the richest segments of the world that they do. And as a result of that not only have corporations become absolutely huge, made huge amounts of profit and absolutely enormous and all pervasive, but the financial sector has become even bigger than that and the real money to be made in the world today is not by producing anything at all its purely by forms of speculating. Making money from money - that's the most profitable and by far and away the biggest form of economic activity that exists in the world today.

To protect themselves, vulnerable countries need to accrue currency from rich countries *who create these currencies out of nothing.* The Netherlands, first Governor General of Indonesia the man who built the trade routes, fortified them, what I mean by that is built forts along them and fought Spanish fleets and British fleets, said about the development of the Netherlands Empire and Netherlands trade was 'We cannot make trade without war, nor war without trade.' Money and power.

Financial Imperialism

So reserves have become the way in which you can insure yourself against what? **Speculation. Speculative attack. Falling markets. Bubbles.** When a country succumbs to a speculative attack it is asked to deregulate its markets and conform its financial system to that of the dominant party. *The big problem that's faced by most developing countries who've got into a debt crises was that they were told by the powers that be in the world, the International Monetary Fund, which in many ways governs the global financial system, that the way to get out of debt is first of all to restructure your economy. especially to increase your exports so you're* ***earning more dollars and then you can pay off your debt which is normally in dollars*** *or some other foreign currency.* **Unfortunately**

time and time again that was proved to not be the case at all.

Actually countries cut back their public spending to the bone so they stopped growing; they stopped having any potential for growth and what they did produce was aimed at the export market, was aimed at creating dollars and so on. They were paying off their debts but they weren't developing their own economy at all. They were paying far more in debt repayments than they were spending on health or education or anything else and their debts just kept getting bigger and bigger.

The country becomes a vassal state allowing large corporations to exploit its natural resources and workforce. Financial Imperialism: Expanding and maintaining imperial power through monetary dominance.

Money vs Currency - Hidden Secrets Of Money Episode 1 - Mike Maloney

https://youtu.be/DyV0OfU3-FU?list=PLE88E9ICdiphYjJkeeLL2O09eJoC8r7Dc&t=1116

The Global Consequences of Deficit Spending and Currency Expansion

India, China, and nearly every government on the planet are engaging in **massive deficit spending** and **expanding their currency supplies**, often through **bailouts** and other stimulus programs. History, however, shows **no example** of this ending well.

It's almost surprising that we haven't yet experienced **more inflation** than we already have. If central banks keep expanding the money supply so drastically, why aren't prices rising even faster?

The answer lies in the fact that **a large portion of the money created by the Federal Reserve has been shipped overseas.**

—

Exporting Inflation

Early in my research, I came across the expression **"America has exported its inflation."** At first, I wondered — **how can you export inflation?** Can you put it in a box and ship it somewhere?

Now I understand: you export inflation by **sending newly created dollars abroad**. In return, other countries send you their **goods** — refrigerators, cars, TVs — while the U.S. sends them **little pieces of paper** (dollars).

It's a **great deal for America** — but only for a while.

Eventually, those **"pigeons come home to roost."** When the rest of the world decides it no longer wants to play the dollar game — realizing that U.S. dollars are losing value — they start **dumping those dollars**.

When that happens, the dollars begin to **flow back into America**. At first, it's just a trickle. But once it becomes a flood, the U.S. faces **its own exported inflation returning home**.

This surge will cause the **money supply within the U.S.** to grow faster than even the Federal Reserve can print it — leading to a **sharp decline in the dollar's purchasing power**.

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Inflation and Global Consequences

During the **second round of Quantitative Easing (QE2)**, global food prices rose by **60%**, creating a **humanitarian crisis** for the two billion people who live on less than **$2 a day**. Those already hungry became hungrier — and some began **overthrowing their governments** across North Africa and the Middle East.

In many ways, **Quantitative Easing was the spark that ignited the Arab Spring.**

—

How Inflation Hurts the Poor

Inflation affects the poor **disproportionately**. A key measure is the **percentage of income spent on food**.

Historically, when this ratio reaches **40%**, societies approach a breaking point — revolutions occur. This was true during the **French Revolution**, when food prices rose beyond what the poor could bear.

At that point, the **risk–reward balance** shifts — revolution becomes worth the risk.

—

The Destruction of Savings

Runaway inflation punishes the **most productive members of society** — those who **produce more than they consume** and **save the rest**.

But these savers hold wealth in **national currencies**, which are **fiat paper** with no intrinsic value. When inflation destroys that currency, the **savings vanish**. The $100,000 you planned to retire on — and the goods or services you intended to buy — simply **don't exist anymore**.

—

Gold, Silver, and the Return of Real Value

Though this all sounds bleak, there's a silver lining — quite literally. Throughout history, **gold and silver have always performed an "accounting" of currency debasement**.

When governments inflate their currencies, people lose confidence, **return to gold and silver**, and **bid up their value** until it equals or exceeds the value of all currency in circulation.

This has happened many times before — but **never on a global scale**. Today, nearly **every country** is inflating at once, making this **the greatest wealth transfer in human history** — and, therefore, **the greatest opportunity**.

—

Real Wealth and the Nature of Money

We've learned that **true wealth** is measured not in paper money, but in **time and freedom**.

Money is merely a **tool for trading** — a way to store the **economic energy** of your time and effort.

Currencies, by contrast, **leak that value away** through inflation.

Gold and silver remain the **ultimate forms of money** because of their intrinsic properties. Fiat currencies, backed only by **confidence**, eventually **return to their intrinsic value — zero**.

Governments dislike gold because it **imposes restraint**. Rising prices are not the cause but a **symptom of currency expansion** — and, in the end, **gold and silver always hold the final account.**

Here's a **formatted, corrected, and clarified version** of your text — polished for readability while preserving the original message and tone.

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End Of The Road: How Money Became Worthless | Finance Documentary

https://youtu.be/JelcncdDsGE?t=663

The U.S. Treasury, Federal Reserve, and the Cycle of Debt

The **U.S. Treasury** has long been able to **borrow and spend** as much money as it wants. When the U.S. government needs funds, it **takes out a loan from the Federal Reserve**. The Federal Reserve **creates**

new currency to fulfill the loan and, in return, receives an **IOU** from the Treasury.

These IOUs are known as **government bonds**.

With the money generated from these bonds, the U.S. government **pays its bills and obligations**. Meanwhile, the **Treasury and the Federal Reserve** work together to **sell these bonds at auction**, where they are purchased by **foreign central banks, pension funds, and private investors**.

Why wouldn't they buy them? Lending money to the U.S. government is viewed as **virtually risk-free**.

—

The Endless Debt Cycle

But here's the question: If the borrowed money is spent on bills and paying off previous loans, **where does the government get the funds** to repay the **current loan and the interest** owed on it?

Is investing in U.S. government bonds just one small part of a **larger Ponzi scheme**?

Many economists argue that the **Federal Reserve System** operates exactly like one. Here's why:

The Federal Reserve **creates money out of nothing** — literally with a few keystrokes on a computer. That newly created money is **loaned to the U.S. Treasury**, which now has, say, **another trillion dollars to spend**. But in exchange, the Treasury takes on a **liability** — it must **repay that loan plus interest**.

When it's time to pay back the loan and interest, the government finds it **can't repay** both. So what does it do? It **borrows even more money** to cover the previous loan and interest — while Congress demands **additional spending**.

As a result, the **national debt** keeps climbing **higher and higher**.

—

Borrowing Currency Into Existence

Under the current monetary system, we **borrow every dollar into existence** and **promise to pay it back with interest**.

If the **first dollar** ever created was borrowed into existence, and it's the only dollar in circulation, yet we promise to **repay one dollar plus another dollar in interest**, where does that **second dollar** come from?

The answer: **we must borrow it too**.

This creates an endless cycle — a **self-perpetuating debt spiral**. You can **never pay it off**, because the system **requires continuous borrowing** to survive. That's why it's described as a **Ponzi scheme**.

—

The Global Trade Deficit and Dollar Recycling

Since **1971**, the U.S. has consistently run **trade deficits** with the rest of the world — meaning we buy **far more goods** from other nations than they buy from us.

- **Japan and South Korea** sell us cars and electronics.
- The **Middle East** sells us oil.
- **China** sells us virtually everything on our **Walmart shelves**.

The U.S. pays for all of this with **U.S. dollars** — and everyone seems content with the arrangement.

However, if these countries were to **convert their U.S. dollar profits back into their own currencies**, their **currencies would rise in value**, making their exports **more expensive and less competitive**.

To avoid that, these nations instead **reinvest their dollar profits** by **buying U.S. government bonds**.

—

A Global Ponzi Loop

Here's the loop in simple terms:

1. The **U.S. borrows dollars** from the Federal Reserve, creating IOUs (government bonds).
2. The **U.S. spends** those borrowed dollars to buy goods from other countries.
3. Foreign nations then **lend their dollar profits back** to the U.S. by **buying more bonds**.
4. The U.S. uses this new borrowing to **pay for government expenses** and **repay old IOUs**.

But to do this, it must **take on ever-larger loans** — to pay both **principal and interest** from previous debt.

By **repaying old loans with new and larger loans**, it appears the **entire world** has been investing in a **Ponzi scheme of epic proportions**.

—

The Inevitable Collapse

In this system of **money creation and debt**, governments around the world must **continuously expand the money supply**. If they stop creating new money in ever-larger amounts, the **entire system collapses**, because **new loans are required to pay off old ones**.

That’s why it’s a **classic Ponzi scheme**: it **requires perpetual growth** to sustain itself.

For the U.S. economy to function, it must **borrow more and more money** from the rest of the world. The **more money** foreign nations lend us today, the **more they must lend in the future** — or the entire system collapses, leaving us unable to pay them back.