

## PART 4

Only a revolution in the mind of the individual is needed to accomplish the greatest stroke for freedom of all time. It is a remarkable fact that no constitution of any state, nor any declaration of human rights, has ever proclaimed the right of freedom of money issue. Yet this right is inseparable from the right of bargain or exchange, which is the very foundation of liberty. Man's ignorance of the laws of money has blinded him to the very touchstone of freedom. You are indeed sovereign, if you but realize that your money power is your sovereign power. You need no political laws to liberate your power for prosperity and peace; you are the master of your fate by natural law, if you but discover that law. As you scan the world scene with all its miseries, its drab outlook, the discouraging prospect of a solution for humanity's problems by political means, and the remoteness from you of the capitols through which promised salvation is desperately hoped for, you are saddened by a sense of frustration. But if you realize that the citadel of power is your own home and that yours is the majesty and sovereignty, sadness will be dispelled by gladness. To bring this transformation, you must comprehend the power of money and that you are the money power.

~ E.C. Riegel, *monetary theorist*

The New Approach to Freedom 1949

### Monetary Reform Movements -Title

#### Gold -Title

NO MORE Bailouts WE WANT REAL MONEY Banking is Fraud

MORE STIMULUS NEEDED I'm NOT going

Awareness of the need for real change in the money system is growing. But what direction to take? What exactly is the problem and how can it be solved?

The safest and only real choice many people argue is to return to gold or a gold standard, because this worked for millennia in the past.

Here's \$50 Where? Bill of Exchange

A Private Promise to Pay 1 oz. Gold at a specified time and place

But gold itself is impractical for transactions in the modern world. It was impractical centuries ago, which is why the promise-to-pay gold system developed.

National Government Promise to Pay IN GOLD COIN

And so, it is certain that, in practice, transactions would be conducted in *promises to pay* gold, not gold itself.

Don't let appearances fool you

Thus, the promises-to-pay-gold money will only be as reliable as the *promises*. So, in reality, it isn't the gold that makes the system work, it's the *reliability of promises*.

[Don't let liars fool you](#)

Would they be *reliable* promises? Maybe. But what we would be using as money would be like the old goldsmith's promises, made in the knowledge that only rarely does anyone ever ask for real gold.

[Clerk GOLD WITHDRAWAL](#)

This was the problem with the goldsmith situation. The *real* gold was *seldom claimed*, allowing fraudulent promises of gold to be made and used as money. Why would history not repeat itself if all the same elements remained in place?

Another thing... what most people say they *like* about the gold system is that promise-of-gold money is a promise of a specific amount of "real" value.

[REAL VALUE](#)    [What can you do with it?](#)    [Sooo HEAVY!](#)

Now, this is an odd idea given that the vast majority of us have no use for gold, so how much real value can it have for us?

[I'm hungry](#)    [I'm cold](#)

Wouldn't a promise redeemable in food, clothing and shelter be much more "real"?

[Aaarr... and NO banks neither!](#)

People also like the idea that gold is *just gold*, it doesn't need a government to create it. However, it does need *miners*.

[MASSIVE GOLD DEPOSIT FOUND](#)    [?](#)

In a gold money system, mining discoveries, jewelry-making, industrial use, hoarding and counterfeit bars of gold-plated tungsten would all influence the money stock. What on Earth does any of that have to do with the need for money for trade?

[Single Uniform Commodity](#)    [Only works with Perpetual Growth](#)

Lastly, gold as money is a single commodity manifesting all the inherent mathematical defects of lending demonstrated in Part 1 of this movie. Being a coin with intrinsic value doesn't make *any* difference.

[Valuable Gold](#)    [Valuable Silver](#)

A lot of gold and silver's appeal comes from a belief in oversimplified history. People *assume* that coins were invented to standardize the inherent value of the metal they contain.

[Worthless Iron](#)    [Why surrender control to a metal?](#)

This is true, but right from the beginning, some of the earliest coins were created based on a diametrically opposed idea. This was done because the rulers at that time foresaw the inevitable negative consequences of using limited supplies of precious metals as money.

Government would become subservient to moneylenders I am The Ruler

I can decree what my coin is worth

Therefore, they chose to avoid that route. Instead of precious metals, these rulers struck coins of iron or copper, and *defined their value by decree*.

What's more, these coins-by-decree were heated and dipped in vinegar so the metal they contained would have NO intrinsic value.

And I can **force** my subjects to accept it

These coins were, in fact, the original and TRUE *fiat money*. They were merely *tokens of value*, money created *by law* and enforced by the *Ruler's authority*.

## **Fiat Money - Title**

Fiat Money by authority of the State accepted for payment of taxes

*Pure fiat money* is the other main idea favoured by money reformers.

National Government Monopoly Money should NOT be a physical commodity

They would restore fiat money to its *true status* as a *national government monopoly on money creation*. This current of money reform, in stark contrast to the gold advocates, insists that true money is fiat money *by authority of the state*.

money should be a Creation of the State spend circulate tax

This money is to be simply *spent* into existence as a promise by the state to accept the same money back in payment of taxes.

tax enforcement legal tender enforcement

The taxes are compulsory and the state also promises to *enforce the acceptance* of this money in court. These are very *reliable promises* and *can* result in *very reliable money* if not abused.

Money Reform Now Knaves & FOOLS! money power Public Debt

The problem these *fiat money reformers* have with the current system is that government has *given away this power* to private bankers and is now borrowing at interest money it could create itself with a few keystrokes, just like the banks do. This results in a massive unpayable national debt on which interest will forever be paid.

National Debt Paper Cash

The central bank creates paper cash to buy Taxpayer Debt TAX

This ever-growing national debt expands the money supply when new money is created by the central bank to buy more government debt. And the interest burden, passed on through taxes, adds to the cost of almost everything we buy, one way or another.

Every price includes tax directly or indirectly National Debt Paper Cash

NO DEBT NO INTEREST spend tax Public Debt

In contrast to money being created as *national debt*, fiat money simply *spent into*

*existence* would save the taxpayers immense sums of interest, free future generations from impossible debt, and forestall the tendency to inflation because the money supply would not grow forever with the national debt as ***there would be no national debt!***

VALUE = TAX / SPEND

In the *fiat* money system, taking fiat money out of circulation by means of taxes, preserves or *restores the value* of the remaining money in circulation. Not taxing it back sufficiently would *devalue it*.

Valuable Services      Reliable Promises

Understanding the proper use of government fiat money is a *revelation*. If you can charge prices... or taxes ... for something in the future, you can issue that much *new* money *now*, because it is your *valuable services* to others and the *reliability of your promises* that creates *the real value of any money*.

Revenue      You can count on that!      You can count on that too!

The government *can* honour its promises to accept its money back in taxes and it *will* make *your debtors* pay you in government fiat money if you take them to court.

In the case of Government Credit...      Demand and Acceptance can be Enforced!

These are good reasons why government-issued money works now and why it would work if governments just *self-issued this credit* instead of *borrowing it from banks*.

Fiat Money by authority of the State accepted for payment of taxes      CONTROL

But.. in this *pure fiat money system*, the money supply must *still* be determined by *central authority*. Therefore, the money supply is still limited, monopolistic and *managed from above*. *They* have the power to create money and *you* have to get the money from *them*.

Need MORE money!

*They* also have the power to create *way too much* money and spend it on wars and other unproductive activities *without the approval* of those whose productivity gives that money its value!

Billion      US MONETARY BASE      Unfunded Liabilities      DEBT      MONEY

In the current system, these inflationary debts are now beyond absurd, threatening to crash the entire system and drag the whole world into chaos.

future income already spent      Total Debt/ Capita      SMARTEN UP out there!

To save themselves, governments are now laying *impossible claims* upon the productivity of generations yet unborn, a truly hopeless cause given the overall world situation.

even more people      climate change      topsoil loss      collapsed fisheries      cut forests  
energy crises      pollution crises      resource wars

There's lots more where that came from!      Damned "liberals"!

Witnessing government performance to date, many people believe that returning the full power to create money to corrupt, incompetent politicians would not only fail to solve our problems, it would be *the height of insanity*.

They're just crazy!

I'm top quality Me too I'm useless I'm in it for the pension & the bribes

It would really *all depend* on the *quality* of the people in government.

Money Reform Now CONTROL Value = Demand / Quantity

Fiat money reformers believe there would have to be a *substantial revolution* in government to wrest this power back from the banks. Therefore, they believe it would be reasonable to expect that honest and competent people with a sincere concern for the public good would be in charge.

PSST... FREE MONEY!

But, good guys or bad, we would still be dependent on some distant *someone else* to maintain the value of *our money*, and they would have a *thousand pressures* and temptations to enrich themselves by *not* doing so.

Single Uniform Commodities Interest 1st Lender 2nd lender IOU \$100

And, like gold-as-money, government fiat money is a *single uniform commodity*, manifesting all the inherent mathematical defects of lending at interest and twice-lent money.

TREADMILL OF PERPETUAL DEBT

Once the government creates the fiat money and it goes into the banking system to be lent at interest, the problems in the current system will *continue as before*.

Money created by the authority of the State Calendar LOAN

Government Self-Issued Credit spend/tax

So ... this pure fiat money idea might be very useful in rescuing governments from their own hopeless financial positions, and... it is a *limited example* of the self-issued credit principle being advocated here.

The Root Problem is...

Government Self-Issued Credit is still a Single Uniform Commodity

But pure fiat money would *not* address the *root problems* inherent in the math of lending unless the principle were *expanded beyond government*.

Money Reform Now Money created by LAW

Fiat Money by authority of the State accepted for payment of taxes

Advocates of pure fiat money like to claim it is "money created by law" as if it were independent of economics.

Value = Demand / Quantity

But if new fiat money were just spent into existence year after year without being removed from circulation as taxes, it would become *worthless*.

Money Created by Law      Coin made of worthless iron

I declare the value of otherwise worthless coins... in terms of critical prices...

What these fiat reformers tend to ignore when quoting history, is that in ancient “money created by law” systems, the PRICES of critical commodities *were also dictated by law*.

Often basic foods like wheat, barley, cattle

In fact, the value of the money was *defined* by the Ruler as so much of a certain commodity.

Stable and fair prices bring social harmony

Charge more or less for the designated commodities and it could be off with your head!

Obviously, an authoritarian State is required

Today, price controls like this could only be achieved in a self-isolated and totally bureaucratically controlled economy like Soviet Communism.

Value = Demand / Quantity

Government Self-Issued Credit is still a Single Uniform Commodity

In a *free* market global economy, “money created by law” is bound by the same laws of supply-and-demand as any other single uniform commodity money. In other words, pure fiat money in a free market is an *illusion*. There's *no such thing*.

## Self-Issued Credit -Title

1. Gold or Silver as Money    2. Government Fiat Money

3. “Alternative” Currencies    Self-Issued Credit      spend      redeem

In the *third* stream of money reform are the various types of so-called *alternative* currencies, all of them based on some concept of money being created as *self-issued credit*.

websites in language

Many examples of such systems exist today all over the world. Some are very successful business-to-business barter networks, in which businesses create product-credit money to use among themselves, *independent* of banks and government and usually interest-free.

Such systems are tolerated, and in Switzerland, the existence of the WIR system is generally credited with stabilizing the banking system by expanding when the conventional system contracts and vice versa.

Bavaria 1932 1933 This is OUR racket

But in the past, when they became *too successful*, alternative currencies were usually suppressed by the banking system or even *outlawed* by government.

The banking system does NOT like successful competition

So... active suppression is the most significant *external problem*.

LOCAL Credits accepted for:

Haircuts by Joan (100%) Palm Reading by Starfire (100%) Pottery by Ted (50%)

Homemade Bread by Louise (50%) Auto Repair by Joe (labour only) Plumbing by

Alphonso (labour only) Computer Repair by Orville (labour only)

The most common *inherent* problems with these systems are their *limited scope and acceptance*, their *operating costs* and the *unreliability* of member credit.

Ted's Pottery \$100 credit Ted left town 2 weeks ago Banking System

Local Credit System Transaction Fees EVERY transaction costs me?

Calendar LOAN You signed it You owe it They can't afford to chase me for it

What the conventional banking system provides, worldwide reach, affordability, credit checks and debt enforcement are the necessary services that are usually inadequate or prohibitively expensive in the alternative systems.

whose loss is it? #1 Ted the Potter DEBIT \$2,514 Ted used to be reliable

Once the small group of idealistic and honest originators are joined by members exhibiting the full range of human behavior, alternative systems find they must deal with cheaters.

Suckers! #1 What if my product's not liked? What if I get sick?

What if I get hit by a bus?

Some are deliberate cheaters, others just not too conscientious about their debts. And, at the opposite end of the spectrum, are the *hyper-conscientious* people who won't issue credit because they are afraid they won't be able to fulfill it.

Your Self-issued Credit System

If no one issues any credit, there won't be any credit money

A self-issued credit system *cannot work* if the members are afraid of issuing credit!

Therefore... we must ask... What do we really NEED?

Credit that provides us with vital necessities

And that is why it makes far more sense that government and essential industries like farming, forestry, mining, manufacturing and construction should be the main and widely accepted sources of self-issued credit, not vulnerable individuals trading haircuts for pottery.

It IS Ted... with LONG HAIR!

However, we ARE talking about creating a truly *liberated* system of exchange. Therefore, in this proposed new system, *anyone* would have the *freedom* to issue credit, because only *voluntary acceptance* would determine the circulation of it.

transaction fees free Digital Coin

anonymous money “object” like a metal coin

The costs of accounting in self-issued credit systems could be overcome entirely by emerging technologies allowing the creation of a *digital coin*. Digital coins could be passed from one owner to another, peer-to-peer, so that no bookkeeping, and no third party involvement like banks or PayPal is required.

This leaves only the problem of achieving *global spread*. Thanks to technology again, this could now be achieved at little cost and at the same rate and with the same ease that the existing social networks like Facebook and Twitter have spread.

website in language YES! 1. Hard Money 2. Debt-Free Fiat 3. Self-Issued Credit

So there IS a positive answer to *all* the questions we have posed in this movie.

And... there IS a solution that has the potential to unite the three seemingly conflicting schools of money reform into one cohesive movement for fundamental monetary change.

Taxes PAID Something specific from Someone specific

Because, when examined closely, be it gold, tax receipts or someone's goods and services, all three schools of money reform are really calling for the same thing... money that is redeemable for *something specific* from *someone specific*.

Once one comes to that realization, it becomes *obvious* that self-issued credit for the full range of goods and services in demand would necessarily *include* gold, silver and government tax receipts as these are *also things in demand*.

Self-Issued Credit

We just need to look beyond obsolete beliefs to see the *heart of the situation*. The all-inclusive self-issued credit system, the basis for almost all so-called “alternative currencies” could contain within it both the precious metal and the payable-for-tax models of money, *without any contradiction*.

## Conclusion -Title

TEMPLE ADMISSION 1 SACRED COIN TRESPASSERS WILL BE SACRIFICED

Money has both religious and social histories that are fascinating and go well *beyond* just the need for trade. But, for our practical purposes in this presentation, money is the invention that overcame *the limitations of direct barter*.

Money is a Technology

Money created as MONEY DEBT only works with Perpetual Growth of DEBT

Money is, therefore, a *technology*, a way to solve a problem.

Economy DEBT

Most of us would agree that *we have a problem with our money system*.

Bank Charter LOAN

This is no surprise once we realize the current system was designed by bankers in their own interest and governments wanting to pump out artificial money to wage war and pay for it with the hidden form of taxation called inflation.

PRICES LOAN Bank Charter Works for us! Who?

It was *not* a well-thought-out project of mathematicians and engineers seeking to create a money system for the general benefit of humankind. There are now many people, including mathematicians, engineers and even *cartoonists*, trying to re-think money, as the need to do so becomes obvious.

DEBT Question 1 What is the one ESSENTIAL Purpose of Money?

In this presentation, we've proposed that we return as close to direct barter as we can, because doing so would anchor the money system directly to the real world things we want to exchange. The destructive flights of *fantasy money* that have brought the current system to its *breaking point* would *not* be possible.

It's a simple idea... This VOUCHER will be redeemed for one fourth of a Silver Penny towards the purchase of Anton's Bread Anton  
...used in Medieval markets and in Ancient Babylon

Self-issued credit is NOT a new idea. It is, in fact, an idea as old as numbers and written record-keeping. That is VERY OLD! However, only with our new technologies can it finally achieve its full potential as an *international medium of exchange*. And this transformation is already underway.

websites in language

Extensive electronic barter networks, some with their own currencies, exist among businesses right now. These could grow into a *new global money system*.

since 1958 It's often referred to as "Canada's second national currency"

In Canada, Canadian Tire money has been a self-issued credit-for-goods currency for decades. This money is redeemable for merchandise at Canadian Tire Stores ONLY, but is widely exchanged as payment by third parties because almost everyone eventually buys *something* at Canadian Tire.

A Customer Reward is a Promise of Something Specific from Someone Specific

A Barter Credit is a Promise of Something Specific from Someone Specific

Like Air Miles, and other bonus points systems, it is only a customer reward program at

present. But anything that can serve the purpose of money can BE money!

[websites in language](#)

Private enterprise self-issued credit money already exists in several forms all over the world. And more private enterprises are going in this direction.

[Merriam-Webster Definition of MONEY](#)    [Something generally accepted as](#)

[• a medium of exchange](#)    [• a measure of value](#)    [• a means of payment](#)

Money *becomes money by acceptance.*

So one could say... the path to freedom lies before us, if we can only accept new and broader ideas of what money *is*.

[THE CAGE OF INGRAINED BELIEFS](#)

[A PROMISE OF SOMETHING SPECIFIC from SOMEONE SPECIFIC enforced by CONTRACT LAW](#)    [Producer A Product](#)    vs.

Looked at logically, why wouldn't a legally-binding contract for delivery of specific goods and services from a specific supplier be *much more acceptable* as a medium of trade than the much-abused *government-bank monopoly* money we are using now?

[UNFUNDED LIABILITIES](#)    [secured by LOSS OF COLLATERAL](#)    and ultimately

[TAXPAYER DEBT](#)    [BANK SALE](#)    There's no end

[Money is created by Production and extinguished by Consumption](#)

And, does it not seem *natural and logical* that, the source of money should be the *same* as the source of *real wealth*... the *productive* members of society?

[Credit is revalued according to its own Balance-of-Trade](#)    ... [no one else's](#)

And, does it not seem *natural and logical* that the value of anyone's credit should be determined *solely* by their *own proven success* at living within their means... *no one else's*?

[Our "Money" does NOT have to be in the form of LOANS to or from a Bank](#)

And, *does it not* seem *natural and logical* that the value of what we have *earned with our work* and productivity should not be susceptible to being destroyed or stolen by the gambling of some *very greedy people*?

[Money as Debt](#)    [DEBT](#)

We hope that watching the Money as Debt Series has given you insights into why our money system functions the way it does. We also hope that we have demonstrated how a return to gold or a switch to *any* single uniform commodity as money, does NOT solve the *fundamental problems* with money.

[Money as a Single Uniform Commodity is the ROOT of the Problem](#)    [DEBT](#)

Manipulation of single commodity money has milked productive people of their life energies and prosperity for millennia. That this predatory wealth-extraction system could soon take the form of a single global bank emerging as an unaccountable Big Brother

World Dictatorship should concern everyone.

if there's only ONE bank It can NEVER FAIL I NEED to know MORE

All WE know about money is... that we need MORE of it! LOAN

We hope you are encouraged to do your own thinking about money, a subject that has been ignored and misunderstood by the public for much too long, to our great disadvantage.

Economic Structure 1. Monetary Design

Something Specific from Someone Specific interest

And, not to criticize without offering an alternative, we have, in this final movie of the series, offered a comprehensive and detailed picture of how a radically new economic system might work if interest-bearing *product vouchers* were the medium of exchange, thus *eliminating* money as a commodity in itself.

MONEY Universal Value Unit

Instead, "money" would be a global measurement unit like minutes, meters and tons.

To sustain us at current levels we would soon need 2 Earths!

The existing physical situation on this planet is not sustainable. And the number one *technical* obstacle to doing anything serious about it is the current *growth-addicted* money system, which is itself unsustainable. The crisis IS upon us.

GROWTH MUST GO ON Sixth Great EXTINCTION Underway

Calendar LOAN Debt

If you'd rather think about solutions than despair about the problems, think about taking back our money power with self-issued credit! Join with others who realize the need for radical change and spread this knowledge and understanding as fast and as far as you can.

Today's Money is The Impossible Debt of Future Generations

EDUCATION & MEDIA The WORLD belongs to us ALL

The masses of people must take upon themselves the responsibility to wake up, *realize our power and create something better.*

To trade goods and services is a natural right of all people.

To issue the money necessary to make these exchanges is also the natural right of all people who are intelligent enough to do so.

We need not beg for money. We do not need to be money slaves: we can be money masters.

~ E.C Riegel

In nature's economy the currency is not money ... it is life.

~ Vandana Shiva *environmental activist, author* Earth Democracy: Justice, Sustainability and Peace 2005

## CREDITS

Money as Debt III, Evolution Beyond Money

was written & produced by Paul Grignon

Narration & Final Script Editing Bob Bossin

Assistant Editor Tsiporah Grignon

Music composed by Paul Grignon,

Additional Music composed by Vivaldi, Bjorn Lynne

Music produced by Paul Grignon

Animation, 3D Models Paul Grignon

Additional 3-D Models

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