THE HOUSE AND KINGDOM OF DAVID

The Sovereign Kingdom University

THE NATURE OF MONEY

AND THE LAWFUL SETTLEMENT OF DEBT

An Honest Study of Money, Debt, and the Awaited Reset

Twelve Stone Kingdom University · TSKU-ECON-001

School of Economy, Money & Sovereign Finance · 11 Classes

What is money? Where does it come from, who governs it, and what truly happens when a currency is born, lives, and dies? This eleven-class study walks the citizen through the whole life of money — from barter and coinage, to paper and fiat, to the debt engine that creates modern currency, to the lawful cancellation of debt through taxation, to hyperinflation and the death of currencies. It closes with honest counsel concerning the widely awaited ‘global currency reset,’ teaching the student to discern hope from illusion, and setting forth the sound monetary foundation upon which the Kingdom of David is built: the Royal Gold Crown, honestly valued in gold.

CURRICULUM

Eleven Classes

CLASS I. WHAT MONEY IS

Barter, commodity money, coinage, and the birth of a store of value.

I-A. Before Money: The Trouble with Barter

Barter requires the coincidence of wants — both parties must desire what the other holds, at the same moment, in the same measure. It is slow, clumsy, and cannot store value across time. A shepherd cannot trade one lamb for a single loaf without destroying the lamb.

I-B. Commodity Money and Coinage

Humanity chose goods nearly everyone would accept — above all gold and silver, being scarce, durable, divisible, and uniform. The kingdom of Lydia struck the first true coins, stamped by the sovereign to certify weight and fineness. From the beginning, coined money bore the mark of a governing authority: money and sovereignty have walked together ever since.

I-C. The Three Offices of Money

Money must serve as a medium of exchange, a unit of account, and a store of value. Keep these three offices in mind, Citizen, for the whole drama of modern money turns upon whether they are honored or betrayed.

CLASS II. FROM GOLD TO PAPER

Representative money, the gold standard, fiat currency, and the closing of the gold window.

II-A. Representative Money and the Gold Standard

Paper receipts redeemable for a stated weight of metal made money portable — paper that was ‘as good as gold’ so long as the vault held what the notes promised. Under the classical gold standard, currencies were defined as a fixed weight of gold, restraining the printing of money by an honest limit.

II-B. Fiat Money — Money by Command

Fiat means ‘let it be done.’ Fiat money has value because a government declares it legal tender and the people accept it. Modern dollars, euros, and pounds are backed not by treasure but by trust — in the issuing government and in the willingness of others to accept the note.

II-C. 1971 — The Closing of the Gold Window

In August 1971 the United States suspended the convertibility of dollars into gold. From that day the dollar, and most of the world’s currencies, became pure fiat money, backed by nothing but the word and power of the state. Nearly every question in this course — inflation, debt, the death of currencies, the dream of a ‘reset’ — flows from this moment.

CLASS III. WHO GOVERNS MONEY

Central banks, the power of issuance, reserves, monetary policy, and exchange rates.

III-A. The Central Bank

A central bank is the bank of the government and the bank of the banks. It issues the national currency, sets the price of borrowing, and acts as lender of last resort. It is one of the most powerful institutions in any modern state, yet most citizens have never studied what it does.

III-B. Issuance, Reserves, and Policy

The gravest power of the central bank is to bring new money into existence. Through monetary policy — raising or lowering interest rates — it quickens or slows the creation of money. Reserve requirements once bound the banks; in the United States that requirement has been zero since 2020.

III-C. Exchange Rates

The exchange rate is the price of one currency in another, rising and falling with the strength of economies, interest rates, investor trust, and the printing of money. A nation that prints recklessly sees its currency fall. This principle stands against the promise that a fallen currency will suddenly leap in value overnight.

CLASS IV. HOW MONEY FUNCTIONS

Medium of exchange, unit of account, store of value — and the confidence that holds them.

IV-A. Medium and Measure

Money stands between buyer and seller so goods may trade without the coincidence of wants; and it serves as the common yardstick by which all values are measured. But a yardstick is useless if it will not keep its length — when money loses value rapidly, honest reckoning becomes impossible.

IV-B. The Store of Value

Money's most easily betrayed office is to hold worth across time. Under honest money, the saver's stored labor keeps its worth; under money printed without restraint, it is quietly stolen. Inflation is, at its root, the failure of money to keep its office as a store of value.

IV-C. Confidence — the Thread That Holds All Three

In a fiat system each office rests upon a single thread: confidence — that others will accept the money, that its value will hold, that the issuing authority will not betray it. Gold commanded confidence by its own substance; fiat must earn it by discipline. Guard this word, Citizen; it is the key to all that follows.

CLASS V. THE DEBT ENGINE: HOW MONEY IS BORN

How modern money is created as debt through bank lending — borrowed into existence.

V-A. The Common Misunderstanding

Most imagine a bank is a storehouse that lends out savers' coins. It is not. The great bulk of money in a modern economy is created by banks in the very act of making loans. The money did not exist before the loan; it is called into being by the loan itself.

V-B. Money Born by the Stroke of a Pen

When a bank grants a loan it records the loan as an asset it is owed and creates a new deposit as a liability it owes. That new deposit is new money. The Bank of England has stated plainly: most money in the modern economy is created by commercial banks making loans. Money is borrowed into existence.

V-C. Credit Multiplication

Because banks need hold only a fraction of their deposits — in some nations, none — lending multiplies through the whole system. A loan spent becomes another's deposit, supporting further lending. A great pyramid of money is built upon a small base, and nearly all of it is, at root, debt.

V-D. The Restless Engine and the Jobs It Makes

A debt-born money system is a restless engine: it must continually create new debt to sustain itself, driving a ceaseless churn of borrowing, lending, and refinancing. That churn generates a vast field of occupations — whole industries of lending, servicing, insuring, and trading — that exist only because money is forever being borrowed into being and prices are forever climbing. The debt system manufactures not only money but work.

V-E. Why This Matters

If money is born as debt, the total of money and the total of debt rise together as twins. Such a system carries a built-in pressure toward inflation. The question becomes: what restrains it? That is the King's own teaching, in the class that follows.

CLASS VI. TAXATION: THE CANCELLATION OF DEBT

The King's teaching — what truly happens to the money you pay in taxes.

VI-A. 'Your Tax Dollars at Work' — A Comforting Fiction

We are taught that the government collects our taxes and with those very dollars builds the roads and pays the soldiers. A sovereign government that issues its own currency does not need your particular dollars to spend — it plainly spends before it taxes. The comforting picture is largely a fiction; something else is happening to the money you pay.

VI-B. Where the Money Truly Goes

Money paid in taxes is withdrawn from the people and returned to the monetary authority. Worn and returned notes are canceled by serial number, taken out of the reckoning of money, and destroyed. For generations the Federal Reserve incinerated worn notes in its own furnaces, and to this day removes returned notes and destroys those unfit. What the citizen paid does not go to work; it goes out of existence.

VI-C. New Currency, New Debt

In place of the retired money, fresh currency is issued — created by the issuing authority, loaned to the banks, and by them loaned to the public. Old money is canceled and destroyed at one end; new money is borrowed into existence at the other. The citizen imagines his taxes building a bridge; in truth they retire debt instruments while the bridge is paid for by newly created currency.

VI-D. Why Then Do We Tax?

Taxation exists to cancel debt and to restrain the inflation built into a debt-born money system. It draws currency back out of the people's hands, retires it, and so restrains the flood. Taxes also compel the use of the national currency and express the sovereign's lawful claim. But at root, taxation is the great cancellation.

VI-E. Why the Citizen Must Understand This

The King teaches this not to breed contempt for lawful obligation — debts and taxes must be honored — but to open the citizen's eyes. Once you see that money is born as debt and canceled through taxation, you are no longer easily deceived by those who promise wealth from thin air.

CLASS VII. WHEN NATIONS PRINT BEYOND REALITY

Hyperinflation — Weimar, Zimbabwe, Yugoslavia, Venezuela — when the cancellation fails.

VII-A. What Hyperinflation Is

Hyperinflation is the violent collapse of money — prices doubling over days or hours. It arises when a government prints currency to pay its bills; the new money floods the economy, confidence shatters, and the rushing to spend drives prices higher still. All three offices of money fail at once.

VII-B. Weimar, Zimbabwe, Yugoslavia, Venezuela

In 1923 Germany, a loaf cost billions of marks and banknotes were burned for fuel. Zimbabwe printed hundred-trillion-dollar notes before abandoning its currency. Yugoslavia's prices roughly doubled every day and a half. Venezuela's citizens weighed banknotes rather than counted them. In every case: a government printing far beyond the reality of its economy.

VII-C. The Lesson for the Discerning Citizen

Mark the direction of the disease: hyperinflation makes each unit worth less and less, until it is worth nothing. Collapsed currencies do not suddenly become worth vastly more. When told a fallen currency is about to leap in value a thousandfold overnight, remember Weimar, Zimbabwe, and Venezuela — money printed beyond reality moves in the opposite direction.

CLASS VIII. WHEN A CURRENCY DIES

Demonetization, redenomination, and the legal status of retired notes.

VIII-A. Demonetization

Demonetization is the act by which a government declares a currency or note no longer legal tender. The citizen is usually given a window to exchange it; when that window closes, the old note becomes, in law, mere paper. Its value depended upon the sovereign's declaration, and the sovereign has withdrawn it.

VIII-B. Redenomination — Striking Off the Zeros

When inflation has piled zeros upon a currency, a government may issue a new unit worth a thousand or a million of the old. Redenomination makes no one richer: if a thousand old units become one new unit, the holder of a thousand now holds one — and it buys exactly what the thousand bought. It is a change of arithmetic, not of wealth.

VIII-C. The Fate of Retired Notes

The old Zimbabwean dollar was demonetized and retired; Venezuela struck zeros from its bolívar more than once. Retired notes — including the famous hundred-trillion-dollar bills — became worthless as money, kept only as curiosities. A citizen who holds great stacks of a dead currency holds paper, however grand the numbers printed upon it.

CLASS IX. THE LAW OF DEBT

Debt as a value — negative but real — that survives even the collapse of money.

IX-A. Debt Is a Value, Though a Negative One

When one lends and another borrows, a real obligation comes into being: an asset to the lender, a liability to the borrower. It is as real as a field, though negative in the borrower's hand. Modern money itself is created exactly this way — a matched pair of asset and liability. To understand debt is to understand money.

IX-B. Debt Outlives the Money It Was Counted In

A debt does not disappear when its currency collapses. The obligation is one thing; the money used to measure it is another. When a currency dies, the law must decide how debts denominated in it are settled — in what new money, at what rate. The debt does not evaporate; it must be resolved.

IX-C. The Moral Weight of the Obligation

"The wicked borroweth, and payeth not again" (Psalm 37:21). "Owe no man any thing, but to love one another" (Romans 13:8). A debt is a promise, and a promise is sacred. The Kingdom does not teach that debts are illusions to be shrugged off, but that they are real values to be honored and lawfully settled.

CLASS X. THE LAWFUL DISCHARGE OF DEBT

How debt is truly settled — payment, default, restructuring, and succession.

X-A. The Ordinary Discharge

The simplest discharge is payment: the borrower renders what was promised, the lender releases him. Where payment in full is impossible, the law provides settlement for a lesser agreed sum, or the formal release of bankruptcy under the sovereign's authority. In every case there is a lawful process and a recognized authority. Nothing is erased in the dark.

X-B. Sovereign Default and Restructuring

When a nation cannot meet its obligations it may default — but default is not magical cancellation. It opens a hard, public process of restructuring: longer time, reduced sums, altered rates, negotiated between creditors and the debtor nation, often at great cost to the nation's standing.

X-C. The Succession of Obligations

When a currency is retired or a government reconstituted, obligations do not fall to the ground — they succeed, passing to the new arrangement to be honored, converted, or settled by law and treaty. This stands in flat contradiction to any fantasy in which a global event dissolves the debts of the world overnight.

X-D. The King's Counsel on Discharge

To settle one's debts lawfully is to walk in honesty before God and man. To imagine all obligation swept away in a single stroke — enriching the debtor and dispossessing the creditor without process or justice — is not hope; it is covetousness dressed in the garments of deliverance. The Kingdom of David is founded upon the lawful, the honest, and the just.

CLASS XI. DISCERNING HOPE FROM ILLUSION, AND THE KINGDOM'S FOUNDATION

The awaited 'reset' examined honestly — and the sound foundation of the Royal Gold Crown.

XI-A. The Promise as It Is Told

For years a hope has circulated: that a great 'global currency reset' or 'revaluation' is soon to come, in which certain fallen or foreign currencies held by ordinary people will suddenly and enormously increase in value, debts will be swept away, and those who acquired the right paper beforehand will be lifted into great wealth. The hope is sincere. But sincerity is not truth, and love tells the truth.

XI-B. Weighing the Promise by What We Have Learned

Currencies printed beyond reality lose value — they do not leap upward a thousandfold (Class VII). Fallen currencies are demonetized and retired, their old notes worthless paper (Class VIII). Debt is a real value that must be lawfully discharged, not magically erased (Classes IX–X). No secret body governs the world's money — exchange rates are set by real economies and real confidence (Class III). Measured against the honest study of money, the promise as commonly told cannot stand.

XI-C. The Documented Harm

Financial regulators have brought and won cases against sellers who promised extravagant returns on such currencies. Federal authorities have prosecuted and convicted the principals of currency-dealing enterprises built upon these hopes; sellers have been sentenced for fraud running into the hundreds of millions; and countless ordinary people have been left holding paper worth a small fraction of what they paid. This is the documented record of courts and convictions.

XI-D. The Honest Distinction

It is true that a lawful issuing authority may one day revalue or reform its own currency — nations redenominate in the open, by lawful authority. What is false is the tale of a secret global cabal that will, on an appointed day, make holders of retired foreign paper suddenly rich and dissolve the debts of the world. The first is ordinary sovereign finance; the second is an illusion that has separated many trusting souls from their savings.

XI-E. The Kingdom's Monetary Foundation

The Kingdom of David does not chase secret resets; it builds upon honest money. The Royal Gold Crown is anchored to gold — one Royal Gold Crown to one troy ounce of gold, honestly valued and openly declared. It cannot be printed into worthlessness, for it answers to a real and measured treasure. It restores the ancient union of sovereign and sound money: money that keeps all three of its offices and that no illusion can corrupt.

XI-F. The Honest Trade-Off: Stable Prices and the Jobs They Cost

Honest counsel does not flatter even the thing it commends. In a debt system prices can never truly be stabilized — they climb ceaselessly by inflation. In a gold-backed system prices stabilize and do not run upward, a great blessing to the saver and the laborer. Yet the very stabilization of prices does away with many of the jobs a debt system creates — the vast churn of lending, refinancing, and speculation that exists only because money forever expands. A gold economy is more honest and kinder to the saver, but also quieter, asking a people to build livelihoods upon real production rather than the endless motion of debt. This is a trade the Kingdom makes with open eyes.

XI-G. The Charge to the Citizen

Do not despise the hopeful — many who await the reset are good and earnest people who long for justice. But do not be deceived with them. You now possess the tools to discern hope from illusion. Guard your household; warn the vulnerable gently, as one who teaches rather than mocks; and set your confidence upon honest money, lawful dealing, and the sure foundation of the Kingdom of David — where the crown's promise is as good as gold, because it is gold.

SOVEREIGN APPROVAL AND RATIFICATION

This curriculum is ordained and ratified by sovereign authority as the official instructional programme of the School of Economy, Money & Sovereign Finance, and is commended to every citizen-scholar of the Kingdom of David, that they may know the truth concerning money and debt, and be neither deceived nor afraid.

His Majesty David Joel
CROWN SOVEREIGN
KINGDOM OF DAVID