Frank Calloway Film The Money Case

An introduction to the feature film "Frank Calloway - The Money Case, a thriller". Questions about money are raised and answered.

Money Museum

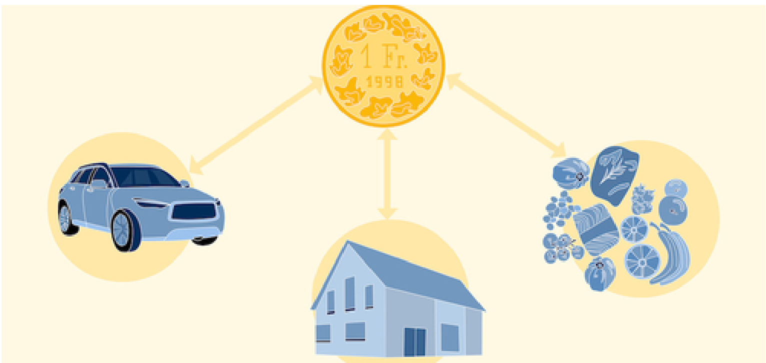
Further information at:
www.moneymuseum.com

lesson 1
medium of exchange

Since when have we lived by buying and selling?
Medieval society was familiar with buying and selling, but it did not live by buying and selling like ours. There has subsequently been a historical shift between communities that distribute what they need primarily through mutual obligations, and a society whose supply is primarily based on buying and selling. Feudalistic relationships were replaced by capitalist ones. This first happened in Western Europe and parts of the Mediterranean.

What is special about our medium of exchange, money?
Today we know money as the specific medium of exchange, against which all conceivable goods that can be purchased with it are confronted in their entirety as commodities. This is what the economist Misselden meant in his book from 1622: Money has become the price for all things. The difference between a medium of exchange and a pure medium of exchange, i.e. between the many things that are, among other things, a medium of exchange, and money, which is nothing more than a medium of exchange, seems at first glance to be negligible. And yet this opens up all the chasms that lie between a world without money and the world with money.
Our medium of exchange is special in the sense that it is the sole, exclusive medium of exchange that is enforced with state monopoly and state power. It is also a pure medium of exchange in the sense that it stands alone as a pure number; it is an abstract concept and an insubstantial medium of exchange.

Why does modern society rely on this medium of exchange?
The emergence of money is historically determined by the fact that entire communities have become dependent on their residents being able to buy and sell from each other what they need to live. A revolution in the way people depend on each other. The birth of money is the birth of its necessity. It is the birth of dependence on money. Today people live on money. There is only one state-recognized medium of exchange, without exception. Before someone starves, he or she must get money.



Lesson 2
VALUE

How does the value get into the goods?
We automatically equate the value of the goods with the monetary value. We project the purchase value into the goods. We equate the value of the goods with the monetary value.

Why is one commodity valuable and another less so?
It depends on the seller because he sets the price. And price is equal to the value of the goods. However, the seller cannot set the price at his own discretion because of competition. The seller wants to receive as much money as possible and the buyer wants to pay as little as possible for the goods or services.

Does "value" count things? What is counted with money?
Nothing is counted, money has value, like a number line. No items are counted.

Lesson 3
increase in money

To what extent is money abstract?
Money is an abstract concept and is fundamentally different from the use of coins in antiquity and the Middle Ages. The monetary value of each commodity can be expressed in numbers. This abstract concept was new and reflected the changing worldview. This was completely different from the previously known silver and gold coins that were used to settle transactions.

How is money related to the structure of society?
The concept of money shapes society in the sense that people became dependent on monetary relationships. Instead of a hierarchical social order, the monetary social order emerged. This is well described in Eske Bockelmann's video “Money and Relationships - Society”. And in the MoneyMuseum we discuss literary works about modern society, how money and the logic of money have replaced the previous form of community.

Why is the power of money based on its constant increase?
Let's go to a restaurant and then pay for the meal; for us the meal is eaten and the money is gone. This is the end for us. But this does not apply to money. The money still remains - but now with a different owner. There is still money to be realized in the monetary economy.

Lesson 4
added value

What happens if the flow of buying and selling transactions stops?
Money began a major experiment worldwide in 2020: governments suspended the logic of money. The nation states, guardians of their capital-oriented economy, are abolishing the logic of money, consumption is being curbed, restaurants remain closed, companies are switching to short-time work or temporarily ceasing their business entirely. 200 years ago, Goethe wrote a work about the “ban on lingering,” and in fact no one has ever attempted such an experiment in the last 200 years. Our money enforces a continuous chain of buying and selling, without interruption, in order to function as money. Without growth, there is no money, as the stock market has already shown in the first two weeks of the experiment.

Why profit? Isn't it enough to simply cover the costs?
This may be sufficient in individual cases. But overall there doesn't just have to be more money, as described under increasing money. This increase in money takes place continuously and automatically. There also has to be more goods. Otherwise the money loses value because it can buy fewer goods. The state wants to collect taxes solely on this added value, which is why added value is a big issue.

Why do you have to earn more money than you spend?
Money not only has to be created, but also earned in order to exist as a value. This means that you have to make more money than you spend in order to maintain the value of the money. Money is speculative and forces everyone who handles it to rely on its future and subsequent creation of value. Without continuous value creation, money can lose its value and plummet due to inflation.

The money of entire states can crumble between your fingers, while at the same time the grain is flourishing in the fields and the fruit on the trees. Not a bad harvest, but simply the fact that a country does not make enough profits can cause its money to plummet due to inflation. This means that a country's money loses value if there is not enough value creation to support it. This also applies to companies that cannot make a profit and cannot raise additional capital - they go bankrupt.

Lesson 5
money creation

Why does money have to increase in value?
Money must increase in value in order to remain money. Money is a claim on future purchases of goods. If money does not increase in value, it loses purchasing power and is therefore worth less. This means that MORE money is not MORE VALUE. In order to remain money and become more money, it must lead to ADDED VALUE.
The video refers to the fact that money spent to purchase goods and services must increase in value to maintain its purchasing power.

How are money and credit growth related?
The film oeconomia clearly shows that credit growth and company profits are linked. Credit growth is a prerequisite for profits to be made, in general.

What happens when loans are paid back?
When loans are repaid, the money created by the loan is destroyed. However, if too many loans are paid back, it can lead to deflation as the demand for money increases and prices fall. Therefore, it is important that a country's monetary policy regulates lending and repayment to maintain a balance between the amount of money and the amount of goods.

Lesson 6
money backing

What is our modern money backed by?
Modern money is not backed by a physical equivalent such as gold or silver, but by trust in the stability and integrity of the financial system and the central banks that issue the money. This is called “fiat money”. This trust is based on the assumption that money can be converted into goods and services at any time. Money is access to goods in the future.

What was the purpose of the gold standard?
The goal of the gold standard was to ensure currency stability and prevent inflation. Gold is a limited commodity and cannot be increased at will. It was therefore an attractive asset, the asset par excellence in times of crisis to serve as a basis for a stable currency.

When does inflation appear?
Inflation occurs when the money supply increases without a corresponding increase in the supply of goods or services. This means that more money is faced with the same or a smaller supply of goods and services, resulting in a loss of money's purchasing power.

Lesson 7
competition

Why is our economic system characterized by competition?
Our economic system is characterized by competition because it is based on the principle of the free market. On this platform, companies and individuals compete with each other to produce and sell goods and services.

Can this be reduced?
One approach is to regulate markets through government intervention to prevent monopolies and oligopolies and to create fair conditions of competition. Another approach is to promote cooperation and collaboration between companies in order to work together more efficiently and share resources. Promoting cooperatives and other cooperative forms of organization can also help reduce competition.

Lesson 8
The State

Why did the modern state only emerge at the beginning of the modern era? What were the clues?
The emergence of the modern state is attributed to various factors that have emerged over the course of modern times. One of these factors was the emergence of nation-states that were characterized by a common language, culture and history and developed a unified political identity. Another factor was the emergence of a centralized administration, which allowed the state to exercise its power and authority over the entire territory. This was closely linked to the emergence of a modern bureaucracy based on the rationalization and standardization of administrative processes. Another important factor was the emergence of a modern economy based on the development of trade, industry and capital markets, which provided the state with the resources it needed to exercise its power. Finally, developments in philosophy and political theory also played an important role, particularly the ideas of the Enlightenment, which laid the foundation for the modern concepts of freedom, equality and the rule of law.

Money and the state depend on each other; what is that supposed to mean?
Money and the state are mutually dependent because they are interdependent and their relationship is closely linked.

What does “money and the state shape each other” mean?
The statement “Money and the state shape each other” means that the monetary system and the state are closely related to each other and influence each other. On the one hand, the state is responsible for creating and regulating the monetary system, on the other hand, the monetary system influences the power and stability of the state.

With its money creation, the state is dependent on what is created below it being used as money. Only the profits that are made there with his money can prove it as money. Therefore, money and government must work together to maintain a stable economic system.
This means that the money created by the state only functions as money if it is accepted by people in the economy and profits are generated.

Lesson 9
Private property

What is the difference between possession and ownership?
Ownership and possession must be distinguished from one another because whether someone is an owner or possessor has different legal consequences. Property is the complete control of a person over something. The owner can handle the matter as he wishes and exclude others from any influence. Possession is the actual control over something. Control over the thing may only be exercised within the scope of ownership to the extent that the owner specifies it.
A thief can also gain possession of an item. When it comes to ownership, the only thing that matters is the actual ownership and not the legality.

What does private property mean in contrast to the term property?
The word private property is made up of the two words private (Latin privatus, separated, robbed) and property. It is not a legal term, but rather serves to distinguish it from collective property, state assets and church property.

What other forms of property are there?
There are different forms of ownership that differ from the idea of private property. These include common ownership, where resources are shared and managed by a group, public ownership, where resources are owned by the state or community and used for public purposes, and collective ownership, where resources are shared by a group shared and managed, but each individual also has an individual right of use. In addition, there are also alternative forms of ownership, such as cooperative ownership, in which the members of a cooperative are joint owners and decide democratically on the use and management of resources.