

Name

We Are Living Through the Scariest Economic Experiment in History Right Now...And No One Knows It

Many countries around the world have, on paper...seemingly recovered from the economic collapse that occurred last year.

Unemployment rates are getting closer to normal, the number of business bankruptcies has hit a 2 year low, and the stock market is at an all-time high?

On the surface, this seems great. But in reality, we are actually going through the biggest and scariest economic experiment in history. An experiment which could help bring us into a golden age of a new kind of economy...or it could bring us into a new dark age that the world has never seen before.

In the 7th century in China, copper coins were used as the main currency for Chinese merchants. But these merchants at the time, began running into a problem.

You see, these coins were quite heavy and many of them could be used for a single transaction, which was quite inconvenient for carrying around a city.

So to combat this problem, Chinese merchants came up with the idea. What if they just deposited these heavy coins with a person or business, and received a piece of paper called, a promissory note, or banknote, in return? That way merchants would not have to carry around large amounts of heavy coins all day, and they can be safely stored at a single location.

And thus the primitive form of paper money was born, and was implemented throughout the currency system in China.

After a few centuries of using this type of currency system, the Chinese government noticed something strange. You see, a copper shortage caused the government to issue more of these promissory notes and less copper coins.

And during this time, the government saw a massive boost to its economy, allowing for the government to spend more on things like military and infrastructure.

So, they ran an economic experiment that would become very important to what we are experiencing today.

The Chinese government declared that their new form of paper currency, was considered a public monopoly owned by the government. This allowed the ancient Chinese government to completely control its own currency.

And for a couple hundred years, the government's ability to print money on command, and control inflation, worked well. But little did they know, a global threat was emerging out of central Asia, that would change the course of history.

A man named Temujin had recently united the Mongol Tribes in the year 1206, and then became known as Genghis Khan. He soon launched the largest military conquest in human history, with his successors eventually taking over China and forming the Yuan Dynasty in 1271.

During the Yuan Dynasty, the newly formed Chinese/Mongol government wanted to keep spending government money to further fund their conquests. But instead of limiting their spending, or worrying about their government debt, they decided to just manufacture more and more paper money, in order to fund their military campaigns. They figured that because they were the government and had a public monopoly on its currency, they could do whatever they wanted with little or no repercussions. So they essentially revamped their paper money, turned it into the world's first fiat currency, and started running their empire on a completely new economic theory.

And for a little while it worked.

But after years' war in Japan, Vietnam, Burma, and Java, and years of ignoring debt and inflation, the economy of the Yuan Dynasty began to collapse.

Inflation rose to 80% in the early 1300's, there was a severe debt crisis, the population became impoverished within the span of about 5 years, and the government's theory on how printing money could solve their economic problems came crashing down.

And it was this economic downfall combined with the government's inability to help its people after several natural disasters that led to the collapse of the Yuan dynasty in 1370.

And that brings us to today. You see, as we all know, governments around the world have compiled record levels of debt in order to keep their economies afloat during the pandemic. They have also printed money at not only record levels, but levels that are comparable to that of the Yuan dynasty in the early 1300's.

If you look at the history of failing and stand up in China Economic system the question remains will china new economic system be different from the past or do the world first have to collapse economically before china's new system begins or is it here already and what would you think hypothesis what the outcome will be on the world.