**Capital Flow Chart**

Loans

Financial Market

Central Banks

1. Bonds

2) Other assets

Government ent

Debt

Government ent

Printed Money,

Loan

Collateral –

Government Bond

Bond offering

Stock Offering

Deposits

Banks

Institution

(lever up fund, create money)

Money

Government Bond

Discretionary

1. Defense
2. Etc.

Non-discretionary

1. Medicare
2. Social Security

Debt Service

1. Principal
2. Interest

Spending

Revenue