

Confronting the power elite

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The world today is controlled by a small elite group that has been increasingly concentrating power and wealth in their own hands. There are many observable facets to this power structure, including the military security complex that president Eisenhower warned against, the fossil fuel interests, and the neocons that are promoting U.S. hegemony around the world, but the most powerful and overarching force is “the money power” that controls money, banking, and finance worldwide. It is clear that those who control the creation and allocation of money through the banking system are able to control virtually every other aspect of global society.

Having taken control of the political leadership in North America and western Europe, they are determined to use military force, if necessary, to create a unipolar world order in which the power elite enjoy “full spectrum dominance.” Based on a long established pattern of covert and overt interventions, it is evident that they are willing to employ, either directly or through proxies, a wide range of tactics, including propaganda, bribery, cooptation, deception, assassinations, false-flag attacks and war. Large segments of the media and entertainment industries, education, and the military power have been captured to help manufacture public consent.

Be that as it may, I believe that the natural course of human evolution tends toward a multipolar world order based on honesty, openness, compassion, cooperation, and fairness, but that requires a well-educated and informed populace and “broad spectrum” participation in the political process. Fortunately, the internet and world wide web have enabled people to be better informed than ever before and to engage with one another directly, bypassing intermediaries that control and limit what people can share. On the other hand, the political machinery has been so thoroughly taken over by the power elite that the will of the people has thus far been of little consequence in deciding the course of world affairs.

So what can be done to turn the tide? How can we the people empower ourselves to effectively assert our desires for a more fair, humane and peaceful world order? Is it possible to influence the behavior of those in power? Or is it possible to install new leaders who will act more responsibly and in accordance with the popular will? Or is necessary, or even possible, to reinvent and deploy political and economic structures by which people can more directly assert themselves?

It seems reasonable to assert that action must be taken on all levels, but I am inclined to believe that the greatest possibility of bringing about the desired changes lies in economic and political innovation and restructuring.

The monopolization of credit

I came to realize many years ago that the primary mechanism by which people can be, and are controlled, is the system of money, banking, and finance. The power elite have long known this and have used it to enrich themselves and consolidate their grip on power. Though we take it for granted, money has become an utter necessity for surviving in the modern world. But unlike water, air, food, and energy, money is not a natural substance—it is a human contrivance, and it has been contrived in such a way as to centralize power and concentrate wealth.

Money today is essentially credit, and the control of our collective credit has been monopolized in the hands of a cartel comprised of huge private banks with the complicity of politicians who control central governments. This collusive arrangement between bankers and politicians disempowers people, businesses, and communities and enables the elite super-class to use the present centralized control mechanisms to their own advantage and purpose. It misallocates credit, making it both scarce and expensive for the productive private sector while enabling central governments to circumvent, by deficit spending, the natural limits imposed by its revenue streams of taxes and fees. Thus, there is virtually no limit to the amounts of resources that are lavished on the machinery of war and domination.ⁱ

In today's world, banks get to lend our collective credit back to us and charge interest for it while central governments get to spend more than they earn in overt tax revenues, relying on the banking system to monetize government debts as needed. These two parasitic drains on the economy, interest and inflationary monetization of government debts, create a growth imperative that is destroying the environment, shredding the social fabric, and creating ever greater disparities of income and wealth. At the same time, this scarcity and misallocation of money, which belies the abundance that exists in the real economy, leads to violent conflicts and provides the power elite with the means to pursue policies of domination, even at the risk of global nuclear war.

What most people still fail to recognize is that regardless of the nominal form of their government, their political power has been neutralized and exhausted by the political money and banking system. Democratic government in today's world is more an illusion and a hope than a reality. As Prof. Carrol Quigley wrote in his book, *Tragedy and Hope* (1966), "... the powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences."ⁱⁱⁱ

In the succeeding decades since Quigley's revelation, their control mechanisms have been refined and extended to include the intelligence services and military power, political think tanks, the media, and virtually every segment of society. The U.S. agenda of regime change over the past several yearsⁱⁱⁱ is not so much about taking mineral and petroleum resources, that is a side benefit. By examining the pattern of interventions by the U.S. and NATO powers, it is clear that the primary objective is to force every country of the world into a single global interest-based, debt-money regime. No exceptions will be tolerated. Thus, Saddam Hussein had to go, Gaddafi had to go, Assad has to go, and Putin has to go (but deposing Putin will not be so easy). The war against Islam is also related because a significant proportion of Islamists are serious about eliminating riba (usury) which is an essential feature in the creation of all political money throughout the world today. The United States military is the enforcer that is used when threats, bribes, cooptation and covert operations prove insufficient. Thus, the United States, Britain and their NATO allies have become the greatest perpetrators of state-sponsored terror in the post-World war II era.

How can such a power be confronted?

Fortunately, *we the people* have in our hands the means of our own liberation. It is the power to allocate our credit directly without the use of banks or political money. How to effectively assert that power is the main theme of my most recent book, [*The End of Money and the Future of Civilization*](#).

Over the years there has been a long parade of “reformers” who wish to take the power to create money away from the banks. This is an admirable objective that I wholeheartedly endorse. But the alternatives that they propose have been either to revert to commodity money, like gold, which has proven to be inadequate, or to transfer the money-issuing power to the central government—what I call the “greenback solution.” The latter harks back to Abraham Lincoln’s scheme for financing the Civil War. That proposal calls for the federal government to bypass the Federal Reserve and the banks by issuing a national currency directly into circulation from the Treasury. At first glance that may seem like a good idea, but there are many flies in that ointment. First of all, the greenback solution does not propose to end the money monopoly but merely to put it under new management. But it is a gross delusion to think that the Treasury is, or might become, independent of the interests that now control the Federal Reserve and the major banks. Consider the fact that most of the recent Treasury secretaries have been former executives of Goldman Sachs, the most powerful financial establishment in the country. It is naïve to expect that they will serve the common good rather than the money power that has spawned them.

Second, central planning of complex economic factors has been shown to be unworkable. That is especially true with regard to money. Neither the Fed nor the treasury is qualified to decide what kind of money and how much of it is necessary for the economy to function smoothly. The issuance and control of credit money should be decentralized in the hands of producers of needed and desired goods and services. Thus the supply of money (credit) must automatically rise and fall in accordance with the quantity of goods and services that are available to be bought and sold. If private currencies and credit clearing exchanges are allowed to develop and grow without interference from the vested interests in political money, their superiority will quickly become apparent.

Third, the greenback solution does nothing to eliminate deficit spending and inflation which are enabled by legal tender laws. As long as political currencies are legally forced to circulate at face value, the abusive issuance of money, the debasement of national currency value, and the centralization of power will continue. All government programs, including social programs and the military budget, ought to be funded by legitimate government revenues, not by the underhanded means of monetary debasement. Centralized control of credit money and the imposition of legal tender laws enable the hidden tax that is called *inflation*. Salmon P. Chase, who as Lincoln’s Treasury Secretary presided over the issuance of greenbacks, argued later as Chief Justice of the Supreme Court that the issuance of greenback currency was unconstitutional and exceeded the powers of the federal government. He said, “the legal tender quality is only valuable for the purposes of dishonesty.” Finally, the political process has been so thoroughly corrupted and taken over by the power elite that political approaches to solving the money problem have virtually no chance of passage anyway.

Toward effective means of empowerment

Business people, farmers, professionals, and others who are engaged in productive enterprise are clamoring to gain access to credit, credit which they fail to recognize is already in their collective hands. Under the present arrangements, we give our credit to the banks, then beg them to lend some of it back to us, and pay them interest for the “privilege.” But there is no good reason for credit to be monopolized. Business routinely offer credit to one another when they deliver goods and services then allow some period of time for payment to be made. This practice can be extended and organized on a multilateral basis.

The real solution to the problem lies in creating new structures for allocating credit based on the legitimate needs and the resources of businesses, workers, and state and local governments. **Competition in currency** can transcend the dysfunctions that are inherent in the present centralized system and ensure that there will be sufficient amounts of exchange media to enable all desirable trades. Competing currencies will also ensure that political currencies (like the dollar, euro, pound, etc.) cannot be abused without losing patronage in the market. Rather than establishing the state as the money power, we need to promote the **separation of money and state** by deploying exchange mechanisms that **decentralize and democratize the control of credit**.

Money is first and foremost a medium for facilitating the exchange of goods and services and other forms of real value, but the exchange function can be effectively and efficiently provided outside the banking system and without the use of conventional political money.^{iv} This is already being done through credit clearing exchanges and through the issuance of private currencies or vouchers by businesses that produce real valuable goods and services. Both approaches have the capacity to provide exchange media that can be also be used by general public to mediate all manner of transactions.

Is there any practical possibility of organizing producers on a sufficiently large scale to achieve this? I strongly maintain that there is. This approach, based on private initiative, is far more practical and empowering than any political approach to reform of money and banking that is currently on offer. Improvement in the human condition have always stemmed from the creativity, industriousness, and goodwill of people. A cooperative, compassionate, society can emerge from the creation of exchange alternatives based on voluntary, free-market, and community-based initiatives that enable people to transcend the money monopoly and the “war machine.”^v

This is begun at the local level by utilizing the credit of local producers to mediate the exchange of goods and services that are locally produced or sold. There are many historical examples of successful private currencies that have been circulated in various times and places. Call them *vouchers, scrip, credits, certificates, or coupons*—sound private and community currencies can be **SPENT** (issued) into circulation by any trusted producer or reseller who is ready, willing, and able to reciprocate by accepting it back (redeem it) as payment for real value, *i.e.*, the goods or services that are their normal stock in trade and are in regular demand. There is nothing mysterious or complicated about this process.^{vi}

The exchange of goods and services is also enabled on a moneyless basis by using a process of direct credit clearing among buyers and sellers. This is already being done by the scores of commercial trade exchanges (sometimes called “barter” exchanges) that have been operating successfully around the world for more than 40 years. These commercial credit circles, comprised of thousands of businesses of all kinds, presently mediate an estimated 20 to 30 billion dollars’ worth of trades annually, and these numbers continue to grow. As operational improvements are made and credit management procedures become standardized, these exchanges will be networked together to more fully realize the vast potential of moneyless credit clearing arrangements.^{vii} In this emerging **worldwide web of exchange**, members of each local circle or node are known to one another and allocate credit to one another based on their reputation and ability to provide valuable goods and services. Thus we can eventually have an independent system of non-monetary payment in which **credit is locally controlled but globally useful**.

In conclusion, I maintain that it is essential and entirely feasible that we reduce our dependence upon the banking system and conventional political monies. Through the deployment of innovative mechanisms of exchange, like private currencies and credit clearing networks, individuals, businesses and communities can empower themselves economically and politically to build a society that is free, fair, prosperous and peaceful. The way forward is clear. The blueprints have been drawn. What remains is for entrepreneurs, business leaders, and community activists to act boldly to implement these exchange mechanisms in ways that are sound, credible, effective, and scalable.

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ⁱ As E.C. Riegel put it in his book, [A New Approach to Freedom](#), "...as long as our governments are vast counterfeiting machines, Mars can laugh at peace projects."

ⁱⁱ This and other works of Carroll Quigley can be downloaded at the Quigley website, <http://www.carrollquigley.net/>.

ⁱⁱⁱ View General Wesley Clark's two minute revelation at https://youtu.be/9RC1Mepk_Sw.

^{iv} An animated video that makes clear the credit nature of money and its sound basis is *The Essence of Money*, <https://youtu.be/uO7uwCpcau8>.

^v My 15 minute video, *Disruptive Technologies Making Money Obsolete*, <https://youtu.be/ty7APADAa8g>, describes how communities and businesses can escape the debt trap and become more resilient and self-reliant.

^{vi} These arguments are more fully developed in my book, [The End of Money and the Future of Civilization](#). My Solar Dollar white paper at <https://beyondmoney.net/2016/08/26/solar-dollars-a-private-currency-with-multiple-benefits/> provides the basic framework for the design and issuance of a private currency.

^{vii} Some details on how to do this are outlined in chapter 15 of my book, an excerpt of which can be found at <https://beyondmoney.net/excerpts/limiting-factors-in-the-operation-of-commercial-trade-exchanges/>.