

The End of Money and the Future of Civilization New 2024 Edition

Chapter Three

The Contest for Rulership—Two Opposing Philosophies

There appears to be a general tendency for those who get a little power to try to acquire more of it—and like an addictive drug, its ability to satisfy seems to depend upon its use in ever-larger doses. Lest the following be misunderstood, let me say at the start that I believe the same tendencies exist in every one of us, and that our efforts to improve our collective lot should not be cast as an “us versus them” contest. When I speak of ruling “elites” it is not to cast them as “evil” in opposition to the “virtuous masses,” but to explain the distortions in human affairs that have developed over time and to suggest what may be needed to give civilization a chance of evolving toward higher levels of achievement and a more just and harmonious condition.

Elitist or Egalitarian?

In 1944, F. A. Hayek warned that the western democracies were on the same “road to serfdom” that had been followed by fascist Germany and Italy (and communist Russia) during the early twentieth century.¹ He characterized the political contest as being between socialism on the one hand and capitalism on the other—equating the former with “collectivism” and the latter with “individualism.”² Hayek’s dichotomy is, I think, an overly simplistic characterization, and the fundamental struggle goes beyond particular political ideologies or economic systems, however one might wish to define them. In my view there is a contest raging in the world that is more fundamental and less apparent than Hayek’s. It is one that impinges directly upon our freedom, our dignity, and our morality. It is a struggle between what might be called elitism on the one hand and egalitarianism on the other. By elitism I mean the centralized rulership exercised by a small privileged class, while egalitarianism implies the dispersal of power and popular self-government. As Lord Acton keenly observed, “Power corrupts, and absolute power corrupts absolutely.” Whether that power be wielded through political office or economic dominance makes little difference; the outcome is the same. It is easy

for those who live far above the masses to delude themselves into thinking that power and privilege are their “right” and that whatever serves the narrow self-interest of their class, or race, or religious group also serves the general interest.

Hayek was sensitive to the defects of communism, but he seems to have been blind to the defects inherent in capitalism that make it equally susceptible to becoming totalitarian and tyrannical. The defining feature of totalitarian systems is the centralization of coercive power and control, whether it is economic, financial, political, or social, for these are but facets of one whole. Considering the millennia of institutionalized coercive hierarchy in our societies, Dr. Laurence Victor has gone so far as to say,

I believe that [bureaucracies] are strong attractors for human psychopaths. In fighting their way to the top, individuals are selected who have the greatest tolerance for collateral damage of their actions. Today, the top [levels] of most power echelon hierarchies are populated by psychopaths. The greater the power, the greater the collateral damage required and the greater the deception—both to others done damage [to] and those who are indoctrinated to damage others. [There are] two alternative modes for coordinating activity so as to accomplish what only many hands in coordinated activity could accomplish. The egalitarian mode involves voluntary cooperation to achieve requisite coordination. An exemplar might be a tribe’s collective effort in gathering materials and constructing a longhouse. The egalitarian mode can have leaders or managers, as roles to assist in coordination. Ideally, each person contributes as to their existing competencies and interests—and all essential roles are covered. The elitist mode involves forced labor in a top down command structure to achieve coordination (and even to get persons to act as demanded). The force could be facilitated by slavery or wages, both essential for survival in the prevailing situation. Once a people settle into an elitist mode, it must be defended by force and the indoctrination of labor to accept their status.³

For that reason, any excuse for concentrating power and curtailing the personal rights and freedoms to which all are entitled, even national defense, or a “war on terror,” or a global health emergency, must be viewed with suspicion, for as H. L. Mencken observed more than eighty years ago, “The whole aim of practical politics is to keep the populace alarmed (and hence clamorous to be led to

safety) by menacing it with an endless series of hobgoblins, all of them imaginary.”⁴ The real hobgoblins, often created by government itself, can be effectively addressed only by a responsible citizenry acting together from its community base.

Law, by itself, is incapable of restraining the behavior of the addict, for addiction creates imperatives that are stronger than the inhibitions induced by law. But beyond that, power addicts’ need for ever more power leads them to seek ways to control the very process by which laws are made, changed, and adjudicated. While the separation of governmental powers into executive, legislative, and judiciary functions was intended to offer some assurance of pluralism and impartiality, the ever-widening socioeconomic differences have the effect of drawing these functions together into the hands of power elites whose members possess shared interests that are typically antagonistic to those of the masses who comprise the rest of society. As legal constraints upon concentrated power are gradually nullified, government becomes a weapon against freedom, and the ruling class tightens its grip. The people must be ever watchful for the telltale signs of creeping totalitarianism—government secrecy, stonewalling, obfuscation, classification of information as “secret,” surveillance of citizens, harassment of dissenters, abuse of prisoners, censorship, appeals to national security and executive privilege, and covert interventions in the affairs of other countries. These signs have been plainly evident in America for quite some time, and the trend toward totalitarian government has been ramped up since the events of September 11, 2001, and even more so in the face of the Covid-19 “pandemic,” that began toward the end of 2019. This is clearly shown in Naomi Wolf’s book *The End of America*, which outlines ten steps common to all transitions from democratic to totalitarian rule, and shows how they are already manifest today in the United States.⁵

Further evidence is cited in Naomi Klein’s “The Shock Doctrine,” a critique of “disaster capitalism,” which is essentially corporatism, disguised under the banner of free-market economics, running amok in its drive toward complete ownership and control. She credits economist Milton Friedman and the “Chicago School” of economic thought with suggesting that during times of disaster or upheaval, it’s easier to implement sweeping economic changes because societies are more open to new ideas when they’re desperate for solutions, which is true enough, but those opportunities have been used to vastly increase the power of global corporations at the expense of the lower and middle-classes. As an example, she cites

the US engineered⁶ overthrow of the elected government of Salvador Allende in Chile in September 1973 and the installation of the corporate-friendly dictatorship headed by General Augusto Pinochet who over the subsequent seventeen years became notorious for his brutal suppression of dissent and the disappearance and murder of thousands, and the torture and imprisonment of tens of thousands more for political reasons. And, Chalmers Johnson, in his *Blowback* trilogy,⁷ has clearly described how America's imperial overreach has all but destroyed our republican form of government.

It is said that "the price of freedom is eternal vigilance," but it cannot end there—vigilance is but the beginning of freedom. The acquisition and preservation of freedom require, in addition, responsible civic action. An informed, organized, and politically active citizenry is the only kind that has any chance of remaining free.

The Contest in American History: Monarchy or Republic?

A close examination of the early days of the American republic is worthwhile for gaining insights into the ideological struggle that prevailed at that time and continues to this day. In early American history, the contest between the forces that favored elite rule and those that favored pluralistic "government by the people" is epitomized in the persons of Alexander Hamilton and Thomas Jefferson. Jefferson, and Andrew Jackson after him, envisioned an American government that opposed aristocracy and enabled power and property to be widely shared. It is not commonly recognized that the forces in favor of elite rule were prominent in the formation of the government of the United States, or that their intentions, though seemingly stymied on the political front, have been subsequently and effectively carried out by surreptitious means on the monetary and financial front.

This ideological polarity is nowhere better described than in Arthur Schlesinger's brilliant historical treatise *The Age of Jackson*. He reports that Hamilton was of the opinion that "No society . . . could succeed 'which did not unite the interest and credit of rich individuals with those of the state.'"⁸ He was distrustful of ordinary people to rightly judge matters—indeed, "The rock on which Alexander Hamilton built his church was the deep-seated conviction that society would be governed best by an aristocracy, and that an aristocracy was based most properly and enduringly on property."⁹ As Jefferson himself proclaims in his memoir, "a short review of facts will show, that the contests of that day were contests of principle, between the advocates of republican, and those

of kingly government, and that had not the former made the efforts they did, our government would have been, even at this early day, a very different thing from what the successful issue of those efforts have made it."¹⁰

While Jefferson favored a stronger union than that which emerged under the Articles of Confederation, he was vehemently opposed to the reconstruction of monarchist government on the American continent. He describes in detail how some high army officers suggested to Washington that, prior to disbanding the revolutionary army, Washington should use it to secure to himself the crown. "The indignation with which he is said to have scouted this parricide proposition was equally worthy of his virtue and wisdom." Failing in that attempt, these same individuals proposed "the establishment of an hereditary order . . . to be ingrafted into the future frame of government, and placing General Washington still at their head." This, too, Washington resisted.

But the acquisitive forces are nothing if not persistent. To make this perfectly clear and to portray the early foundations of our present predicament, I will, in the remainder of this chapter, quote Jefferson extensively. Upon the convening of the states at Annapolis in September 1786, Jefferson described this situation:

[So] general through the States was the sentiment in favor of the former [republican government], that the friends of the latter [monarchy] confined themselves to a course of obstruction only, and delay, to everything proposed; they hoped, that nothing being done, and all things going from bad to worse, a kingly government might be usurped, and submitted to by the people, as better than anarchy and wars internal and external, the certain consequences of the present want of a general government. The effect of their manoeuvres, with the defective attendance of Deputies from the States, resulted in the measure of calling a more general convention, to be held at Philadelphia. At this, the same party exhibited the same practices, and with the same views of preventing a government of concord, which they foresaw would be republican, and of forcing through anarchy their way to monarchy. But the mass of that convention was too honest, too wise, and too steady, to be baffled and misled by their manoeuvres.¹¹

Power by Other Means

Failing on the political front, the elitists, under the leadership of Alexander Hamilton, moved forward their monetary and financial schemes. Jefferson had been away on his mission to France during the Constitutional Convention, but upon his return in December of 1789, he was appalled to observe the extent of monarchist sentiment within the executive branch of the government.

Hamilton's financial system had then passed. **It had two objects; first, as a puzzle, to exclude popular understanding and inquiry; second, as a machine for the corruption of the legislature; for he avowed the opinion, that man could be governed by one of two motives only, force or interest; force, he observed, in this country was out of the question, and the interests, therefore, of the members must be laid hold of, to keep the legislative in unison with the executive.** And with grief and shame it must be acknowledged that his machine was not without effect; that even in this, the birth of our government, some members were found sordid enough to bend their duty to their interests, and to look after personal rather than public good.¹² [emphasis added]

Jefferson goes on to say,

But Hamilton was not only a monarchist, but for a monarchy bottomed on corruption! In proof of this, I will relate an anecdote, for the truth of which I attest the God who made me. Before the President [Washington] set out on his southern tour in April, 1791, he addressed a letter of the fourth of that month, from Mount Vernon, to the Secretaries of State, Treasury and War, desiring that if any serious and important cases should arise during his absence, they would consult and act on them. And he requested that the Vice President should also be consulted. This was the only occasion on which that officer was ever requested to take part in a cabinet question. Some occasion for consultation arising, I invited those gentlemen (and the Attorney General, as well as I remember,) to dine with me, in order to confer on the subject. After the cloth was removed, and our question agreed and dismissed, conversation began on other matters, and by some circumstance, was led to the British constitution, on which Mr. Adams observed, "purge that constitution of its corruption, and give to its popular branch

equality of representation, and it would be the most perfect constitution ever devised by the wit of man." Hamilton paused and said, "**purge it of its corruption, and give to its popular branch equality of representation, and it would become an impracticable government: as it stands at present, with all its supposed defects, it is the most perfect government which ever existed.**" And this was assuredly the exact line which separated the political creeds of these two gentlemen. The one was for two hereditary branches and an honest elective one: the other, for an hereditary King, with a House of Lords and Commons corrupted to his will, and standing between him and the people. [Emphasis added]

Hamilton was, indeed, a singular character. Of acute understanding, disinterested, honest, and honorable in all private transactions, amiable in society, and duly valuing virtue in private life—yet so bewitched and perverted by the British example as to be under thorough conviction that corruption was essential to the government of a nation.¹³

The core element in Hamilton's financial schemes was to establish in America a central bank modeled after the Bank of England. He was able to achieve his purpose in large part because, as Jefferson observes, "[Washington] was not aware of the drift, or of the effect of Hamilton's schemes. Unversed in financial projects and calculations and budgets, his approbation of them was bottomed on his confidence in the man."¹⁴

It is easy for us in our time to see Hamilton as a villain and Jefferson as a saintly champion of the people, but nothing is ever as clear cut as that—a thorough reading of history enables a better understanding of the players' motives. Hamilton's overarching objective was to create a strong central government that might enable a weak and fledgling American union to withstand the pressures brought upon it by the imperial powers of Europe, most notably Britain and France. While one might grant the necessity of that time for concentrating more power at the federal level to protect its interests and its people from the then world powers, one must be extremely dubious about the necessity or wisdom of the United States becoming, as it has, since the end of World War II, a global hegemonic empire.

Hamilton's most often quoted assertion is this one: "A national debt, if it is not excessive, will be to us a national

blessing.”¹⁵ One of Hamilton’s first proposals upon taking office as Washington’s secretary of the treasury was that the federal government should assume the Revolutionary War debts incurred by the various states. Though it required the federal government to go deeply into debt, that debt had the desired effect of cementing the union of the states. An essential part of Hamilton’s plan called for creating revenues sufficient to service the debt and to establish the credit of the federal government, which enabled it to attract much needed capital for development from abroad. Federal government revenues in those days, and even up until the twentieth century, were derived mainly from duties on imported goods and excise taxes on some domestically produced commodities. Hamilton’s plan gave the federal government a monopoly over the states on customs duties. With persistence and some dealing with Jefferson and Madison over the location of the new nation’s capital, Hamilton succeeded in getting these proposals through Congress and signed by President Washington.¹⁶

Further along the lines of strengthening the union, Hamilton reasoned that it was essential to draw the loyalty of the moneyed class toward the union and away from their respective states. This was one reason for the assumption of the states’ debts. As John Steele Gordon explains it, “The debts [of the states], of course, were largely held by the prosperous men of business, commerce, and agriculture—the oligarchs, in other words. These men’s loyalties lay mainly with their respective states and the cozy local societies in which they had grown up. Although they had largely supported the creation of the new Union, Hamilton had every reason to suppose that their support would quickly fade if their self-interest dictated it. Hamilton, therefore, was anxious to make it in the self-interest of these men to continue their support of the Union.”¹⁷

For us today, the most significant aspect of Hamilton’s program was his effort to establish an American central bank along the lines of the Bank of England. “Hamilton saw it as an instrument of fiscal efficiency, economic regulation, and money creation. Jefferson saw it as another giveaway to the rich and as a potential instrument of tyranny. Furthermore, Jefferson and Madison saw it as patently unconstitutional for the federal government to establish a bank, for the Constitution nowhere gives the federal government the explicit power to charter a bank or, for that matter, any other corporation.”¹⁸

But Hamilton got his bank, and over the subsequent two centuries the forces for elite rule and oligarchic ownership

multiplied their power and wealth many fold. The courts subsequently ruled that the chartering of the central bank was constitutional, and by selling the idea of the “implied powers” of the Constitution, the elitists have managed to enlarge the power of the federal government vis-à-vis the states, far beyond anything that the framers of that document had intended or might have ever envisioned.

The battle for rulership has continued to rage throughout the history of the United States, right up to the present day. The few early victories for the egalitarian side—most notably under the leadership of Jefferson, Madison, Jackson, and a few others—are all but forgotten, and few Americans alive today have any idea that there ever was such a contest at all.

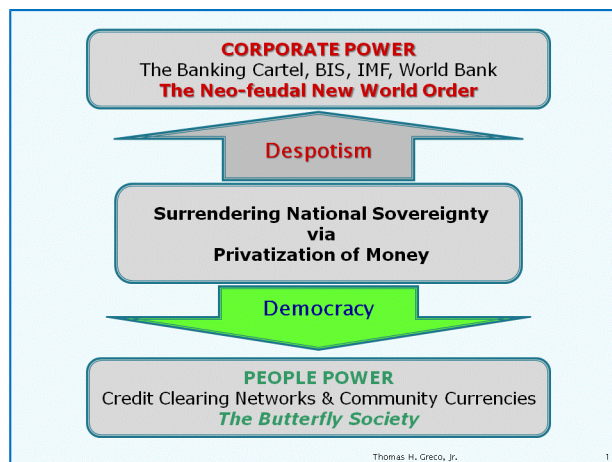
Today, with the addition of the awesome capabilities of the new information and computing technologies to their longstanding control of money, banking, and finance, the victory of the elite “super class” has become almost total. Step-by-step they have tightened their grip on power. In the name of national security greater power has been vested in the executive branch, not in the President personally, but in those in the “deep state” who pull the stings behind the scenes, and the members of Congress are mostly bought and paid for by those who fund their campaigns and provide legalized bribes, so that the legislative branch has become a mere rubber stamp for the deep state’s agenda. While the United States maintains the trappings of a democratic republic, it is in truth an imperial power under the control of an oligarchy that is global rather than national.

As the only remaining superpower after the collapse of the Soviet Union in 1991, the United States has employed its military, economic, and financial power to achieve what the Project for a New American Century has called “full spectrum dominance” to achieve control over the world’s major resources and usher in a “new world order” in which the mass of the population in all countries is increasingly dominated and exploited by a very small “super class,” using whatever means it may deem necessary. As Professor Jeffrey Sachs observes, “When a society is economically dominant, it is easy for its members to assume that such dominance reflects a deeper superiority—whether religious, racial, genetic, cultural, or institutional—rather than an accident of timing or geography.” He notes the historical emergence of all kinds of theories that justified “brutal forms of exploitation of the poor through colonial rule, dispossession of the properties and lands of the poor by the rich and even slavery.”¹⁹

Klaus Schwab, founder of the World Economic Forum, has boasted that they have managed to install, at high levels in governments around the world, persons who are actively working to advance their elite agenda, and he has candidly predicted that “you will own nothing, and you will be happy.” It would be a grave mistake to not take him seriously.

The longstanding elite agenda was revealed as far back as 1966 by President Bill Clinton’s mentor at Georgetown University, Professor Carroll Quigley. He said:

...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. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland; a private bank owned and controlled by the world’s central banks which were themselves private corporations. Each central bank . . . sought to dominate its government by its ability to control Treasury loans, to manipulate foreign exchanges, to influence the level of



economic activity in the country, and to influence cooperative politicians by subsequent economic rewards in the business world.²⁰

Power to Corporate Aliens or Power to the People?

In the following chapters, we shall describe the evolution of the mechanisms by which those goals have been achieved, and what can be done about it. Anyone who's

able to control the flow of information is able to shape public perceptions and motivations. Anyone who is able to control the creation, allocation, and flow of money is able to control everything else in the material realm. The only way that that power can be defeated is through the abandonment of the dishonest, exploitative, and destructive system of money, banking, and finance. That system cannot be reformed; it is both necessary and feasible to replace it with new mechanisms for payment and finance that are based on sound principles of credit allocation and management, and a foremost regard for honesty, fairness, and the common good.

In sum, National governments have been sacrificing their sovereignty to a globalist agenda that is anything but democratic. As I show in the image to the right, power needs to move in the other direction, shifting away from corporate behemoths and self-appointed elite rulers, and toward the people in their caring and cooperative communities; then, from that base it will be possible to finally build a more happy and peaceful world.

- 1 Friedrich von Hayek. *The Road to Serfdom*.
- 2 Ibid., p.149.
- 3 Laurence Victor, personal correspondence, December 28, 2008.
- 4 H. L. Mencken, "Women as Outlaws," in *A Mencken Chrestomathy*, p. 29.
- 5 Naomi Wolf, *The End of America: Letter of Warning to a Young Patriot*.
- 6 See Kornbluh, P. (2003). *The Pinochet File: A Declassified Dossier on Atrocity and Accountability*. New York: The New Press; and Hersh, Seymour (1982). *The Price of Power: Kissinger in the Nixon White House*. Summit.
- 7 Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire*. The other titles are *The Sorrows of Empire*, and *Nemesis*.
- 8 Arthur Schlesinger, *The Age of Jackson*, p. 9.
- 9 Ibid., p. 12.
- 10 Andrew A. Lipscomb, ed., *The Writings of Thomas Jefferson* vol. 1.
- 11 Ibid., p. 269.
- 12 Ibid., pp. 278–79.
- 13 Ibid., pp. 278–79.
- 14 Ibid., pp. 278.
- 15 John Steele Gordon, *Hamilton's Blessing: The Extraordinary Life and Times of Our National Debt*, p. 20.
- 16 Ibid., pp. 30–31.
- 17 Ibid., pp. 29–30.
- 18 Ibid., p32
- 19 Jeffrey Sachs, *The End of Poverty*, p. 39.
- 20 Carroll Quigley, *Tragedy and Hope*, p. 324.