Salvation of the Saviors
(series 135-369)
Project 369 – Protocols of Reality:
The Great Financial Alchemy…

Gold has never ruled the world.
The world has always been ruled by trust in
what people considered gold.
Everything else was merely a consequence
of that trust.

Most people are convinced that the history of money is the history of gold, silver, coins, banks, and trade. It seems obvious to us that money was created solely to facilitate the exchange of goods and accelerate economic development. At first glance, that is exactly how it all unfolded. Yet behind this familiar picture lies a much deeper process that shaped the subsequent course of human civilization.

The his(Torah)y of money is not so much the history of metal as the **HIS(TORAH)Y OF TRUST.** Gold itself held no power over people. That power lay in society's agreement to regard a particular object as a bearer of value. As long as this trust existed, any object could function as money. When trust disappeared, money disappeared with it, regardless of whether it was made of gold, silver, or paper, or existed only as entries in bank ledgers. This is precisely why the true turning point in his(Torah)y came not when humanity began using gold, rather when money gradually **BEGAN TO SEPARATE** from its material carrier. As long as money remained gold, it merely served society's economic activity. Yet once people learned to deal with a claim to gold instead of gold itself, and eventually with nothing more than a promise to deliver gold, an entirely new era began. This was the moment that could be called **THE GREAT FINANCIAL ALCHEMY.** Medieval alchemists tried in vain to find the philosopher's stone capable of turning base metals into precious ones. Their search lasted for centuries and never yielded the desired result. Financial alchemy, however, made a discovery whose consequences were incomparably more significant. It learned to turn trust into money, money into wealth, wealth into power, and power into a mechanism for controlling society.

From this moment begins the his(Torah)y of the formation of a new architecture for controlling civilization, rather than of economics in the conventional sense. It was then that the possibility **FIRST EMERGED** of creating wealth through the right to create money itself, rather than through the production of material goods. This right gradually became one of the most powerful instruments for controlling states, economies, and people's consciousness. This process cannot be viewed merely as an economic invention. It represents a qualitative transition from controlling material resources to controlling information about them. Money ceased to be merely a commodity. It became an **INFORMATIONAL CONSTRUCT** founded on society's trust. Along with this, the very nature of power changed. This very path — from the gold coin to the paper receipt, from the receipt to the banknote, from the

banknote to the digital entry, and then to controlling people's trust itself rather than money — is the result of our existence within today's realities.

By the fourteenth century, the system had already reached a stage of development at which finance ceased to be merely a supporting element of trade and gradually became an independent force **CAPABLE OF INFLUENCING** the course of world history. Whereas money had previously accompanied political processes, it now began to determine their direction. This marked the transition of the mechanism of control to a new level, where financial resources became a principal instrument for shaping power rather than a consequence of it. It was during this period that the English king Edward III, grandson of the French king who had destroyed the Knights Templar, laid claim to the French throne. Thus began the Hundred Years' War between England and France — one of the largest conflicts of the European Middle Ages. At the same time, another confrontation began, less apparent to contemporaries, yet considerably **MORE IMPORTANT** in terms of subsequent his(Torah)y. This was the confrontation between political power and financial capital. The war was financed by Italy's largest banking houses — ***Bardi*** *and* ***Peruzzi***. They became more than creditors to sovereigns. They became part of the very structure of control, because state policy began to depend directly on the ability to borrow money. In 1340, however, an event occurred that provided the first clear demonstration of the financial system's new nature. The English king Edward III informed his creditors that the treasury was empty and its obligations could not be met. The state proved unable to repay its debts. For the **Peruzzi** banking house, this **BECAME A CATASTROPHE.** According to contemporary accounts, the head of the house died, unable to withstand the news of bankruptcy. The largest financial institutions of Florence collapsed in its wake. Their collapse set off a chain reaction whose consequences were felt throughout almost all of Europe. The economic crisis escalated into social upheaval, unrest, ruin, and a prolonged decline. Some historians consider the consequences of this financial collapse to have been more devastating for society at the time than the warfare itself. In my view, this episode has particular significance. For the first time, it became clear that the financial system **WAS BEGINNING TO POSSESS** its own resilience and its own vulnerability. The destruction of one of its nodes could send tremors through the entire structure. This is precisely how complex organized systems behave — a local disruption begins to spread throughout the network, affecting even those elements that have no direct connection to the cause of the crisis. Yet his(Torah)y reveals another pattern. Each stage of development makes room for the next. The Templars had once occupied the niche of temple finance, then disappeared themselves, paving the way for the Italian banking houses. Now it was the Italians' turn to give way to **NEW CENTERS** of financial control. This niche began to be occupied by German banking houses that had grown less out of trade than out of production and a manufacturing economy. The Welsers and other families became the financial mainstay of Europe's largest states. The scale of their influence is difficult to overestimate. It was Fugger gold that helped Charles V become Holy Roman Emperor. The Welsers received the entire Viceroyalty of Venezuela as collateral for one of their loans. Money began to buy states and territories rather than goods and privileges.

The German stage, however, also proved to be merely transitional. By the sixteenth and seventeenth centuries, another trend had become increasingly apparent. **JEWISH BANKING FAMILIES CAME TO THE FORE,** the most famous of which later became the House of Rothschild. Working with monarchs, financing governments, and participating in the largest financial operations of their time, they became one of the most prominent elements of the European financial system. Yet from a broader perspective, it became clear — what mattered was neither individual families nor individual banks.

Individual banking houses emerge and disappear. Family names, states, and dynasties change. Yet the function itself remains. Here, it is necessary to move from analyzing the individual to analyzing the system. If an individual person or even a financial house is taken as the unit of analysis, the picture will always be incomplete. Yet when a people becomes the unit of analysis, **AS THE BEARER** of a particular historical function, a consistent pattern emerges.

For centuries, it was precisely the **JEWISH PEOPLE** who remained the only people for whom lending money was not regarded as a violation of religious norms. Under the dominance of first Christian and then Islamic civilizations, this circumstance took on particular significance. This factor gradually gave rise to a natural specialization. This was not because there was a single center of control or a unified conspiracy, rather because the social environment itself redistributed functions among different groups within society.

Here, it is useful to consider a thought experiment. Suppose there is a world religion that declares watchmaking an activity contrary to God's will for all peoples except one. For members of that people, watchmaking is considered a fulfillment of God's will, while for everyone else it is a grave sin. The consequences are easy to imagine. People who consider the watchmaker's profession sinful will avoid it. Even if they have the aptitude, **THEY WILL** choose other occupations. Gradually, traditions, craftsmanship, schools, and the very culture of production will disappear. An entirely different process will unfold among the people for whom this activity is regarded as blessed. The most capable apprentices will gravitate toward that community, where experience will accumulate, technologies will improve, and knowledge will pass from generation to generation. After several centuries, the finest watchmakers will come from precisely this environment, **NOT AS A RESULT** of conspiracy or administrative coercion, rather as a result of the prolonged operation of social laws.

This illustrates one of the fundamental principles — a system does not always require direct control. It is enough to change the informational environment and the system of values, after which **SOCIETY ITSELF** begins to redistribute functions among its constituent elements. This mechanism resembles the well-known Gresham's law,[1] according to which bad money drives out good money, not because anyone issues such an order, rather because this is how most participants in the system begin to behave. Social specialization operates in precisely the same way. It arises **AS A RESULT** of the prolonged influence of cultural, religious, and informational factors rather than a single decision. For this same reason, during the era of Christian and Islamic dominance, banking gradually became associated primarily with Jewish communities.

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[1] **Gresham's law** (or the Copernicus — Gresham law) is a principle of monetary circulation: bad money drives good money out of circulation, while valuable coins are hoarded.

For most members of Christian and Muslim civilizations, lending remained an activity fraught with internal conflict, perceived as a violation of a religious prohibition. For Jews, however, this internal conflict **DID NOT ARISE,** since they followed a different religious norm. As a result, a natural social specialization gradually took shape.

Just as France gradually became a symbol of haute couture, Germany of engineering and mechanics, and England of maritime trade, so banking increasingly **BEGAN TO BE ASSOCIATED** with Jewish financial communities. Here again, one of the most important patterns emerged, one that we will encounter repeatedly in the articles that follow. The system did not force people to perform a particular function. It created conditions in which **THE ENVIRONMENT ITSELF** gradually led different groups within society to perform different functions. This was how the hidden framework of civilization took shape, with the distribution of roles resulting from the prolonged operation of informational, cultural, and systemic laws rather than chance. Thus, the formula that we are gradually revealing throughout this series of articles continues to hold: ***information → worldview → specialization → money → debt → control → power***.

The driving force of the economy is the human pursuit of well-being. This is more than simply a desire to possess greater material wealth. It is one of the **FUNDAMENTAL MANIFESTATIONS** of human nature as an evolving system. People always strive to make their lives better, safer, more comfortable, and more meaningful. Once they stop striving for something better, decline inevitably begins. This law applies equally to the individual and to society as a whole.

Society is like a stone thrown upward. It either continues moving upwards or begins to fall. It cannot remain suspended in a motionless state. Any system exists only in a state of change. When development ceases, destruction begins. This is precisely why development is regarded **AS THE NATURAL** state of an organized system rather than a random process. Preservation is achieved through constant movement and increasingly complex organization rather than rest.

Economic development is the material foundation of every other form of development. The economy determines the capabilities of science, technology, culture, education, the military, and the state. The pace of societal development is determined by labor productivity, the level of scientific and technological development, and the volume of material goods produced. Ultimately, however, all these indicators depend on the speed at which goods are exchanged, that is, on how quickly a manufactured product can be exchanged for another product that is needed. The easier the exchange, the faster goods circulate, the more efficiently society's resources are used, and the faster the economy develops. Conversely, the harder it is to exchange a manufactured item for a product someone needs, the slower economic activity becomes, and the more the development of the entire social system is impeded.

However, a high rate of goods circulation alone **DOES NOT CREATE** material wealth. Goods must first be produced. Yet people will produce more than they need for their own consumption only when they are confident that the fruits of their labor can be exchanged for other goods they need. Without that confidence, **THE VERY PURPOSE** of expanding production disappears. Any system seeks to avoid pointless expenditure of energy and resources. A guaranteed ability to exchange goods therefore becomes a necessary condition for economic growth.

An increase in the quantity of goods **IS NOT,** in itself, a sufficient factor for development either. If production does not correspond to actual demand, or if the conditions for rapid exchange are absent, increasing the supply of goods merely creates an imbalance. As a rule, only as much is produced as society can purchase. Consequently, the volume of production is determined not only by people's needs, but also by the **SPEED AT WHICH GOODS CIRCULATE** within the economic system.

This process is slowest under barter. If a shoemaker needs clothing and a tailor needs shoes, the exchange takes place quickly. However, if the tailor needs nails, the blacksmith needs bread, the grain farmer needs trousers, and the shoemaker has no need for bread at all, the chain of exchange becomes extremely long and inefficient. Each additional participant increases the likelihood that the exchange **WILL NOT TAKE PLACE** at all. As society grew more complex, an objective need arose to accelerate the circulation of goods. Goods then emerged that began to serve as money. It is important to understand that **NO ONE** formally **DESIGNATED** them as money. They became money through the natural patterns of social development rather than by anyone's decree. This was the result of society's self-organization, as millions of participants in exchange independently arrived at the same decision. People agreed to accept another commodity in exchange for their own, even if they had no immediate need for it, provided they were confident that they could later exchange it for almost anything they needed.

At different times in history, a wide variety of items played this role. One of them **WAS SALT.** Information that salt was accepted by all participants in trade gradually spread throughout society. As a result, people exchanged their goods for salt because it was becoming a universal equivalent of value, rather than because they specifically needed it. In other words, it began to serve as money. Here, another important pattern becomes apparent. It is not the object itself that becomes money. What becomes money is the **SOCIAL AGREEMENT** to regard a particular object as a medium of exchange. Consequently, money is primarily an informational category based on society's collective trust. The material medium may change, yet the function itself remains.

Similar processes can still be observed today in small communities isolated from the wider economy. In remote settlements, settings involving prolonged isolation, the military, expeditions, or places of imprisonment, people independently create their own monetary systems. The items most convenient for exchange begin to serve as money — cigarettes, tea, sugar, alcohol, canned food, and many other goods. Yet **NO ONE** officially **DECLARES** them to be money. They become money because the community recognizes them as a universal medium of exchange. To perform this function, an item must be relatively scarce, easy to store, durable, readily divisible, and portable.

Thus, one of the most important elements of the future financial system gradually takes shape. Money emerges neither as a political decision by the state nor as the invention of a single individual. It becomes a **NATURAL CONSEQUENCE** of the development of social relations, increasing specialization of labor, and the growing complexity of informational connections between people. Only much later, when money becomes an instrument of control in its own right, does that very architecture of dependency begin to take shape around it, gradually becoming the hidden framework of civilization as a whole.

The more universal money became, the greater the incentive to produce goods not only for personal consumption but also for sale. It is precisely this **UNIVERSAL EQUIVALENT** of value that dramatically accelerates economic processes. Society begins to shift from subsistence production to specialized production, creating the potential for sustained growth in prosperity. At the same time, another crucial **CONCEPT** emerges — **PROFIT.** Under barter, profit is virtually impossible to determine.

Without a universal equivalent of value, a person cannot objectively assess the outcome of a transaction. The only criterion remains their own sense of satisfaction with the exchange.

Imagine a simple situation. You have exchanged a saw and a pair of boots for an axe and a hat. How can you determine whether the transaction was advantageous? One person will be satisfied, while another will feel cheated. An objective criterion for evaluation **DOES NOT EXIST.** An entirely different picture emerges with the introduction of a common unit of account. If the value of each item is expressed, for example, in a certain quantity of shells, salt, or silver, it becomes possible to compare the value of different goods regardless of their purpose. A universal measure of value replaces subjective impressions. For the first time, this makes it possible to speak of profit, loss, production costs, capital accumulation, and the efficiency of economic activity. An exceptionally important transition takes place here. Money becomes more than a medium of exchange. It becomes a universal informational measure of economic processes. Whereas exchange previously depended largely on the personal impressions of those involved, there is now a **UNIFIED SYSTEM** of valuation that all members of society can understand equally well. Despite their many shortcomings, the earliest forms of money therefore become a powerful catalyst for the development of trade and the economy as a whole. Yet these early forms of money were far from perfect. First, they were inconvenient to store. Second, simply owning them entailed **ONGOING COSTS.** If payment was made with a herd of livestock, the new owner had to feed the animals, protect them, treat their illnesses, provide pasture, and bear all the costs of their upkeep. Third, large transactions required money to be physically transported. These were no mere figures of speech — actual caravans, wagon trains, and entire herds passed from one owner to another. Fourth, such money had very limited universality. What was accepted as a valid means of payment in one region could have **NO VALUE** whatsoever in another. In some places, shells were readily accepted as payment; in others, salt or furs were used; elsewhere, such payment would cause only bewilderment. There were other serious drawbacks as well. Money could spoil, rot, die, run away, lose its properties, or fall sharply in value as living conditions changed within society. All these problems **NATURALLY** pushed people to search for a better universal medium of exchange.

Through centuries of practical experience, humanity gradually comes to understand that precious metals — above all gold and silver — most fully meet the requirements of money. In some regions, copper and other metals served a similar function; gold and silver, however, proved to offer **THE MOST SUCCESSFUL** combination of scarcity, durability, and ease of use. Metallic money possessed the qualities that earlier media of exchange lacked. It did not deteriorate over time, require care, die, run away, take up much storage space, or impose virtually any costs on its owner. It was convenient to transport, easily divisible, and retained its value regardless of how long it was stored. The most important advantage lay elsewhere. Gold and silver gradually gained almost **UNIVERSAL ACCEPTANCE.** Regardless of the time of day, distance, or national borders, they could be exchanged for practically any necessary commodity

without a substantial loss of value. Here, civilization takes its next qualitative leap forward. Money ceases to be merely a convenient commodity. It becomes the **UNIVERSAL LANGUAGE** of the economy, understood by different peoples and states. This also lays the foundation for the financial system that will later become both an instrument of trade and one of the principal mechanisms for governing society. Through this seemingly natural process, the hidden architecture of dependency gradually begins to take shape — an architecture that will subsequently determine the development of states, peoples, and world civilization as a whole.

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NO OTHER commodity **HAD** the degree of liquidity that gold gradually came to possess. It became the world's principal means of payment for reasons unrelated to its being the most expensive metal. History shows otherwise. In the ancient world, for example, an iron sword often cost more than its weight in gold, since producing high-quality weapons required considerably more complex technologies. Nor did gold become dominant because it was the rarest element in nature. Some metals are far rarer. Consequently, the reason for its special position lay neither in its price nor in its scarcity. Gold proved to be **THE MOST SUCCESSFUL** monetary metal because it combined several properties. First, it was found almost everywhere. Unlike shells, salt, or other local media of exchange, gold was known to most peoples. At the same time, it remained sufficiently scarce for a small amount to have a high value. This made it possible to concentrate considerable wealth in a relatively small quantity of metal. Second, gold proved exceptionally easy to work with. It is malleable, does not rust, is virtually impervious to corrosion, retains its properties over time, and can easily be shaped as needed. Its physical qualities **WERE IDEALLY SUITED** to the requirements of a universal medium of exchange. Third, owning gold entailed virtually no additional costs. Unlike a herd of animals, it did not need to be fed. Unlike grain, it did not spoil. Unlike many other commodities, it required no special storage conditions. It did not age, disappear, or lose its useful properties. The combination of these qualities gradually made gold the most universal equivalent of value. Alongside the development of trade, however, **MORE COMPLEX** forms of monetary relations also began to develop. Virtual money had almost always existed alongside actual money. Initially, a person's word of honor, a promise, a debt obligation, or a written acknowledgment of debt served this purpose. When someone obtained goods from a neighbor with a promise to pay later, their word effectively became a form of virtual money. As long as trust existed, a material medium of value temporarily ceased to be necessary.

The next stage was the emergence of **WRITTEN ACKNOWLEDGMENTS OF DEBT.** In economic terms, these already represented the first paper money, although their use remained extremely limited. Such documents were valid only between specific individuals and were tied to a particular debtor. Essentially, they were debt obligations issued in a named individual's favor, rather than fully fledged money circulating freely within society. Nevertheless, the outline of the future monetary system began to take shape here. Bearer receipts issued by moneylenders against pledged property occupied a special place. These documents specified the amount of the loan, the interest payable, and a description of the property pledged as security for the debt. Since the value of the collateral almost always exceeded the loan amount, the receipt itself acquired value in its own right. Its bearer could repay the moneylender the specified amount together with interest and obtain the pledged property, regardless of whether the bearer was its original owner.

Moneylenders accepted almost anything with a stable value as collateral: jewelry, household items, landholdings, houses, warehouses, goods, and other property. In many cases, such a receipt proved **CONSIDERABLY MORE CONVENIENT** than the direct circulation of gold coins. It was easy to carry, required no transportation of heavy metal, and could pass from one owner to another.

Thus, the first fully fledged equivalent of gold gradually emerged — paper backed by actual gold or another tangible asset. Essentially, this receipt became a kind of "shadow of gold." While the gold coin itself was the material medium of value, the receipt represented its **INFORMATIONAL REFLECTION.** Each gold coin had a corresponding paper "shadow." As long as this relationship was maintained, trust in the paper remained as strong as trust in the metal itself. One of civilization's most important transitions took place here. Value began to shift from a material object to information about it. Physical gold remained in storage, while information **ABOUT THE RIGHT TO OWN** that metal began to circulate in the economy in place of the metal itself. This was an extremely important moment. Humanity took its first step from a material economy toward an informational economy.

The convenience, security, and high liquidity of these "golden shadows" very quickly changed the behavior of market participants. People increasingly preferred to receive a receipt confirming their right to obtain gold rather than the gold itself. It was considerably more convenient to store a small sheet of paper than to transport heavy bags of precious metal. Moneylenders themselves began to do the same. Increasingly, loans were issued in the form of receipts rather than gold coins, **CERTIFYING THE BEARER'S RIGHT** to obtain the specified quantity of gold at any time. Each such receipt bore a simple formula: ***"The bearer of this document shall receive the specified quantity of gold upon first demand..."***

At first glance, it seemed that only the method of payment had changed. In reality, however, this marked the beginning of one of the **MOST PROFOUND** processes in the history of world civilization. For the first time, money began to separate from its material medium. At this stage, paper was still fully backed by gold and remained merely its reflection. Nevertheless, the first step had been taken toward what would eventually become an **ENTIRELY DIFFERENT** financial system, in which value would increasingly be determined by trust in the information itself rather than by the quantity of gold. From that

moment onward, a **NEW ARCHITECTURE** of governance gradually began to take shape, in which control over information about money would prove considerably more important than control over gold itself.

Medieval alchemists spent their entire lives searching for the philosopher's stone — a substance capable of turning lead into gold. They sought to obtain something of greater material value from something less valuable. History, however, took a different course. The true discovery was made by moneylenders rather than alchemists. While alchemists attempted to transform one form of matter into another, **FINANCIAL ALCHEMISTS** unexpectedly discovered a way to obtain gold… practically from nothing. This is no mere literary image. It concerns the emergence of one of the most important mechanisms of modern financial civilization as a whole. This did not happen by chance. It occurred within the framework of the Old control system, through programs for the development of brain genotypes. Moneylenders noticed a simple pattern — holders of receipts almost never came to collect their gold at the same time. Some paid with the receipts themselves, others postponed exchanging them for months or years, and still others never presented them for redemption at all. This "observation" gave rise to a conclusion that changed history.

If the quantity of gold in storage is known only to its custodian, then **NOTHING PREVENTS** the issuance of more receipts than there is metal to back them. With gold worth one thousand arbitrary units, receipts worth two thousand can be issued. Thus, **FOR THE FIRST TIME,** it became possible to create an additional means of payment without a corresponding increase in the quantity of gold itself. Until then, each receipt had represented **A KIND OF "SHADOW"** of actual gold. Each sheet of paper corresponded to a specific gold coin held in storage. Following this discovery, different shadows emerged. Shadows that no longer corresponded to a material original. This marked the beginning of a qualitatively new stage in the development of monetary relations.

To use the terminology of modern philosophy, a simulacrum emerged — a sign existing independently, without full material backing. In practice, these documents gradually became banknotes — ***bank note***, literally a "bank record." Each banknote retained the promise to provide its bearer with the specified quantity of gold upon first demand. Increasingly, however, the quantity of gold actually held no longer matched the volume of obligations issued.

To understand this mechanism more easily, let us imagine an ordinary grain warehouse. Residents bring their grain there for storage and receive receipts confirming their right to withdraw their reserves **AT ANY MOMENT.** As long as each receipt corresponds to grain actually held in the warehouse, the system is entirely stable. Now imagine that the custodian begins issuing additional receipts for grain that does not actually exist. **UNLESS** all receipt holders **DEMAND** their grain simultaneously, the discrepancy is almost impossible to detect. If most holders arrive at the same time, it will become apparent that fulfilling all the obligations is physically impossible.

Essentially, a bank vault is no different in principle from any other warehouse. Only the nature of the stored asset differs. Here, one of the most interesting features of the financial system's development emerged. What would have been regarded as a breach of safekeeping obligations in the storage of ordinary goods gradually came to be viewed in banking as a **SPECIAL FINANCIAL** technology. It later became known ***as fractional-reserve banking*** or ***operations with partial backing***. A fundamental change occurred in the very nature of money. Money had first been a commodity, then a document confirming the existence of a commodity; now monetary information began to exist in its own right, only partially connected to its original material backing. This marked the first point in history when information gradually began to acquire greater economic power than the material object itself. We can therefore say that money **BEGAN TO TRANSFORM** from a commodity into an informational resource.

Initially, these developments attracted little attention from state authorities. States continued to operate as they always had: collecting taxes, waging wars, building roads, and taking little interest in the internal mechanisms of monetary circulation as long as the financial system reliably supplied the economy with means of payment and generated revenue for the treasury. Under these conditions, the new practice gradually took hold and became part of economic life.

To maintain public trust, banks cultivated an outward image of reliability. Monumental buildings were erected, massive vaults were constructed, and symbols of stability and wealth were employed. Everything was intended to convince people that each banknote was genuinely backed by a corresponding quantity of gold. As long as most receipt holders preferred to use the banknotes themselves, **WITHOUT PRESENTING** them for redemption simultaneously, the system continued to function. Problems arose only during periods of widespread loss of trust. When large numbers of people **SIMULTANEOUSLY SOUGHT** to obtain gold, it became apparent that not all obligations could be fulfilled. Bankruptcies, the loss of deposits, and the collapse of trust followed. After some time, financial activity resumed under a new name, with new owners, new promises, and new banknotes. History repeatedly followed the same cycle. The system changed its outward form, **YET RETAINED** its underlying principle. This very principle later became the foundation of the banking system throughout almost the entire world. Another fundamental transition in civilization took place here. Until then, money had been **MERELY AN INSTRUMENT** for facilitating trade. Following the emergence of fractional-reserve banking, money itself began to produce new money. A qualitatively different level of economic control emerged.

The production of goods and the extraction of precious metals were no longer the only sources of wealth; **THE RIGHT TO CREATE** the means of payment itself became another. Consequently, the subsequent course of human history was increasingly determined by who held the right to create money, regulate its circulation, and manage public trust in it, rather than by the quantity of gold in the world. Here lay one of the key turning points in the entire history of civilization. Control **GRADUALLY SHIFTED** from the material realm to the realm of information. This transition would later become the foundation of the architecture of dependency that would determine the structure of the global financial system and influence the development of states, economies, and society as a whole.

At first glance, this entire history appears to be just another chapter in humanity's economic evolution. It seems that people were simply seeking more convenient money, more advanced forms of trade, and more efficient methods of payment. Everything unfolded naturally and inevitably. Yet this is where most researchers stop. They regard money as an economic instrument, **WITHOUT ASKING** the central question: ***what happened to society when the right to create money became separated from the***

production of material wealth? From the perspective of modern economics, this is considered **ANOTHER STAGE** in the development of the financial system. Yet an event of an entirely different magnitude had occurred. For the first time in the history of civilization, control gradually began to shift from control over material resources to control over information about them. Gold remained in vaults, while **THE RIGHT TO CREATE** informational counterparts of material assets began to govern the economy in place of the assets themselves. This was more than a new stage in the development of banking. It was the moment when a new architecture of governance was born.

As long as money was a commodity, it served the economy. When money became information, the economy gradually began to serve money. It was then that the **HIDDEN MECHANISM** began to take shape that would later make it possible to control entire peoples and continents, extending beyond individual people, enterprises, and even states. Yet even this was only the beginning.

The creation of paper money, fractional-reserve banking, and the issuance of money by banks did not yet signify the final victory of the new financial system. It still faced a **MUCH MORE COMPLEX** task — convincing states to voluntarily relinquish their own right to create money and transfer this function to a new global financial architecture. How was this achieved? Why did monarchs, who held the full authority of the state, gradually become dependent on private financial institutions? How was banking capital able to become a force determining wars, revolutions, industrial development, national debts, and the destinies of entire civilizations? And finally, who actually **BEGAN TO CONTROL** those who outwardly continued to be regarded as the rulers of states?

I will begin the next article at this point. We will see how a far more complex structure gradually took shape behind seemingly independent states, in which the principal focus of control shifted from money itself to society's consciousness, people's trust, and the management of information. Only by tracing this entire path to the present day will we be able to answer the central question running through this series of articles: who controls global processes today — states, money, or a system created by people that long ago began to operate according to its own laws?

To be continued…

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