

Salvation of the Saviors (series 136-369) Project 369 – Protocols of Reality: Invisible Power...

*True power belongs not to the one
who makes decisions,
rather to the one who creates the conditions
under which everyone else
makes decisions that person wants.*

Throughout human history, the development of every economic system repeatedly encountered the same constraint — a chronic shortage of money. As long as gold served as the universal equivalent of value, the money supply inevitably depended on the quantity of precious metal mined. The economy could produce ever more goods, build new enterprises, and open new trade routes, yet its development **INVARIABLY CAME UP AGAINST** the limits of gold reserves. A consistent pattern emerged: the faster production grew, the more acutely the shortage of gold was felt. The expanding economy literally began to suffocate from a lack of means of payment. Here, a paradox of his(torah)y became apparent. What had initially arisen as an abuse of people's trust unexpectedly became an exceptionally powerful stimulus for economic growth. By issuing far more receipts for gold than the gold held in their vaults, bankers were effectively **FLOODING THE MARKET** with new means of payment. Society continued to regard these receipts as fully backed by gold, accepting them as its full equivalent. As a result, the economy received what it had chronically lacked — additional money. These unbacked obligations, which no one yet called money in their own right, unexpectedly gave a powerful impetus to the development of production, trade, and industry.

Viewed from a broader perspective, this process reveals the very logic of economic evolution. In the days of barter and the earliest primitive forms of money — shells, salt, furs, grain, and other commodities — economic life resembled a vast, untouched territory crossed by only a few natural rivers. People settled along their banks, exchanged the goods they produced only with their nearest neighbors, and trade connections spread slowly and reluctantly. Economic development literally crawled, covering each additional distance with enormous effort. The emergence of gold as a universal medium of exchange marked **THE FIRST GIANT** step forward. Continuing this analogy, we could say that humanity began digging artificial canals across the economic landscape. They connected ever more cities, states, and markets. Where the movement of goods had once crawled slowly along natural riverbeds, it now confidently rose to its feet and began moving considerably faster.

The next stage was the emergence of paper money — bank receipts fully backed by gold. Economic canals now became considerably wider, longer, and deeper. They began joining together, forming a **UNIFIED NETWORK** of economic connections. The movement of goods, capital, and resources accelerated many times over. The economy was no longer merely walking — it was breaking into a run. The decisive turning point, however, came when receipts ceased to be fully backed by gold. Fractional-reserve banking made it possible to create the quantity of means of payment required by economic development itself, rather than dictated by the size of gold reserves. **FOR THE FIRST TIME**, the money

supply **WAS** determined by the needs of economic life rather than by the quantity of metal mined. At that moment, the economy seemed to stop running and take flight. What had seemed impossible only a short time earlier became a new reality.



From the perspective of traditional economics, this appeared to be a **NATURAL EVOLUTION** of the financial system. A closer examination, however, reveals that a far deeper process was underway. Money was ceasing to be a material object altogether. It was gradually becoming an informational instrument sustained primarily by public trust. Its material basis played an ever-smaller role in determining its value, while information and society's **COLLECTIVE BELIEF** in its reliability became the principal driving force. At the same time, a new dependency emerged that had previously been virtually nonexistent. The economy, flooded with paper gold, gradually developed into an entirely new type of economic system — an economy based on

bank credit. The faster it developed, the greater its need for new money became, and with that grew its dependence on those who **HELD THE RIGHT** to create that money. Whereas bankers had previously served the economy, the economy itself now increasingly began to serve the banking system.

Another fundamental change occurred. Whereas loans had previously been secured against existing material assets — land, buildings, jewelry, works of art, goods, or other property — the **OPERATING BUSINESS** itself now increasingly became the object of lending. This represented an entirely different level of financial relations. A manufacturing enterprise, with its buildings, equipment, and inventories, was merely the material shell. The business itself was a living process of value creation capable of generating future income. It was precisely this future income that became the banks' principal focus of interest.

The logic of subsequent development proved almost inevitable. Producers were compelled to compete constantly with one another. All other things being equal, the producer **WHO COULD** invest more resources in their enterprise developed faster. There were only two sources of these resources: reinvesting their own profits or obtaining a bank loan.

At first glance, it might have seemed that expanding solely through a company's own profits was safer and more advantageous. The enterprise owed nothing to anyone, paid no interest, and retained complete independence. Actual economic practice, however, revealed an **ENTIRELY DIFFERENT** picture. Consider two identical companies, each worth one hundred arbitrary units. Each earned a profit of ten units. The first company devoted all its profits — those same ten units — to expansion. The second used its assets as collateral to obtain a bank loan of fifty units, which it likewise invested in expanding production. The result was a **FUNDAMENTALLY DIFFERENT** rate of growth. The enterprise operating solely with its own funds increased its capacity by only ten units each year. The company using credit immediately obtained resources five times greater than its own investment capacity. Even while paying interest to the bank, it expanded production considerably faster, introduced new technologies, entered new markets, and began earning ever greater profits. This was why an enterprise using borrowed money

almost **INEVITABLY BEGAN** to outpace one developing exclusively through its own resources. As the economy grew, this pattern became increasingly unforgiving. Competition intensified beyond technology and the organization of production. It became a competition for access to financial resources. Companies unable to obtain credit gradually began to lose the battle for market share.

Thus, a new economic reality took shape. The economy now developed less through the accumulation of its own capital than through the continuous expansion of lending. Gradually, almost the entire economic system began to operate on borrowed money. Only entities with virtually **NO** competitors — natural monopolies — could develop exclusively through their own funds. Yet even they usually resorted to bank loans in pursuit of higher profits and faster development. Moreover, absolute monopolies rarely lasted long. Sooner or later, new market participants emerged, offering similar goods or technologies. The more complex the economy became, the more inevitable competition became, bringing with it the need to continually obtain new financial resources. For the same reason, the state objectively had **NO INTEREST** in stagnation or the complete monopolization of the economy. Monopolies were to the economic organism what stagnation was to a living body. Wherever movement ceased, life itself gradually began to fade. State authorities therefore sought to maintain competition, understanding that it ensured the continual renewal of the economy, technological development, and growth in production. Alongside competition, however, the economy's dependence on credit also increased, and consequently — its dependence on those who controlled the mechanism of money creation. Here, a new system of power **BEGAN TO TAKE SHAPE**, in which the right to create the money supply and control its movement replaced ownership of gold as the principal source of influence.

The state tolerated only those monopolies that arose naturally, where the very nature of production precluded meaningful competition. It was difficult to imagine two independent subway systems built parallel to each other in the same city and competing for the same passenger. It was equally difficult to build several independent trunk pipelines or power transmission lines serving the same function. These were precisely the industries commonly known as natural monopolies. Their existence stemmed from objective **ECONOMIC NECESSITY** rather than the authorities' desire to restrict competition.

In all other cases, however, the state traditionally sought to prevent the formation of an absolute monopoly. The reason extended beyond protecting consumers' interests. Any monopoly gradually reduced the need for development and thus began to impede the progress of the entire economy. Wherever competition disappeared, so did the principal incentive to improve production, introduce new technologies, and increase labor efficiency. This was one of the fundamental characteristics of a market economy. It could exist only as long as it remained capable of continuous development, constantly accelerating its pace. The market system knew no state of rest. For it, coming to a standstill meant the onset of decline. All its participants were therefore compelled to move forward continuously, adapting to the accelerating pace of development. Figuratively speaking, the economy resembled an enormous stream of people running in the same direction. As long as all



participants could maintain the common pace, movement continued relatively steadily. As soon as anyone began to fall behind, however, **THEY INEVITABLY** fell out of step with the others. At first, this was barely noticeable. Then those alongside them began inadvertently bumping into them with their shoulders. The faster the entire stream moved, the more forceful these collisions became. Sooner or later, the person running too slowly was pushed so hard that they fell. If the pace was still relatively slow, the fallen person had time to crawl aside. They left the market, closed their enterprise, changed their field of activity, and continued living outside the business world. The loss was painful, though not fatal. As the economy accelerated, however, the situation changed fundamentally. When the stream moved too fast, the fallen person was **NO LONGER ABLE** to escape from beneath the runners' feet. The stream continued moving regardless of their fate. Those running alongside them had no desire to cause harm. They simply could not stop. Any pause meant that they themselves would fall. As a result, thousands of feet passed over the fallen person, trampling them to death. At that point, it no longer mattered what kind of people made up the crowd — kind or cruel, honest or without conscience. The laws governing the stream were the same for everyone. Beneath its feet, old and young, men and women, strong and weak alike perished. Their fate was determined not by their being worse than the others, rather by the fact that, at some point, they **HAD PROVED WEAKER**, lost their balance, or simply been unlucky.

This was precisely how a freely competitive economy operated. It allowed no one to stop. Competition compelled everyone to continually improve labor efficiency, introduce new technologies, and seek better ways of organizing production. This accelerated the development of society as a whole. At the same time, however, the cost of any mistake **ALSO INCREASED**. The faster the economy moved, the fiercer competition became, leaving fewer chances for those who had once lost their momentum. Thus, a distinctive law of the new economic evolution took shape. The economy **NO LONGER** developed **GRADUALLY**, as it had in ancient times; it advanced rapidly, continually accelerating its own pace. Each new cycle of development demanded still greater financial resources, faster decisions, and higher efficiency. This was precisely why credit gradually ceased to be merely a convenient financial instrument. It became a **NECESSARY CONDITION** for survival within the system. Here, the central paradox of the new financial era began to emerge. The more successfully the market economy developed, the more dependent it became on a constant inflow of new money. Since the right to create this money was concentrated in the hands of the banking system, the influence of those who controlled monetary issuance **INEVITABLY GREW** alongside economic development. Gradually, controlling the flow of money came to mean controlling the development of the economy itself, and then — society as a whole. Thus, the Great Financial Alchemy was completed. Money ceased to be merely a medium of exchange. **IT BECAME** an instrument for controlling the pace of civilization's development, and with it — one of the most important mechanisms of power.

Before the emergence of paper gold — that is, bank receipts — the economy constantly suffered from a shortage of means of payment. Its potential far exceeded the amount of money in circulation. Production could have grown faster and trade could have expanded far more vigorously, yet the limited money supply invariably constrained development. The economy moved forward, though considerably more slowly than it was actually capable of developing. Alongside it, state institutions, social relations, technologies, culture, and people's ways of life **CHANGED JUST AS SLOWLY**. The world changed so gradually that it seemed virtually unchanging to each generation. Children's lives differed little from those of their parents, and their parents' lives — from those of their grandparents.

This slow pace determined the stability of earlier systems of power. Those who had gained control of the state through military force or hereditary right had virtually **NO NEED** to adapt to new conditions. New conditions scarcely arose. When changes did occur, they unfolded so slowly that they spanned

several generations. The ruling class, however conservative and rigid, could therefore **MAINTAIN ITS POSITION FOR CENTURIES** without fearing rapid change.

The slow-moving world belonged to warriors. Military force determined the right to govern society. Those who mastered the art of war better than others could rise to the top of the social pyramid. Other talents — abilities in trade, the organization of production, finance, or scientific inquiry — played a secondary role. History certainly records individual exceptions, yet these only confirm the general rule. The invention of paper money, however, became the event that changed both the economy and **THE ENTIRE ARCHITECTURE** of human civilization. Figuratively speaking, the economy resembled a heavy cart designed to travel leisurely along a country road. The emergence of paper money propelled it to a speed for which the cart's very structure **WAS NO LONGER** suited. It accelerated faster and



faster, yet could no longer stop. Only two possible paths remained — either to collapse under the strain of its own excessive loads or to transform its structure completely and become a fundamentally different mechanism. This was what ultimately happened. The old principles of governing a slow-moving society no longer suited the new reality. Formally, power still belonged to monarchs, the aristocracy, large landowners, and the hereditary elite. In practice, however, the center of decision-making gradually shifted toward those who had gained the ability to control the flow of money. New masters of the era stepped onto the historical stage — **FINANCIAL ALCHEMISTS**.

It was they who now determined where money would flow, and with it — industry, trade, technology, and human labor. Wherever money arrived, rapid development began. Enterprises emerged, roads were built, cities grew, and science advanced. Wherever money departed, economic life gradually ground to a halt. Production stopped, the population grew poorer, and entire regions fell into decline. Thus, for the first time in human history, controlling finance **CAME TO MEAN** controlling development. Economic growth inevitably brought scientific and technological progress in its wake, and with it, the very nature of military and productive power began to change.

For many centuries, producing a fully capable fighting unit had been a lengthy process. Training a knight capable of fighting required years of instruction, constant practice, expensive weaponry, and a particular upbringing. Training a highly skilled artisan who possessed the secrets of the craft took roughly as long. Technological progress, however, **RADICALLY CHANGED** the situation. The emergence of firearms made the soldier the basic military unit in place of the knight. The development of machine production made the industrial worker the principal productive force in place of the master craftsman. An ordinary peasant could now be trained within a few months to become a soldier capable of fighting with standard weapons or a worker operating industrial equipment. The exclusive product gradually gave way to mass production. Individual craftsmanship was increasingly replaced by standardization, and the unique individual — by a system for preparing large numbers of **UNIFORMLY TRAINED** personnel. In this way, the logic of the Industrial Revolution gradually extended beyond the production of goods to the organization of the army, the state, and society as a whole.

The higher civilization's level of technological development became, the less personal valor, physical strength, or ancestry mattered, and the greater the role of the economy became. Money gradually became the principal source of power. It was no coincidence that Napoleon Bonaparte expressed this idea with utmost brevity: ***"To wage war, I need three things: first, money; second, money; and third, money."*** These words encapsulated a crucial historical turning point.

Each new stage of scientific and technological development shifted the center of gravity of war ever further from the battlefield toward industrial production and the economy. Victory depended less and less on individual heroism and **INCREASINGLY** — on the state's ability to produce weapons, equipment, fuel, and communications systems and supply them to the army. Look at what is happening today from this perspective...

When one side could replace losses and produce weapons many times faster than the other, the outcome of such a confrontation became virtually inevitable. The army gradually became merely an extension of the economy, and the battlefield — the place where **THE CAPABILITIES** of industry and finance **WERE REALIZED**. From this emerged a logical chain whose significance is difficult to overstate. If the state's economic strength generated military power, if the economy developed through money, and if the money supply was determined by those entitled to create it, then ultimately the creators of money began to wield real power. Here began one of the most important turning points in world history. Formally, power still belonged to kings, dukes, princes, and other members of the hereditary aristocracy. They signed laws, commanded armies, received ambassadors, declared wars, and made peace. Gradually, however, it became apparent that **THE VERY ABILITY** to carry out all these actions depended on those who controlled the flow of money. A distinctive form of dual power emerged. Legal authority still rested with representatives of the old feudal world, while economic power was increasingly concentrated in the hands of a new force — financiers.

The old elite's problem had nothing to do with a lack of personal ability. Its chief failing was that **IT CONTINUED TO THINK** in the categories of a passing era. It tried to govern the new world using old methods. It resembled someone who had worked with ice all their life and thoroughly mastered its properties. Then one day, the ice began to melt, turning into water. The person continued to follow familiar rules, **FAILING TO UNDERSTAND** that the very nature of the substance had changed. They tried to hold water as they had held ice, yet it inevitably slipped through their fingers. The problem lay neither in a lack of strength nor in a lack of desire to exercise control. It lay in a failure to understand the phenomenon's new nature.

The history of science offers many similar examples. Humanity has long made use of gravity. It governs planetary orbits, enables spacecraft to operate, and is taken into account in structural engineering calculations. Yet the nature of gravity itself remains a subject of scientific debate. As far back as Aristotle, a stone's fall was explained by its tendency to return to the Earth, with which it shared a kindred nature. Modern physics uses different concepts, introducing notions of gravitational interaction,



the curvature of spacetime, or hypothetical carriers of the interaction. A change in terminology, however, **DOES NOT YET SIGNIFY** a definitive understanding of the underlying cause of the phenomenon.

It was with good reason that Albert Einstein wrote: ***"We have laws, yet we do not know the reference point to which they should be related, and our entire edifice of physics turns out to be built on sand."*** This observation applies equally to the governance of society. Kings and dukes continued to wield the outward attributes of power. They possessed armies, courts, and police forces, and could arrest, dispossess, or even execute almost any financier. Formally, all the levers of control remained in their hands. In practice, however, they were already **CEASING TO UNDERSTAND** the internal workings of the new economic system. They disposed of its fruits without understanding its structure. They used the opportunities it offered, yet did not control the processes that created those opportunities. Their position increasingly resembled that of a ceremonial figurehead — someone of high status who had virtually **NO INFLUENCE** on actual decision-making. Even when individual outstanding rulers intuitively sensed the changes taking place, they could not alter the overall course of the system's development. History was already moving along a different trajectory.

Gradually, the old elite itself began to withdraw from direct control over economic processes. Recognizing its inability to comprehend the new financial reality, it increasingly invoked either the ***"invisible hand of the market"*** or divine providence, allowing events to unfold on their own. Nature, however, abhors a vacuum. When one force withdrew from control, another inevitably took its place. Financiers became that new force. A historical anomaly emerged. The actual mechanisms of control became concentrated in the hands of people who formally **RULED NO ONE**. Meanwhile, those who possessed all the titles and regalia of state were increasingly unable to influence the course of the system itself.



Financiers very quickly recognized their own position. They began to understand that the flow of money into the economy depended on their decisions, and with it — the life or death of the state. After all, money was no longer created by kings or dukes. **IT WAS FINANCIERS** who determined whom to grant credit, whom to cut off, which industries would develop, and which would be condemned to decline. The logic of subsequent events became almost inevitable. If access to financial resources could be opened to allies and simultaneously denied to opponents, **THE POSSIBILITY AROSE** of influencing any state far more effectively than through direct military force. Simply halting the flow of money was enough to bring production, trade, transport, and military supplies to a standstill, followed by economic

crisis, unemployment, social tension, and political instability. A weakened state became easy prey to external pressure or internal upheaval. Thus, for the first time in history, controlling the flow of money began to become an instrument for determining the destinies of states and entire civilizations, extending beyond individual enterprises and even the economy itself. At that moment, the Great Financial Alchemy

reached beyond banking offices. It became **ONE OF** the most important techniques for shaping a global system of control, in which financial resources gradually proved more powerful than armies, titles, and hereditary rights. This marked the beginning of a new era, in which the struggle for the right to create money **GRADUALLY BECAME** a struggle for the right to direct the course of world history itself.

To take this thought further, the world could be imagined as an enormous room filled to capacity with balloons. Each balloon represented a separate state. All touched one another, exerting mutual pressure and thereby creating a complex system of global equilibrium. No balloon existed in isolation. A change in pressure within even one inevitably altered the positions of all the others. This image revealed the hidden mechanism of world politics. If a force could increase pressure within some states while simultaneously reducing it within others, it gained the ability to **GRADUALLY ALTER** the configuration of the entire world system. In other words, it began to control the global balance of power rather than an individual country. Control over financial flows gradually became just such an instrument. When capital began to leave a country, lending contracted, and investment and monetary circulation ceased, its economy inevitably began to shrink. The state seemed to lose its internal pressure. Production declined, trade ground to a halt, unemployment rose, and social tension intensified. At the same time, directing financial flows toward another country was enough to set it on a path of rapid development. Investment flowed in, enterprises were built, jobs were created, and both personal incomes and military power grew. One state's "balloon" gradually deflated, while another squared its "shoulders," growing in size and increasing its influence. The most dangerous moment, however, came when a state's internal pressure fell below a critical level. From that point onward, its future was determined **LESS AND LESS** by its own will and depended increasingly on those who could reopen the financial flows or cut them off entirely. If desired, the existing authorities could be supported, forces under complete control could be brought to power, or the country could be driven to a point at which it **WOULD CEASE TO EXIST** as an independent political entity. Thus, control over money gradually became control over the destinies of states.

In terms of its significance, a monopoly over global financial flows proved comparable to a monopoly on possession of the most destructive weapon of the age. When all the mechanisms for opening and closing the vital financial arteries of the world economy were concentrated in the same hands, political power naturally began to flow there as well. With the emergence of such a force, however, a new problem arose.

Suppose, the financiers reasoned, **WE HAD SUCCEEDED IN CREATING** a global financial center capable of granting or cutting off access to monetary resources for virtually any state at its own discretion. Activity on such an enormous scale, however, could not be concealed. States would inevitably identify the source of their problems and sooner or later attempt to destroy whoever threatened their very existence. How could the financiers ensure their own safety? The answer proved surprisingly simple. They had to ensure that the potential victim objectively **COULD NOT** resist. If the controlling force far exceeded the state in its capabilities, the state might fully understand the causes of what was happening, yet lack the means to change the situation. History repeatedly demonstrated such examples.

One of the most telling examples was the confrontation between England and China in the nineteenth century. For a long time, China **SUCCESSFULLY SOLD** its goods to England while allowing virtually no English products into its own market. An enormous trade imbalance arose. English gold flowed continuously into China, undermining the financial position of the British Empire. Seeking to change the situation, England found a commodity that a substantial portion of Chinese society proved unable to resist — opium. Within a few decades, Great Britain had effectively become the largest **GLOBAL DRUG TRAFFICKER** of its time. Through opium sales, it recovered the money previously paid for Chinese goods. The consequences were catastrophic. Over a relatively short historical period, China suffered enormous

loss of life, and millions of people became addicted to drugs. China's leadership fully understood the causes of what was happening and recognized the destructive nature of this policy. Understanding alone, however, proved insufficient. Every attempt to counter the opium trade **PROMPTED THE USE** of military force by Great Britain. Thus began the Opium Wars. Technologically more advanced, England possessed overwhelming military and industrial superiority, leaving China virtually no chance of changing the situation by force.

This example demonstrated an important pattern. For a global financial center to operate safely, the disparity in power between it and the state under pressure **HAD TO BE** so great that resistance became virtually futile. Otherwise, the question of its own security would inevitably have remained unresolved. Financial resources alone were therefore insufficient for the financiers. They needed to be able to rely on the power of the strongest state in the world.

The power they sought, however, was entirely different from that exercised by visible political figures. Politicians, however influential they appeared, were largely occupied with **DAY-TO-DAY ADMINISTRATION**. They resembled a ship's captain, responsible for steering the vessel along a predetermined route. The financiers were interested in power of an entirely different order. They needed the power of the shipowner. The shipowner **DID NOT CONCERN HIMSELF** with the everyday operation of the ship. He determined the direction of the voyage, chose the destination, and made strategic decisions. The captain merely carried those decisions out in practice.

Applying this allegory to the governance of a state, we could say that the financiers sought a position in which politicians became the executors of strategic decisions. If the interests of the financial system required war, politicians were expected to start it. If achieving the designated objectives required peace, they **HAD TO** end the war just as unconditionally.

Over a long period, such attempts were made in various countries. At times, financiers succeeded in gaining considerable influence. Each time, however, they encountered the same insurmountable obstacle. Absolute monarchy. As long as supreme power was concentrated in the hands of one person, any financial arrangement remained extremely unstable. A single decision by the monarch was enough to revoke privileges, confiscate property, change the rules of the game, or completely destroy a carefully constructed system. It gradually became clear that securing **LASTING CONTROL** over the state under an absolute monarchy was impossible. The very structure of power therefore had to be changed.

The principal task became removing the main obstacle — the concentration of supreme power in the hands of one person. That power had to be distributed among the various institutions of the state, with the law replacing the monarch's personal will as the primary source of legitimacy. Thus, the ancient Roman principle gradually reemerged — *Dura lex, sed lex* — **"The law is harsh, yet it is the law."**

The law was to acquire an almost sacred character. It was to be elevated above political expediency, above the interests of individuals, and even above the interests of society. Decisions were to



be made **NOT BECAUSE** they were just or useful in a particular situation, rather because they conformed to an established legal norm. Here, another fundamental turning point occurred in the development of civilization. Whereas the law had previously served people and the state as an instrument for maintaining order, the opposite logic **GRADUALLY BEGAN** to take hold — people were to obey the law regardless of the circumstances. In other words, an effort emerged to establish a distinctive culture of absolute trust in legal norms, a kind of cult of law in which the very word “*law*” elicited an almost unconditional inner response of obedience.

This process could be viewed in a much broader context. The political system was not the only thing that changed. A transition took place toward a new form of governance in which power came to rest less on the ruler’s personality than on **PREESTABLISHED** rules governing the system’s operation. This transformation would later become one of the most important features of modern civilization as a whole and prepare the ground for a new type of global governance. If most people, regardless of their position, sought **ABOVE ALL** to secure their own well-being, then access to financial resources replaced ancestry and titles as the principal instrument of influence. Money gradually became a universal mechanism for influencing decision-making. People tended to support decisions that they believed could bring them material benefits or preserve the position they had already attained. If the principal financial resources were concentrated in the hands of a particular group, that group **GAINED THE ABILITY** to exert increasing influence over the formation of the ruling elite’s collective will. Thus, according to the logic under consideration, the rule of the majority gradually began to become the rule of a new elite — the financial elite.

A distinctive historical transformation thus took place. The absolute power of the king gave way to the absolute power of capital. The forms of governance changed, yet the concentration of power itself did not disappear. It merely shifted to another domain — from hereditary lineage to control over financial flows. In such a system, the principal obstacle that had previously limited the financiers’ influence disappeared. All remaining tasks **BECAME TECHNICAL**. It was no coincidence that an old Jewish proverb declared: “*If a problem can be solved with money, it is an expense rather than a problem.*”

Under conditions in which financial resources were virtually unlimited, many obstacles indeed became merely a matter of time and money. Once absolute monarchy gradually gave way to a new political structure, subsequent developments became a matter of time. The state increasingly resembled a ship with two levels of control. At one level stood the politicians — captains responsible for day-to-day administration, immediate decisions, and maintaining the course. At the other stood those who determined the route itself. This idea is often associated with a well-known phrase traditionally attributed to members of the Rothschild family: “*Give me the right to control a country’s money, and I care not who makes its laws.*” Regardless of the quotation’s authorship, it conveys **THE CONCEPT UNDER CONSIDERATION** quite accurately. If control over the monetary system made it possible to determine the state’s capabilities, then influence over financial flows gradually became more significant than direct participation in political life.

Once such a strategy had been chosen, the next question naturally arose. Where could it be implemented? Continental Europe seemed far from ideal. Any state with extensive land borders constantly depended on the military and political situation in neighboring countries. Even if a stable financial system **COULD BE ESTABLISHED** within such a country, the possibility of foreign conquest always remained. The emergence of a strong military commander or a new expansionist power was enough to destroy the entire carefully constructed structure. A territory offering the greatest possible protection against such threats was therefore required. **THE MOST RELIABLE** natural fortress was a large island whose security was ensured by a powerful navy. Such an island could be compared to an enormous

unsinkable aircraft carrier, controlling the surrounding area while securely protected by the sea against a sudden invasion. Among European states, England met these conditions most closely. It lay near the European continent and actively participated in its political life and trade, while the natural barrier of the sea considerably enhanced its security. Yet England at that time **DID NOT APPEAR** to be Europe's undisputed leader. On the contrary, the country was experiencing a prolonged period of internal conflict, much of it religious in nature. The origins of these developments had begun to emerge as early as the Hundred Years' War.

Although the English remained Catholics like most Europeans, the political situation gradually generated serious tension. During the so-called Avignon Captivity of the Popes,¹ the papal residence was in Avignon rather than Rome — in territory closely associated with the French crown.



Henry VIII's reforms intensified the tensions between England and the papacy **EVEN FURTHER**. At first glance, the immediate cause appeared entirely personal. The king sought to dissolve his marriage; the Pope, however, refused to consent to a divorce. Henry VIII, who had already been observing the religious changes taking place in Europe, particularly in the German principalities, then took an unprecedented step. He broke with Rome, proclaimed himself head of the English Church, and established an independent Anglican Church, effectively subordinating it to the crown. The Catholic ecclesiastical system in England was abolished. Yet even in this matter, the English monarch **DID NOT ACT** consistently. For those who thought in strategic terms, this situation opened up additional opportunities. A serious obstacle, however, remained. Since the thirteenth century, a law had been in force in England prohibiting Jews from residing permanently within the kingdom. Formally, this prohibition considerably restricted

opportunities for developing international financial ties. History, however, had repeatedly shown that large-scale capital could overcome barriers that seemed insurmountable to others. As early as the sixteenth century, financiers **BEGAN TO STRENGTHEN** their position in England. At the same time, the groundwork was laid for a far more ambitious task — the gradual transformation of the state's entire political system.

The interests of the crown and those of the financiers differed substantially in both substance and scope of thinking. The principal difference lay in their planning horizons. The monarch was compelled to

¹ **The Avignon Captivity** was the period from 1309 to 1377 when the popes resided in Avignon, France, rather than Rome, and were dependent on the French kings. Seven popes held office during this period, and the name arose from its resemblance to the seventy-year biblical Babylonian Captivity.

operate within the logic of day-to-day governance. His attention was occupied by wars, court intrigues, tax collection, relations with neighboring states, harvests, uprisings, religious conflicts, and **MANY OTHER** everyday affairs of state. Even the most talented ruler rarely looked beyond immediate political objectives.

Financiers thought differently. They were interested in processes capable of changing the situation **GENERATIONS LATER**, rather than within months or even years. Their aim was to create a system that would continue to function regardless of who occupied the throne. The distinction between these approaches was fundamental. If one person set a global objective and regarded money merely as a means of achieving it, while another made money itself the ultimate goal of their efforts, the first **GAINED THE ABILITY** to use the second, while the reverse became considerably more difficult. Someone who saw only immediate gain readily responded to material incentives. Showing them the desired reward was enough to set them moving in the intended direction. Yet a person focused exclusively on obtaining that reward often failed to notice that they had become part of someone else's long-term design.

According to the concept under consideration, it was precisely this gap between strategic and tactical thinking that emerged between the financiers and the English crown. The monarch reacted to events. The financiers sought to shape the very conditions in which those events would unfold. The king saw individual threads of what was happening, while the financiers tried to see the entire network. Figuratively speaking, the rulers resembled people sitting on the ropes of an enormous net cast over a whale. They sensed **ONLY INDIVIDUAL** sections of it and had no idea that the entire structure existed. Those who designed the net thought in entirely different terms. The financiers' aim, however, was never to occupy the royal throne themselves. They **HAD NO NEED** for day-to-day administrative power. The old elite could continue to collect taxes, maintain order, and oversee the courts, the army, and the machinery of state. These functions held no value in their own right for the financiers. They were interested in a different level of control. Their goal was the power of the shipowner rather than the captain. The captain was responsible for the everyday operation of the ship. The shipowner determined its route. Within the structure of the state, the financial system constituted this **STRATEGIC JUNCTION**. Establishing control over monetary circulation in England therefore became the principal objective. Achieving it required changing the state's political structure. The monarch's absolute power had to give way to a system in which decision-making was distributed among a broader circle of the elite and rested on law rather than exclusively on the king's personal will.

Only under such conditions **DID IT BECOME POSSIBLE** to establish a special private bank serving as the state's central institution for issuing money. Such a bank would receive the exclusive right to organize monetary circulation, participate in the issuance of government debt obligations, lend to the government, and gradually become the country's principal financial hub. **THIS STEP** was regarded as crucial. If control over England's financial system passed into the hands of such an institution, the state itself would gradually come under its influence. England, with its geographical position, naval power, and trading capabilities, could become a strategic base for spreading the new financial model far beyond its own borders.

The subsequent logic appeared consistent. If similar central financial institutions gradually emerged in other states and were then integrated into a unified international system of cooperation, financial ties would begin to extend beyond individual national economies. A **SUPRANATIONAL** financial network **WOULD GRADUALLY TAKE SHAPE**, capable of influencing both the development of individual countries and the configuration of the global economic system as a whole. This process could be viewed as a transition from controlling individual elements to controlling the entire system at once. Here, money finally ceased to be merely a medium of exchange. It became a **MECHANISM FOR ORGANIZING** flows of

resources, information, and power, while financial infrastructure gradually became one of the principal instruments for shaping a new architecture of global governance. At this point, a natural question inevitably arises. Where could the financiers have acquired the ability to think on such timescales?

Throughout this article, we have been discussing processes spanning centuries. Yet humans, by their very nature, are rarely capable of planning even a few decades ahead. Most people plan for months or years, statesmen sometimes for the duration of their political careers, and the most farsighted leaders for one or two generations. Here, however, we are dealing with a strategy designed to span centuries. Where could such an unusual planning horizon have come from? Answering this question within the framework of conventional thinking is **PRACTICALLY IMPOSSIBLE**. I will therefore return to the anthill analogy used earlier.

When we observe life in a large anthill, it is difficult not to admire the complexity of its organization. Thousands of passageways, the division of duties, defense, provisioning, raising offspring, and building new chambers — all these form an extraordinarily complex system that endures for many years. Yet a simple question arises. Which particular ant drew up the master construction plan? Which one determined the architecture of the entire anthill? Which one holds a complete blueprint of its structure in its memory? Obviously, none. **NO** individual ant, nor even any group of ants, **IS CAPABLE OF** holding such a complex structure in its consciousness. It would be strange to claim that somewhere deep within the anthill sits a council of exceptionally gifted ants, developing a strategy for the entire colony over centuries. Such a suggestion would seem amusing rather than convincing. Yet it is equally difficult to



explain the anthill's organization as mere chance. The entire system is too highly organized, and the actions of its individual participants are too closely coordinated.

What, then, remains? We are left to suppose the existence of what might provisionally be called a **"COLLECTIVE MIND,"** which organizes the activities of numerous individual participants, each performing only a small part of the overall task without seeing the whole picture. This is precisely the analogy I propose using when examining many historical processes. Of course, **I AM NOT CLAIMING** that a small group of people once sat down at a table, drew up a detailed plan for several centuries ahead, and then systematically implemented it from generation to generation. His(torah)y is considerably more complex. However, to **AVOID OVERLOADING** the account with constant qualifications, I will often speak as though the financiers themselves were the agents behind these centuries-long processes. This is merely a literary device intended to make the narrative coherent and understandable. In reality, the question needs to be examined at a much deeper level. We are dealing with processes that arise both at the level of individuals and at the level of more complex systems of control. An individual can see only a small part of what is happening. A group of people sees somewhat further. A state thinks in broader terms still. Yet there are processes **WHOSE LOGIC** becomes apparent only at the level of civilization as a whole, where individual participants often do not themselves realize what broader movement they are part of. This has

become **PARTICULARLY RELEVANT** today. Consequently, subsequent references to the actions of financiers, moneylenders, politicians, or statesmen **SHOULD NOT** be taken literally to imply the existence of a single center where someone mapped out history centuries in advance. Rather, they refer to the manifestation of a particular systemic logic within which numerous people, pursuing their own goals, gradually produce a shared historical outcome. For this reason, phrases such as *“the financiers did,” “the bankers decided,”* or *“the moneylenders sought”* in the account that follows should be understood as referring to the movement of the entire financial system as a unified historical process, rather than to the actions of any secret council.

This simplification allows us to focus on mechanisms rather than personalities. To understand his(torah)y, it is far more important to discern the logic of a system’s development than to search for specific individuals to blame for each event. It is **SYSTEMIC LOGIC**, rather than individual personalities, that determines the direction of civilization’s development over long historical periods. Individuals most often become mere conduits for processes whose origins lie far deeper than their own understanding. This was precisely how the EBR Control System operated within the framework of human brain genotype development.

Thus, we have traced a path that, at first glance, appears to be the his(torah)y of the emergence of new money, banks, and credit. Yet beneath the outward course of events lies a much deeper process. First, money ceased to be gold. Then it ceased to be merely a medium of exchange. After that, **IT BECAME** an instrument for controlling the economy. Once control over the economy began to determine military, political, and state power, money gradually became an instrument for controlling entire states. At that point, the history of finance ceased to be the history of economics. It became the history of the formation of a new system for governing human civilization.

To be continued...

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