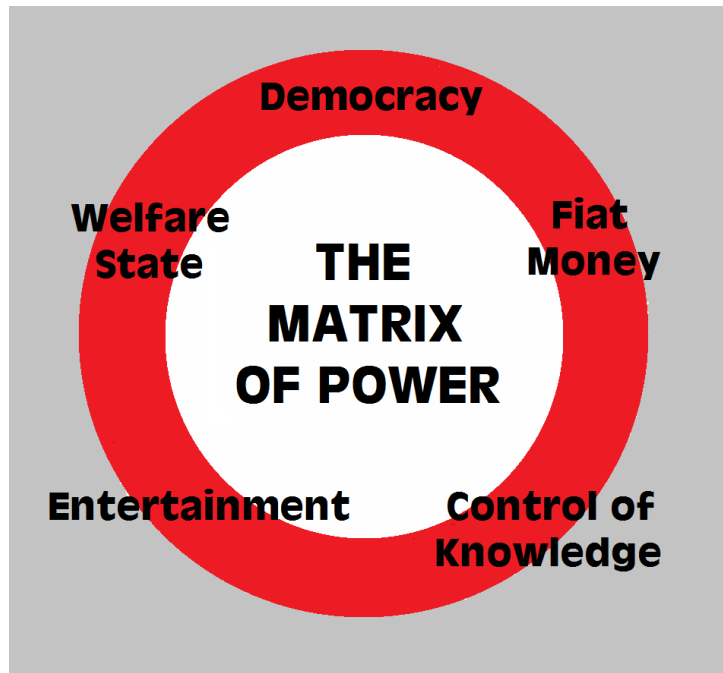


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# THE MATRIX OF POWER

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The disappearance of knowledge from human consciousness is a rare phenomenon, but there are recorded instances of knowledge which has evaporated. As a curious example, *Pancirollus*, writing in the 16<sup>th</sup> Century mentions that, among many other cases of lost technology, in the time of the Roman Empire a man who had invented *flexible glass* was presented to Emperor Tiberius. Tiberius condemned the poor man to death and ordered the destruction of all his products, considering that such an invention was detrimental to society.

A striking case of general human amnesia is that of Aristarchus of Samos (born 310 B.C.) who was the first man to declare that the Sun is the center of the solar system, and that the Earth and all the other planets revolve around the Sun; he also arranged the Earth and planets in the correct order of their distance from the Sun. This knowledge was fairly soon forgotten and only rediscovered by Copernicus - 1800 years later!

Whether the Sun is the center of the solar system or whether it revolves around the Earth, as was thought to be the case up to the time of Copernicus, is really of little consequence to human life, which goes on normally whatever we wish to think about the Universe. We happen to know someone who still adheres to Holy Writ and who is firmly convinced that the Sun revolves around the Earth, and he has sent us a book which attempts to prove that Scripture is correct. Well, who cares? We still have to eat three meals a day, whatever we wish to think about the Universe.

We mention all this because we are back to Tiberius, who decided that a new invention was noxious to human life and deliberately suppressed all knowledge about it: it appears that humanity is today subjected to the suppression of knowledge which is - unlike cosmology or the technique for the manufacture of flexible glass – vitally important to human life; we refer to knowledge about *money* and *Austrian economics*.

The control of knowledge is not a new thing; from the dawn of history, priesthoods of all religions – the Élite of ancient times - have done their best to control knowledge through the creation of *mysteries* and the invention of rites of *initiation* into the various degrees of knowledge. Pythagoras, in the 6<sup>th</sup> Century B.C. prohibited his disciples from writing down anything related to his teachings, which is why we know so little about them. The Egyptian priesthoods were also hermetic – the very word denotes the sacredness of the knowledge retained by the priesthood. The Celtic Druids controlled their acquired knowledge with extreme jealousy and required its memorization: knowledge was not to be written down. The accumulated wisdom of the Celts vanished when all the Druids were killed by the Romans. In our day, Freemasonry operates under a strict system of degrees of access to knowledge open only to initiates who fulfill the required qualifications.

It is suspicious that all knowledge relating to real money and Austrian economics is carefully excluded, all over the world, from consideration in Academia, from the deliberations of Legislative bodies, from the pages of journals, from the TV screen and from the productions of the film industry. It appears that humanity is being subjected to a planned operation to erase from all human consciousness the memory of real money and of the economic principles that lead to prosperity. Of course the Élite know full well that “*gold is money, all else is credit*”: J. P. Morgan himself said so.

Who are the world’s Élite? They are an amorphous number of individuals from around the world. They are the people who have influence and the power to affect the operations of leading institutions. They are the people who are invited to *Bilderberg* meetings, to *World Economic Forum* meetings in Davos, Switzerland. They are the people of the *Trilateral Commission*, the members of

the *CFR*. They compose the *Brotherhood of Central Bankers* around the world. They head the great world-spanning corporations. Typically, the *Élite* are the world's top bankers and politicians. What they have in common is the desire to perpetuate their wealth, influence and power, which means that they quite naturally agree (without even having to acknowledge their agreement) to bar any discussion of questions of the greatest transcendence, because the greater the transcendence, the greater the number of the *Élite* who would be adversely affected by any change. It would be quite improper, for instance, to bring up the subject of a return to the Gold Standard at any meeting of the *Élite*. This explains why no journalist under the influence of the *Élite*, publishing his articles in *The Wall Street Journal* or in the *Financial Times*, may include in his analysis of the present financial breakdown of the world any mention of the central cause of that breakdown: fiat money.

The only money that is considered in the Media, accredited institutions of learning and all other institutions of any weight across the world is fiat money – imaginary money. Fiat money is to be considered as the only possible money and the best of all possible moneys: gold and silver are trashed as antiquated and failed currencies. In some circles, the idea that money should be gold or silver, or both, is regarded as ridiculous if not scandalous.

The other side of the control over access to Knowledge exercised by the *Élite* through the centuries is the deliberate spreading of falsehoods, fictions, fairy-tales or *memes* which serve to consolidate the rule of the *Élite*. Examples too numerous to mention abound: 9-11 is but one example.

Humanity could forget everything that has been learned about the Universe and be none the worse for it, but forgetting about what money is and must be is of vital importance to humans, because true money is the life-blood of any human society living under the division of labor.

Since 1971, all money all over the world is nothing but numeric money; money which consists of numbers and which has no substance. The contrast with our culture is striking: we are supposed to be living in an Age of Materialism, and yet the world's money has no material existence – it is purely symbolic or imaginary. Paper money, previously a *derivative* of underlying metal, no longer derives value from any *underlying* referent. Digital money is an even more vacuous complement of paper money.

The *Élite* has created for itself the power to run the world; how is this power to be retained? How is the *Élite* to run the world in such a way that it remains in power? Take into account that there are now over 7 billion humans vying for all the things that are required to maintain human life, plus iPads, cellphones and other stuff.

First of all, as a member of the *Élite* one must understand that it is impossible to reason with 7 billion humans: in fact, it's almost impossible to reason with anyone who is dissatisfied with his economic situation, let alone 7 billion.

This is why Bismarck, the Iron Chancellor of Germany, invented the Welfare State back around 1890. He had a number of unhappy Germans listening to Socialist agitation, and to distract them he promised them State aid in case of unemployment, medical assistance in case of illness or injury, and a pension upon retirement. In effect, he stole the thunder from the Socialist agitators who were stirring up resentment. Bismarck invented "Socialism lite".

The *Élite* around the world since Bismarck's time have agreed to implement Democracy and have implemented and expanded his Welfare State. A lovely dream for the masses! They get to vote and the majority rules – hard to complain about that. Elections pose no problem for the *Élite*: when have votes ever changed anything of transcendence? And then, the masses have the Welfare State to be their nanny and take care of all their problems.

Perhaps some government, applying Prussian discipline, might in theory be able to pay for "Socialism lite" out of tax receipts without running deficits, but in practice not a single government in the world has in fact been able to do so; Welfare Benefits have overthrown all fiscal balance in the nations of the world. There has been only one way to fund the Welfare State, and that way has required another lie: fiat money. This is the inexhaustible well from which funds are pulled up to pay for the Welfare State. Real money would never do; its supply would soon be exhausted; the drain of silver and gold would crush productive activity, supposing such volume of taxation could be collected at all in real money.

One must understand that it is no small thing to retain control over billions of humans. It takes lies, but from the point of view of the *Élite*, the lies are useful and indeed, indispensable.

Will the fiat money well never run dry? Not really; for if the numbers required to fund the Welfare State become too large and unwieldy, the thing to do is lop off some zeros from the money in use and from prices, and the game goes on. Argentina has shown the way: since the 1930's, the governments of Argentina have lopped off 22 zeros from the Argentine peso, and still, life goes on in Argentina.

Besides promising Welfare – though not actually keeping their promises – the "*Élite*" have wisely incorporated *Entertainment* for the masses into their scheme for control. This policy of entertainment is vast in scope, from *Sport* on through

*Pornography* and incorporating *War*. Notice the importance given to the “Olympic Games”. The “Élite” regards war as simply an extreme form of sport for those directly engaged in it, and as entertainment or “distraction” for those who watch it on TV. (Witness the popularity of films about WW II.) The victims – both soldiers and civilians - are simply expendable human material. Under “War” we have to include the mind-controlling psywar waged against the Élite’s own peoples by hammering continual warnings of dire threats from abroad and by breaking down all sense of rights vested in the individual, with the “fight against Terrorism” as the excuse, for the time being.

We have to include “elections” under the category of entertainment. Just like professional basketball, baseball and football, elections are enormously entertaining; they attract the attention of huge masses of people without any significant effect upon reality. All over the world, elections are constantly approaching or in process; all very entertaining. The entertaining bloody fights of hooligans between winners and losers in sports serve to discharge latent social frustrations. Riots against “electoral fraud” are nothing more than childish tantrums in the eyes of the Élite and also vent latent frustrations.

If we understand the point of view of the “Élite” we can understand what will necessarily take place in the world. It has to take place, because there is no other means by which the “Élite” can retain their power in the world than by the application of **the Matrix that supports their rule: Democracy, the Welfare State, Fiat Money, Entertainment and the Control of Knowledge.**

What will necessarily take place – barring a nuclear war which will overthrow the present Élite - will certainly not be the disappearance of the Welfare State and a return to real money, but quite the contrary: the Welfare State will be expanded to its full expression, the Socialist State; fiat money will be supplemented with ration tickets: there are already 46.5 million Americans on the SNAP program (*Supplemental Nutritional Assistance Program*) a modern version of food-ration tickets. The Socialist State – think of dingy, mediocre post-war Britain - will minimize the market and fiat money will play a reduced part in the life of people. In this regard, notice the war on cash, with restrictions increasingly applied to the use of cash, first in Italy and now in Spain. Personal cash deposits to bank accounts in Mexico, in excess of a monthly limit, are taxed. Capital controls will crack down on international money transfers. Everywhere, the use of credit or debt cards will be encouraged, in order to leave paper trails. Nikita Khrushchev was only partially right when he prophesied “We will bury you!” for it was not the U.S.S.R. that was to bury the West, it was the Élite of the West.

Prior to the coming of the Internet, which has swept up the attention of the world, the world experienced a similar revolution in information with the

invention of the printing press in the 15<sup>th</sup> Century. However, we must note a significant difference between the printing press revolution and the Internet. The printing press disseminated an idea that came to light in the Renaissance and that caught the imagination of Europe: the idea of the rights of the individual, in turn based on the fundamental concept of freedom of thought. This in turn, later spawned the idea that governments should find their legitimacy in the approval of the mass of free-thinking individuals – the repudiation of the medieval idea of the King’s God-given right to rule. Authority was to come from *below*, from the approval of the mass of individual voters, and not from *above*, as did the authority of Kings. The idea of freedom of thought also affected the authority of the Catholic Church’s Pope, because the Protestants affirmed that each man should receive his spiritual guidance directly from the Bible, which before the printing press was inaccessible to the population.

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At this point, an excursion into a consideration of “looking Above and looking Below”:

In a fascinating 1959 book, “The Sleepwalkers”, Arthur Koestler pointed out a change that came over humanity approximately around the year 1600. At about that time, the thinkers of humanity changed their outlook on the material world; they ceased to regard it from the point of view of looking upward to causes *Above* phenomena, and they began to seek causes *Below* phenomena, beneath the physical events observed. The consideration of *Quality* in phenomena was increasingly displaced by the observation of *Quantity*. Thus *inferior* phenomena were supposed to determine phenomena of a *superior* nature. Physics has pursued substance downward to such an extent that today it can only speak in mathematical formulas.

This change in the point of view of thinkers – from looking Above to looking Below - has its parallels in *all* realms of modern thought. We see it in the dethroning of Kings, whose authority derived from their quality, and the installation of Democracy, whose authority derives from the quantity of votes. We see it in the repudiation of real money of quality, and the adoption of numeric fiat money of no quality whatsoever and which is only defined by its quantity. We see it again in the birth of Positivism, which banishes quality and holds that all knowledge must be based on measurable quantities. And we see it again, in Sociology and Economics, which look to quantify and to elaborate statistics.

In Economics particularly, the change of emphasis from Quality (Above) to Quantity (Below) is reflected in the general disregard for the Austrian School of

Economics, which has as its starting point the fact that humans choose at every instant of their waking lives, and that choice necessarily implies a consciousness of Quality and comparison of the qualities, and therefore the values of the things or actions chosen; this is a starting point radically different from that of the prevailing Economics, which looks Below, to a sterile elaboration and study of arbitrary numbers - Quantities denoted by monetary data - and offers the mechanistic illusion that human life can be improved by attention to numbers on the part of rulers. Modern economics disregards a fundamental premise of computer programming: “GIGO: Garbage in, garbage out”.

Modern economics adheres to the general model of science in our day: to look for causes *below* the phenomena observed. These causes are deemed to *push* the entities observed and determine their motion. Modern science does not look for causes which *pull* the entities observed, because this would entail the recognition of purpose in the physical world, and all modern science has to be purposeless, that is to say, empty of any objective, i.e., *teleologically neutral*.

However, in the study of acting man – which is theme of Austrian economics – the fact that humans do choose implies that they do have purposes and are in fact *pulled* toward the actions and things they choose. Because Austrian economics does recognize this fact and derives all its study from it, it is realistic and thus provides the knowledge of what economic policy is conducive to the highest possible level of general prosperity.

Modern economics – Keynesianism – studiously avoids regarding the purposes of individuals and strives to *push* them into behaving the way that it judges as best: hence “QE”. The classic Keynesian statement that “people are saving too much” typifies its philosophy of ignoring causes *above* social phenomena - the *pull* exerted by the choices of individuals - and seeking to apply causes *below*, to *push* society to the ends which they, the Keynesian economists, deem preferable.

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A consequence of the printing press was the upheaval of the French Revolution that changed the world by implementing this new idea: *Authority comes from below, not from above*. This idea ousted one Élite and installed another: Kings, Aristocracy and Priesthood were swept away and Bankers ascended into the new Élite. The top Bankers gained an important standing among the Élite because they had, and have the money to purchase the consent of the voters.

The Internet has indeed been a massive and surprising phenomenon. But has it introduced a new idea that has captivated the imagination of mankind, as the printing press did? The Internet overflows with criticism, the world’s complaints

are heard far and wide, but we have yet to see any new idea - spreading like wildfire - that will change the way the world is governed. The idea that “authority comes from below” appears unassailable. Until that idea is superseded by another idea, the Internet poses no real danger to the ruling Élite. Presidents and Prime Ministers may come and go; the Élite will remain in charge. If banking systems are nationalized, they will still be run by the Élite who operate at a supra-national level.

An Élite is a permanent fixture of human society. The United States was founded by an Élite who enjoyed the humane culture of English gentlemen of quality living in the Colonies. A notable accident took place: the Élite of the United States were inspired by *benevolence* toward the whole of the new American nation which they founded. Their attitude of good will was expressed in their elaboration of the *Constitution of the United States*.

The creation of the US was an accident that changed the course of history. We shall not attempt to recite the subsequent history of that accident; suffice it to say that from those heights of benevolence, of good will to man, the Élite of the United States – and under the leadership of the United States, the Élite of most of the world – have now transformed into a clearly *malevolent Élite*. The Constitution is now regarded as “a goddamn piece of paper”, according to a statement attributed to a recent President.

The US Constitution has been erased for all practical purposes and a malevolent Élite rules most of the world through the Matrix of Power.

An Élite there must always be: its existence is in the nature of things. The objective for men of good will must be to *weaken the malevolent Élite* by undermining their Matrix of Power. The undermining of the Matrix must proceed by attacking the Matrix at its weakest link: fiat money. Fiat money is the weakest link because it naturally evolves into a chaos of hyperinflation and disappearance of international cooperation which inflames massive discontent. Fiat money is the element that *enables* the operation of the Matrix. The response of the Élite to the inevitable consequences of fiat money is predictable: they attribute economic – and cultural - deterioration to everything but the proximate cause, fiat money. We see this going on before our eyes.

Within the Western Élite, fiat money has placed men who are not qualified to wield power – the moneylenders - in the most prominent places of power. Thus the worst men determine the fate of civilization. The international bankers are calling the shots. Under the gold standard Banking was an honorable profession, but raised to the supreme power of ruling, Bankers have become corrupt.



The men of good will in all nations must understand that the enemy of civilization is fiat money. The Internet can help generate and spread this understanding. When conditions become intolerable, the cry for real money may convince a part of the *Élite* to change their stance and turn their backs on the fiat money bankers. This is certainly a forlorn hope, but we have no other, unless we remember the words of Jesus: "Ask, and it shall be given you."

In the midst of a dire economic collapse, with a popular outcry for real money, the Welfare State may be jettisoned. A new outlook of hope may be reborn. Personal charity may take the place of the Welfare State, as it should. Humanity may be able to start from scratch to rebuild prosperity. It is likely that such a drastic change of outlook would require Dictatorship and jettisoning Democracy along with fiat money. Aristotle, 2300 years ago, already noted that democracies are regularly followed by dictatorships.

If fiat money is not abolished, will the present wickedness ever end? Yes, it will end in the fall of industrial civilization because our civilization, now in decline, cannot survive under a fiat money system; nor can it survive under Socialism, because Socialism can only consume Capital. However, it may take a century or more for mankind to realize that industrial civilization is a thing of the past. Poverty will mean starvation for millions; the world's population will contract, perhaps as fast as it rose since the Industrial Revolution. By 2300 we might be back to one billion humans on Earth.

This decline would not appear to worry the *Élite*; there are signs that lead us to think that they believe that the population of the Earth has to be reduced, that the resources for maintaining the present material conditions of mankind are insufficient and that the lives of 7 billion humans are unsustainable, approaching the "carrying capacity" of Earth.

When the population of the Earth has declined to one billion, after some three centuries of starvation, disease and war, the *Élite* will also be poorer but they will still be *on top*, because the existence of an *Élite* is a fact of life.

However, this is not the end of the story: there is no end to the story of human life. It has a *fractal nature*, with infinite variations on themes, like the "Mandelbrot set" (see: <http://radicalfilms.co.uk/2007/11/27/arthur-cclarke-presents-the-fingerprints-of-the-gods-a-documentary-about-fractal-geometry/>). One ever-recurring theme is that some men - the *Élite* - dominate for a time, eventually lose their domination and then the way opens for the appearance of a new *Élite*.

There will always be an *Élite* because, contrary to what has been stated as a "self-evident truth", all men are not created equal; "equality" is an idea born of

the impulse to ignore quality and fixate on quantity. The Élite is made up of those who have special qualifications – mostly bad, in our day – and of those whom Dame Fortune brings to power, “creatures of circumstance”, as Napoleon described himself: creatures of the fractal which is human life.

In the impoverished condition of mankind which lies ahead and with the drastic decrease in the population of the Earth, today’s technology will fade as Capital vanishes; technology without Capital to apply it will become useless knowledge. The world will become a larger and simpler place, with much empty space.

The decline of technology, forced by the scarcity of Capital, will drastically weaken the control of the Élite. The nations of today will melt into smaller nations which will not be willing to accede to the world control of the present Élite. Independence and Nationalism will be reborn in new forms. *The world control exercised by the present Élite will dissolve for lack of means to impose it.* In some regions, breathing spaces of some freedom may once again open for humans. Gold and silver may once again be money - in some places. New Élites will come to power, limited in geographical scope; some of them probably dictatorial in nature.

The differences between dictatorship, democracy and kingly rule are that the democratic governments claim to speak for the people, kings claim to have divine approval of their rule, and dictators may lay claim to be the executors of the popular will according to some ideology; as examples we have Fidel Castro, Adolph Hitler, Mussolini and Lenin; or dictators may simply seize power and retain it by silencing opposition through brutal means; but most dictators govern by applying ad hoc ideological claims, rigged elections and brutality simultaneously. Chairman Mao said that “political power grows out of the barrel of a gun.” It is true that some dictators have been enlightened men who have had humane views and have ruled wisely.

The present Élite are concerned that a force exists which may unseat them: Islam. Islam has the faith – perceived as fanaticism by the West – to revert the paradigm that has shaped the world since the French Revolution: Islam affirms that *Authority comes from Above*. Thus it is understandable that the Élite regard Islam as their deadly enemy.

The concern of the Élite regarding Islam is reinforced by the presence of a significant component of Jews within the ranks of the Élite. A tenet of Judaism is that the Jews, as God’s Chosen People, are promised world dominion by God. So besides Islam, Judaism is another force which affirms “Authority from Above”, where Jewish world-authority is to be exercised by divine mandate at some future time.

As long as the world – including nominally Islamic areas - accepts the idea that “Authority comes from Below”, the future will essentially have to resemble the present, because “Authority comes from Below” is the defining idea regarding government in our time.

The political disturbances which have roiled Iran seem to confirm that there is a segment of its population which holds the idea that “Authority comes from Below”. Add to this consideration the telling fact that the Iranian government uses fiat money, necessary to purchase consent.

“Authority from Above” - when it still existed 250 years ago - did not purchase consent; it *demande*d consent and used real money of gold and silver. The world’s second government established upon the premise of “Authority comes from Below” – the Revolutionary Government of France in 1790 – introduced a full fiat, paper money system for France, which caused a huge collapse in short order. (The first government to claim that “Authority comes from Below” was that of Oliver Cromwell of England, established in 1649 and dissolved in 1660.)

Questions then arise: Will it ever be possible for a new Élite to operate under the paradigm of “Authority comes from Above”? And will it be able to rule without recourse to lies, deceptions or fictions? We leave the questions open.

### **The Human Fractal**

“The thing that hath been, it *is that* which shall be;  
and that which is done *is that* which shall be done:  
and *there is no new thing* under the sun.”

*Ecclesiastes 1:9*