**[The War of Private Vs Public Control of Society’s Money Power](http://www.monetary.org/the-war-of-private-vs-public-control-of-society%e2%80%99s-money-power/2010/11" \o "Permanent Link to The War of Private Vs Public Control of Society’s Money Power)**

**The Order of Battle: Adam Smith vs Aristotle** by Stephen Zarlenga

Bromsgrove Conference Oct. 12-14, 2004, Birmingham, UK.

Abridged for course on LOST SCIENCE OF MONEY, 2013-2014

**Introduction:**

A main arena of human struggle is over the monetary control of societies. It’s exercised through obscure theories where corrupt interests have misdefined the nature of money to seize control of the money power, dominating society and deforming humanity in the process.

The money system is society’s greatest dispenser of justice or injustice. A good one functions fairly, helping create values for life. A bad, unjust one obstructs the creation of values; gives special privileges to some and disadvantage to others causing unfair concentrations of wealth and power; leading to social strife and eventually warfare and a thousand unforeseen bad consequences – physical AND Spiritual.

Because great power is exercised through money, power-hungry elements from ancient times to the present pursued the political ambition to dominate through the Money Power. Their main weapon has been the manipulation of language and thought, where definitions serve as heavy artillery. Those benefiting from the corruption see that “professionals” are financed to promote their viewpoint with economic “theories.”

One reason economists have failed mankind so badly is their poor methodology – an over-reliance on theoretical reasoning. Alexander Del Mar the world’s greatest monetary historian noted:  
“As a rule economists…don’t take the trouble to study the history of money; it is much easier to imagine it and to deduce the principles of this imaginary knowledge.”

This failure becomes staggering when combined with their reluctance to accurately define the terms of their theories.

This isn’t new – in 1827 Malthus wrote a book to complain about poor DEFINITIONS IN POLITICAL ECONOMY, noting:  
“It is quite astonishing that Political Economists of reputation should be inclined to resort to any kind of illustration however clumsy and inapplicable, rather than refer to money.”

But when Malthus presented 60 “better” definitions; a definition of money is conspicuously absent.

**ARISTOTLE’S SCIENCE OF MONEY**

We can trace the money battle back to Aristotle’s time and even then it was fought through control of language and media. He outlined a science of money still valid today:

“All goods must therefore be measured by some one thing…now this unit is in truth, demand, which holds all things together…but money has become by convention a sort of representative of demand; and this is why it has the name nomisma – because it exists not by nature, but by law or binding custom (which in Greek was nomos) and it is in our power to change it and make it useless.”

Aristotle identified money as an abstract legal power – a social invention. Its essence is not tangible wealth, but a power to obtain wealth – A crucial distinction. Plato agreed and advocated such fiat money for his Republic:

“They will need a market place, and a money-token for purposes of exchange.”

Aristotle outlines the science and Plato’s writings are in full agreement. Moreover we find these key principles actually employed in both Greek and Roman Systems.

Aristotle explained that money is not a commodity And in clear demonstration of that principle, the Spartans purposely destroyed the commodity value of their iron money, dipping it in vinegar while hot.

He explained that society can legally create the money and can also make it useless. In clear demonstration Roman law set the value of their fiat copper money and Rome decried some money as useless during the Punic Wars, demonetizing the copper money held by towns wavering in allegiance.

Plato’s Republic explained how commodity money was to be restricted to foreign trade, and a series of Rome’s coins are examples of that.

**THE BATTLE BETWEEN PRIVATE MONEY and GOVERNMENT MONEY**

Evidence of a fight over the money in Aristotle’s time is that his term for money –”nomisma” is seldom found in early Greek texts. It’s in Herodotus in the 400s BC, but not again until Aristotle, over a hundred years later. We think the nomisma concept was suppressed in an ongoing struggle between the oligarchy – a kind of private “old Boy Network” - arrayed against public money, and the more democratic, public sphere of the Greek Polis, which introduced and controlled the new nomisma payment mechanism.

This private vs public struggle has continued to today!

In Aristotles Greece, it was the Old Oligarchy vs the Polis.

In Rome, it became the plutocracy versus Rome.

In England, the struggle became the goldsmiths vs the Monarchy representing society.

Later it was the Bank of England vs. Society. Until then England’s money power was in the Monarch’s hands. But from that point, Bank of England credits would be substituted in place of public money. This promoted a confusion between credit, and money, to this day. But they are different things. Credit depends on the creditor remaining solvent. **REAL MONEY DOES NOT PROMISE TO PAY** **SOMETHING ELSE.** Money is on a higher order than Credit.

…when a nation’s money system was used for taxation, the revenue generally aided the society. But the Bank of England concentrated society’s resources in the wrong hands, crippling the possibility for government to function properly, leading to a growing contempt of government.

Today it’s still the bankers versus the society. In philosophical shorthand it can be expressed as Adam Smith, or present day Economics vs Aristotle. But at base, the battle remains Private Money vs. Public Money. The outcome determines whether the money system operates to serve the few in control, or the whole society.

**WHAT DETERMINES THE OUTCOME OF THE STRUGGLE???**

It’s determined by society’s concept of money – its definition of money. I’ll give a case study from American history shortly. Who controls the language will control the monetary power will control the society will influence the language, etc.

Mankind can live under various forms of government from dictatorship to republic, but the best systems are those in harmony with human nature. Likewise many things can be made into money, but the best will be the ones in harmony with the nature of money.

Remember: don’t confuse money with tangible wealth. Yes, commodities can be improperly monetized by law. The result will make the money system hostage to the commodities situation; hostage to the people, companies, countries that control the commodity. Ultimately it removes the monetary power from society and places it into the hands of the wealthy.

And don’t confuse money with credit – either private or public credit. Yes private credits can be improperly monetized by law. But that gives great privilege to those whose credits have been monetized, to the detriment of the whole society. The money system then becomes an engine of injustice – as it is now.

Accountants have confused this by calling different things by the same name. When money is placed into an account, it can be recorded as a credit there, but that does not make the nature of money a credit. Monetizing private credit removes the monetary power from society and places it into the hands of the bankers. I ask you to make an effort to separate these concepts in your mind, and see where it leads you.

**Today there is an effort to remove the concept of money from our language and replace it with a concept of credit.**

A science of money shows that issuing money belongs in the hands of the nation to be used for the common good.

A Plutocracy counters with a mythology – the slur that government – the organized expression of our society can’t handle it.

Centuries of propaganda raise the fear of inflation and abuse under government money, even though the record shows much greater monetary abuse by private systems.