ON THE DRIVE TO A SKEWED DISTRIBUTION OF WEALTH; TREND AND CONSEQUENCES

By

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Abstract

The skewed distribution of wealth is accelerating, leading to a world populated with have-nots, who, in the foreseeable future, will be ruled by a small financial elite. The World Economic Forum, promoting its 'Great Reset', summarised this process with the statement: "You shall own nothing and be happy". The first part of this prediction is clearly in the making. The second part is not. This article attempts to quantify the timing of this process and to describe its natural and historical roots.

Introduction

To be able to cast some light on the skewed distribution of wealth, its trend and consequences, at least three disciplines ought to be taken into consideration: economics, political science and physics.

Economics, often called the science of welfare, deals with the production of goods and services and their distribution. Political science deals with the development and workings of power and state.

Energy is a central concept of physics. It basically concerns all things that move, in the widest sense of the word. Everything we do and produce, is dominated by the availability and accessibility of energy. Even the earliest bacteria knew this. Had they not known, neither they, nor we, would be here today.

Intelligence helped mankind to harvest more energy than it required to satisfy tribal survival needs. Because of this ability, we live in more affluence than the other species. A tiny part of the energy flow through our World became a tradeable product. And it became part of economics and subject to distribution and allocation itself. It is important to remember, that *energy is the true source of our current affluence*. If energy supply in our society would be less, it inevitably would mean we would have less food, and fewer products and services to distribute.

About these three disciplines, the author may boast some credentials in the field of the third, only. Nevertheless, endowed with a healthy interest in social mechanisms and other sciences, he hopes to apply some nuggets of wisdom to attempt a sketch of what may lay ahead of societies around the world.

The birth and growth of hierarchical power

It is general knowledge that a stockpile, from which things are removed, will be depleted if no replenishment takes place. This has obsessed mankind from dawn till today. Many natural resources are such stock. Less general, but also evident, is that one of the perks of having power over others, is that top dogs are able to ensure that resource scarcity will hit them last.

We can assume that the first tribal chiefs were the tribes' best hunters, gatherers and tool makers. As such, having a say in the distribution of the joint loot may have started out as a pleasant fringe benefit, which has gradually developed into a desirable commodity in itself. Early leaders, their family and offspring, must have noted this benefit and they must have realised that being their community's most skilful resources securer was no longer a prerequisite to becoming the leader. Selecting and cultivating the right vassals to support leadership proved to be a better vehicle to carry one to the top.

Gaining control over the stockpile was further secured, although not instantly, by the first and agricultural revolution. With the dwindling of hunters and gatherers, nomads became workers and lost a large part of their autonomy. Still dependent on nature, but *by cultivating* it and aiming to control soil, seeds and by protecting crops from other consumers, winged or not, societies grew denser and a skewed distribution of wealth became visible.

In times of temporal and local shortages, quite often the powerful will claim their share of essential resources, leaving little for their workers and even less for the rest. Or they may – even in times of normal supply – amass excessive wealth and abundantly decorate their palaces, in order to impress or keep up with others in their class. This wealth will be partly shared with loyal vassals.

Mighty people need loyal vassals to secure their power over workers, as well as control over the products they produce. For many centuries the ruler's power was safeguarded by Police, Army and Church (PAC).

In short, having a say over the allocation of resources appears to be the main, and seemingly universal, mechanism underlying the emergence and rise of society's leadership and corresponding hierarchy.

Put in mathematical terms, it leads to a skewed distribution of products and services among the population^(1,2,3).

To guarantee a non-depleting stockpile, it is essential that workers stay healthy, productive and alive, for as long as they stay productive. The health of workers became especially topical with the arrival of the Second and Industrial Revolution. For the old and a new elite fortunes unimaginable before, were to be made. But mining jobs and production units in the coal, oil, steel, ... industry were not the healthiest environments for workers; whether because of pollution, the repetitive and strenuous jobs, or further reduction of people's freedom and empowerment.

Rockefeller, despised for his ruthless business methods and some of his like minded, looking for image improvement, realised that 'health' itself would make a profitable commodity. One that would sell itself. And it provided respect if accompanied by benevolent philanthropy. That may be considered as the start of the commercialisation of the health sector on a global scale.

During the second half of the previous century, however, distribution of wealth became more 'even', than it had been since the Industrial Revolution, and perhaps even than it had been since the first farmers claimed a patch of land as their own. This was possible due to an abundant supply of energy and applied intelligence Millions of workers as well as dependents, were able to claim their share of natural resources, without having to worry about any excessively disproportional benefit to the mighty. But although this meant, that the powerful had no worries concerning the health and productivity of workers, nor that it did deprive them of any personal luxury, worry about long term availability of natural resources and diminished control over their allocation, made the international elite take urgent action to rapidly steer societies back to a skewed and controlled distribution.

Counter forces

When people first started thinking about possible cures against widespread and recurrent inequality processes, the idea of a parliamentary democracy gained momentum. Anarchy, as an alternative way to an 'organised' society, proved unsuccessful everywhere it was attempted, as it is impossible for an individual to negotiate and cooperate with every other individual about all aspects of life, continuously. An ungoverned society appears to result, by default, in uncontrollable chaos. Successful rulers knew this and did their utmost to prevent it.

D'Alembert, a brilliant mathematician, was one of several thinkers promoting a parliamentary solution. He presumed that ordinary people were not smart enough to rule, but that they were clever enough to elect smart people to govern on their behalf. In the 18th and 19th century the mighty could count on PAC to keep the population in line. D'Alembert could not, of course, have foreseen what impact the rise of mass-communication, let alone of the internet, would have on the distribution of wealth, voice and power.

Observers of the universal process of power concentration, searching for explanations and counter measures, often suspected conspiracies as their origin. Please note, that in the explanation of a skewed distribution of power as described above, such complot is absent. The ruling elite are a subspecies of mankind. Their means of survival is to keep, and to strengthen their grip on the distribution of goods and services. The individual elements in this subset do not need stimulation or secrecy to secure this grip, as populations usually are large enough to cluster into different segments, with which objectives benefiting both rulers and the ruled can be achieved. Most of the elite's actions in relation to the distribution of products, services and resources are public from the start. They are, more often than not, welcomed and lauded by the masses. Only when it becomes clear to citizens, that what used to be a beneficial symbiosis has become a noose, will the elite be in peril of the masses' anger. A population is usually more intelligent than rulers perceive them to be.

Emergence of a new power concept

The economy (i.e. production and trade of goods and services) supposedly began to truly flourish with the introduction of money as a universal trading instrument. Money did not dominate economies, initially, though it did serve rulers, who learnt to use it to their benefit. As did Alexander the Great, who protected the gold trade against forgery. Wealthy citizens, in the distant past, still had to be careful to please their lords. If not, they risked losing their heads. Physical strength and violence in the old days, probably were more a means of power in the minds of people than they are today. Now they are channelled by organised sports and restricted to disciplined army and police. More sophisticated instruments are replacing them as prime means of control.

The function and application of money changed over time and with that shifts of power took place. These shifts may have started independently in different places and eras, but several events are of particular interest.

The second-, and Industrial revolution signalled the start of mass consumerism. The introduction of factories and machines – mass producing household products, food, information, medicine and more – meant that the elite needed large numbers of buyers to generate return on investments and profit. This, in effect, led tot the Industrial Revolution triggering a Third Revolution in its wake – not the Digital one, which is generally considered to be the Third, but one that hasn't been labelled, yet: the Mass Consumption Revolution. To sustain this mass consumerism, workers not only needed to be healthy, but educated, manipulated (into buying items they did not need, for example) and have access to money. As a result, health care, education, marketing & communication, and finance underwent significant changes and became profitable industries in their own right.

The workers, meanwhile, obtained a defined double role, both of which benefited the rich. While still suppliers of labour and therefore subordinates on one hand, ordinary citizens became consumers who were told they were king in their purchasing role. The industries' magnates earned back the money they had paid out as salaries and invested it in more and new ways to get the masses to consume.

With regard to the transformation of finance and banking, several events are noteworthy.

The first being the founding of the Bank of England⁽⁶⁾, late in the 17th century, by Scottish banker William Paterson and others. The bank was established in order to lend money to King William III, who had committed to, but couldn't afford, rebuilding his naval fleet after a catastrophic naval defeat in the Nine Years' War against Louis XIV. The event is significant, as it signalled the start of a ruler's dependency on financiers, even though this new upcoming financial elite amalgamated with the old and their vassals. For a while still, old and 'new money' supported each other in maintaining the traditional governing structure and in commanding the distribution of goods and services.

The power shift from rulers to financiers was still progressing in slow motion, when Karl Marx and Friedrich Engels wrote about the accumulation of wealth in industrial societies. According to the author, Marx and Engels, in their vision, did not sufficiently account for the *motive* to accumulate power through wealth. Their leading idea was that control over production and distribution ought to be in the hands of the people. Nevertheless, only shortly after Lenin's revolution, the natural process of hierarchy building started again. The communists' total control of the distribution of goods, although in the name of equality and a people's union, meant in practice that power and wealth became extremely concentrated in a small group of national distributors, thus resulting in a society which was as repressed as it had been before.

A third significant event was a secret nine-day meeting at the Jekyll Island Club (U.S.), which kicked off on the evening of 22 November 1910. It was attended by eight heavyweights from the banking and

financial industry, among which Henry P. Davison (J.P. Morgan), John D. Rockefeller Jr., and Paul Warburg, and from it sprouted the Federal Reserve Act. With the foundation of the Federal Reserve System, a banking system was introduced in which the nation's banks would form a private cartel and would entirely control the nation's money supply. At first these changes went unnoticed by the greater public, or at least caused no real upheaval.

But even though this early 20th Century power-shift did not register with the lower classes, it was a clear, and deliberate objective for the controlling, financial elite, who would not only amass unimaginable riches through the stratification of markets and influencing of buyers via PR, marketing and media. Controlling the money supply would mean, too, a crucial shift in the former power distribution. As Mayer Amschel Rothschild, founder of the Rothschild Banking dynasty, is supposed to have said a century earlier: "Permit me to issue and control the money of a nation, and I care not who makes its laws."

With the transfer of wealth into private owners' hands and away from rulers, who in turn gradually became mere puppets to their moneylenders, politics itself became a 'product'. And just as faulty products are tossed off the assembly line, a faulty politician could, in similar fashion, be discarded, as was perhaps the case with John F. Kennedy and almost with Reagan, until he stepped 'in line' after the failed assassination attempt, in 1981.

For money to be a product, an item that can be remodelled and to which 'value is added', currencies needed to lose their calibration mechanisms. This happened in steps; one of them, for example being the introduction of the Bretton Woods system in 1958, which eliminated currency exchange controls. Later, under Nixon in 1971, the value of the world's leading currency, the dollar, was de-coupled from gold. Like medical definitions are being altered these days, paving the way for Big Pharma to reap fabulous profits. So too did 'value' gain a certain – shall we say: flexibility – in the finance world, enabling creative 'repackaging' of financial products. The introduction of printed money had already been a great help, just as loans from bankers for which no cover existed. In industrially advanced countries, the ban on money creation was lifted. Trust in loans' solvability could be traded and functioned like money. Then drawing rights, promises, futures and all sorts of derivatives were invented. These could be used as limitless collateral for limitless credit.

The upcoming mass-communication, very much helped by Friedrich Koenig's industrialisation of the printing press, newspapers and later also magazines, radio and TV, started as a separate branch of industrial activity. It enabled a growing part of the population to take part in discussions about decisions that mattered to them. (Just like the institutionalisation of education did.) This was a disturbing factor in the otherwise self propelling concentration of hierarchical power. It did not destroy the former structure, but mitigated it in some places. And it certainly *slowed down the transfer of power* into the hands of a few.

Clever manipulators realised that control over mass-communication was essential to maintain a stable power and control over the people. It was the start of commercialising knowledge as a commodity and of scientific explorations into the fields of marketing, manipulation and mind control. Bernard Bernays wrote about it in his book "Propaganda", from 1928:

"It is not necessary for the politician to be the slave of the public's group prejudices, if he can learn how to mold the mind of the voters in conformity with his own ideas of public welfare and public service. The important thing for the statesman of our age is not so much to know how to please the public, but to know how to sway the public. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country."

The financial elite, in short, now realised which tools to use, both to select and to groom rulers and to influence the political choice of the masses, which they increasingly started doing. Needless to say,

Bernays's influence reached far. Joseph Goebbels learnt a lot from his books. His predecessors did it subtler. Except for exceptions like Stalin, presumably.

There was, however, another problem with the Mass Consumption set-up. The profit model dependent on ordinary citizens being consumers, required that distribution of goods, energy and services had to be less skewed, than it had been before. In addition, an awkward side effect of the sprouting healthcare industry was that people were living longer, and healthier so. Populations in the western world started booming, endangering the stockpile of the World's resources. This would ultimately also affect the elite. So, although great profits were made, the *new consumer concept and rise of the middle class certainly also slowed down the transfer of both wealth and power to the happy few*, or at least evened out the skewed distribution a little.

The financial elite encountered a difficulty. Their riches were not sufficient to take over the control of mass-communication fast enough. Of course, not in the already ultimately hierarchical totalitarian parts of the World. In ours, it was in the hands of too many, all with their own interests. They could bribe some, or encourage cooperation through advertisement and many other ways. It helped but the race was not won yet.

Then Rothschild's wisdom was remembered. In the industrial advanced countries, the ban on money creation was lifted. Gradually, in step with the events mentioned above, the non-governmental financial elite suddenly could generate enough credit to eliminate this obstruction. Immense fortunes gathered with drawing rights, promises, futures and whatever derivatives could be used as collateral for credit. And this new enormous newly acquired wealth provided the means to simply buy into the control of mass communication.

Doubtlessly, the eagerness to act was enforced by the rapid growth of electronic communication. The introduction of the internet to the

public boosted the opportunity for people at large to share thoughts and plans in an unregulated manner, like they never had before. Chaos was imminent, the strings of PAC would be unmanageable in it. That is what happened. Financials took over newspapers, news agencies, radio- and TV-stations. Or they ensured a controlling voice in their operations by cleverly inserted vassals. The latter was already state-of-the-art practice in their dealings with national and international governments. In our part of the world this operation seems close to being 100% accomplished⁽⁵⁾.

They also made sure to control the new social media on the internet, right from the start. *The old instruments PAC, have not been abolished, but they are now dominated by mind control.* The Great Reset, in this paper the Fifth Industrial Revolution will, if it happens, implement the ultimate hierarchical society: in which the elite will own and rule everything. Call it hierarchy's theoretical extreme.

Even in The Netherlands with its tradition of resistance against hierarchical powers, the counter forces are worrying close to losing the battle. The final phase is in sight. During the last decade, we experienced rapid wealth growth of the very rich, moderate growth for the vassals, levelling wealth with less wealth security, for the workers. For the superfluous, such as retirees, unemployed and incapables⁽⁷⁾ the purchasing power trend has been steadily accelerating downward.

Facts & numbers

Is the acceleration of the elite's wealth growth merely perceived as such by the less fortunate, or is it a fact? Minding the earlier warnings of Thomas Piketty and more recent observations like those of Forbes magazine⁽¹⁾ reporters, or of Horowitz et.al.⁽²⁾, we can safely state that the trend of the elite's amassing unprecedented wealth is not limited to the USA. It is evident all over the world. Moreover reports in Forbes have revealed that the fortunes of US billionaires grew by 70% (!), during the last two years. The recently published "World Inequality Report 2022"⁽³⁾ shows that 10% of the World's richest now own 76% of all wealth.

Those data, tempted the author to do a few simple calculations to try and predict what the timeframe would be for this process of total wealth transfer, if the current trend continues uninterrupted.

The calculations resemble a well-known arithmetical riddle, featuring a pond and a certain type of duckweed. This duckweed has the capacity to double in quantity per day. When thrown into the pond as just one tiny plant, the duckweed has covered half the pond after 19 days. The question posed in this riddle is: How many days would it take for the duckweed to cover the pond completely? The answer is, of course: on the 20th day. Anyone having gone through primary education should understand this answer. It was also known to participants in the World Economic Forum (WEF), when it predicted: 'You shall own nothing and be happy." Let us apply this to estimate, how long it will take.

We make some assumptions not too different from presented figures in the real World:

- The total wealth of the World is € 8*10¹³. This is on average, € 10.000 per each inhabitant of our globe.
- The top financial elite consists of 2000 persons, who jointly own 20% of the world's total wealth; i.e. together € 160*10¹¹. Their average possessions, € 8 billion (10⁹) each, would not impress gentlemen like Gates, Musk or Bezos at present, but to the garbage collector taking care of their weekly waste, the amount is not inconsiderable.
- Growth of the world's total wealth is set at 1% p.a. making it in x years: € 8*10¹³*1,01^x.
- Growth of the elite's share is 10% p.a.. Making it in the same time period: € 60*10¹¹*1,1^x.

Given the above, we can conclude that, if the current trend persists, it will take 19 years for the richest 2000 to own everything. The other 8 billion inhabitants of planet Earth will then be the have-nots. Of course, the rulers will still need PAC-control and workers to provide them with products and services, so the skewed distribution will likely be a bit smoother than stated here. Perhaps the transition will be more like the graphs shown in ref. (2).

The result is not very sensitive to the assumed present wealth of the top 2000. If that would be only 10% of the total wealth,

accomplishment would be in 27 years, in stead of 19.

Then again, the transition might happen faster, if we take into account the most recent data^(1,2,3), or the WEF's letters to (Dutch) governmental vassals⁽⁵⁾.

Whatever the true scenario will be, we can be sure that disowning of assets will happen during the lifetime of most of the world's inhabitants alive today.

Thorns on the road

Perhaps not all of those billions of Earthly citizens will gladly accept distribution changes as 'business as usual'. The planned transfer of wealth does not not take place by confiscation, at least not yet. That would alert people to what is really going on and subsequently stir up resistance. The transition of wealth will, instead, be presented as an unavoidable necessity and realised by lowering the trading capacity, usually called inflation. Only a small segment of the population will own everything. Their vassals will receive a small share and of course, police, army and a number of labourers will have to be kept alive. They will be supported through financial dependency structures, like lease, rent and by monthly allowances to cover their expenses. Allowances will, of course, only be given if the receiving parties comply to their bosses' rules and whims. Still, even though the transition will be quick and smooth, some unrest among the superfluous have-nots is to be expected. Especially when they finally begin to understand that to the elite, they merely are superfluous depleters of Earth's finite resources and not meant to be there, at all.

Conclusion

The transition of wealth shown above would take more time, if we could diminish the gap between growth of the World's total wealth and that of the elite. An obvious way out is to increase the production of goods and services. However, this goal is presently being made unattainable in many countries. Obstruction of the production process is being orchestrated by creating a shortage of energy and by COVID-19 safety measures, thus stagnating worldwide logistics. It all results to a *lack of energy, the engine and root of all production.* And subsequently and inevitable to diminishing amounts of food and all other products and services. With an adequate energy supply we could gain some time, before the Great Reset's extinction phase. If we have to rely on wind and solar power only, the time of respite will be shortened.

Another way to postpone the final phase is to reduce the growth rate of the elite's wealth. As this is clearly not in their interest; they will probably not welcome it. And since they have already accomplished the installation of their ruling structure, this path seems to have a dead end. Unless violence breaks out.

The quick and clever way to prevent ultimate enslavement, without causing serious unrest, would be to curb the influence of the financial elite on mass-communication. But the likelihood of that succeeding, diminishes by the day. Voices to support this rescue operation will be unheard, or ridiculed and blamed as an attack on holy property rights. The move will strand on widespread disgust as an attack on folks last remaining crumbs of property.

Past and present mass-communication manipulators probably would have foretold and agree about this most likely course of events.

Only when the threatened masses will understand in time the rationale behind what is going on, and act against what they are made to believe, a resulting swords and rifle solution can be avoided.

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Notes

- (1)Forbes 400, 2021 https://www.forbes.com/forbes-400/
- (2)J.M. Horowitz, R. Igielnik & R. Kochhar <u>https://www.pewresearch.org/social-</u> trends/2020/01/09/trends-in-income-and-wealth-inequality/
- (3)World Inequality Report 2022, https://wir2022.wid.world/
- (4)Dr. C. (Kees) le Pair, R.O.N.L., CLINTEL affiliate, former CEO of the Netherlands National Research Organisations for Physics and Technology; <u>http://www.clepair.net/</u>
- (5)The author has copies of letters, of July 2020, from the World Economic Forum to the Netherlands cabinet ministers Hoekstra (Finance) and Kaag (foreign trade). The last sentence is revealing:

"The Forum will work with your staff to ensure that your participation becomes a major force in shaping the Great Reset."

(6)The 'Amsterdam Bank' founded in 1609, although serving the ruling regents (and king Louis XIII for instance) in The Netherlands remained mainly an instrument to facilitate international trading. (7)In last 13 years retirees of the biggest pension funds lost more than 20% of their purchasing power. Coming years it will be worse. Mind control is proven effective. In the 2021 parliamentary elections the victory of the elite's vassals was evident.