Fintech: Threat Of Sharia-Compliant Finance Continues Without Scrutiny

The Islamic world is committed to leading the world in Fintech, the financing arm of Sustainable Development, because Fintech is Sharia-compliant. This is a back-door opportunity for Sharia to be systemically spread to the whole world. TN Editor

Known usually by the euphemistic title “Islamic Finance,” designed to conceal its shariah basis, shariah-compliant finance continues to grow worldwide, with the help of the Western financial industry, as demonstrated by the relatively recent incorporation of blockchain into shariah banking and finance.

The incorporation of innovative financial tools may help shariah finance grow beyond its current $2 billion in assets, but no one in the regulatory environment or on Wall Street or Fleet Street seems to care about the potential troubling aspects of this sector.

The main purpose of shariah-compliant finance is to promote shariah, which is Islamic doctrinal law regarded in the Islamic world as immutable, indivisible and mandatory for all Muslims to follow in all aspects of life. Shariah can be accurately described as reactionary, and, in its implementation, barbaric. Shariah is the law of the land in three nations in the world today: Iran, Sudan and Saudi Arabia, which all have dismal human rights records and extensive ties to Jihadist terrorism.

Shariah mandates as a religious obligation, conducting violent jihad against non-Muslims to establish Islam's rule worldwide in a form known as the *caliphate*.

It comes as no surprise then that shariah is also the law of the land in Taliban-controlled areas of Afghanistan, Boko Haram-controlled areas of Nigeria, Al Shabaab-controlled areas of Somalia and the last vestiges of the Islamic State caliphate in Iraq and Syria.

Shariah finance is indistinguishable from shariah itself since Muslims are not allowed to pick and choose different aspects of shariah to follow. Anyone that infers that shariah finance is something apart from shariah is simply being dishonest. In fact, the main purpose of shariah finance is to promote shariah.

Shariah finance is a threat to Western values, human rights and US national security. Shariah finance has a political objective: to legitimize shariah in the West. Evidence indicates that shariah-compliant finance provides financial support to Jihadist terrorism. Shariah-compliant financial institutions employ shariah scholars, many of whom have been shown to be associated with Jihadist organizations such as the Muslim Brotherhood, even to the point of advocating suicide bombing and jihad against America. Among the decisions these scholars make is the donation of 2.5% or more of annual earnings to Muslim charities in a system known as *zakat*. Similar to zakat, earnings from investments that are judged to have been unislamic must be *purified* through donations to charities as well.

Given the Jihadist tendencies of some prominent shariah scholars such as Sheikh Youseff al-Qaradawi and Mufti Taqi Usmani, as well as the fact

that no fewer than 27 Muslim charities have been designated as funding terrorism by the US Treasury Department, the UK charity commission or the UN, this presents a hazard which could obviously threaten US national security.

The effect of legitimizing and promoting shariah in the West can already be seen in Western Europe. Promoting shariah encapsulates Muslim communities from mainstream society and even creates enclaves controlled by shariah. Shariah-compliant finance plays a particular role in this because, a devout Muslim living in a Western country in which there are no shariah-compliant banks are allowed to use conventional "infidel" institutions under the shariah doctrine of "extreme necessity." However, once shariah-compliant institutions do exist, they are religiously obligated to patronize them exclusively. Thus, by allowing the spread of shariah finance in the West and the US, we are pushing Muslims toward shariah.

Read full story here…

Bank For International Settlements Declared 'Bastion Of Global Technocracy'

Not much is written about the secretive BIS, but this article is an exception as it recognizes it as "a bastion of global technocracy." TN would add that the World Bank and the International Monetary Fund complete the Technocratic troika. □ TN Editor

There's been a changing of the guard at the Bank for International Settlements, the little-known organization that sits at the heart of the world's financial system.

Agustín Carstens, former head of Mexico's central bank, succeeded Jaime Caruana as general manager on Dec. 1. **He's taking charge of an institution that stands out as a bastion of global technocracy in an age of increasing transparency and growing disillusionment with elites.**

The BIS headquarters, which towers over Basel like a 70-meter stack of copper coins, serves as a clubhouse for the world's central bankers and financial rulemakers. The likes of Mario Draghi, Janet Yellen, and Mark Carney routinely hold confidential gatherings there with colleagues from around the globe. "Maybe if it didn't exist you wouldn't invent it now, but
it plays an important role in the central banking world," says Charlie Bean, former deputy governor of the Bank of England, who co-authored a report on the BIS's research in 2016. "It's the glue that helps keep the fraternity together."

That hasn't stopped the BIS, which was founded in 1930 and is owned by central banks, from challenging the economic orthodoxy of its own members. By 2003, William White, then economic adviser, and colleague Claudio Borio were pushing for preemptive monetary tightening to avoid dangerous asset bubbles, a contrarian view that looked prescient later, during the financial crisis. It's kept beating that drum even as central

bankers in the U.S., Europe, and Japan slashed interest rates to record lows and launched unprecedented bond-buying programs to fend off deflation. Borio, now head of the monetary and economic department at the BIS, argued in a September speech that central bankers may be underestimating the "generally benign" effects of globalization and technology on inflation and should rethink their response to deflationary trends. He called out Larry Summers, former secretary of the U.S. Department of the Treasury and a proponent of the "secular stagnation" theory, who argues weak U.S. growth and inflation result from a persistent shortfall in demand. Summers describes the BIS as "an important source of thinking on issues relating to financial stability and economic performance," while adding that he frequently disagrees with its conclusions. He's not alone in questioning the BIS's stance. A 2016 review of the bank's publications co-authored by Bean found the organization "doing a lot right" on the research front but expressed reservations about the BIS "generating results to support the 'house view.' "

Caruna, whose tenure began during the dark days of the financial crisis in April 2009, defended the BIS. "You may agree with what we say or not, but I think there is a value to introducing these elements in the debate," he told Bloomberg in November, referring to the bank's preference for taking a medium-term, global perspective and highlighting financial stability risks. Research aside, the BIS has grown in prominence in the years of monetary policy experimentation and banking regulation that have followed the crisis. While some central banks made efforts to open up as their increasing powers drew scrutiny from voters and governments, in Basel they've rowed back. Jens Weidmann, president of Germany's Bundesbank and chairman of the BIS board of directors, says sometimes secrecy is necessary. "Informed decisions on domestic monetary policy require a nuanced understanding of international developments," Weidmann says. "The privacy of the meetings facilitates a frank and open exchange of views."

The organization hosts the Financial Stability Board and the Basel Committee on Banking Supervision, which hash out the rules that govern the international financial system. There's also the Global Economy

Meeting and its sister forum, the Economic Consultative Committee, dubbed "the world's most exclusive club" by Adam LeBor, author of a book on the BIS. These latter two groups convene once every two months, on a Sunday, for formal sessions followed by a dinner on a top floor of the BIS tower, which has 360-degree views of Basel and the mountains. They seldom open themselves to scrutiny from the press and the public.

The clubby, shrouded nature of the organization and the committees it hosts contrasts with efforts at greater transparency elsewhere. The European Central Bank bowed to public pressure in 2015 and began publishing the minutes of its meetings, while the Federal Reserve started holding quarterly press conferences in 2011.

Read full story here…

Cash No Good: More Retailers Reject Paper Money

Cashless society is a requirement for forcing everyone into a digital system, a goal for Fintech and Sustainable Development. Nobody has yet

taken American retailers to court over the legality of refusing to accept cash, but according to the U.S. Treasury, each bill clearly states: "This note is legal tender for all debts, public and private." TN Editor

"Your cash is not wanted here", a growing number of retailers and restaurants throughout the US and UK are telling customers. But are reasons being given by companies for the new "cashless" approach — speed, efficiency, and the safety of store employees — valid enough to require something as utterly and downright unAmerican as rejecting cash?

We think not, and unfortunately the trend of "cash not welcome here" establishments is growing, to the point that **lawmakers are beginning to take note and could introduce legislation barring the practice**, as Massachusetts has done already, and as the New Jersey State House could be set to do next. According to a Federal Reserve survey conducted in 2017 cited in *The Wall Street Journal*, **cash represented 30% of all transactions in America, with 55% of those being under $10**.

Regardless of Americans' longtime preference for plastic in most transactions, many of which take place online, research by the Federal Reserve found that cash is still king in terms of Americans' daily lives and usage, and as the study concluded further, this remains true across all income levels:

> ***Not only is cash used frequently for small value and in-person purchases, it is also used by a wide array of consumers.*** *The data on cash use by household income provides two main insights. First, consumers make—on average—14 cash transactions per month, regardless of household income. It is also noteworthy that cash was the most, or second most, used payment instrument regardless of household income,* ***indicating that its value to consumers as a payment instrument was not limited to lower income households that may be less likely to have access to an account at a financial institution****.*

But this reality is now pushing up against the new trend of the cashless restaurant, bar and retailer, and creating awkward and frustrating

situations for consumers, as a new *Wall Street Journal* piece chronicles. In one scenario, **a customer had to intervene on another's behalf and play personal bank for a "card only" salon**, even though there was plenty of cash on hand offered by the woman who couldn't pay. Ironically, as the WSJ story notes, this created an "emergency":

> *Sam Schreiber was mid-shampoo at a Drybar blow-dry salon in Los Angeles when someone from the front desk **approached her stylist with an emergency: a woman was trying to pay for her blow-out with cash**.*
>
> *"There was this beat of silence," says Ms. Schreiber, 33 years old. **"She literally brought $40."***
>
> *More and more businesses like Drybar don't want your money—the paper kind at least. It's making things awkward for those who come ill prepared. After all, you can't give back a hairdo, an already dressed salad or the two beers you already drank.*

And in another situation where someone simply wanted to order a salad, but was refused upon presenting $20 cash, the rejected customer slammed the policy that created the whole awkward situation as elitist. The customer recounted for the WSJ:

> *Jaclyn Benton, 30, visited a Sweetgreen near her office in Reston, Va., last summer with $20 cash, but no credit or debit card because she had forgotten her wallet at home. When her order was ready and she went to pay, the cashier explained that the restaurant doesn't take bills.*
>
> *"It's almost like when your credit card gets declined for silly reasons," says Ms. Benton, who works as an event planner. **"It makes you feel like you can't afford it even though I had the money right there."***
>
> *Ms. Benton has no plans to go back: **"It feels very elitist,"** she says.*
>
> *A Sweetgreen spokeswoman said its decision makes its team members safer amid the risk of robbery and improves the cleanliness and*

efficiency of the restaurants.

Another anecdote involved a 51-year old women left feeling humiliated at a Manhattan restaurant. Though the eatery proudly advertises that its food [comes from] “from farmers and partners as close to home as possible,” it apparently rejects your local cash.

[Read full story here…]

In America: The Final Assault In The War On Cash

The author does not have Technocracy in view, but only in name. Technocracy will force the extinction of cash in order to build a replacement monetary system to finance Sustainable Development that will resemble Alice in Wonderland. TN Editor

Before I show you what I’ve learned about a plan to seize control of America’s money, let me make one point clear…

If you value sound money and political freedom… if you value limited government and taxation with representation… and if you value enterprise and privacy… then you're going to hate the future I'm about to describe.

There is no philosophical or monetary middle ground on the issue.

You're either with it or against it.

The Chicago Plan

In March 1933, Henry Morgenthau Jr., chairman of the Federal Farm Board, was sent a short memo titled, "Memorandum on Banking Reform."

It was signed by Frank Knight (the acknowledged author of the memo), Garfield Cox, Aaron Director, Paul Douglas, Lloyd Mints, Henry Schultz, and Henry Simons. All of them were professors at the University of Chicago.

The memorandum advocated for full-reserve banking (FRB) in the U.S. monetary system. U.S. currency would be backed only by government debt, not bank debt (loans issued by commercial banks to private citizens and companies).

It wouldn't nationalize the U.S. banking system. But it *would* nationalize the nation's money supply.

Under this kind of system, banks could no longer "create" money by lending it into existence. Money creation would be the exclusive territory of the government of the United States.

In this system, the key government agencies could not create money through new lending. They would do so through new spending (on priorities determined by elected politicians).

CARTOONS | Steve Kelley
View Cartoon
They called it "The Chicago Plan."

The most radical elements of the plan – which we'll discuss shortly – were left on the shelf nearly a century ago.

But I believe it's about to find a resurgence in modern America…

The End of Fractional Reserve

Before I show you what the implications of a modern Chicago Plan would be, it's important you understand how money creation works today.

Despite what you may think, the central bank (the Federal Reserve) doesn't print that much money. The vast majority of the money supply in the U.S. economy is grown by banks lending money into existence.

Commercial banks issue a loan, it appears in your account, and just like that… it's money. From nothing, something! And then there was cash!

But here's the other part of that process that most people don't realize. When the banks issue a loan, they don't have to have a dollar in cash in their vaults for every dollar in cash they lend. If they DID, then every loan to a new customer would be matched with an equal amount of savings already in the bank from another customer. That's "full reserve" banking.

What we have today is called "fractional-reserve" banking. Why? The amount of cash savings actually held by the bank is only a fraction of the money lent by the bank. And for each dollar in saving deposits held by the bank (your money), the bank can lend up to $10 in new money (this is the secret magic of money creation).

It's also what some people call "debt-based" money, because money is created when a new debt is born (in the form of a bank loan).

Proponents of the Chicago Plan contend that allowing banks to create credit in a fractional reserve system leads to credit cycles. And the credit cycle has booms and busts. The busts damage everyone, not just those who have borrowed and spent too much.

That's a problem, they say. To circumvent it, there are those in power actively trying to end the banking system as we know it. They want to go

back to the original idea of the Chicago Plan. And then they want to go one step further and replace America's money with something else entirely.

America's New Money

The main feature of the Chicago Plan is that it moves credit creation from private hands to public (government) hands, with the average American unaware of who is really moving the government hands. Money isn't lent into existence. It's spent into existence.

You can imagine that he who does the spending in this system has great power. That's exactly the idea!

Under the plan, instead of stimulating growth by changing the price of money for commercial banks (which is how monetary policy currently works with the Federal Reserve and interest rates), the government would "spend" money into circulation – on public works and infrastructure projects, for example.

The quantity of money in the economy would be determined by the government, not the commercial banks. And, at least in theory, the government would enjoy vastly lower levels of debt (both absolutely, and relative to GDP) in this kind of money system. Why?

In the current system, the US Treasury raises money by selling bonds to commercial banks or the Fed, paying interest to both. Money is created by borrowing. But again, it's debt-based money. That wouldn't happen in the new system. But what would the new money be backed by?

Er… government debt!

The term "full-reserve banking" implies every unit of currency is backed by an actual reserve. Some advocates of full-reserve banking (including a handful of Austrian economists) believe you could back the money with gold. Thus gold would be restored as the most important reserve asset in the world.

But if your agenda is to spend money into existence in unlimited quantities, you can also use government debt as a reserve asset. There's

a lot of it already. And you can always make more!

In fact, this is a key feature of the Chicago Plan. It's full-reserve banking where the government does all the money creation, "backed" by government debt. The commercial banks merely provide payment services or pay interest on deposits. They are forced out of the debt-based money creation business (where all the profit is, of course).

According to the theory, this new American money system would accomplish three things…

1. End the booms and busts of the credit cycle.
2. Do away with bank runs (no need to get your money out of the bank if it's fully backed).
3. Eliminate the government's debt problem. If money can be spent into existence, government borrowing and government debts are a thing of the past. If it needs more money, the government just spends it and "backs" it by issuing new bonds held by the central bank. The government could never be insolvent.

Does that sound like an improvement on the current system to you? To some people, it all sounds somewhat appealing, until you look closer…

Monetary Sovereignty

Under the Chicago Plan, the government has "monetary sovereignty." What is monetary sovereignty? It is the complete decoupling of money from anything real.

Let me explain what I mean and why that's so important for the value of your savings and investments today.

Under the Chicago Plan, money doesn't have to have its roots in real value-added labor. Money doesn't come into existence because a tradesman has created something useful and sold it to someone else, requiring money to make the transaction.

And under the new system, money certainly doesn't have to be anything physical and scarce, like gold.

Under the new system, money can be whatever the government wants it to be.

With a monetarily sovereign government calling the shots, money is literally no object. A monetarily sovereign government wouldn't have to borrow anymore, or pay interest. To create money, it would simply spend it into existence. Voilà!

Think of all the jobs and incomes created when a monetarily sovereign government decides to spend trillions on new infrastructure and "nation building" projects.

This is Richard Duncan's "creditism" without the need to borrow. It is economic growth without effort, wealth without labor, riches without risk.

If you think it sounds absurd, you're not alone. But remember what's at stake here: total control of American money, and through it, of the economy, and of you. And it'll be accomplished by controlling the quantity of money through a central authority.

For an idea of what that might look like – and why it's so dangerous to your cash and savings today – consider this quote from the innocuously titled "The Case for Unencumbering Interest Rate Policy at the Zero Bound."

It was delivered by Marvin Goodfriend of Carnegie Mellon University at the Fed's annual retreat in Jackson Hole, Wyoming in 2016 (emphasis added is mine):

The most straightforward way to unencumber interest rate policy completely at the zero bound is to **abolish paper currency**. *In principle, abolishing paper currency would be effective, would not need new technology, and would not need institutional modifications. However, the public would be deprived of the widely used bundle of services that paper currency uniquely provides.*

[…] Hence, **the public is likely to resist the abolition of paper currency at least until mobile access to bank deposits becomes**

cheaper and more easily available.

First, we have a proposal for a new system in which only the government can create money. Next, the “experts” think the most logical way to “unencumber” ineffective monetary policy is to abolish cash.

Goodfriend, by the way, was nominated by President Trump to serve on the Federal Reserve’s seven-member Board of Governors. His nomination is currently awaiting action by the U.S. Senate.

Taken together, there is a real effort underway to do away with your individual economic liberty and your preference to hold cash in the face of interest rate uncertainty. “If that could be overcome,” Goodfriend seems to be saying, “then we could make you act the way we want you to.”

Am I exaggerating? Would Wall Street allow such a fundamental change to America’s banking system? Would the Fed really abolish cash? Is there a possibility of all of this becoming a reality?

It’s happening faster than you think.

For example, the Swiss recently voted on implementing a version of the Chicago Plan earlier this month. They ultimately voted it down, but the fact that such a plan was considered in the first place shows that this idea is coming back into the mainstream.

Also, keep in mind that the Swiss, due to their constitution, get to vote on these kinds of things. It’s a direct democracy, controlled at the local level. Top-down change – the kind of change which tends to benefit the elites and those in the shadows of power – is very hard to achieve in Switzerland. But in the United States…?

What would it take for elected officials, and the American voters, to decide that the banks can no longer be trusted? What would it take for politicians and voters to agree that it’s time to end “too big to fail” banks and change the financial system so “the people” (through their elected officials, of course) can be in charge of the money system?

A stock market crash?

Another “systemically important bank” collapse?

A sovereign debt crisis?

The catalyst could come from anywhere, or nowhere. And if you think it’s out of the realm of possibility, then you lack imagination, or an understanding of history.

In Defense of Economic Liberty

In a world where government has unrestricted control of the money, and hiding in physical cash is no longer an option (because cash has been abolished), there’s no end to what a monetary sovereign could force you to do.

Control of money is a massive political power. What would happen next?

Outlawing cryptos?

Forcing negative interest rates (effectively a tax on your savings)?

Banning the purchase of items that the government deems undesirable, like weapons, alcohol, or cigarettes?

These may seem far-fetched scenarios. But they are well within the realm of possibility for a government in complete control of the money in your account.

This was the plan in 1933. It almost happened. I believe it is the plan today. And I believe it WILL happen. Much sooner than you think. Which is why you must plan for it NOW.

This is not a theoretical debate. What, exactly, is at stake for you right now?

This idea of sovereign money appeals to central planners because with it, they have absolute authority and permission to try and solve any “problem” they deem a threat.

You are that threat, because you won’t do what you’re told. You won’t spend when you’re supposed to spend, borrow when you’re supposed to

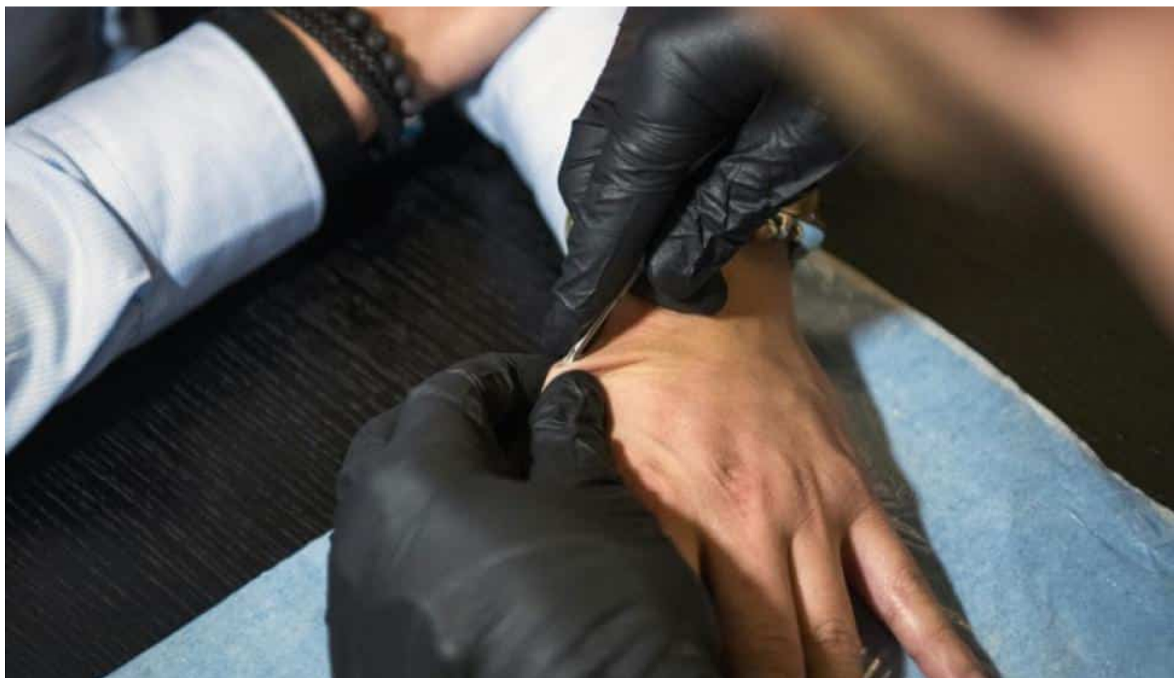
borrow. And you're likely to hoard cash and real money (precious metals) in the face of low (or negative) interest rates. That makes you an uncompliant problem for the State to solve.

When you pair it with banning cash and going all-digital, you have nothing less than the complete loss of economic liberty and freedom of action in America. THAT's what's at stake here. Right now.

If you're in a situation where you can only spend money when you're allowed to spend money, or you can only spend money that they say is money, and you can only spend money when they think it's okay, then you're not free.

And to some people, freedom still matters in America.

Read full story here…



Sweden: Cash Goes Out As

Microchips Get Implanted To Pay For Things

There is a people's movement in Sweden to retain cash as a backup to tech failure, but others continue to squeeze it out. Young Technocrats think it's cool to get chips inserted into their hands as a payment system. TN Editor

More than 4,000 Swedes have gone the microchip route as cash use fades and the government scrambles to figure out the effects on society and the economy.

Few countries have been moving toward a cashless society as fast as Sweden. But cash is being squeezed out so quickly — with half the nation's retailers predicting they will stop accepting bills before 2025 — that the government is recalculating the societal costs of a cash-free future.

The financial authorities, who once embraced the trend, are asking banks to keep peddling notes and coins until the government can figure out what going cash-free means for young and old consumers. The central bank, which predicts cash may fade from Sweden, is testing a digital currency — an e-krona — to keep firm control of the money supply. Lawmakers are exploring the fate of online payments and bank accounts if an electrical grid fails or servers are thwarted by power failures, hackers or even war.

"When you are where we are, it would be wrong to sit back with our arms crossed, doing nothing, and then just take note of the fact that cash has disappeared," said Stefan Ingves, governor of Sweden's central bank, known as the Riksbank. "You can't turn back time, but you do have to find a way to deal with change."

Ask most people in Sweden how often they pay with cash and the answer is "almost never." A fifth of Swedes, in a country of 10 million people, do not use automated teller machines anymore. More than 4,000 Swedes have implanted microchips in their hands, allowing them to pay for rail

travel and food, or enter keyless offices, with a wave. Restaurants, buses, parking lots and even pay toilets depend on clicks rather than cash.

Consumer groups say the shift leaves many retirees — a third of all Swedes are 55 or older — as well as some immigrants and people with disabilities at a disadvantage. They cannot easily gain access to electronic means for some goods and transactions, and rely on banks and their customer service. And the progress toward a cashless society could upend the state's centuries-old role as sovereign guarantor. If cash disappears, commercial banks would wield greater control.

"We need to pause and think about whether this is good or bad, and not just sit back and let it happen," said Mats Dillén, the head of a Swedish Parliament committee studying the matter. "If cash disappears, that would be a big change, with major implications for society and the economy."

Urban consumers worldwide are increasingly paying with apps and plastic. In China and in other Asian countries rife with young smartphone users, mobile payments are routine. In Europe, about one in five people say they rarely carry money. In Belgium, Denmark and Norway, debit and credit card use has hit record highs.

Read full story here…

IMF Reveals That Cryptocurrency Is The New World Order Endgame

The IMF is now openly writing about blockchain technology in creating a global crypto currency, built on the old concept of Special Drawing Rights (SDRs). The SDR is a basked of traditional currencies, but could provide a pivot to move to cryptocurrency. TN Editor

There are two kinds of globalist schemes: First, there are the schemes they spring on the public out of nowhere haphazardly in the hopes that the speed of the event along with some shock and awe will confuse the masses and make them psychologically pliable. This strategy loses effectiveness quickly, though; the longer the plan takes to implement, the more time the people have to reconsider what is actually happening and why.

Second, there are schemes they slowly implant in the collective psyche of the citizenry over many years, much like subliminal messaging or hypnosis. This strategy is designed to make the public embrace certain destructive ideologies or ideas as if these ideas were their own.

The cryptocurrency scam is of the second variety.

I have been suspicious of the cryptocurrency narrative of a "decentralized and anonymous monetary revolution" since 2009, when I was first approached by people claiming to be "representatives" of bitcoin and asked to become a promoter of the technology. After posing a few very simple questions and receiving no satisfactory answers, I declined to join the bandwagon or act as a frontman.

The "currency" was backed by nothing tangible (and no, math is not a tangible resource). Anyone could create a cryptocurrency out of thin air that had attributes identical to bitcoin, therefore there was no intrinsic value to the technology and nothing stopping the creation of thousands of similar currency systems, eventually making bitcoin worthless. The scarcity argument for crypto was fraudulent. And, in the event of a grid down or an internet lock-down scenario (as has occurred in the past in nations under crisis), crypto was useless because the blockchain ledger was no longer accessible.

Trading with private wallets made little sense; how many people were you likely to run into in your community with a bitcoin wallet? The amount of time and energy required to accumulate these digital nothings seemed counterproductive to me in light of the fact that they might not be there when you actually needed them.

The only attributes that truly made bitcoin valuable were its branding and the amount of hype that was generated around it. But branding and hype are not enough to sustain a currency revolution. There was one other valuable characteristic — the supposed anonymity. In 2009, it was not clear whether this was legitimate. Today we now know that ANY cryptocurrency that is based on a blockchain ledger is highly traceable. There are no anonymous digital transactions no matter how savvy a person thinks they are.

I was also suspicious of the behavior of some bitcoin proponents in web forums. Anyone presenting concrete criticism of the technology was met with aggressive Alinsky-style attacks. They were accused of being "ignorant barbaric gold stackers" that were too stupid to understand the

“genius” of the blockchain and how it works. Disinformation was rampant. Claims of anonymity that had long been debunked were brought up over and over again. The value of bitcoin was faunted as an end-all-be-all argument as to why the critics were wrong. Bitcoin’s price was skyrocketing; therefore, bitcoin was legit.

These were the kinds of tactics I had seen used by disinfo agents in the past; people arguing in favor of the Federal Reserve or globalism in general, or the people claiming that man-made global warming was “self-evident”. This was not the behavior I had come to expect from liberty movement activists, who at that time were focused on facts and evidence to win the information war, rather than dishonest mind games and lies.

Conclusion — there was a concerted campaign to push liberty activists through “peer pressure” to adopt a pro-crypto stance. But who actually benefits from this?

Some investors in crypto made a considerable profit on bitcoin and other digital assets for a time, but today many of them are losing their shirts as bitcoin and most coins tumble in value. It is perhaps no coincidence that cryptocurrencies act as though they are anchored to the tech bubble in stock markets. As tech stocks flail and plummet, so too are crypto assets, because cyrptocurrencies are traded like equities in a bubble, not monetary mechanisms. Many of us who were averse to the bitcoin hype train often used the Dutch tulip analogy for why crypto valuations were absurd, and obviously that analogy was not far from the mark.

I wonder sometimes about the people who used to argue that bitcoin’s high value made its legitimacy self-evident; would they now concede with bitcoin’s plunging value that its legitimacy was in question? I’m guessing they probably won’t.

Crypto was also an effective distraction from people trying to build precious metals based alternatives to the the current economic environment. Bitcoin siphoned up activist energy and redirected it into something useless rather than a system that might truly threaten the

central banking establishment.

Beyond that, the entire crypto-storm over the past decade has done one thing very well — it made the idea of cryptocurrencies a household discussion, and I believe this was the goal all along. Once I found growing evidence that international and central banks were deeply involved in building the infrastructure needed to make blockchain technology go global and universal, it became obvious that bitcoin and other coins were merely a pregame test for the introduction of something rather sinister.

In my article "The Globalist One World Currency Will Look A Lot Like Bitcoin", published in July 2017, and in my article "The Virtual Economy Is The End Of Freedom," published in December 2017, I outlined the questionable nature of cryptocurrencies and the blockchain and why the banking elites seem to be so interested in them.

It was odd that bitcoin was built around the SHA-256 hash function created by the National Security Agency, and that the entire concept was remarkably similar to what was described in an NSA paper published in 1996 titled 'How To Make A Mint: The Cryptography Of Anonymous Electronic Cash.'

Read full story here…

Nouriel Roubini: Central Bank Digital Currencies Could Crush Cryptocurrencies

TN agrees that the Central Banks will adopt a variation of cryptocurrencies that will crush all other forms. The field of Fintech (Financial Technology) has already been declared to be the financial enabler for Sustainable Development, aka Technocracy. TN Editor

Leading economic policymakers are now considering whether central banks should issue their own digital currencies, to be made available to everyone, rather than just to licensed commercial banks. The idea deserves serious consideration, as it would replace an inherently crisis-prone banking system and close the door on crypto-scammers.

The world's central bankers have begun to discuss the idea of central bank digital currencies(CBDCs), and now even the International Monetary Fund and its managing director, Christine Lagarde, are talking

openly about the pros and cons of the idea.

This conversation is past due. Cash is being used less and less, and has nearly disappeared in countries such as Sweden and China. At the same time, digital payment systems – PayPal, Venmo, and others in the West; Alipay and WeChat in China; M-Pesa in Kenya; Paytm in India – offer attractive alternatives to services once provided by traditional commercial banks.

Most of these fintech innovations are still connected to traditional banks, and none of them rely on cryptocurrencies or blockchain. Likewise, if CBDCs are ever issued, they will have nothing to do with these over-hyped blockchain technologies.

Nonetheless, starry-eyed crypto-fanatics have seized on policymakers' consideration of CBDCs as proof that even central banks need blockchain or crypto to enter the digital-currency game. This is nonsense. If anything, CBDCs would likely replace *all* private digital payment systems, regardless of whether they are connected to traditional bank accounts or cryptocurrencies.

As matters currently stand, only commercial banks have access to central banks' balance sheets; and central banks' reserves are already held as digital currencies. That is why central banks are so efficient and cost-effective at mediating interbank payments and lending transactions. Because individuals, corporations, and non-bank financial institutions do not enjoy the same access, they must rely on licensed commercial banks to process their transactions. Bank deposits, then, are a form of private money that is used for transactions among non-bank private agents. As a result, not even fully digital systems such as Alipay or Venmo can operate apart from the banking system.

By allowing any individual to make transactions through the central bank, CBDCs would upend this arrangement, alleviating the need for cash, traditional bank accounts, and even digital payment services. Better yet, CBDCs would not have to rely on public "permission-less," "trustless" distributed ledgers like those underpinning cryptocurrencies. After all, central banks already have a centralized permissioned private

non-distributed ledger that allows for payments and transactions to be facilitated safely and seamlessly. No central banker in his or her right mind would ever swap out that sound system for one based on blockchain.

If a CBDC were to be issued, it would immediately displace cryptocurrencies, which are not scalable, cheap, secure, or actually decentralized. Enthusiasts will argue that cryptocurrencies would remain attractive to those who wish to remain anonymous. But, like private bank deposits today, CBDC transactions could also be made anonymous, with access to account-holder information available, when necessary, only to law-enforcement authorities or regulators, as already happens with private banks. Besides, cryptocurrencies like Bitcoin are not actually anonymous, given that individuals and organizations using crypto-wallets still leave a digital footprint. And authorities that legitimately want to track criminals and terrorists will soon crack down on attempts to create crypto-currencies with complete privacy.

Insofar as CBDCs would crowd out worthless cryptocurrencies, they should be welcomed. Moreover, by transferring payments from private to central banks, a CBDC-based system would be a boon for financial inclusion. Millions of unbanked people would have access to a near-free, efficient payment system through their cell phones.

The main problem with CBDCs is that they would disrupt the current fractional-reserve system through which commercial banks create money by lending out more than they hold in liquid deposits. Banks need deposits in order to make loans and investment decisions. If all private bank deposits were to be moved into CBDCs, then traditional banks would need to become "loanable funds intermediaries," borrowing long-term funds to finance long-term loans such as mortgages.

In other words, the fractional-reserve banking system would be replaced by a narrow-banking system administered mostly by the central bank. That would amount to a financial revolution – and one that would yield many benefits. Central banks would be in a much better position to control credit bubbles, stop bank runs, prevent maturity mismatches, and regulate risky credit/lending decisions by private banks.

[Read full story here…]

Backlash Against War On Cash Reaches The Bank Of Canada

Cashless society is a Technocrat initiative to force people into the digital world. Even if forced cash withdrawal is meeting with resistance, it doesn't mean that people will not be voluntarily abandoning cash over time. TN Editor

In recent months, a slew of political and financial institutions have raised concerns about the march toward a cashless economy. They include:

- The ECB warned that a phase-out of cash could pose a serious risk to the financial system. Depending too heavily on electronic payment systems could expose financial systems to catastrophic failures in the event of power outages or cyber attacks. The European Commission has also backed off is war on cash.

- The People's Bank of China announced that all businesses in China that are not e-commerce must resume accepting cash or risk being investigated, and cautioned businesses against hyping the "cashless" idea when promoting non-cash payments.
- In Sweden, one of the most cashless societies, the central bank and parliament have spoken out in support of cash.
- Cities too have spoken out, including Washington D.C., whose City Council introduced a bill that sought to ban restaurants and retailers from not accepting cash or charging a different price to customers depending on the method of payment they use.

Now, it's the Bank of Canada's turn to sound the alarm. In a paper — "Is a Cashless Society Problematic?" — it outlines a number of risks that could arise if the country went fully cashless.

The premise underpinning the analysis is that at some point in the future individuals and firms decide, of their own volition, to cease using cash altogether. In response, the central bank stops printing physical money because of the large fixed costs inherent in supplying bank notes.

In such a scenario, even though most individuals and firms freely choose to abandon cash, there could be "adverse collective outcomes," the study warns. For example, "a small segment of the population" may still prefer to go on using physical money rather than electronic payments, whether out of "a continuous desire for anonymous transactions" or because of "the self-imposed spending constraints afforded by cash."

In a cashless economy, this "minority of people" would be worse off since "their choice set would be smaller without cash". Plus, they would have zero anonymity and less control over their finances.

Meanwhile, retail payment services would be provided entirely by private sector networks. In other words, banks and credit card companies would have even greater monopoly control over the payments system. In Canada, there is already only one domestic debit card scheme, provided by Interac, and three major credit card networks, operated by Visa, MasterCard and American Express.

For people with no choice *but* to use cash, such as those living in

geographically remote areas or who do not have bank accounts, this would be a huge problem. In Canada the number of “unbanked” is relatively small, representing just 2% of the population, but in many other countries it is much larger. In a cashless society those people would struggle to participate in the economy at all.

The problem is not just one of economic exclusion. There’s also the heightened security risk to consider. Cash, as a transaction medium, “is robust to electronic network failures, cyber attacks and power outages”. In a cashless economy, there would be even greater dependence on the operational reliability of electronic retail payment networks and associated power systems, both of which are prone to go down. A massive outage of visa services in Western Europe this June gave a foretaste of the sort of chaos that could ensue.

Cash also serves as a vital store of value in economic crises. For example, during the worst period of Iceland’s economic crisis, between 2008-09, when all three of its major banks collapsed, cash in circulation more than doubled. The increase in demand for banknotes was concentrated in the largest denominations, suggesting that it was driven largely by store-of-value motivations.

Even for central banks themselves, an entirely cashless economy could cause headaches:

1. ***Loss of Seigniorage.*** This is the profit a government earns by issuing currency, as represented by the difference between the face value of coins and notes and their production costs. As the report points out, the disappearance of cash would lead to a severe contraction of the central bank’s balance sheet, since bank notes represent around three-quarters of the Bank of Canada’s liabilities.
2. ***Reduced Interventionary Powers.*** One of the ways central banks have to provide liquidity in a financial crisis is to sell their holdings of government securities and purchase other (illiquid) assets with the proceeds. An unmitigated contraction of the central bank’s balance sheet could compromise its ability to use this tool.

The authors suggest this problem could be offset if the central bank chose to charge more for the services it provides to the financial industry. It could also expand its balance sheet "by buying government bills and bonds with reserves," much as certain central banks have done through their quantitative easing programs.

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Central Bank Of Sweden Makes U-Turn On Cashless Society

For years, Riksbank led the charge for cashless society in Europe, which was part of the Utopian dream of total control. Now, it has done a complete u-turn, saying that cash must be re-instituted throughout the nation. This is the first evidence that some sectors in Europe are pushing back against Technocracy. TN Editor

Sweden's Riksbank has become the first central bank in the 21st century

to take concrete measures to ensure that cash does not disappear as a means of payment from the financial system. To that end, the Riksbank proposes, in a document published on its website, to make it mandatory for all banks and financial institutions to offer cash services.

The pronouncement comes in response to a recent policy suggestion by the Riksbank Committee that only the country's six major banks should be obligated to continue offering cash services.

That prompted a backlash from Sweden's competition watchdog, which argued that the plan would distort competition as it would affect only a few of the nation's banks. In response, the Riksbank has opted to apply the rule to "all banks and other credit institutions that offer payment accounts."

There was also a difference of opinion between the Riksbank Committee and the central bank's senior management on the issue of deposit facilities. While the Committee recommended that banks should only be obligated to provide deposit facilities to businesses, the Riksbank believes it is important for banks to also offer deposit services to individual citizens:

> *"This is a service that consumers can reasonably expect of credit institutions. There must also be symmetry between withdrawal and deposit facilities. In the Riksbank's view, there is otherwise a risk that the possibilities for individuals to make deposits will decrease even further in the future. For most consumers, it would also be difficult to understand why they can withdraw cash from an account but not make deposits."*

For years, the government and the Riksbank have been pushing for a "cashless society." The Riksbank has over 1,000 articles posted on its website on the "cashless society". The emphasis worked: between 2013 and 2017, the amount of cash in circulation dropped by 35%, earning Sweden a reputation as the world's "most cashless nation":

Many of Sweden's bank branches had stopped handling cash altogether. Now, they will have to begin doing so all over again. Many of them are not happy about it. Nor indeed are Sweden's competition and financial

watchdogs, which both oppose the proposal, arguing that access to cash should be the sole responsibility of the state and not private banks.

"To secure access to cash is a collective good that the state should reasonably be responsible for," the Swedish Financial Supervisory Authority said. It's an opinion that's shared by ATM provider Bankomat, which argued that it should be the state's responsibility to ensure that citizens have access to cash since the handing of notes and coins is such an important — and expensive — part of a country's infrastructure. Bankomat is jointly owned by the five largest banks in Sweden.

It's not just banks that are complaining. Shops and restaurants, many of which now only accept plastic or mobile payments, could also be affected by a Riksbank proposal that retail operations deemed important to the public good, such as pharmacies, special transport services, food shops and petrol stations, should also "be included in an obligation to accept cash."

One likely result of this is that many people who struggle to navigate the digital system, or who don't have credit cards, in particular the elderly, no longer have to fear finding themselves locked out of the country's payment system. Sweden's parliament has also launched a review on the impact of going cashless too quickly as it dramatically excludes the financial needs of the elderly, children and tourists who rely on cash.

It is a dramatic u-turn for a country that not so long ago was further along the path toward eliminating cash than just about any other advanced economy. Sweden was the first European country to enlist its citizens as largely willing guinea pigs in a brave new economic experiment — negative interest rates. But a negative interest rate policy (NIRP) has its limits with consumers as long as cash remains an alternative; hence the efforts to eliminate cash.

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J.P. Morgan Chase Makes Huge Investment Into Fintech

Fintech is the financing model for Sustainable Development, using blockchain, digital currency, digital payment systems, and ubiquitous tracking of every conceivable transaction to be analyzed by Artificial Intelligence. J.P Morgan Chase intends to dominate. ⚠ TN Editor

Jamie Dimon has never been shy about his envy for Silicon Valley.

The CEO of J.P. Morgan Chase frequently travels west to meet with venture capitalists and entrepreneurs, touts his bank's hefty investments in technology and famously warned in 2015 that "Silicon Valley is coming," thanks to "hundreds of startups with a lot of brains and money working on various alternatives to traditional banking."

Dimon is now opening his wallet in the region like never before. Early next year, J.P. Morgan will start development of a "new fintech campus" for over 1,000 employees in Palo Alto, one of the most expensive commercial real estate markets in the country. Sandwiched between Facebook to the north and Google to the south, the building will be located at Stanford Research Park, a historic part of the tech industry that's home to Hewlett-Packard and Tesla, and on a plot of land formerly

occupied by Lockheed Martin.

For Dimon, who oversees the largest U.S. bank by assets, technology upgrades are critical to fending off competition from agile consumer-friendly upstarts who are winning with millennials and to addressing the constant and evolving risks associated with fraud and cybersecurity. Dimon said in his latest shareholder letter that the bank has almost 50,000 employees in technology and is pouring money into artificial intelligence and machine learning to reduce risk and improve underwriting, while also building up its cloud infrastructure. In August, J.P. Morgan jumped into the crowded market of online investing when it introduced a mobile and web service that includes free or discounted trades.

J.P. Morgan's fintech office, scheduled to open in 2020, follows its acquisition last year of payments start-up WePay, a competitor to PayPal and Stripe in serving small businesses. WePay and its more than 275 employees will be moving to Palo Alto from the company's office in nearby Redwood City.

'Don't let the big bank bog you down'

Tina Hsiao, WePay's operating chief, said the plan for a new space has been on the books since the deal closed, along with Dimon's commitment to double the size of WePay's engineering team.

"This is him planting that flag," Hsiao said in an interview. "The leaders have said: We're not tourists, we're here to stay."

Dimon visited the current WePay headquarters in April and sat down for a fireside chat with co-founder and CEO Bill Clerico. After that session in front of the entire company, he met with the eight-person executive team. Hsiao said one of Dimon's key messages to the group of start-up techies was that, while the company takes regulations, security and oversight very seriously, those things don't have to be burdensome.

"He said don't let the big bank bog you down, because that's not the point," said Hsiao. "He encouraged us to continue to push through and

influence them.”

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