

The Money Has Failed! (Part Two)

Cashless Society

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The governments and central banks of the world are free-falling into such massive debt that they are having to conspire to plan new ways to control and confiscate people's prosperity. The push to a cashless society is one of these schemes. This global treachery has begun to reach far and wide to rich and poor nations alike.

It is now clear that an extremely powerful, albeit loose, alliance of governments, banks, large corporations, and NGOs (non-government organizations) are determined to pull the plug on cash—not for our benefit, but for theirs. The events in the war on cash are happening so quickly, there's barely time to catch up.

No sooner did India declare its most popular forms of cash to be illegal than Venezuela did the same thing. In the Venezuelan case, the government decreed that the 100 bolivar note is no longer legal tender. The 100 bolivar note isn't worth much to begin with after years of hyperinflation. It's only worth a few cents to the U.S. equivalent. Still, it's the largest note in circulation in Venezuela. Consumers are used to arriving at stores with backpacks full of the notes just to buy some groceries. The Venezuelan government did what many governments before them have done—from the Weimar Republic in Germany to nationalist China: just cancel the old notes and start over, or add a few zeros.

Citizens were told they could bring the old notes down to the bank in exchange for new higher-denomination bills. There was one important catch: The government said they would only accept "rational" amounts of cash. What is a "rational" amount of cash? That is totally up to the bank or the government.

The central bank boss, Nelson Merentes, said, "We won't accept people arriving with trucks and carts to deposit 100 bolivar notes." So, the

government is not just cancelling the money; they're stealing it outright if you happen to have "too much." Riots have broken out and stores and banks are being looted. Money riots are a predictable response to wealth confiscation.

The war on cash and the closing of banks has played out in Cyprus (2013), Greece (2015) and now India and Venezuela in 2016. For many in the large, developed economies, these crises were easy to dismiss. Cyprus and Greece are developed economies but are both quite small. India and Venezuela are larger but are emerging markets. Citizens in large, developed economies could look down on these small or emerging markets with the attitude of "it can't happen here."

But now it IS happening. Australia is a large economy (13th largest in the world), and one of the richest (9th richest in the world, with per capita GDP of over \$50,000 per person). But Australia is now ground zero in the war on cash. The government of Australia is considering abolishing the \$100 note.

Citicorp's Australian arm said in November it would stop handling notes and coins in its branches due to lack of demand. "Fewer than 4% of its Australian customers have used cash in the last year," Citi says. Since Australia has a parliamentary system, there is a good chance this will become law.

Of course, the government makes the usual claims about "black money" and terrorism, but the real reason is to herd savers into digital slaughterhouses at big banks, where their savings can be stolen with negative interest rates, confiscations, and account freezes.

If it can happen in Australia, it can happen anywhere in the world, in any country, no matter how large.

We are seeing the movement toward a cashless society take root in parts of the Middle East and Europe as well. A special committee headed by Prime Minister Benjamin Netanyahu's chief of staff, Harel Locker, has recommended a three-phase plan to all but do away with cash transactions in Israel. The motivation for examining a cashless economy is combating money laundering and other tax-evasion tactics, thereby maximizing

potential tax collection and greatly expanding the tax base. The committee found that Israelis are already prone to choose electronic payment methods, and so hopes the shift to a cashless society would be a good fit for the Israeli economy.

The Turkish lira is another currency that has collapsed in recent months. Citizens of Turkey have dumped lira in exchange for dollars and stuffed the dollars under their mattresses exactly as some U.S. citizens did during the Great Depression. Now the Turkish government is fighting back by going to a cashless society and limiting the amount that can be withdrawn from banks and ATMs.

Other approaches to seizing citizen accounts include negative interest rates, inflation, and devaluation. Now Greece has discovered another way. Greece will let you have cash, but they will tax you every time you withdraw some from the bank. There's no special tax on credit and debit card transactions, but they propose to tax you whenever you take cash from your ATM or bank. Of course, if you move your money in and out of the bank often enough, eventually the tax will eat up all of your cash. "Beware of Greeks bearing gifts!"—because they will most assuredly tax it away from you.

Last year, France and Spain both enacted laws that limit cash transactions. In France, it is [now illegal to use cash](#) for anything more than 1,000 euros (around \$1,050).

France's finance minister Michel Sapin adds a dose of scaremongering, which can do wonders for what the banks and governments want to do in confiscating cash. In the wake of the Charlie Hebdo murders, he put much of the blame for the attacks on the assailants' ability to buy dangerous things with cash. Shortly thereafter, he announced a raft of capital controls that included a €1,000 cap on cash payments, down from €3,000. Such radical counter measures were "necessary," he said to "fight against the use of cash and anonymity in the French economy."

Spain has just announced that effective January 1, 2017, it would prohibit cash transactions more than 1,000 euros. Guillermo de la Dehesa, a Spanish economist, international advisor to Banco Santander and (big surprise!) Goldman Sachs—already demonized cash (as opposed to digitalized bank

credit) as a source of all crime and evil back in 2007, when he wrote the following in an [El Pais](#) article titled, “The Great Advantage of a Cashless World”:

Without cash, we would live in a much safer, less violent world with enhanced social cohesion, since the major incentive fueling all illegal activity [i.e. cash] would disappear.

This is like saying ‘guns murder people.’ NO! Bad people murder people.

Denmark, Norway, and Sweden are also trying to go cashless. Sweden is moving quickly to a cash-free future. More than half of the branches of the country’s leading banks no longer accept or dispense cash. Banks are dismantling ATMs by the hundreds in Sweden. Cash now represents just 2% of Sweden’s economy, compared with almost 8% in the US and 10% in the Eurozone. The amount of cash in Sweden’s bank vaults dropped over 60% from 2010 to 2014.

Homeless people carry credit card readers supplied by the charitable *Situation Stockholm* magazine. Even street beggars accept credit cards or SMS donations in Sweden.

At a Filadelfia Stockholm church service, worshipers use cellphones to tithe through a Swedish bank app called ‘Swish’ to a bank account projected on a huge screen; or they line up at a Kollektomat card machine in the church. Last year, only 15% of their donations came in cash.

This cashless trend will spread as governments realize the only way they can confiscate their citizen’s money is by outlawing cash and forcing citizens to use digital money at approved banks.

In this post-truth era, are we willing to entrust government and financial institutions—organizations that have already betrayed just about every possible notion of trust—with complete control over our every single daily transaction? And all for the sake of a few minor gains in convenience. The price we pay will be what remains of our individual freedom and privacy.

The editors of the financial blog ZeroHedge.com (under the pseudonym "Tyler Durden") write,

Our individual sovereignty is tied directly to our ability to move freely about. When every step we make is tracked by the bank /government our sovereignty is gone forever. Freely trading commerce is one of the cornerstones of human sovereignty. Without the ability to conduct business with whom we wish, when we wish, we are nothing more than cattle to the overlords of the land...

If you have any misguided notion that a cashless society is NOT coming, just keep telling yourself that every time you use a debit card, credit card or your phone for your next purchase. With the elimination of cash we effectively hand over our individual human sovereignty to the banks and the government.

The loosely (for now) coordinated efforts in the war against cash of Venezuela, Australia, the Middle East, The Euro Zone, Sweden, and India, with philosophical support from intellectual elements of the U.S. financial community, are quickly coming together globally.

As a reminder, Genesis 47:15 says,

Genesis 47:15 So when the money failed in the land of Egypt and in the land of Canaan, all the Egyptians came to Joseph and said, "Give us bread, for why should we die in your presence? For the money has failed."

Very soon, we may very well be saying, "the CASH has failed!"

In my next commentary, we will take a closer look at how the cashless society is emerging here in the United States. I think you will be quite surprised how far along it is.