

Warning! Coming soon to a bank near you – a cashless society

And With It – A Negative Interest Rate Policy

According to Treasury Secretary Jack Lew who recently signed and sealed America's current audited financial statements, as of 2015 the United States has \$3.2 trillion in assets.

As other corporations do, the United States also listed its liabilities: \$21.5 trillion. One does not need to be a mathematical genius to figure out that America's net worth is a negative \$18.3 trillion. We have \$3.2 trillion in assets minus \$21.5 trillion in liabilities.

In 2014, our negative net worth was \$17.7 trillion and in 2013 it was \$16.8 trillion. In other words, the United States is bankrupt. If you or I had five or ten times more debt than we had in assets, we would be in bankruptcy court.

Another thing corporations do is have their annual financial statements audited by an independent source... usually one of the major accounting firms. The federal government's annual financial statement is audited by the General Accounting Office (GAO). This is done so people will more readily trust the numbers provided in the financial statements. Though it is part of the government, the GAO maintains a certain independence from governmental control.

Re the 2015 financials, the GAO told the federal government that it was on "an unsustainable fiscal path." They also said that the federal government (that would be Congress which approves spending, the President whose policies are reflected in money approved to be spent, and the Department of the Treasury which generates the financial statements) often fails

to provide “reliable and complete financial information – both for individual federal entities and for the federal government as a whole.”

Anyone who has been awake and who listens to statistical data about unemployment, job creation, inflation, cost of living and other data could have told them that.

Most of us remember that the Department of Defense in 2015 announced that it had over the past 20 years “misplaced” \$8.5 trillion of our money. That’s your money and my money... and our children’s and our grandchildren’s and great grandchildren’s money – and on and on for many generations.

Thus it will not surprise anyone to learn that the Defense Department was one of the government departments that failed to provide complete and accurate financial information for the financial statements. Until they find the missing \$8.5 trillion, or until new people and procedures are put in place to track money spent, no additional funds should be sent to the DoD. Republican crowds attending presidential candidates’ functions loudly cheer when the words “rebuilding our military” are used. It does need to be rebuilt – but not until the system used to track costs has been audited and changed to keep honest records. If you’ll recall the day before 9/11, then Defense Secretary Donald Rumsfeld announced that \$3.1 trillion had been lost. To my knowledge, it’s never been found.

The GAO evaluated Social Security and Medicare and other programs wherein Congress has told the American people that reductions will be made to save the programs. GAO says the weaknesses (meaning errors) they found in the stated reductions total \$27.9 trillion. That means we are in much worse financial shape than they are letting on – and the debt they willingly admit to defines bankruptcy without the detected errors.

There are those reading this article who will respond by saying "Oh, they'll just print more money. Nothing will change." There are many who won't read this article who would respond that way if they did read it. They represent the "something for nothing" crowd. They simply cannot conceptualize the idea that irresponsible federal spending – mostly designed to buy the votes of the poor and the disenfranchised (and illegal aliens and other non-hegemonic portions of society as described by Antonio Gramsci) – has bankrupted this once healthy economy. They cannot see in their minds the idea that when you borrow something, it must some day, some way be repaid.

The truth is, they are about to stop printing money so those who say "they'll just print more money to cover the debt" are wrong.

The truth is, your bank is about to stop paying you the pittance they've been paying for your deposit dollars, calling it "interest." They are about to start charging you money for the money in your bank accounts. It's already being done in Europe and other parts of the world.

Bank of Japan's Governor Haruhiko Kuroda recently opted for negative interest rates. It is not a new idea. In the 1970s the Swiss government implemented negative interest rates because its currency was driven up in value and was causing inflation. Sweden used negative interest rates in 2009-10. Denmark used the concept in 2012. In 2014, the European Central Bank implemented a negative interest rate policy.

What is about to descend on your head is Negative Interest Rate Policy (NIRP). NIRP means that banks, rather than paying you interest on your deposits, will charge you a fee (probably a percentage of your deposit amount) for managing your money.

"Managing my money?" you may ask. "I manage my money; not my bank."

Your reaction is likely: "I'll just take my money out of the bank." No. You won't. Why? Because they are about to remove currency – actual money – from the marketplace. I believe we are about to switch to a digital currency – and no, not Bitcoin.

Our economy is not recovering from the longest recession in history – some would call it a depression, but that would be too close to an honest assessment for this government to admit. The economy is going into a deflationary spin which would put us into a depression that would make the 1930s look like child's play. When an economy deflates, there is no growth – no new business start-ups, no new jobs. People do not borrow and spend. Well, some people do – those who often have no alternative but credit cards to buy food and other survival items... like rent or car payments. People who use credit as a desperation move can seldom repay it and that does not bode well for the near-term future. There is a slowdown in real production of all kinds.

Until the 2007 economic debacle, we lived in an inflationary rather than a deflationary economy. During inflationary economies, people borrow money to invest in everything from the stock market to new business start-ups or company expansions. Consumers borrow to buy everything from cars and refrigerators to new homes and lawn mowers. Jobs are created even though the cost of everything is inflating. America's horrendous debt burden combined with the real estate devaluation which led to the foreclosure debacle sent us into a deflationary period.

The Federal Reserve decided to fight deflation with an inflationary solution – quantitative easing – and it failed. Miserably failed. A lot of already rich people got richer, but no benefits to the economy or the people were realized. That's the difference in crony capitalism and capitalism. This "mistake" was not an accident. It was planned.

When negative interest rates are imposed, it is a desperation move to avoid the failed government policies that have pushed the world into non-repayable debt. The greed of central banks worldwide has led to the coming demise of that system. The Keynesian model has proven to be a failed system. The central banks tried zero interest rates, then quantitative easing, and now negative interest rates. Nothing has worked. Hail Mary passes seldom do. In his book *Currency Wars: The Making of the Next Global Crisis*, Jim Rickards envisions the emergence of a world central bank as a result of central bank follies internationally.

I believe Rickards is correct. I further believe it has been the plan from the start. People tend to forget that for ten years I have been saying the objective of those seeking one world government is to put in place a world economic system because until that happens it is impossible to implement one world government. Once the international economic system is in place, creating a world government is child's play. All that needs to be done once world monetary issues have been defined and implemented is which nations control which land.

To review, we have a nation that is bankrupt thanks to irresponsible and greed-based policies which utilized a zero-based Federal Reserve funds cost and that failed, quantitative easing which failed to stimulate the economy, and the powers that be will now very likely implement NIRP – negative interest rates on funds deposited in America's banks... which will also fail. It is intended to fail.

Why is it intended to fail? There is little doubt in my mind that many who read this will call me a conspiracy nut. They called me that when in 2006 I predicted (in writing) the derivative mess, the 2007 resultant foreclosure mess that would result from MERS, the 2008 stupidity of zero-based central bank lending rates, TARP and quantitative easing, and now what I think they are about to do: The cashless society.

What is a cashless society? Here is a link to an article about the cashless society recently implemented in Ecuador. What negative interest rate policies will lead to is precisely what they have implemented (perhaps as a test?) in Ecuador.

Like everything else “they” do, this has been tested in various ways. The debit card issued to those receiving welfare benefits was part of the testing process. It was begun in the late 1990s. This article explains how it all began.

Rather than issuing a check or directly depositing welfare funds into a checking account, an amount is credited onto a computer system – we can call it “cybercash,” – no real cash involved. It’s just digital money. It can be overseen by banks (though independent banks will fall by the wayside) or it can be overseen by the Department of the Treasury... or even the Federal Reserve System. The recipient of the funds uses the debit card to pay for food, clothes, etc. If it sounds like the government controls what may be purchased with the card that is correct. And now they are ready to expand the program from welfare recipients to you.

Bitcoin, another form of cybercash, was part of the test. Would people accept and use a non-currency form of “money”? Not only did they accept it, it took off like a rocket... until (as I said would happen) some controls were put in place that limited the use of Bitcoin and its stock fell in value as rapidly as it had risen. The test was a huge success.

There will be no cash. If you leave a tip for a waitress, it will have to be placed on the signed receipt which will be deducted from your bank account... or placed on a credit card. Your bank will automatically transfer your tip to the waitress to her bank account... and she will pay taxes on it. If you pay someone for mowing your lawn, it will be via check (no cash) or credit card (or your checking account debit card)... and it will be automatically placed in the mower’s bank account... and he or she will pay taxes on it. When you buy groceries, you

will use a check, credit card, or the debit card. The government will have a complete record of your purchases (including cigarettes, alcohol, and other highly personal articles).

I repeat, there will be no cash. Everything you buy or sell will be done via your bank account and it will be tracked for tax purposes. If you can see a clear road to a barter system and an active black market, you've got the idea of what I'm explaining.

As I said, it is a desperation move made by a failed central banking system the greed of which convinced those who run it to believe the debt era could last forever.

If this does not give you a clear picture of just how far over the cliff the United States economy is, nothing will. Go to the beginning of this article and read about our debt. Read the article about the cashless society in Ecuador. Then prepare for the only logical future that can result from these economic circumstances. Start a new business that lends itself to being a good source for bartering for food, clothes and shoes.

NIRP and the cashless society will be about as successful as quantitative easing was. If you are prepared, you will make it through. If you are not prepared, you will curse yourself for not paying more attention.

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