A Perfect Nightmare: Cryptoklepto

Source: [Giza Death Star]

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Regular readers here will be accustomed to my occasional rants and warnings about crypto-currencies. And those who are familiar with those rants will understand that I'm not an investment advisor, much less a "policy maker" (thank God!). I'm a hack from South Dakota who likes to indulge in high octane speculation. And today I want to do double duty and give not one, but two, high octane speculations about three very seemingly unrelated articles, shared by Ms. K.M., Mr G.L.R., and Mr. E.G. (who also kindly shared his own speculations in his email, which I will attempt to outline because they impact on my own). In addition to that, Catherine Austin Fitts also shared a story from the Bank of International ~~Smugglers~~… er… I mean… the Bank of International Settlements, that is also germane to my high octane speculations. So with all those caveats on the record, let's dive into the first article:

[Oregon Bill Would Create Banking Alternative for Cannabis Industry, Bypass Federal Reserve]

Now let's cite a few paragraphs then summarize what the implications are:

> *A bill filed in the Oregon House would establish limited state-chartered banks to serve the cannabis industry. Final passage of this legislation would remove a major federal roadblock in front of the developing industry in the state*

and further nullify federal prohibition in practice.

Rep. Pam Marsh (D) and Rep. Ken Helm (D) introduced House Bill 3169 (HB3169) on Feb. 28. The legislation would create a self-contained, state chartered banking system for the cannabis industry in Oregon.

Because marijuana remains illegal under federal law, cannabis businesses in states that have legalized marijuana remain effectively locked out of the banking system. If a federally chartered or insured financial institution touches marijuana money, it takes on significant legal risk. The federal government insures or charters virtually every bank in the U.S. As a result, cannabis businesses have been forced to transact almost exclusively in cash. Passage of HB3169 would bypass the federal banking system and create a limited banking alternative for the marijuana industry in Oregon.

HB3619 would authorize banking institutions and credit unions to organize as limited charter cannabis financial institutions. Cannabis businesses would be able to deposit funds in these institutions and write "special purpose checks" for the following:

(a) To pay fees or taxes to a public body;

(b) To pay rent on property that is leased by, or on behalf of, a cannabis business;

(c) To pay a vendor that is physically located in Oregon for goods or services associated with a cannabis business; and

(d) To purchase bonds issued by a public body.

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Oregon is among a growing number of states simply ignoring federal prohibition, and nullifying it in practice.

So what do we have? (1) A growing number of states that are fed up with the ever-growing unmanageable marsh monster in Swampington, D.C.; and by the same token (2) a growing popular distaste for far-off bureaucrats making decisions as representatives of corporations and banksters about how local people with live, run their lives, and govern themselves; (3) a determination to create local or regional means of financial transaction, with media of exchange actually backed by something (in this case, marijuana). When Ms. K.M. sent along this email, she indicated that her suspicion was that this was but the camel's nose in the door.

If one looks at this list, I suspect she's right, for almost anything could be used to create such banks, from marijuana to gold – think of Texas' state bullion depository – to food or, to borrow a page from the Nazis for a moment, Feder's "labor treasury certificates," which represented a kind of "state surplus" medium of exchange. In other words, Oregon's move is of a piece with Texas' bullion depository in a sense, and part of wider moves by several states in the United States that have passed "constitutional money" resolutions. These moves all occur, let it be noted, in the same time frame that several countries are trying to repatriate their physical gold reserves, a trend that was kicked off by Germany a few years ago, and which list has grown to include Australia, Austria, the Netherlands, and of course, Venezuela.

Meanwhile, of course, the globalist banksters are not idle, and have been noticing the growing trend of dissatisfaction with their grand scheme of creating a global centralized government with billionaire busybodies telling everyone else how big their toilet bowls can be, how many vaccines their children must have, how many showers per week they can take, and most importantly, has been throwing up road blocks to those countries trying to repatriate their gold. Recall the difficulty Germany encountered for a while trying to do so. Venezuela was simply told "you can't have your gold because we don't like you," no doubt because Venezuela was not Germany and could not make as big of a fuss.

Which leads to the second article shared by Mr. E.G.:

[Gold – Preparing For The Next Move]

Now, again, I'm not an investment advisor, nor are my speculations to be construed as such. I only share my own personal reactions to what appears to be emerging, which brings us to Mr. E.G.'s speculations which are quite similar to my own. The crucial *crux interpretum* of this second article appears to be this:

> *The finances of any government whose unbacked currency is the national pricing medium are central to determining future general price levels. Just taking the US dollar for example, the government's debt to GDP ratio is over 100% (in 1929 it was less than 40%). At the peak of the cycle, the government should have a revenue surplus reflecting underlying full employment and the peak of tax revenues. In 1929, the surplus was 0.7% of estimated GDP; today it is a deficit of 5.5% of GDP. In 1929, the government had minimal legislated welfare commitments, the net present value of which was therefore trivial. The deficits that arose in the 1930s were due to falling tax revenues and voluntary government schemes enacted by Presidents Hoover and Roosevelt. Today, the present value of future welfare commitments is staggering, and estimates for the US alone range up to $220 trillion, before adjusting for future currency debasement.*
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> *Other countries are in a potentially worse position, particularly in Europe. A global economic slump on any scale, let alone that approaching the 1930s depression, will have a drastic impact on all national finances. Tax revenues will collapse while welfare obligations escalate. Some governments are more exposed than others, but the US, UK, Japan and EU governments will see their finances spin out of control.*

Furthermore, their ability to cut spending is limited to that not mandated by law. Even assuming responsible stewardship by politicians, the expansion of budget deficits can only be financed through monetary inflation.

That is the debt trap, and it has already sprung shut on minimal interest rates. For a temporary solution, governments can only turn to central banks to fund runaway government deficits by inflationary means. The inflation of money and credit is the central banker's cure-all for everything. Inflation is not only used to finance governments but to provide the commercial banks with the wherewithal to stimulate an economy. An acceleration of monetary inflation is therefore guaranteed by a global economic slowdown, so the purchasing power of fiat currencies will take another lurch downwards as the dilution is absorbed. That is the message we must take on board when debating physical gold, which is the only form of money free of all liabilities.

Gold can only give an approximation of the loss of purchasing power in a fiat currency during a slump, because gold's own purchasing power will be rising at the same time. *Between 1930 and 1933 the wholesale price index in America fell 31.6% and consumer prices by 17.8%. These price changes reflected the increasing purchasing power of gold, because of its fixed convertibility with the dollar at that time.*

When Mr. E.G., shared his speculations on what all this meant, he proposed the following: that there were discernible signs that central banks were moving toward the creation of a crypto-currency world, or a cashless society, with the crypto-currencies or some type of digital currency backed by (1) gold, and (2) collateralized space assets. This, in essence, was my own speculation at the 2014 Secret Space Program Conference in San Mateo, Nuttyfornia. There I proposed that space assets had been collateralized from a very early period in the post-World War Two era as a component of a secret system of finance. More importantly, recent stories seem to indicate this may have been the case, as a few years ago we were treated to stories about certain asteroids having astronomical resources that were valued in the quadrillions of dollars, handy things to have floating around when the toxic derivatives on the books are calculated to be in the quadrillions of dollars. Additionally, he pointed out that some governments have already committed to becoming cashless within a few years, for the simple reason that it gives them – and their controlling central banks – the ability to tax in real time.

I suspect – strongly – that Mr. E.G.'s and my own speculations about the collateralization and backing of digital currencies are, indeed, the "game plan" of the banksters who, sensing the rising tide of revolt against their plans for centralization and telling everyone else how they can and should live, are speeding up the process as fast as they can. With that in mind, consider this article shared by Catherine Austin Fitts about digital and crypto-currencies from the BIS (the Bank of Institutionalized Swag…er… Bank of International Smugglers… er… Bank of International Settlements… it *is* difficult to keep all these players sorted out):

1/10The future of money and payments Speech by Agustín Carstens General Manager, Bank for International Settlements

There's so much in this speech to give one pause that to do a thorough job of reviewing it would require several blogs. But there are a few paragraphs that jumped out(Note, in the article, CBDC stands for "central bank digital currencies"):

> *Banks play an important role as provider of financial services to citizens and businesses. Imagine that the Central Bank of Ireland and the ECB were to offer deposit accounts to everyone and then issue debit cards and mobile phone apps for you to make payments with. In such a scenario, the central bank would be taking on the customer-facing business lines.*

> *Presumably, the central bank would need to recruit new staff to handle this line of business and to handle customer enquiries (sic). Now, I can tell you that central bank staff are very good, and they would be capable of taking on customer-facing tasks. But that is not the main issue.*
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> *Safety could be an important reason to deposit money in the central bank. In times of uncertainty, more customers would prefer to have deposit accounts at central banks, and fewer at commercial banks. A shift of funds from commercial banks to the central bank could be gradual at first. But the trickle could turn into a flood.*
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> *If bank deposits shift to the central bank, lending would need to shift as well. So, in addition to the deposit business, the central bank would be taking on the lending business. The central bank would need to meet business owners, interview them about why they need a loan, and decide on how much each should receive.*
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> *We can ask ourselves whether this is the kind of financial system that we would like to have as the ultimate set-up. I grant that this thought experiment may have gone too far. For instance, the central bank could make do without a lending operation if it sends customer deposits to the commercial banks by opening central bank accounts at commercial banks. In effect, the central bank would be lending to the commercial banks so that they could lend on to the customers.*

In his speech, Mr. Carstens points out that the above scenario is a “thought experiment”, and throughout the rest of the speech he simply points out that cashless payments are a growing trend in certain countries (notably China). The *implication* is that “it’s a technological inevitability,” and of course, he gives the usual caveats that central bankers are extraordinarily cautious people and don’t want to leap into a course of action without knowing the full consequences.

But the consequences are spelled out in his speech: central banks simply take over all the functions of ordinary banks, including direct deposits, lending, and clearing functions for individual and corporate customers. With the BIS sitting on top of it all, of course. Notably, there is not much said about accountability in such a system, so the question needs to be baldly and nakedly stated: should we trust such a system, given what we've seen from Mr. Globaloney lately?

I don't. Given my "druthers," I'd much rather trust Texas' bullion depository, or Oregon's "cannabis certificates" than the Tower of Basel. And that brings us to the final article. At the beginning of his speech, Mr. Carstens points out that there is much discussion about the "digital" component of "central bank digital currencies." However, he quickly (and deftly) shifts the discussion to the "central bank" component as if it were another implied inevitability. In doing so, he avoids the real issue: *cyber systems are simply not secure*, and as such *have no integrity and make it much easier for looting, fraud, and outright theft to occur*, and in a central banking pyramid, that means the banksters themselves will be the primary looters, frauders, and thieves. Consider this final article shared by Mr. G.L.R:

Study Finds That Overwhelming Majority Of Bitcoin Trading Volume Is Faked

And what's true of Bitcoin is true for all cryptocurrencies, without exception. What's of concern here is the same problem I've raised elsewhere, and in different contexts: crypto-currency works for those who have the ability to create large computer systems and algorithms to execute trades, and do so with the most efficient speeds. Accordingly, market activity is *not* reflective of genuine *human* trading activity. In other words, take the same criticism of equities, commodities, securities and currency markets, and now apply it to crypto-currencies. Ultimately, the trend is toward ever greater centralization, because this is what the technology requires and demands to function profitably. And none of it – *none* of it – is secure. Add to this the fact that one must trust these banks to tell us the truth about how much gold, or space assets, is really backing those blips on the screen. And the more centralized, the more remote from your neighborhood, and its economic realities, they will be.

So, as far as I can see, this is a recipe for a perfect nightmare for pretty much everyone, except, of course, the banksters.

What this means is, I suspect, that one will see increasing local and regional pushback from states, provinces, and localities and more abandonment of the globalist agenda.

See you on the flip side…