

# Digital central bank currencies – the monetary apocalypse

*A commentary by Ernst Wolff*



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(Picture pma)*

While almost all of the world's governments are terrifying their peoples under the pretext of fighting a pandemic and harassing them with increasingly harsh measures, a process is taking place in the background that threatens our future considerably more than the currently rampant

virus ever could. This is the development of digital central bank currency, which is being driven by more than three dozen central banks in collaboration with numerous tech corporations.

The pole position is currently held by the People's Bank of China. With over a million inhabitants, it has launched large-scale trials in several cities, some of which have already been successfully completed. Since 2015, with the Digital New Silk Road, it has also been preparing for the introduction of the new currency outside its own country.

In second place is the U.S., which has been conducting an initial large-scale test since October in the Bahamas with the Sand Dollar pegged to the U.S. dollar and last year introduced a bill for the launch of the digital central bank currency. While this bill, which would guarantee every American a digital central bank account from 1 January, 2021, has not yet been passed, it is likely to be a tactical maneuver vis-à-vis China. Its rulers could possibly feel pressured by the entry into force of such a law and react with a faster introduction of the digital yuan.

## **What is driving both countries to this race?**

The global financial system, which has only been artificially kept alive since 2007/08, is in an advanced stage of disintegration after twelve years of massive manipulation due to the events in the U.S. *Repo market* in September 2019 and the near crash in February/March 2020. Central banks have largely shot their powder and can only maintain this system by printing money in-

definitely, but know that this will lead to its collapse in the long run.

In other words, the monetary system as we know it has historically reached its end and cannot continue to exist in its current form. For this reason, those in charge have been looking for a way out and have developed the concept of digital central bank money to maintain their own power.

## **What does this digital central bank money, also called CBDC for Central Bank Digital Currency, mean for us?**

1. The most important goal of the current development is to abolish the banking system in its classical form in order to place all money creation in the hands of the central banks. This means that each of us will eventually have only one account, directly with the central bank.
2. This account will be operated, controlled and monitored by two forces: the central bank, i.e. the state in the last instance, and the private IT groups, which will be responsible for the technical side. So, for the first time in the history of money, it will be a means of payment that is in both public and private hands.
3. One of the key factors accompanying the introduction of digital central bank money will be the final abolition of cash. This will be accelerated by increasing obstacles to cash payments and, in all likelihood, by a tax on cash payments.
4. Digital central bank money will be able to have an expiration date. The central bank will be able to tie its validity to time limits so that account holders can be forced to spend it within a certain period of time.
5. The issuance of digital central bank money can be earmarked. For example, certain money could be conditional on spending it only on food, or it could be conditional on not transferring it to certain account holders.
6. Saving can be made impossible by charging negative interest rates.
7. The availability of the central bank account can be tied to codes of conduct, following the

Chinese model. In the event of violations of social or political codes, account holders can be denied payments or the execution of transactions.

8. All measures can be timed to suit the needs of the central bank, the IT groups or the market development they manipulate. In the event of a recession, interest rates could be cut sharply on a temporary basis to provide a targeted boost to demand.
9. Both the central bank, i.e. the state, and the IT corporations are able to block individual accounts completely at any time, thus denying the holder access to his money.
10. The introduction of digital central bank money will certainly lead to a mass exodus to decentralised blockchain-based currencies such as Bitcoin, which – so far, anyway – es-

cape any regulation. Whether they will continue to be tolerated in the event of the introduction of CBDC is questionable.

This overall picture shows: Digital central bank money is not just a means of payment, but a dictatorial means of domination that finally hands us all over to the digital-financial complex. Regardless of all the fine-sounding constitutional principles, it means the abolition of all democracy and the completion of authoritarian corporatism, i.e. the domination of the world by an alliance of the state and digital conglomerates.

Source: [www.kenfm.de](http://www.kenfm.de), 18.1.2021

(Translation «Swiss Standpoint»)

The books "Ernst Wolff erklärt das globale Finanzsystem" and "Pillaging the World, The History and Politics of the IMF" by Ernst Wolff are recommended in this context.