The Battle against Cash!

For a number of years the Banking Sector, encouraged by the government, (coerced perhaps?), has persuaded citizens to move away from cash transactions and as a result people tend to use checks, plastic, or ‘digits on a gadget’.

For the sake of ‘convenience and safety’, citizens have willingly given up most of their previously cherished, financial privacy.

A number of years ago Canadian Banks began to collect $1,000.00 bills and sent them to be destroyed. Despite the fact that a $100 bill today has the purchasing power of a $20 bill from 1970, Canadians have not seen anything larger than a ‘C’ note since 1988. The same goes for US banks which for many years used denominations of $500.00 up to $10,000.00 – bills that are no longer available.

In April 2015 JPMorgan-Chase, the US Superbank sent notices to some of its clients, that henceforth the bank would no longer allow clients to pay in cash for mortgage payments, credit card payments, auto loans or utility payments. At the same time this bank told its clients that beginning May 1st it will charge certain customers 1% per month on amounts over and above that which is needed for their operations (such as car and utility payments).

In addition, in a letter to clients dated April 1st 2015, people with safety deposit boxes will no longer be allowed to store cash or bullion coins in those boxes. (Only coins with numismatic value will be allowed).

Columnist Ed Steer told his readers recently that people who have safety deposit boxes in TD-Canadatrust banks must agree not to store cash in those boxes.

In Switzerland, and in Denmark and Sweden as well, large bank accounts are subject to ‘negative interest rates’ – where it actually costs money to have money in the bank! These banks are planning to **charge** interest on money on deposit. The Danish government just passed a law that allows Danish merchants to refuse to accept cash beginning Jan 1 2016.

If banks can get away with charging you interest on your deposit, then your natural inclination is to withdraw your money in cash, and keep it in a safe place, or even a mattress. If cash is eliminated you lose this freedom and the bank can suck your money on deposit, till it is all gone.

Citigroup Global Chief Economist Willem Buiter and a colleague, economist Ebrahim Rahbari, wrote in an April 8/2015 research paper three ways by which central banks could foil cash hoarders: 1. Abolish paper money, 2. Tax paper money, 3. Sever the link between paper money and central bank reserves.

Real Estate salespeople in Canada, report that the amount of cash that a person can use when buying real estate, has been limited by law to $10,000.00.

In the 2013 Canadian budget, buried near the back of that document, was a paragraph stating that in the event a Canadian bank was having financial problems, it could tap into wealthy customer's bank accounts and turn these depositors into share-holders. This is called 'bail-in' and it has already been used in Cyprus, as well it has been introduced as a possible tool in several other European countries, as hinted at by European Finance Minister Jeroen Dijselboom.

Today in Italy the maximum a depositor can withdraw in cash is 1,000 Euros; In Spain the amount is 2,500 Euros; It France the limit as of Sept. 2015 will be 1,000 Euros; in Russia the amount is 10,000 Rubles; in Mexico the amount is 200,000 Pesos; in Uruguay the number is $5,000.00.

In 2011 the state of Louisiana passed a law, copied in 2014 by Alabama , which makes it illegal for any business dealing in used goods, be it clothing, antiques or sports cards, to accept cash. Only checks and plastic are to be accepted.

In Canada and the USA it is becoming more and more difficult to withdraw large sums of cash from bank accounts. In most cases the teller will say that they don't have that much cash in the branch. Canadians travelling to the USA are often asked 'how much cash are you carrying', and if the amount is over $10,000.00, the traveler is pulled over for a secondary inspection.

Abolishing paper money and forcing people to use electronic accounts could free central banks to lower interest rates as much as they feel necessary, while crimping the underground economy. Buiter and Rahbari write: "In our view, the net benefit to society from giving up the anonymity of currency holdings is likely to be positive (including for tax compliance)". In 2014 Harvard economist Kenneth Rogoff wrote a paper favoring exploration of 'a more proactive strategy for phasing out the use of paper currency."

Since governments are the world's largest debtors it benefits them to keep interest rates low, at the expense of depositors. Without cash it becomes very easy to keep rates low, since we are dealing with digits on a computer.

Bill Gates and VISA are working on a plan to implant a chip the size of a grain of rice, to facilitate cashless and now even cardless payments.

A well functioning economy operating without cash would require a trustworthy government. That is, the people who know where we are and what we are buying and selling 24/7 would have to be decent, competent and honest. Otherwise we're giving near-absolute power to folks who might use it for their own enrichment at our expense. This is of course to state the obvious. The fact that power both corrupts and attracts the already corrupt, means that the more power we hand the government, the further we push it towards absolute evil. **A cashless society would almost certainly guarantee a dictatorship in a single generation.**

Here are the three main reasons why governments and the bankers are intent on achieving their goal of a cashless society:

1. ***Every financial transaction can be taxed,***
2. ***Every financial transaction can be charged a fee,***
3. ***Bank runs are eliminated***.

➔ ➔ **To stop this trend, use cash whenever possible! Let your elected representative know that you want to retain the option of using cash!**

According to US Senator Rand Paul: "The cashless society is the IRS's dream: total knowledge of, and control over, the finances of every single American".

An environment in which cash is illegal and interest rates are negative, would be both good and bad for gold and silver ownership. Good because the removal of cash leaves only gold and silver as historically-trusted private stores of value. Terrified capital would pour into bullion, sending its relative price through the roof. But then bad, because gold and silver would become a prime target for the same forces that made cash illegal. In 1933 President Roosevelt signed a law that made it illegal for US citizens to own gold. A combination of no more cash, along with a law against gold ownership would be a severe restriction of economic freedom. One way to protect yourself from the effects of the 'battle against cash', is to own some silver. The US Geological Survey is on record as predicting that silver will one day become an extinct metal, due to its increased demand and reduced supply.

****Some of the material in this essay was gleaned from an article titled "The end is near, part 1: The War on Cash". (Google it).

To keep yourself up-to-date on this subject, you might consider visiting one or more of the following websites on a regular basis: www.silverdoctors.com www.gold-eagle.com www.zerohedge.com www.dollarcollapse.com www.pdegraaf.com