

2023: The ABC's of CBDC, the Great Reset(s) & MORE Centralized Control

written by Matthew Piepenburg | January 4, 2023

If you want to understand modern CBDC, it may be worth considering the context of history, the philosophy of man, the math of debt and the geology of gold.

Broke Countries Do Bad Things

When broken, debt-soaked “developed economies” suffering from years of fantasy money printing to “solve” fatally rising debt levels collide with **history-blind** and **economically-ignorant policy makers**, the end result is always the same: Liberty sinks, currencies die and control rises.

This is not sensationalism, but the toxic evolution of economic, political and psychological patterns seen throughout time.

Sadly, our “times” (as well as the global abundance/convergence of weak leadership) are no exception.

Or stated more simply, inept financial and political leadership leads to even more dangerous financial opportunists and tyrannical policies masquerading as efficient solutions.

Toward this end, the **evidence is literally everywhere**—left, right and center.

The Inevitable Klaus Schwab-Type

Nowhere is such will-to-power opportunism and fantasy (i.e., centralized) solutions more exemplified than in the so-called “Great Reset” authored by the head of the World Economic Forum, Klaus Schwab.



Like all opportunists and historical as well as current “types,” Schwab (like the IMF, the BIS, the Fed, the White House, the European or British Parliament etc.) is exploiting a crisis to enhance control while appearing humanitarian and visionary.

We’ve seen this demagogue movie before in Italy, France, Germany, Spain, Yugoslavia, Cuba, China, Russia etc.

In each example (from the 1780’s to the 1960’s to now), leaders who promised miracle solutions to financial disaster brought only centralization and disorder while erecting statues (or book deals and **Parisian shopping sprees**) to themselves.

Never Let a Good Crisis Go to Waste

And what better crisis to exploit than the bat-made narrative of the Covid pandemic with its case fatality rate of less than 2%?

Post-Covid, it is now patently obvious to anyone who has taken the time to look unemotionally at the science, math and data (including courageous British journalists like **Matt Ridely**, well-spoken celebrities like **Russell Brand**, dark horses like **Bret Weinstein** or the non-political [and hence more honest] scientists convening at **Great Barrington**) that COVID most likely came from a lab and that the policy reaction of a global shut down and forced vaccine was a moral, scientific, economic and political disaster for the record books.

Despite the fact that history has seen (and stoically survived) far greater per-capita death tolls in the form of cholera, the bubonic plague, small pox, or influenza, our policy makers, with the embarrassingly complicit support of a Pravda-like and politically-influenced main stream media, would have us believe they care so much about you and I. So, they locked us down, went trillions more into debt (and a hidden, **second market bailout**) for our sake.

In fact, the IMF in 2020 compared the war on Covid to the Second World War and its 85 million deaths.

That's an insult to history.

As an equally courageous Christine Anderson declared from the European Parliament during the height of the Covid hysteria (mandates, restrictions, masks etc.): Covid politics were **not about concern for the masses**.

Despite such sober honesty and macabre math, Klaus Schwab, along with just about every other global leader, was taking a more dramatic and opportunistic approach, declaring that, "the Corona Virus pandemic has no parallel in history. It is our defining moment."

Huh?

What he really meant in this classic Freudian slip was that Covid was *his* defining moment. Namely, the perfect crisis to exploit global fear and promote his new "Great Reset" vision as the leader of a better tomorrow, akin to Lenin's losing-war promise/bribe of simple "bread and peace" in 1917...

And what is Schwab's (and others like him) vision of a better tomorrow?

What is the "Great Reset"?

Like most politically and financially bad ideas (from Quantitative Easing to the Patriot Act), the Great Reset envisioned by Schwab has a seductive title and facade—namely "Stakeholder Capitalism."

Unlike current shareholder capitalism, his concept of stakeholder capitalism aims to infuse global corporate board seats with a higher percentage of special interest representation (i.e., labor, environmental, social justice etc.).

In the USA, Elizabeth Warren has a similar, and indeed superficially noble, and more inclusive agenda.

China, whose leader-for-life (Xi Jinping) is a Schwab favorite and Davos keynote speaker, takes this autocratic vision one step further by simply inserting governmental agents into every Chinese boardroom.

For many, including myself, one can understand a desire to improve corrupt financial/banking systems and **fractured social structures**. One can understand more inclusion and less corporate greed.

Toward that end, I don't think Schwab is a transhumanist creature of a dark global conspiracy to depopulate the world and rule as supreme leader of a one-world government.

I actually feel he believes he can help himself (and others) at the same time.

And as for the current version of capitalism in which central banks like the

Fed (and **derivative-sick commercial banks** like Credit Suisse) have become THE driving/liquidity force of supply and demand, I've written and **spoken** countless times on my view that true **capitalism died long ago**.

But what we are being told by folks like Schwab is hardly better; in fact, it's much worse.

Schwab's Flawed Premise: Institutional Faith

Like China's Xi Jinping, Schwab's Great Reset is based upon the notion that systemic risks like inflation, pandemics and geopolitical as well as economic distortion can be better managed by a global "coordination" of wise centralized and institutional players.

Like Xi, Schwab believes "giant ships survive storms, whereas small boats sink."

But such faith (and premise) that massive and globally coordinated institutional wisdom is somehow safer and superior to individual freedom ignores the titanic example, of well...*the Titanic*.

In short: Big ships sink too—and usually with higher casualty rates.

Schwab's vision of a "coordinated economy" and the redefining of the "social contract" to tackle real or exaggerated (pick your view) crises like climate change or future pandemics is based upon an inherently flawed premise that enlightened yet **increasingly CENTRALIZED institutions** or even governments (like China?) can save us.

But what folks like Schwab (or for that matter Biden, Trudeau, Macron, Scholz, Johnson and just about every other embarrassing but modern national leader) failed to confess is that not once in the entire history of homo sapiens has a centralized system (fascist, Bolshevik, communist or socialist) ever brought an ounce of sustainable good to the world.

(Though such centralization certainly brought a lot of temporary luxury, wealth and power to folks like Castro, Lenin, Mussolini and Robespierre...)

The simple, tragic yet historically and (psychologically) confirmed reality is this: "Efficient" safety via central planning at the expense of individual freedoms NEVER works.

America's Brief & Shining Moment

That is why the founding fathers of the greatest constitutional and democratic (yet now failed) experiment in history declared (via Ben Franklin) that "those willing to give up their freedoms for greater security deserve neither."

For a brief and shining moment in 18th century Philadelphia, a document and vision of individual freedoms and constitutional protections declared the priority of the individual over the "security" of centralized tyranny as the

cornerstone of its national vision.

America's Flawed Premise: Faith in Human Nature?

Perhaps, however, these founding fathers under-estimated the human-all-too-human (nod to Nietzsche) susceptibility to self-interest and a desire for more personal and political control—i.e., the common extroverted psychopathy of most politicians—even those posing under a democratic flag.

That is why the same Ben Franklin casually (though sadly) remarked to a passer-by on the very day of America's Declaration of Independence that "eventually all democracies die, and usually by suicide."

This suicide has been gradual but undeniable, marked by such slow-drip turning points toward increasing centralization as exemplified by: 1) the 1913 birth of the Federal (*Central*) Reserve (against which Thomas Jefferson warned in 1806); 2) the now increasingly obvious and centralized (coup d'état) **murder of a sitting president** in 1963; 3) the imperialist drift toward false flag wars of expansion (from "remember the Maine" of 1898, the Gulf of Tonkin Resolution in 1964 or the 2003 WMD fiction in Iraq) to 4) the exploitation of cataclysmic crises to slowly eradicate personal liberties in the name of "national security" under such euphemistically-titled legislation like the post-9/11 "Patriot Act."

In short, given that all systems and experiments, be they liberty-based or centralized, are envisioned and then managed by human systems, the age-old (Hobbes/Locke) debate as to whether humans are intrinsically in a state of war or a state of peace (i.e., good or bad) remains the core dilemma and question.

The Modern Flawed Premise: Faith in Technology

This timeless dilemma, of course, has taken an entirely new course in a smart-phone era of increasing faith in a technological, virtual and even robotic solutions to man's quest for a better, freer tomorrow.

There are many who believe that we can replace corrupt institutions (from Davos to Brussels, DC to Beijing) with wiser technologies, which can and sometimes do allow a freer and more decentralized flow of information (as evidenced by non-main-stream platforms like this one) and even money (as evidenced by the thirst for decentralized, encrypted currencies like BTC).

Rapidly evolving technologies, for example, allow more people to leave crime-infested (and police defunded) cities for more work-at-home personal freedoms or income and even more personal expression.

As technology advances, many rightly or wrongly believe that civilization will experience more freedoms and hence more of the "happy accidents" (nod to F.A. Hayek) which only freedom-based (rather than centralized) systems allow.

For them, technology offers a "great escape" from the dangers of the "great reset."

This feels promising at first glance, but it too ignores the human-all-too-human reality that even advanced technologies are still steered by **un-advanced humans**, as the recent **debacle at FTX** easily reminds.

In short, like faith in human nature or faith in institutions, faith in technology is no cure all.

Enter CBDC—The Latest Lie from Above

As we now see in the slow yet inevitable evolution of Central Bank Digital Currencies, technology can in fact be used to further diminish rather than enhance human liberties.

It seems that in 2022 and now 2023, everyone is suddenly asking about CBDC. And they should be.

But what is it?

To begin with, CBDC is not a new currency, it's a new payment system—one that is digital and encrypted rather than paper-based. Instead of dollars, yen, lira and euros, we'll soon have e-dollars, e-yen, e-liras and e-euros etc.

In short, more crappy fiat money—just in digital form.

Furthermore, CBDCs are not cryptos. Yes, they are digital, encrypted and kept in a ledger, but they do not involve blockchain.

In essence, and much like a Visa or Mastercard service, CBDC involves a similar ledger technology, but in this new and twisted case it's a controlled (rather than distributed) ledger of encrypted digital currencies managed by central banks.

In this new payment system, we hold digital money accessed by apps on our smart phones with an account directly linked to a central bank with (as the policy makers remind us) far greater speed and less intermediary costs (otherwise typical to credit cards).

All good, right?

Not so fast...

The CBDC Official Narrative: Only Half the Story

Like all dangerous, centralized and controlling ideas, CBDC was snuck in with consoling words during times of crisis.

But CBDC is far more than just an evolving and technological “eureka” moment.

CBDCs were first openly announced by the IMF at the onset of the Covid Crisis, which the IMF used as a convenient pretext to excuse decades of their own and other central-bank-driven (and historically unprecedented) debt sins.

Crises always boost the power of the state, and the Covid crisis boosted the

power of the IMF to create new ways to promote bad ideas while centralizing more power. Although ignored by the media in 2020, I *immediately warned of this in 2020*.

Then came the BIS in 2021.

Like the IMF, the BIS telegraphed all the warm and fuzzy good news in a **calm little video** of CBDC “efficiencies,” “safety,” and “speed.”

The BIS took credit for leading the technological CBDC charge alongside 4 other key central banks (i.e., the Fed, the ECB etc.) and a select handful of 20 other “participants” (i.e., the same disastrous commercial banks who gave us the GFC in 2008) to eliminate certain “pain points and friction” in hitherto inefficient cross border settlements and FX transactions.

Then came Powell.



In the midst of a global inflationary crisis, gyrating markets and an avoidable yet disastrous war in the Ukraine, the Fed stepped in with its own one-sided puff piece as the world was distracted by bigger headlines.

With a calm expression and forked-tongue, Powell causally announced that the US will have a CBDC as the Fed plays a “leading role” in its development.

According to Powell, “the Fed is charged with the safety and efficiency of payment systems,” and that by “embracing innovation,” we good citizens can help the Fed in this historical process as the modern world evolves from telegraph wires and clearing houses to the new “Fed Now Service” driven by CBDC to ensure “safer financial transactions.”

Powell kindly reminds us that distributed ledgers of cryptos are not safe, as their swings in value prove.

Despite admitting that stable coins (directly linked to currencies) are better, he said they too are riddled with risks and thus not nearly as safe as digital currencies under “the same regulatory measures as our banking and

financial firms.”

(Apparently, Powell thinks the public has forgotten Bear Stearns, Lehman, AIG, Long Term Capital Management and other “regulated” enterprises of this corrupted ilk...)

Powell closed this blue-pill video by saying that the Fed’s focus with a CBDC is to improve on an already safe system—as a complement to, not a replacement of cash. He further promised to take into consideration issues of law and privacy, and warmly announced that, “we look forward to hearing your thoughts on this important topic.”

All warm and fuzzy, safe, innovative and democratic, right?

Again: Not so fast.

CBDC’s Other Story: One Big Lie of Many Omissions

There are many obvious yet omitted dangers (and motives) behind CBDC (as lies of omission are the most common symptom of benevolent tyranny).

What neither the IMF, the BIS nor Powell discussed are likely the most honest motives behind CBDC.

1. Kill the Crypto Competition

As I’ve argued almost from the **onset of the crypto mania**, the success of cryptos would eventually become their ultimate undoing, as the concept of alternative digital currencies outside of the banking system was a direct threat to sovereign power.

If forced to choose a “winner” in a war between the power of a blockchain BTC and a corrupt banking system (tied to the hip of sovereign power), my bet (sadly) was always on the corrupt.

CBDC, in short, is **a direct assault** on the growing (and in many ways free and admirable) crypto narrative.

- Debt “Reset:” Impose Negative Rates & Screw the People

As I’ve also **argued for years**, all debt-soaked regimes need negative rates to climb out of the bottomless debt hole *they alone* created.

By forcing citizens into a CBDC system, banks like the Fed can “efficiently and quickly” impose negative rates (i.e., where you pay banks to hold your money rather than receive positive interest for your deposits). This already happened in Europe.

Furthermore, given that all major nations are suffering debt to GDP ratios well past the fatal 100% level, with capital to asset levels surpassing the 200:1 mark, it's now patently obvious in a rising rate and declining tax-revenue environment that nations like the U.S. can't afford to pay even the interest on their unprecedented debt piles.

In this sickening backdrop, CBDC systems allow indebted nations to better control, and hence steal from, their citizens.

When currencies are "reset" (like Germany in 48), the government can "convert" your old money to the new money while simultaneously (due to a "crisis") keeping a percentage for themselves as a clever way to pay their debts via digital hold-backs (i.e., theft).

And given that the entire world is over \$300T in debt, one can bet that a massive debt restructuring (akin to a global bankruptcy declaration) is inevitable. CBDCs are thus being rolled out beforehand to make this intra-bank and cross border restructuring (theft) more "efficient."

But that's just the tip of the iceberg when it comes to controlling citizen money and freedoms.

- A Cashless Control State

Despite Powell's words to the contrary (as unreliable as his transitory inflation promise), the longer-term aim and practice of a forced digital currency system is to take cash out of the system.

Under a CBDC regime, citizen money can be digitally monitored, withheld, frozen, taxed, penalized or otherwise controlled should such a citizen (or collection of citizens) challenge or threaten the state—rightfully or wrongly.

I'm thinking of those truckers in Canada...

But as Mussolini himself said: "Fascism is the perfect marriage of corporations and the state." CBDC is a giant leap in that sadly familiar direction.

In short, financial and personal privacy slowly but surely disappears under a CBDC system, and you can be assured that if the Mad King George had access to CBDC in 1776, folks with poor social credit scores like Ben Franklin, Thomas Jefferson, George Washington or James Madison would have been monitored, frozen and made financially impotent long before they ever had a chance to freely assemble near the Liberty Bell in Philadelphia.

Thus, even if Powell promises legal and privacy rights today, what happens tomorrow when we inevitably (if not already) fall under another mad king?

Stated bluntly, CBDC is not about freedom, individual rights or privacy. It is pure control masquerading as a safer payment system and faster trans-

national currency settlements.

But which would you prefer? What is more important— personal liberty or “efficient payment systems”?

Powell said he was “looking forward” to our thoughts. Well, now he has mine.

Frankly: Shame on him.

Gold, CBDC and a Shortage of Easy Answers

Given the case made above that no easy answers to our current global nightmare (political, financial or ethical) can rest solely upon a faith in institutions, individual leaders or even technologies, as each of these “solutions” is vulnerable to the human element of corruption and ignorance—what will save us?

Do I have an answer to these manifold and increasingly troubling signs and times?

I do not.

Gold, of course, can not solve the laundry list of fracturing faiths, economies, politics, societies, currencies, borders and systems making the headlines of each passing day.

That’s a human, or even spiritual question which I will not pretend to answer/solve here.

Nor can I fully predict the precise timing, measures and misuses of CBDC near-term or long term.

Will gold-backed SDR’s come? Will banking systems and credit card systems change immediately or slowly? When will gold free-float? When will derivative markets implode? What will trigger the next banking crisis?

Again: I can’t say or time. No one can.

What I can say, sadly, is that political and monetary corruption, from ancient China to modern DC, or from Roman coins or crappy paper dollars to “advanced” CBDCs is nothing new under the sun.

But gold (sourced from the periodic table rather than a periodic printer) has never been corrupted by the sun’s rays nor man’s mechanizations. It can’t be printed, mouse-clicked or digitalized. Alas: It’s harder for governments and banks to control.

Without exception, physical gold has always been the only form of real money that has survived the death of one system and currency after the next, be they debased by ancient metallurgists, modern money printers or digital cons.

As history continues its **sad and desperate pattern** of more control, more debasement and more double-speak, I can only place portions of my faith and

wealth in the one asset—the only asset—that has always preserved citizen wealth in a world where its leaders have consistently destroyed it (from coins, cash and digital) for thousands and thousands of years.