

Will the IMF, the Federal Reserve, Negative Interest Rates and Digital Money Kill the Western Economy?

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The IMF, has been instrumental in helping destroying the economy of a myriad of countries, notably, and to start with, the new Russia after the fall of the Soviet Union, Greece, Ukraine and lately Argentina, to mention just a few. Madame Christine Lagarde, as chief of the IMF had a heavy hand in the annihilation of at least the last three mentioned.

She is now taking over the Presidency of the European Central Bank (ECB). There, she expects to complete the job that Mario Draghi had started but was not quite able to finish: Further bleeding the economy of Europe, especially southern Europe into anemia.

Let's see what we may have in store – to come.

Negative interest, we have it already – it's the latest banking fraud stealing money from depositors to give to large borrowers. It's a reverse cross-subsidy, the poor financing the rich. That's the essence. It's a new form of moving money from the bottom to the top. Now, a Danish bank has launched the world's first negative interest rate mortgage. It provides mortgages to home owners for a negative rate of 0.5%. The bank pays borrowers to take some money off their books. Of course, as usual, only relatively well-off people can become home owners and benefit from this reverse cross-subsidy. It is a token gesture, duping the public at large into believing that they are benefitting from the new banking stint. The bulk of such operations serve large corporations.

The borrower pays back less than the full loan amount. Switzerland may soon go into the direction of Denmark. Bank deposits with central banks pay negative interest almost everywhere in the western world, except in the US – yet. It's only a question of time until the average consumer will have to reimburse the banks for their central bank deposit expenses, meaning, the customers are getting negative interest on their deposits. That's inflation camouflage. A sheer fraud, but all made legal by a system that runs amok, that does not follow any ethics or legal standards. A totally deregulated western private banking system, compliments of the 1990s Clinton Administration, and, of course, his handlers. As Professor Michael Hudson calls it, financial barbarism. We are haplessly enslaved in this aberrant ever more abusive private – fiat money – banking shenaniganism.

RT's Max Keiser recently interviewed Karl Denninger of Market-Ticker.org. Denninger told Keiser, *"Negative yielding bond is forced inflationary instrument: you buy it, you're guaranteed inflation in the amount of a negative yield."* He blasted the tool as plain "theft" by any government that issues these bonds, which is done in an effort to nominally expand a country's GDP. *"If the government is issuing more in sovereign debt their GDP is expanding in nominal terms. If you have negative interest rates on those government bonds, you're creating excess space for the government to run the fiscal deficit [...] in*

excess of GDP expansion. Nobody in any civilized nation should allow this to happen because it is theft, on the scale of that differential, from everybody in the economy,"

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To make sure the little saver doesn't think about depositing his savings under his mattress or in a hole in the ground instead of bringing it to the bank, money will be digitized and cash will disappear. Madame Lagarde has already more than hinted at that, when she gave a pre-departure speech at the IMF – explaining on how she sees the future of monetary banking. The future, according to her, being no more than 15 to 20 years away, is a no-cash society. Just enough time for the elder generations – those that may still feel an instinct of rejection and have some consciousness about personal privacy, those that may resist money digitization – may have died out. The young, up-and-coming age groups may be brainwashed enough to find a cashless society *so cool*.

Since Madame Lagarde is moving to head the ECB in Frankfurt, it is fair to assume that Europe will be one of the largest test grounds for digitized money, i.e. towards a cashless society. In fact, it *is* already a test ground – many department stores and other shops in Nordic countries – Sweden, Norway, Denmark, Finland – do no longer accept cash, only electronic money. In Denmark already up of 80% of all monetary transactions are made digitally.

Imagine, for your chewing gum wrapper, pack of cigarette, or candy bar, you swipe a card in front of an electronic eye – and bingo, you have paid, not touching any money – “that’s *mega cool!*” – That’s what the young people may think, oblivious to leaving a trail of personal data behind, among them their bank account details, their GPS-geared location, what they are shopping, a pattern of data that is in ten years-time expected to amount to about 70,000 points of information about an individual’s characteristics, emotions, preferences, photos, personal contacts... what Cambridge Analytica in the superb documentary “The Great Hack” revealed as already today on average 5,000 points of data per citizen. The system will know you inside out better than you know yourself. And you will be exposed to algorithms that know exactly how to influence every action, every move of yours. *Cool!*

That, combined with face recognition which is advancing rapidly around the globe, will be *super cool*.

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A horrendous trial on how an entire country, India, with the world’s second largest population, may react to demonization, was introduced in 2016 by President Modi, bending to the pressure of the western financial system, with support of the IMF and implementation funding by USAID. It amounted in a disastrous and cruel demonetization, invalidating almost over-night the most popular 100 Rupee (Rs) bank note, replacing it with a 200 Rs note – which in most places, especially in rural towns, where banks are scarce, was not available. Never mind that less than half of the Indian population has a bank account, where the bank note exchange transactions had to be carried out.

The sudden disappearance of the most popular bank note – more than 80% of all monetary cash transactions in India took place in 100 Rs notes – was a proxy to digitization of money. Countless people starved to death especially in rural areas, because their 100 Rs were declared worthless and became unacceptable to buy food

(see also <http://www.globalresearch.ca/india-death-by-demonetization-financial-genocide-the-crime-of-the-century/5569859>).

The 340,000 citizens of Iceland have already a fully digitized e-ID, now moving towards a mobile ID, i.e. accessible through your smart phone – uniting every possible data that belongs to you, from medical records to insurance policies, all the way to dog, cat and car registrations – you name it. Most say they trust their government and are not unhappy with their divulging their most intimate data. Many have no or little idea, though, to what extent the private sector is involved in setting up such a hermetic countrywide data bank for the government. – Even if the regulator is within the government and you trust your government, how much can you trust the profit-oriented private sector in protecting your data?

The surveillance state that you, among other clandestine intrusions into your privacy, will allow by willy-nilly accepting digitization of money, and eventually digitization of your entire private data, pales Orwell's imagination of "1984". Every citizen is registered in every western "security agency's" electronic data bank – and of course those of the empire and Middle East affiliate, Israel, CIA, NSA, FBI, Mossad – and so on – no escaping anymore.

It just so happens that you, dear citizen, are oblivious to all of what is going on behind your back, since your attention will be captured by massive marketing and directed towards the nefarious machinations of the corporate elite ruled, globalized world, making you an eternal and ever-more intense consumer. You must spend the last penny of your income on trendy stuff, all those fashion things that will be pumped non-stop day-in-day-out into your brain, what's left of it, by propaganda on television, radio, electronic cartoon-like billboards, internet – and that at every turn you take. And let's not forget sports events – they increase every year and are the most direct deviation tactic take-over from the Roman Empire.

The most aberrant trends will be *cool*, like shredded jeans, for which you pay a premium, body-paintings, called tattoos, footballer hair styles, because they are fashionable and your looks are key to fit into a standardized, globalized society that has seized thinking for itself – no more interest in politics, in what your non-democratically elected representatives decide for you. It's what Noam Chomsky calls the marginalization of the populace.

You are made believe that you are living in a democracy where you can do what you want, shop what you want, watch what you want, and even when the elections or occasional referenda are offered to request your opinions, you are cheated into believing your choice is free. Of course, it is not. It is all programmed. Algorithms drawing on your profile of 70,000 points of information on emotions, desires and dreams, will clandestinely help the 'system' to enslave, cheat and master you – and you won't even notice.

That's where we are headed, largely thanks to digitalization of money – but not only, because surveillance will also follow all your steps on internet, on facebook, twitter, Instagram, Whatsapp – and many more of those especially created marketing tools, implanted in societies' social media, that make life and communication so much easier.

And there is more to digital money. Much more. In 2014, the unelected European Commission (EC) has put on its books of regulations, following a similar decree in the US,

the rule that an overextended bankrupt too-big-to-fail private bank will no longer be rescued by the state, by your tax money – which used to be called a “bail-out”. Instead, there will be “bail-ins”, meaning that the bank will seize your deposits, your savings and sanitize itself with money stolen from you. You have no choice, there will be no ‘run on the banks’ – because there is no cash to withdraw. We have seen signs of this when Greece collapsed after 2010, and cash machines spitting out no more than 20 € per day – if at all. For many of Greek citizens – especially the poorer class living from day to day – this meant often cruel starvation.

Bail-ins are little talked about, but they happen already today and ever more so. In 2014, the Austrian bank *Hypo Alpe Adria – the Heta Asset Resolution AG*, was given green light by the Austrian Banking Regulator, the Austrian Financial Market Authority (FMA), to refinance itself by a so-called “haircut” of an average 54%, meaning, stealing 54% of depositors’ money

(see also

<https://www.mondialisation.ca/austria-just-announced-a-54-haircut-of-senior-creditors-in-first-bail-in-under-new-eu-rules/5520162>).

But the first and largest “haircut” test took place in Cyprus, when in 2013 the Bank of Cyprus depositors lost about 47.5% in a “haircut” to bail out their bank. Of course, the big sharks were forewarned, so they could withdraw their money in time and transfer it abroad

(see also

<https://www.globalresearch.ca/infringing-upon-the-eurozones-sovereignty-on-behalf-of-wall-street-the-ecbs-haircut-measures-undermining-trade-and-investment-with-russia-and-china/5412477>

and

<https://www.globalresearch.ca/retrenchment-robotization-and-crypto-currencies-the-runaway-train-towards-full-digitization-of-money-and-labor/5624050>).

It could get worse. The state, tax authority, an institution, a corporation says you owe them money which you deny, possibly for a good reason – but they have access to your bank account and just seize the amount they pretend is their due. You are powerless against these tyrannical monsters and may have to hire expensive legal service to get your stolen money back – if at all. Because the “system” is run by the “system”. And once that level has been reached, a form of *Full Spectrum Dominance*, a key target of the PNAC (Plan for a New American Century), there is hardly any escaping. That has all happened already, in front of our publicity-blinded eyes, little spoken about, the trend is growing – and this even without necessarily a digitized world.

Is it that the kind of society you want?

Then there are the rather prominent gurus who bet on gold and bitcoins to replace the faltering dollar, like a last-ditch solution. None of them is any more viable than the fiat dollar. Gold is highly volatile due to its vulnerability for manipulation – as it is largely controlled by the BIS (Bank for International Settlement, in Basle, Switzerland, also called the central bank of all central banks, and yes, the same bank that helped the FED finance

Hitler's war against the Soviet Union – so you see where this bank is coming from). It is entirely privately owned and largely controlled by the Rothschild clan. And as an associated side note – few people talk about it, there is in excess of 100 times more paper gold in circulation than you could ever cash in, if you needed it. It is another one of those bank-invented 'derivative' bubbles that will explode and serve to enrich them when the time is ripe.

Bitcoins, the most prominent of some 3,000 to 4,000 cryptocurrencies flooding the world, is totally unreliable. A year after it was created in 2008 allegedly by an unknown person or group of people using the name *Satoshi Nakamoto*, bitcoin's value in 2009 was US\$ 0.08. It gradually rose and eventually jumped in December 2017 briefly above US\$ 20,000, but dropped within a year to about US\$ 3,500. Today bitcoin is hovering around US\$ 9,500 (August / September 2019). Bitcoin – along with other cryptocurrencies – is highly speculative, lends itself to Mafia-type money-laundering and other fraudulent transactions. It is about equivalent to fiat money and certainly inept to be the backing for a monetary system.

And let's not forget, the latest Facebook initiative – a cryptocurrency, the Libra, to be launched in 2020 out of Geneva, Switzerland – is expected to dominate within a few years 70% to 80% of the international money market. You see, the same clan that has been manipulating and cheating you with the dollar, is now 'banking' on you falling for the Facebook currency – as it will be so easy to use your smart phone for any kind of monetary transaction, thus, avoiding traditional predatory banking. Looks like a good thing at the outside – right? – Nope! It's entirely privately owned and run by an unscrupulous mafia that is being set up to continue milking the masses for the benefits of an ever-smaller elite.

There is however a role for blockchain cryptocurrencies, to circumvent private banking, those that are government controlled and regulated. China and Russia are about to launch their government-controlled cryptocurrencies and others – Iran, Venezuela, India – are following in the same steps. But they all ban privately run cryptocurrencies in their countries – and rightly so. A combination of government-regulated blockchain cryptos and public banking, where no private profits are in the fore, but rather the wellbeing of the citizen and the country's economy, may be a viable solution into a new monetary scheme, protected from the kleptocracy of western banking.

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Desperation about the dollar losing its world hegemony is growing – and growing fast. To salvage the western fiat monetary system, Madame Lagarde and others are also talking about some kind of Special Drawing Rights (SDR) to replace the dollar as a reserve currency, since there is no escaping – the dollar as reserve currency is doomed. The current IMF SDR basket consists of five currencies, the US-dollar (weighing 41.73%), the British Pound (8.02%) the Euro (30.93%), the Japanese Yen (8.33%) and since 2017 the Chinese Yuan, the currency of the world's largest economy compared by Purchasing Power GDP (10.92%).

At this point thinking of any reshuffling of the SDR basket's contents is purely speculative. However, it can easily be assumed that the dollar would remain in a very prominent position within the basket, as it should remain the leading hegemon of world economy. Let's not forget, The US Treasury controls the IMF with an absolute veto, in other words – 100%. It can also be assumed that the Chinese Yuan would either be kicked out altogether or would be given a minor weight in the basket, so to diminish its role. If this was to become the chosen option by the US Treasury, it could and probably might prompt China to withdraw the Yuan

from the SDR basket, as the Yuan does no longer need SDR recognition in the world to be considered a primary reserve currency.

Unless this is stealthily done – outside of public sight and in disguise of countries still holding major US-dollar reserves, the world would unlikely accept such an alternative, especially since it is widely known among treasurers of countries around the globe that the Chinese Yuan is rapidly raising to become the key world reserve currency.

As reported by William Engdahl's analytical essay "[Is the Fed Preparing to Topple the US Dollar?](#)" – , the outgoing Governor of the Bank of England, Mark Carney, delivered at the recent annual meeting of central bankers in Jackson Hole, Wyoming, a set of ideas that went into a similar direction, towards a shift away from the dominant role of the US dollar as a reserve currency. Similar to Mme. Lagarde's earlier remarks about an SDR-type reserve currency, he made it understood that though, the Chinese Yuan, the currency of *the* key trading nation, may have a role in the basket, it would – for now – not be an important one. He also was clear about the current disturbing and destabilizing imbalance – where a faltering dollar still pretends to hold the hegemonic scepter over the world economy.

Keeping the dollar still in a leading role, while the US economy is declining, was no longer a viable option for an increasingly globalized world economy. Carney was hinting at a multipolar monetary and reserve system for a multipolar globalized world. Similar remarks came from former New York Federal Reserve Bank chief, Bill Dudley. However, Dudley, hinted that for the United States to give up her dollar dominance, the backbone for her world hegemony, may not come voluntarily. Might that lead to a major, maybe armed world conflict?

Much of this is speculation from the western perspective. It is however clear, that there is a tremendous and mounting uneasiness about the western, dollar-based fiat monetary system, backed by nothing, not even by the western economy. You compare this with the Chinese Yuan and the Russian Ruble, both backed by gold and – more importantly – by their own economy. It becomes increasingly clear that much of the speculation and efforts by influential central banking figures to save the western monetary Ponzi scheme, maybe just propaganda to calm the minds of western financiers – holding them back from jumping ship.

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