



Why Are Lawmakers Continuing to Push for a Digital Dollar? Look to China

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Amidst record inflation, global economic instability, and large portions of Americans reporting that they deeply distrust their government, some lawmakers are taking advantage of this opportunity to pounce and seize more control of our day to day lives.

One particularly insidious idea gaining steam is the completely digital dollar.

According to an exclusive interview with The Wall Street Journal, a bipartisan group of legislators led by Rep. Maxine Waters (D-CA) (yes, her) are continuing to lobby the Federal Reserve to advocate for the creation of a digital dollar in order to compete with China's digital yuan, which they claim will threaten the dollar's standing as the global reserve currency.

Waters, who currently chairs the House Financial Services Committee, has gone on the record stating that central bank digital currencies (CBDCs) are part of the new "digital assets space race."

Rep. French Hill (R-AR) is one of the token Republicans siding with Waters on this subject, asserting that China's creation of their digital yuan several years ago means that U.S. dominance globally is threatened. Hill told the Journal that "We should be concerned about China's predatory practices."

An Eye on Every Transaction You Make

While the Federal Reserve has and does still continue to look into the potential of a CBDC, Chairman Jerome Powell does not see fast tracking an appeal to lawmakers as a priority, especially given the dysfunctional state of our monetary system since 2020. The same could be said of President Joe Biden, who ordered a study of CBDCs to be conducted but hasn't come out for or against.

If a CBDC were to be created here in the U.S., don't expect it to run and operate like cryptocurrencies such as Bitcoin and the many others out there online. A digital dollar would be entirely backed and managed by the Federal Reserve, and would also eliminate third party payment processing services already used by consumers, such as Apple Pay.

While the thought of lower transaction fees and universal adaptation might make some people think this would be a positive development, understand that this would mean that the U.S. government would now have an exact ledger of where you shop, where you eat, where you've been, who you've donated money to, and all privacy you think you have would immediately vanish.

A Power Grab Like No Other

Norbert Michel, Vice President and Director of the Cato Institute's Center for Monetary and Financial Alternatives, has raised the red flag regarding the threat that a government controlled dollar could be to the average American. In a piece written by Michel back in April for *Forbes*, he noted that a "CBDC itself is mainly the government's attempt to protect its privileged position and exert more control over money."

"The problem is that there is no limit to the level of control that the government could exert over people if money is purely electronic and provided directly by the government," said Michel. "A CBDC would give federal officials full control over the money going into— and coming out of— every person's account."

Essentially, this level of encroachment would become an existential threat to every American citizen. If you thought that vaccine passports were bad, wait until they have direct access to every financial decision you make.

One Only Need Look at China

The R Street Institute's Alex Pollack last year published a piece pointing out why China developed a CBDC in the first place.

The first goal of the CCP was to exert even more control over the citizenry. "If the digital yuan became ubiquitous, the Chinese government would have instant knowledge and control over its citizens' money," Pollack writes, "potentially allowing it, for example, to confiscate the funds of political dissidents or block their payments and receipts."

"The second goal is to challenge the dominance of the U.S. dollar in international transactions," making it particularly preferable to nations impacted by U.S. sanctions, further pushing them into the arms of China. While this point may coincide with the worries of politicians like Waters and French, Pollack stands by that the creation of a CBDC may play a role in fighting international monetary rivalries while at the same time creating an even larger threat to domestic liberty.

“A CBDC would make it easier for the central bank to expropriate the people’s savings through negative interest rates. For those reasons, a CBDC may fit an authoritarian country like China, but not the United States.”

The Far Away Problem is Now Next Door

Since 2021, we have witnessed governments around the world through their own powers and through the weaponization of private companies cut people off from their own money without even being charged with a crime.

One only needs look to what the Canadian government government did to the protesting truckers earlier in 2022 when they completely cut them off from their own bank accounts and even froze Bitcoin donations.

There’s a reason why the U.S. government has decided to unleash an army of 80,000 new IRS agents and why they’d even continue to persecute a popular former president who may decide to run again and put an end to this madness; This doesn’t really have to do with competing with China, this has everything to do with obtaining more control over you.