

From the Digital Freedom Canada Whitepaper Trilogy:
“The Walls of Control” – Paper # 2

Assertion :

Despite what they tell you, The Canadian Government wants to eventually KILL all of the following means of commerce as soon as possible, since they represent various degrees of threat to the success of their imminent CBDC program :

- Cash & coins (issued by the Canadian Mint). This is the subject of this whitepaper.
- Crypto-currencies (especially private & decentralized ones such as Bitcoin, Facebook’s Libra, etc). This will be the subject of a future whitepaper.
- Cheques (this has just recently proposed by Australia and The European Union)
- Bank drafts, money orders, and cashier’s cheques
- Trade using precious metals
- Bartering

[Aside : We say Canada’s CBDC program is “imminent” because there are currently 11 countries around the world that already have implemented CBDCs, and over 100 more countries that are at various stages of researching/trialing them. [Ref <https://www.atlanticcouncil.org/cbdctracker/>]. Further, the University of Toronto was commissioned by Canada’s Liberal Government to conduct research on a CBDC for Canada and conduct a trial (this work has already been completed). Also, a Jun 20 2023 article on Lifesitenews.com quotes the IMF’s managing director as saying that the IMF is “working hard on a global CBDC platform” to facilitate the internetworking of the various countries CBDCs.]. Ref <https://www.lifesitenews.com/news/international-monetary-fund-working-hard-on-a-global-central-bank-digital-currency-platform/>

By KILL, we mean they will make our use of these forms of commerce illegal, or by phasing them out as soon after their introduction of CBDCs as possible. The most threatening ones (ie cash and coins) will be the first to go and hence their killing of cash will be the focus of this article.

“46 percent of respondents to [the Bank of Canada’s own] recent Cash Alternative Survey report that the disappearance of cash would be problematic” (quoted from Bank of Canada article “Contingency Planning for a CBDC in Canada” February 25, 2020). Despite this realization, the Canadian Government is still highly motivated to kill cash.

The rest of this article will show that the Canadian government will kill cash not for the benefit of Canadian citizens but for their own benefit. **It’s time to get angry and strongly resist the introduction of CBDC and the inevitable cancellation of cash resulting of further cancellation of your rights and freedoms !**

Motivations behind them killing cash :

- Control over your money and your behaviour
- Incremental government Revenue opportunity
- Crime Reduction opportunity
- Massive government Cost Reduction opportunity
- Massive government Simplification opportunity

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Control over you :

You currently have control over your own money and want it to stay that way :

Most Canadians work extremely hard to provide for themselves and their families. Their hard-earned money must be carefully spent between paying for taxes, mortgages, groceries, car loans, education, vacations, healthcare, occasional indulgences, and many other things. Wage earners must carefully balance how they spend their money, what they prioritize, and what they don't. Often times, sacrifices are required. Managing your money is a freedom, a right, and of course, a responsibility. You can't manage your money unless you are in control of your money. You need to know how much money you have at various points of time, when more money will be coming in, when various bills will come due, and hopefully be able to have a bit of spare money for contingency/emergency purposes. The high level of inflation that we are currently experiencing is making it much more difficult for families to manage their money. Often times, money is tight. If a decision is required re whether to pay a speeding ticket this month or putting sufficient food on the table to feed your family, by far the majority of us would do the latter.

Clearly, you don't want to give up control of managing your hard-earned money. Having someone else have control over your money and the ability to manage it would require them to know all of these kinds of things in real time, understand and respect your priorities, and have your best interest at heart. It's often a matter of pride to be able to live well from the money that you have. You might be willing to relinquish control over your money to a loved one, a close relative, etc. but clearly it would have to be someone you trusted a great deal and who knew you well. The last thing you'd like is to have control over your money wrested from you by someone that doesn't know you and someone you don't trust.

The above holds true for retirees and unemployed persons as well.

Digital ID, CBDC, and government policy changes will wrest financial control from you :

Canadians that regularly use credit and debit cards are well aware that the credit card companies are very familiar with how you spend your money. Likewise, the banks and credit unions you use record each and every transaction made in your account(s). For those of you that have financial advisors, the same holds true. In most cases, the details of your personal financial affairs are kept within these confines. This is about to change however, with the introduction of Digital Ids and CBDC. ALL of your financial history and transactions will be shared with the government and stored in the PIB (Personal Information Base) that they maintain for each and every Canadian. Ref <https://www.canada.ca/en/treasury-board-secretariat/services/access-information-privacy/access-information/information-about-programs-information-holdings/standard-personal-information-banks.html> Moreover, in addition to tracking your financial transactions, the government can and most likely will wrest full spending authority (read CONTROL) over your money from you, with or without your consent. They could pay that speeding ticket mentioned above and leave you with not enough money to buy the groceries you need if they see fit.

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Most of you will remember how the government froze the bank accounts to supporters of the Truckers Convoy. That shocked the world ! The government froze those accounts without even having digital control over them – they used manual processes in conjunction with complicit bank partners to do it. Just imagine what they could control if they had fully digital mechanisms and didn't have to get intermediaries to assert their desired control on their behalf !

How would you like it if the government withheld depositing your EI or CPP payment into your CBDC account because they knew that you hadn't taken the required number of doses of the vaccine that was being prescribed for the next pandemic ? Or what if they withheld these payments that so many Canadians are highly dependent upon because you used more carbon credits per month than they allow ? Not only would you not like it, you'd be furious.

Anonymity :

Another significant property of cash and crypto based transactions that the government especially hates is that of anonymity. We're talking about the ability to spend or earn money without the government knowing who was involved in the transaction, the amount of the transaction, the nature of the transaction, and the date of the transaction. These aspects of cash transactions are completely invisible to the government today. Criminals love this because they can't be caught money laundering or buying/selling illegal substances. Some wait staff might like it because they don't have to declare gratuities they receive as income which would then be taxed. Likewise, cash based used goods and services transactions are currently transparent, so you can readily purchase that used chainsaw from your neighbour or pay your friend cash for fixing your car for you without the government taxing it. Canadians already pay significant taxes – killing cash and crypto would allow the government to tax you even more. Enough is enough !

By the Bank of Canada's own admission “While a degree of privacy is a core attribute of money, it would almost certainly be unacceptable for a CBDC to provide a cash-like degree of anonymity... So, a CBDC could be designed to implement a form of privacy rather than cash-like anonymity” (quoted from Bank of Canada article “Contingency Planning for a CBDC in Canada” February 25, 2020). In other words, the government's definition of privacy would allow them to know about your transaction details but your details would be hidden from retailers. Again – government trust is the issue here. Ref <https://www.bankofcanada.ca/2020/02/contingency-planning-central-bank-digital-currency/>

According to a report issued by the Bank of International Settlements (the global central presiding over all of the world's central banks) (Ref <https://www.bis.org/publ/bppdf/bispap128.htm>), one country that is already operating their CBDC has opted not to allow anonymity.

So, in short, the government will have all the data and the power that they need to have total and direct control over your money, whether you like it or not. Do you trust them to manage your money as well as you or your designated loved one would ?

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Anonymity : (cont.)

How well do you think that they understand your financial priorities, and even if they understood them, would they respect them the same way you would ? It is a well-known fact that Canadian’s level of trust in the government has justifiably declined dramatically over the last few years. You may want to reassess your level of trust you place in your government to manage your money the way you’d like it to be managed. Your financial freedom will be a thing of the past once they kill cash and assume control over your money !!! They won’t ask you for permission to do this either !

Having traditional money in circulation significantly inhibits government goals to get CBDC penetration as high as possible and hence from having the ability to financially control as many Canadians as possible. “A CBDC should be designed to promote public adoption and use. In addition, government support (for example, by making any needed legislative changes) would also be required.” (Quoted from Bank of Canada article “Contingency Planning for a CBDC in Canada” February 25, 2020). They will want to kill cash as soon as they can !

Revenue Opportunity:

Stated concisely, Canadian politicians realized quite some time ago that the elimination of anonymity in financial transactions represents a significant opportunity to increase tax revenues ! Does anyone think that the government will use this incremental tax revenue to reduce your income taxes, your property taxes, the GST, etc. ? Don’t be fooled when they say that their proposed CBDC digital currency will protect your privacy. They are trying to equate the definitions of privacy and anonymity – they are not the same. Their definition of privacy means that transaction information is not visible to non-government entities, but those entities that want to tax these transactions can still see all they need to tax “private” transactions. They are introducing this notion of privacy for reasons explained in the following section.

Crime Reduction :

As mentioned earlier, criminals rely on the complete anonymity of cash & crypto based transactions to hide their money laundering and other criminal activities such as drugs. Killing cash would expose these activities to the government since the “privacy” aspect of their proposed CBDC currency would still let them see the details of these illegal transactions. On the surface, this sounds like an admirable achievement, but looking deeper, it means that essentially law-abiding Canadians have to sacrifice their transaction anonymity so that the government can supposedly detect more criminal activity. As we all know, the criminals will find other ways to carry out their business hidden from the government’s eyes ! Sounds very similar to the firearms constraints being imposed on law abiding citizens under the auspices of trying to reduce gun crime, doesn’t it ? We know how unsuccessful Canadians have been in their opposition to these new firearms laws don’t we ? Do you think we’ll be any more successful at protecting our anonymity using their CBDC currency ? We are not criminals but they will be treating us like criminals in their attempt to deter the real criminals from their illegal activities.

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Cost Reduction :

Governments spend a lot of money designing new paper money and coins, printing new paper money, stamping new coins, securely storing those new monies, safely circulating new paper money & coins to banks and credit unions, fighting counterfeiting and money laundering, removing old paper money from circulation, and destroying old paper money. Dominant use of CBDCs will enable the government to save all of these costs but not without detrimental impact to Canadian citizens. Does anyone think that the government will pass on these cost savings to its citizens ?

Job Losses and Bank Collapse :

Circulating new paper money and coins starts by securely transporting it from Canadian Mint vaults to bank and credit union vaults across the country – often by armoured car and security guards. Those same armoured cars and guards are often used to transport tried old money back to the Mint.

Banks and Credit Unions provide tellers and ATMs to take and dispense cash, cheques, money orders etc. They provide vaults to keep money in and thieves out. If the government decided to kill these various forms of money (including make it illegal to transact with them), ultimately banks would no longer need to hire and pay tellers, provide physical real estate and terminals for teller’s front counters and positions, provide ATMs, facilitate for secure transport of money to their vaults and ATMs etc. It is unlikely that their safety deposit business would provide them with enough revenue to justify the expense of having a vault, in fact, of having banks or credit unions period. Thousands of bank & credit union employees, security guards, armoured car personnel, etc. would lose their jobs. This dramatic reduction in personal, premises, and processes would translate to huge cost reductions to the banking system. Banks and credit unions would likely go out of business since Canadians “Bank Accounts” would have moved over to fully digital CBDC accounts with the Bank of Canada. The banking industry as we know it will collapse. Sell your bank shares while you still can !

Simplification :

Looking back over the steps that can be eliminated as described in the Cost Reduction section above, one can readily see how the overall process of managing CBDC currency is dramatically simplified once cash is out of circulation. A purchase or a sale can easily be affected by automatically making a couple of spreadsheet entry changes. This is precisely what happens when credit/debit transactions take place today. How easy will it be for the government to block any financial transaction they want to – simply don’t do the spreadsheet adjustments. How easy will it be to tax what used to be anonymous transactions ? Simply another couple of spreadsheet adjustments ? How easy will it be for the government to pay your speeding ticket directly (without your consent) whilst at the same time denying your next grocery store or gasoline purchase ? How easy will it be for the government to fine you because you violated your 15-minute city boundary ? Do you trust the government not to succumb to the temptations afforded them when CBDC has been introduced and they’ve eliminated cash ?

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Conclusions :

The Canadian government and correspondingly the Bank of Canada are promising that they will grandfather cash when they introduce CBDC (ref <https://www.bankofcanada.ca/2023/05/bank-canada-launches-public-consultations-digital-dollar/> Bank of Canada CBDC questionnaire released May 8, 2023). However, as shown above, there are many significant reasons for them to kill cash as soon as possible, which translates to them killing it as soon as they can get away with it. As the government has demonstrated numerous times in the past, a simple policy flip-flop can undo this promise. They will of course somehow justify their need to kill cash with some lame excuse. Please anticipate this policy breaking flip-flop at day one and believe that the freedoms you enjoy and expect to see continued will disappear quickly as the government increases their level of control over you. Cash may very well be the last bastion of financial freedom that we all have.

Sure, some of you can choose not to participate in this new CBDC economy and rely on your stockpiled provisions, bartering and self-sufficiency methods, and that’s terrific. But how many Canadians (especially residents that live in urban environments) can do this and persist at doing this ?

Let’s sum it up by clarifying the value propositions and risk/reward statements for both Canadian citizens and the government. The government claims that the CBDC’s e-dollar represents a significant boost in convenience for Canadians. This is disputable. By using e-dollars instead of cash, it’s true – you won’t have to visit your bank or ATM to get or deposit cash. Any space in your wallet won’t be taken up holding bills. Those of you that predominantly use debit/credit cards, won’t find this added convenience compelling whereas the small percentage of the Canadian population that still uses cash might. So, the overall convenience value proposition to the Canadian public is rather modest to say the least. Contrast this to the value proposition that stands to be realized by the government, especially once they’ve killed cash. They get a huge degree of financial control over citizens, a supposed improvement in their ability to fight financial crimes, a huge cost reduction, an incremental tax revenue stream, and significant simplification (including error reduction) in their ongoing financial processes. The government’s value proposition is substantially massive compared to that of the citizenry.

Based on the above assessments of value propositions, the citizen’s risk/reward statement can be summarized as huge financial and freedom risk with very little reward. The government’s risk/reward statement can be summarized as very little risk, with very significant reward ! Certainly not very balanced at all ! It is incredibly biased in favour of the government and against the citizenry.

It’s time for righteous anger and a strong resist the introduction of CBDC and the inevitable cancellation of cash resulting of further cancellation of your rights and freedoms !