

The coming federal weaponization of banking



The largest shake-up in finance since the formation of the Federal Reserve is nearly here. The establishment of a government-backed cryptocurrency is a threat to the freedom of commerce and would give Washington the ability to weaponize banking against political dissent, or even block Americans from accessing their own money altogether.

A digital version of the dollar has been in the works for over a year now. Earlier this month, [President Biden signed an executive order](#) both curtailing existing cryptocurrencies and laying the groundwork for a federal digital currency. Crypto regulations have been a favorite topic of Democrats on Capitol Hill and regulators in the federal bureaucracy. Biden deployed numerous excuses, including the risks of money laundering and the carbon emissions needed to produce crypto, to justify cracking down on these

currencies. But the kicker of the statement is the regulatory groundwork for the coming “digital dollar.” The United States will be the second major power to foster such a move, after China, where efforts to [create a digital currency](#) as part of its social credit system are a sign of what might be coming here soon.

Physical currency likely will be phased out entirely over time, in favor of a digital format controlled by the Federal Reserve. The ubiquity of cell phones and scannable codes will make integration of a digital currency, under some form of the blockchain, relatively easy to implement. This soft-nationalization of the banking sector would leave the United States in uncharted waters. Nearly every transaction, from political donations to purchases as seemingly insignificant as a pack of gum, would be visible to the government and subject to scrutiny. Government regulations could block or track certain transactions with no trial or public recourse. Even worse, if you were placed on a list by a federal bureaucrat — not a judge — your access to banking and credit cards potentially could be shut off without a warrant or trial.

There is a chilling irony that the open-source technology intended to evade government control instead could be used for it. The [use of the Homeland Security apparatus after 9/11](#) could be used as a domestic cudgel, and watchlists and flagging systems similar to those against international terrorists could be used against American citizens. If your political views are deemed “extremist,” your ability to purchase firearms or plane tickets could be blocked automatically. Taken to a further extent, the precedent would allow for the federal government (or states or localities in certain circumstances) to restrict purchases of tobacco or fatty foods — or to block people who haven’t been jabbed or boosted against COVID-19 (or the latest virus) from dining out in cities with vaccine mandates in place.

At the same time, a centralized digital currency would allow the Federal

Reserve to create trillions of dollars with the click of a button, causing inflation to further spiral out of control. Much of this pseudo-printing would be a major boon to Washington. The federal government could distribute social spending in an instant. The existing bureaucracy can expand the government dole with relative alacrity. Federal “equity” programs could be dependent on this connection between D.C. and your coming digital wallet.

Think that this all sounds far-fetched? Just look at what’s happening in China. Beijing’s social credit system punishes malcontents with restrictions on internet use and travel. Closer to home, Canada used its Emergency Acts to effectively shut out supporters of the Freedom Convoy from polite society, and supporters of the protest had their [bank accounts frozen](#). Single moms making minimum wage lost access to their money for donating [as little as \\$50](#) to the truckers. The Canadian government shut down more than 200 bank accounts and more than 250 cryptocurrency addresses, and threatened to [suspend protesters’ insurance coverage](#). The message from the government to the truckers and their supporters was clear: Your opinions are not acceptable to the [Justin Trudeau](#) government.

Such harsh means will be a valuable precedent for governments worldwide — for the simple fact that they work. And the establishment of inter-linked government cryptocurrencies, which make every transaction traceable and punishable, will only make such tyrannical measures easier to implement.

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The Biden administration has less than three years left to put in place the most formidable central banking operation in a century, at the expense of

personal liberty. For now, these changes may not seem threatening. After all, you have nothing to hide. But the implementation of such sweeping government powers over personal banking, with corporate acceptance, will be utilized by upcoming Republican or Democratic presidents in support of their own causes — at the expense of yours.

If you don't want your \$20 Freedom Convoy or Black Lives Matter donation auto-flagging you as a domestic terrorist, speak up now or forever lose your ability to do so. Once the genie is out of the bottle, you will not be able to put it back in.

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