

The Global Currency Crisis - The Transition to a Global and Cashless Currency?

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Note from Pastor Kevin Lea follows this article.

It has been noted that as a result of the US Federal Reserve tapering down the release of funds into the US economy, “hot money” is being pulled out of emerging markets territories by investors seeking safer and more stable investment havens.

This in turn is now causing currencies to collapse and interest rates to soar in emerging markets countries all over the globe, causing levels of currency decline not experienced since the financial crisis of 2008. Fears are being expressed that a severe consequence of this could be the catalyst for global currency collapse.

And as though the projected extension of the emerging markets crisis into a global one isn't bad enough, there are growing problems in the Chinese banking system that could also contribute to the wider financial crisis. According to Charlene Chu, one of the most respected analysts of China's lenders: “One of the reasons why the situation in China has been so stable up to this point is that, unlike many emerging markets, there is very, very little reliance on foreign funding.

As that changes, it obviously increases their vulnerability to swings in foreign investor appetite,” said Ms Chu in an interview with The Telegraph. However, fears are growing that the build-up of foreign borrowing by the Chinese, particularly in US dollars, is creating an even greater build-up of risk than that seen before the crisis of 2008.

So what exactly would all this mean for the average “global Joe”? The potential effects on emerging markets nations and the global ripple effects are likely to be particularly devastating - the slashing of jobs and wages, civil unrest, widespread food shortages, rationing of utility supplies and panic bank runs would be some of the expected outcomes.

These are scenarios most politicians, economists and financiers would want to avoid – so what solutions may be offered to avert economic disaster?

The World Bank's former chief economist, Justin Lin, wants to see the US dollar replaced with a single global super-currency, saying it will create a more stable global financial system. The China Daily quotes Lin as stating that “The dominance of the greenback is the root cause of global financial and economic crises...the solution to this is to replace the national currency with a global currency”.

Lin, now a professor at Peking University and a leading adviser to the Chinese government, said expanding the basket of major reserve currencies — the dollar, the euro, the Japanese yen and pound sterling — will not address the consequences of a financial crisis, and neither would internationalizing the Chinese currency. Lin instead suggests that an urgent endorsement of this (global super-currency) plan by the US and Europe, using the G20 platform, would be the ideal solution.

It is another question altogether about whether there would be adequate consensus that a global “super currency” would indeed be the best solution to the currency crisis. The concept of a global “super currency” tied to a basket of currencies (and eventually replacing all currencies) isn't really new – it has been periodically discussed by world leaders, from as early as the first half of the 20th Century.

Prominent proponents of a global currency have included 2001 Nobel Memorial Prize-winner Joseph Stiglitz, and John Maynard Keynes at the United Nation's Bretton Woods conference in 1944. However, various political, economic and technological challenges have always militated against, or delayed the global currency concept from becoming reality.

Now that debate about this is being re-ignited thanks in part to the latest currency crisis, the inevitable question is: what form could or should this global super currency take...if approved? Global currency reserve alternatives to the U.S dollar have been evaluated for suitability: the Euro, the sterling Pound, the Japanese Yen and the Chinese Yuan (or Renminbi) have fallen short of the popularity and competitiveness of the dollar in various ways; hence they would not be considered viable global currency successors.

Discussions are now gravitating towards digital options, such as Bitcoin. Bitcoin is a virtual or digital currency (also referred to as crypto-currency) that is not backed by any country's central bank or government. Bitcoins can be traded for goods or services with vendors who accept Bitcoins as payment.

However crypto-currencies suffer from two key disadvantages: -

1. Any loopholes in regulation could easily breed corruption, money laundering and other illegal activities, rendering ineffective the progress of global law enforcement advances against fraud, money laundering and other forms of financial crime. Bitcoin and other crypto-currencies have vast economic potential and consequently create avenues for criminal and unethical behaviors that will require development of highly robust risk – management approaches.

2. Questions as to how it will be effectively regulated appear not to have been satisfactorily resolved yet.

So will this global currency plan remain a pipe dream for the foreseeable future? Not necessarily: there are alternatives that ...

***Note from Pastor Kevin Lea:** The following prophecy from the Book of Revelation can be fulfilled only when there is a single currency in use throughout the entire world, a currency which can also be tracked and controlled down to each individual user (biometric access).*

He [Antichrist's right hand man – the false prophet] causes all, both small and great, rich and poor, free and slave, to receive a mark on their right hand or on their foreheads, and that no one may buy or sell except one who has the mark or the name of the beast, or the number of his name. Here is wisdom. Let him who has understanding calculate the number of the beast, for it is the number of a man: His number is 666. Revelation 13:16-18 (NKJV)

For the first time in history, global leaders are saying we must move toward a global currency, and the technology is nearly in place to permit it. When it does happen, the Antichrist will have the tools to control the citizens of the world. If the stage is nearly set up for the devil's man to arrive, then the Second Coming of Jesus is nearly here as well. Are you ready?

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