

Keynes: How A Witch Doctor Convinced The World He's A Neurosurgeon

By Nick Giambruno via InternationalMan.com, 4 March 2016

No matter what ailed you, the doctor had one cure: attaching leeches to your body.

In the Middle Ages, doctors used leeches to treat everything from headaches to ear infections, asthma, smallpox, the plague, and hundreds of other diseases. If there was something wrong with you, leeches were the solution. If that didn't work, the answer was more leeches.

“How could we have been so stupid?”

Today, modern medicine has discredited leeches as a cure-all. We look back on it and laugh. “How could we have been so stupid?”

But back then, people didn't think it was stupid. They thought it was a solution. “Experts” and conventional wisdom endorsed the practice wholeheartedly.

Some things haven't changed much. **The average person is still willing to blindly accept conventional thinking—maybe even more so than he was in the past. Today, he hears the financial equivalent of “*more leeches!*” and agrees.**

Conventional wisdom and economic “experts” continually prescribe treatments that we will no doubt look back on and say, “How could we have been so stupid?”

Establishment economists advocate upside-down concepts like negative interest rates, banning cash, debt-fueled consumption, government spending, and rampant money printing as the cures to economic ailments. “Money printing, debt, and low interest rates didn't stimulate the economy? Well, we just need *more* money printing, *more* debt, and even *lower* interest rates.”

It's nothing but the same bad medicine that caused many of these problems in the first place. No matter what, their solution is more financial leeches!

Modern Soothsayers

The average person doesn't care about economics. But to the extent that he does, he only reads mainstream publications like *The Economist* and editorials in *The New York Times*.

As far as I'm concerned, the establishment economists in these publications are nothing more than overpaid government apologists and social engineers. They use complex but irrelevant mathematical models to help politicians show their necessity to society. They help politicians grab more power, which only helps the government grow.

Paul Krugman of *The New York Times* once famously advocated for faking a space alien invasion as an excuse to get the government to spend enormous amounts of money countering the faux threat.

Larry Summers, a Harvard professor and former Treasury secretary, recently wrote an article in *The Washington Post* titled “It's time to kill the \$100 bill.” Summers became the latest high-profile “economist” to call for the abolition of physical cash.

Economists at *Bloomberg* and *The Financial Times* have similarly called for the elimination of paper currency.

These are just a couple recent examples. This list goes on and on.

To make matters worse, these economists have terrible forecasting track records. Their “fine tuning” of the economy often results in disaster. Yet, the public still holds them up as unassailable financial experts.

It’s as if these witch doctors have convinced everyone they’re neurosurgeons.

Rather than place your confidence in these economic witch doctors, I recommend thinking for yourself. You don’t need any special training to be your own economist. You just need a healthy dose of common sense. That way, next time the economists offer up more economic leeches, you can say “no thank you.”

Negative Interest Rates and the War on Cash – More Economic Leeches

Rather than admit that their theories and models were wrong, establishment economists have come up with another harebrained gimmick. They’ve decided we need negative interest rates to stimulate the economy. But negative interest rates only work if people can’t withdraw physical cash from the bank. So, they’ve decided to wage a War on Cash, too.

When you deposit money in a bank, you are lending the bank money. In return, you expect to earn some interest. That doesn’t happen with negative rates. Instead, you pay the bank.

Put \$1,000 in your bank account at the beginning of the year, and it becomes \$950 by the end of the year. Good luck saving for retirement in that environment.

It’s a bizarre, perverse concept.

Negative rates could not exist in a free market

They can only exist in an *Alice in Wonderland* economy created by central bankers (more accurately called “central economic planners”).

If you don’t like that plan, you can certainly stash your cash under the mattress. As a practical matter, this limits how far governments and central banks can take negative interest rates. The more it costs to store money at the bank, the less inclined people are to do it.

Of course, central bankers don’t want you to withdraw money from the bank. This is a big reason why they are trying to incrementally eliminate cash.

One way they are waging the War on Cash is by lowering the threshold for mandatory reporting of cash transactions. Some countries have even made large cash transactions flat-out illegal. In just the last few years...

- Italy made cash transactions over €1,000 illegal;
- Switzerland has proposed banning cash payments in excess of 100,000 francs;
- Russia banned cash transactions over \$10,000;

- Spain banned cash transactions over €2,500;
- Mexico made cash payments of more than \$11,000 illegal;
- Uruguay banned cash transactions over \$5,000; and
- France made cash transactions over €1,000 illegal, down from the previous limit of €3,000.

Establishment economists are also calling for the elimination of large-denomination currency notes, like the \$100 bill and €500 note. They've even advocated declaring all dollar bills with a serial number ending in "9" invalid.

These are just some of their methods. In short, they all make it inconvenient or illegal to avoid the sting of negative interest rates by using cash.

But governments have an even more sinister goal...

Forcing people to only use electronic payment methods is exactly what the U.S. government wants. Their goal is to eliminate the use of hand-to-hand currency so they can document, control, and tax everything.

Today, negative interest rates and the War on Cash are increasingly dangerous threats to your personal freedom and financial prosperity.