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## **Fed chair Jerome Powell floats idea of centrally controlled digital currency**

A growing idea for ultimate central control.

By Didi Rankovic(<https://reclaimthenet.org/author/dee-rankovic/>) Posted 1:21 pm

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The US authorities are trying to shore up the global power of their fiat currency, with central bank digital currency (CBDC) now under consideration as one of the tools.

The role of the US dollar in the world economy as a reserve currency is now weaker than ever, for a variety of reasons converging together; so much so that the situation inspired the Federal Reserve Board to organize a first-ever conference on the international roles of the dollar.

One possible under-miner of the dollar's status in economies around the globe are supposed to be decentralized cryptocurrencies that do not have a central issuing authority.

Meanwhile, many governments' "antidote" to that has been to focus on promoting centralized digital money, whose value is still based on their fiat currency. The goal of this is to continue to keep central banks and governments at the heart of financial structures and power.

Federal Reserve Chairman Jerome Powell was one of the speakers at the [inaugural conference on June 17](https://www.youtube.com/watch?v=qaj8_uuSdAk) ([https://www.youtube.com/watch?v=qaj8\\_uuSdAk](https://www.youtube.com/watch?v=qaj8_uuSdAk)), and his welcoming remarks revealed that the US is considering introducing a central bank digital currency.

According to Powell, the US is examining if a CBDC would represent improvement not only of the upcoming instant 24-7 FedNow payment system, but also – and he cited a white paper produced to investigate this, among other topics – “potentially help maintain the dollar's international standing.”

In conditions of record inflation, the trust in the dollar is declining, and Powell pledged measures to ensure financial stability that would help other countries continue to hold and use dollars.

In order to restore trust, he promised scaling inflation back from the current 40-year high to 2 percent – but observers say that the consequences of the Fed's multi-decade policy, that accelerated in recent years, may now be impossible to revert.

Powell admitted that there has been the “tremendous” growth of crypto assets and stable coins (whose value is, again, pegged to fiat money, i.e., the US dollar), suggesting this was the context in which the introduction of the US CBDC is now being considered.

CBDCs are often criticized as insufficiently secure due to their centralized model, and designed to allow the authorities to regulate and control them, the same way they do “paper money.”

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