

# Don't Panic -- Center Yourself

By Anna Von Reitz



The banks have all been insolvent since the 1930's. There is nothing new here, ma'am. Just move along.

The banks have all had to borrow other people's assets -- gold, houses, land, etc., in order to have anything to base loans upon. So if a large number of banks declare themselves insolvent, the only thing that has changed or is changing, is their liquidity -- put simply, they don't have enough cash-on-hand to pay out in that form, or they don't have enough new assets and returns to keep their self-limiting Ponzi Scheme going.

Either condition can lead to lack of liquidity and lack of liquidity can cause a bank collapse.

As there is no lack of paper and ink, the dilemma is caused by political failure to provide the banks with enough cash and the bank's failure to generate enough new loans. That is, the mint has been stood down because the Federal Government is butting its head against its own debt ceiling, and the economy is shrinking because the banks are clawing around trying to save themselves at the cost of not making new loans.

If banks don't make new loans they can't increase their asset base and collect the interest that they need to survive, so it becomes a vicious fear-driven circle. The TARP payments were supposed to prevent this outcome but failed to do so, because the Congress issued these bail-outs without strings or enforcement.

Janet Yellen has been begging, pleading, beating both shoes on her desk for weeks now, to no effect. The edjits in Congress and the White House have held their Confederacy of Dunces Meetings and they are still two-blocked. By the time they agree, the cash shortage issue will take months if not years to repair.

That's what is so snarky about all of this. There would be no shortage of cash if they authorized printing it or even authorized using the cash that is already printed and sitting in warehouses waiting for an occasion like this--- so one can only conclude that Joe Biden and the members of the British Territorial Congress want a bank collapse.

They self-evidently desire the chaos and the misery that predictably ensues with bank collapses and they are deliberately causing a huge social and political drama that is totally avoidable.

The blame is on them and on their Principals. This time, we will hold them accountable.

When these banks advertise "home loans" they are soliciting for you to loan your home to them, so that they can use your assets and the mechanisms of "fractional reserve banking" --- otherwise known as gambling and betting on the come --- to issue seven to ten times the amount of credit as they have issued as a loan to you.

They then loan the extra credit created by this process to other people -- or they don't loan it, and add it to their "bank reserve".

When these huge banks were bailed out under TARP they were supposed to use the largesse to make new loans and stimulate the economy -- akin to giving it a laxative. Instead, to a man, they clamped down on making new loans and put the largesse into their bank reserves instead.

This is a safer move from the bank's perspective, but it also means that they are not raking in the profits from making loans at interest.

When the government through its own guile and ineptitude fails to produce enough cash for the banks, and the people suddenly start wanting their credit out of the banks in a more tangible form, it's called a "bank run".

Go watch the old Jimmy Stewart movie, "It's a Wonderful Life" for a picture perfect portrayal of a bank run, and a more than adequate explanation of the problem.

Both the government and the people are causing their own problem and the banks are crunched in the middle. Even all those bank reserves they socked away can't help them, because those reserves are not in the form of paper bank notes.

A bank run is all about the form of the funds.

Digits in a bank ledger are no longer good enough. People want something they can hold in their hands, and sock under their mattress, because they are scared.

So, all of a sudden, Aunt Betsy wants five thousand dollars that she can hold in her hands. It's her credit and she wants it in a form she can touch.

Who is responsible for issuing enough physical cash so that she and however many millions of people can do that?

The Federal Reserve Banks are technically responsible for keeping up with the day to day cash demands.

The Federal Reserve Banks say they can't do that until the politicians raise the "debt ceiling" and they groan and say that issuing the debt notes in paper form is so old-fashioned. They lose a tiny fraction of one percent of the seigniorage that way.

The politicians say that they want their cut, and around and around it goes; neither the Federal Reserve nor the politicians understand why the obstinate public wants something to hold in their hands. It's just a symbol anyway.

But it's a symbol of what? Their debt. Not yours, theirs.

Paper tends to be a tad bit more tangible and provable than a keystroke on a computer ledger; the public may be dumb, but the public understands that much and that's why people are demanding cash.

Picture a fat, red-faced banker on one side of the table and a skinny little pinch-faced commissioner on the other, both utterly clueless as to why the public is so upset and why people want paper instead of digital currency.

They also have difficulty with the concept that all this debt they've created out of thin air actually represents prepaid credit that is owed back to the public.

One man's debt is another man's credit, after all. It's just a matter of which side of the fence you are on.

They've kicked the debt can down the road for so long that they've forgotten the other side of the ledger, because the credit side of the ledger doesn't belong to them. It belongs to you.

So, they say, we're bankrupt. You can't get money out of a turnip.

We say, yes, you are bankrupt, but thanks to your own actions, you are not covered by the corporate veil.

This time, we'll take our assets and our prepaid credit.

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