Blood Money 2

By Anna Von Reitz

Think of it this way --- you go to work and exchange your labor (energy and skills) for $2000. You take the $2000 symbolizing the value of the work you contributed to the electric company and deposit this in your account, after having already paid your bill for the month. This creates what? A pre-paid $2000 credit on the account, paid in blood money --- your energy, your skills, your time on Earth.

Pre-paid credit can be a very tempting thing for bankers.

On one hand, it's pre-paid. It's standing there on the books as a credit. It has some of the same liability characteristics of any other kind of deposit for a banker, but because its credit the whole picture gets a little stranger and fuzzier.

Why?

Think of it this way --- if someone deposits ten one-ounce gold Canadian Maple Leaf coins in a bank box in your bank, you are responsible for returning those same coins, unharmed, on demand. While in your "custody", those coins are a liability for you. You have to keep them safe, provide a vault, a security system, etc., so, how are you to pay for this service?

It used to be that depositors simply agreed to pay a deposit fee --- a service fee for the service of safe-keeping someone else's gold, until the rats, acting under the demand for new sources of money and credit described in the first Blood Money article, began the practice of "fractional reserve banking".

Under that system, the bank became the title owner of the assets deposited with the bank, and used those assets as the basis of investment capital. Your twenty silver dollars allowed the bank to loan out between 140 and 200 "silver dollars-worth" of credit.

When you add in the interest fees (usury) on the loan of this much credit issued in excess of the asset base, the bank is enabled to generate a very, very handsome profit for the bank on the basis of someone else's assets ---all without any actual risk of bank assets, and without cutting the actual owner of the silver dollars in on the deal.

Heck, that bumpkin, the original depositor, is on vacation in the Poconos and what he doesn't know won't hurt him, right? ----or so thinks Mr. Banker.

And only one element is needed to make this set up "legal"---- insurance.

So, the bank needs to insure the original depositor against loss of those silver dollars, and Mr. Banker hires and pays a willing insurance company to do that part of it, out of the profits he is raking in. He also starts insuring his loans for a small fee, to cover those loans that don't "produce" the anticipated profit.

Okay, this is how all this corruption got started -- bankers chiseling to use other people's assets for their benefit, and "scraping the margins" in collusion with willing insurance brokerages.

And then, unavoidably, the bank regulatory "agencies" and politicians figured out what was going on, but instead of stopping it or regulating it or forcing any full disclosure, they shrugged and said, "Hey, what's the harm? Dumb Bunny is insured. Where's our share of the pot?"

The only difference between small banks and big banks in this system is the size of the insurance companies backing this con game --- and the source of the money they use to back it.

Private insurers have to come up with their own capital to gamble when they back small local banks, but when it comes to Big Business, private insurers can't hack it, so Uncle Sam, in the form of the Territorial U.S. Congress comes to the rescue and says, "We'll guarantee the bank's deposits using Public Money!"

And where does that "public money" come from? Why, lo and behold, it comes from ole Dumb Bunny in the Poconos, who is the source of the asset backing all this loan activity in the first place, and now also paying to insure the banks from any losses resulting from their loan activities, too.

It's all win-win-win for the bankers and still, ole Dumb Bunny is smiling and trusting and taking it in the shorts, content that at least the assets he has on deposit are safe, and he's getting a whole 2.3% interest on it.

The bankers are now in the Ultimate Sweet Spot, with the insurance companies and politicians all lined up behind them, milking Dumb Bunny both fore and aft, coming and going, day and night.

They are not only pulling off all this totally outrageous loan activity and the usury profit from it---- at no expense or risk to themselves---- but they are getting the depositors, whose assets they are leveraging to do all this in the first place, to pay for their insurance costs!

The bankers and their insurers are totally insulated from any kind of loss and just sitting in the middle of the web like spiders, raking in the profits from their insured ponzi loan scheme.

And where are the politicians we hired to protect ole Dumb Bunny, Joe Public, from this kind of exploitation? Where are all the "Regulatory Agencies" we hired --the SEC, the FBI, the Treasury Agents (Secret Service) and the State Banking Commissions?

All out enjoying a champagne brunch together, slapping each other on the backs, snorting cocaine, thinking that they are sooooo smart and everyone else is sooooo stupid and talking about the gigantic bonuses they will be paid this year for their performance in behalf of their shareholders.

Now, with this firmly in view, go back to our original situation, where you have "overpaid" your account at the electric company, creating a $2000 credit..... being a Dumb Bunny and having done something so novel as to try to protect yourself from future billings, that credit becomes a "deposit" on the books of the electric company.

And the same thing happens all over again, with this important difference.

A credit is immaterial.

There is no specific non-fungible deposit liability, just a pre-paid credit to be accounted for on a different ledger--- the electric company's ledger.

This makes the Big Bank Rip Off even easier. The electric company banks your credit with their bank, their bank benefits from the fractional reserve system leverage just the same, but this time there is nothing specific to be returned or insured.

For the bank, there is more pure profit to be realized from a pre-paid credit deposit than any other kind of deposit, and balancing the books with pre-paid credit becomes ultimately attractive. So, how to up the number of people clueless and responsible enough to issue pre-paid credits?

Millions upon millions of Americans provide pre-paid credits to the IRS and Internal Revenue Service every year, as well as voluntarily donating a large percentage of their private earnings as a gift. It's clear that most of them have no income from federal sources, and therefore owe no federal income taxes. There's no Public Law requiring them to pay. What else could it be, but a gift?

And that is in fact how the IRS/Internal Revenue Service both account for all your non-resident alien contributions----- as gift and estate taxes.

Many insurance and utility and rental property management organizations do the same thing when they "pre-bill" for a month before providing the service, or insisting that you post a hefty down payment or service deposit --- see?

They even call it a "deposit" as in "bank deposit" -- you simply aren't thinking of it in those terms. These practices post a constant pre-paid credit on your account, which rolls over month to month to month, generating all sorts of yummy investment capital without any need to insure it for your protection.

And the worst that can happen to the banks, the utility corporations, and property management service companies gouging you? They have to honor your pre-paid credit and cancel out all or part of current billings, or do what the US, INC. recently did --- declare bankruptcy and throw your pre-payment into the pot along with their other liabilities for discharge.

It's a good thing your Grandma was looking out for you, but now you have to start looking and thinking for yourselves. None of this is rocket science, but it does demand your attention and action going forward.

Paying for things you don't owe, like paying for goods and services you haven't received yet, creates massive uninsured pre-paid credit on your accounts. Counting future liabilities like pensions that won't pay out for fifty years as current liabilities and deducting them "as if" they were current costs, creates more pre-paid credit. Paying escrows you don't owe on house mortgages and property taxes you don't owe, either, generates absolutely massive amounts of pre-paid credit that is all actually owed to you, but which is instead being used by the banks as their investment capital.

All you get is a snide wink and once in a while, someone will say, "Good ole Dumb Bunny....we wouldn't have all this without him."

Obviously, the politicians you hired have failed you, the regulatory agencies you pay for are a joke, the banks owe you a heap of money and pre-paid credit, too---and the insurance companies and securities brokerages that went along with and insured all of this graft deserve a legendary arse whupping.

They aren't going to discipline themselves, so, who is going to do it for them?

Now, look at who is coming down the road? Hopping and snorting like a whirling dervish crossed with a fire engine? It's ole Dumb Bunny, back from his vacation at last! Hello, Philadelphia! Good-bye, Poconos!
