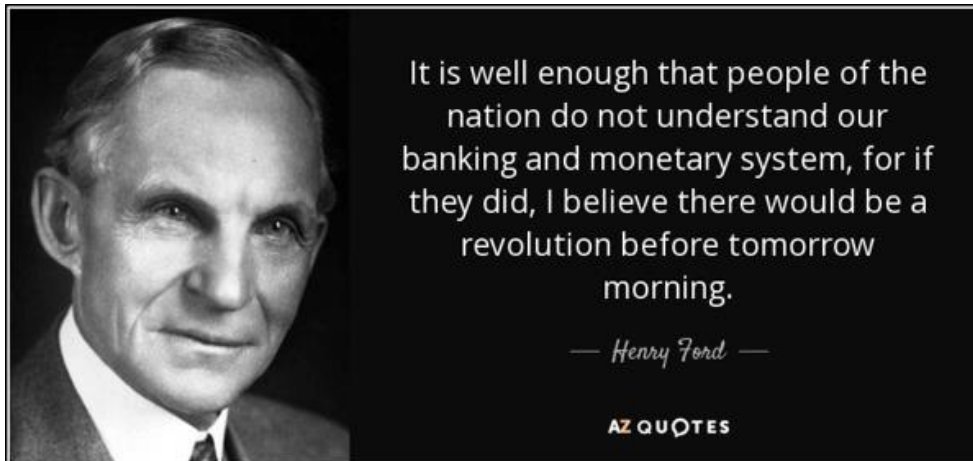


3 Shocking Truths Most People Don't Know About Money in Bank Accounts...

By Nick Giambruno – Doug Casey International Man (direct from email received)



Henry Ford astutely observed that a revolution would occur overnight if people truly understood the banking and monetary system. That's because modern banking is an elaborate illusion that deceives people into a false sense of security... until it's too late.

Large banks can fail in hours, and life savings can evaporate overnight. The US banking system is especially vulnerable, as the collapse of Silicon Valley Bank and other recent events have shown.

Why do so many people put their confidence and life savings into an unstable system? I would say it's because they do not understand three fundamental truths about modern banking.

- #1. The money isn't yours.
- #2. The money isn't actually there.
- #3. The money isn't really money.

Truth #1: The Money Isn't Yours

Many people are surprised to learn that they don't truly own the money in their bank account. Once you deposit money at the bank, it's no longer your personal property. Instead, it belongs to the bank, and they can do whatever they want with it. ***[Matthias Comments: I have been saying this for decades. Hence***

the concept of “Bail-In” which lawyers and legal advisers to banks are totally ignorant. Test case was executed in Cyprus in 2013]

What you own with a bank deposit is a promise from the bank to repay you—an IOU. Depositing money is like making an unsecured loan to the bank, with practically no interest to compensate you for taking such a risk.

It's a terrific deal for the bank and a terrible deal for you.

That's why a bank deposit is very different from cash in hand. Yet the vast majority of people wrongly conflate the two. Further, the bank can freeze "your" money by pushing a button for whatever reason they find convenient.

Perhaps you bought something the bank didn't like or made a politically incorrect statement on social media. Then, don't be surprised to see your account frozen or worse. For example, PayPal recently floated the idea of charging people \$2,500 for promoting so-called "misinformation." Expect much more of this stuff in the future from banks and financial institutions.

If your money can be easily frozen or seized, it was never really yours.

Truth #2: The Money Isn't Actually There

The money you think is in the bank isn't actually there. Banks don't have physical cash reserved for you in their vault, nor do they have enough digital funds to cover all depositors. During the Covid hysteria, the US government removed bank reserve requirements, meaning banks don't need to hold any funds for withdrawals.

So, where does all that money go?

Unbeknownst to most depositors, banks can use "your" money to recklessly gamble on the latest investment fad. Banks are using "your" money to make bets and take risks that could render them insolvent and unable to redeem deposits. If only a tiny fraction of depositors demanded their money back, most banks would be in big trouble because the money isn't there.

This slimy practice is known as fractional reserve banking—and it's totally legal. However, that doesn't change the fraudulent nature of the activity.

Imagine any other industry using a fractional reserve system.

For example, consider a fractional reserve car dealership or jewelry store where the car salesman and jewelry store owner could create 10x more claims for cars and pieces of jewelry than what actually exists in their inventories. They would be selling claims for goods that don't exist.

It would be clear such a practice would be fraudulent.

Modern banking resembles a Ponzi Scheme, as it relies on the false belief that people's money is readily available when, in fact, it isn't.

The monetary system is self-destructing at an alarming rate and reaching the end of its shelf-life. The people *really* in charge—the central bankers and those behind them—understand all of this. That's why they aim to corral people into an Orwellian system that monitors and controls every penny you earn, save, and spend.

Truth #3: The Money Isn't Really Money

Although people use currency every day, few consider what it actually is or what makes for a good money. Asking people, "What is money?" is like asking a fish, "What is water?" The fish probably doesn't even notice the water unless it becomes polluted or something is wrong.

Money is a good, just like any other in an economy. And it isn't a complex notion to grasp. It doesn't require you to understand convoluted math formulas and complicated theories—as the gatekeepers in academia, media, and government mislead many folks into believing. Understanding money is intuitive and straightforward. Money is simply something useful for storing and exchanging value. It's a tool for sending value through time and space. That's it.

Think of money as a claim on human time. It's like stored life or energy.

Unfortunately, today, most of humanity thoughtlessly accepts whatever worthless paper or digital scrips their governments give them as money.

However, money does not need to come from the government. That's a total misnomer that the average person has been hoodwinked into believing.

It would be similar to transporting yourself back in time and asking the average person in the Soviet Union, "Where do shoes come from?"

They would say, "Well, the government makes the shoes. Where else could they come from? Who else could make the shoes?"

It's the same mentality regarding money today—except it's much more widespread. Government currencies are terrible vehicles to store and exchange value because they are easy to produce, have a potentially unlimited supply, and carry enormous political risks.

The free market wouldn't choose government confetti as money without laws forcing their use.

Here's another way to think of it.

Imagine if Tony Soprano forced his neighbourhood to use pieces of paper with his signature as money and threatened violence against anyone who disobeyed. That's what governments are doing with their currencies.

The truth is fake money comes from the government. Real money emerges from the market.

People have used stones, glass beads, salt, cattle, seashells, gold, silver, and other commodities as money at different times. Inmates often use cigarettes to store and exchange value inside prisons.

However, for around 5,000 years, gold has been mankind's most enduring form of money.

Gold didn't win the ultimate competition to become the world's best form of money by accident or because some politicians decreed it. **Instead, it became money because countless individuals throughout history and across many different civilizations subjectively came to the same conclusion: gold is money.**

It resulted from a market process of people looking for the best way to store and exchange value.

So, why did they go to gold? What makes gold attractive as money?

Here's why.

Gold has a set of unique characteristics that make it suitable as money.

Gold is durable, divisible, consistent, convenient, scarce, and most importantly, the "hardest" of all physical commodities.

In other words, gold is "hard to produce" relative to existing stockpiles and is the one physical commodity most resistant to inflation of its supply, which helps make it a good store of value—an essential function of money.

That's what gives gold its superior monetary properties.

Conclusion

The banking system is a fragile illusion that could collapse suddenly, potentially wiping out the savings of millions who misplace their confidence in it.

That confidence is dependent on people not understanding three simple truths about the banking system:

#1. The money isn't yours.

#2. The money isn't actually there.

#3. The money isn't really money.

Here's the bottom line. The banking system is a mile-high house of cards that could collapse anytime. Don't be complacent, and take action to secure your money before it's too late. I suspect the banking system could have big problems soon... and it won't be pretty for most people. Few people are aware of what is really happening.

And even fewer know how to prepare.....