A WORD OR 2

Mba Mbulu, Editor 06-03-07

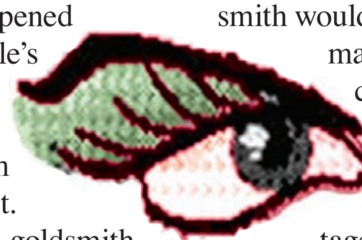
"Black Nationalism is the only real solution for Black People in the United States."

Your BANK and YOU

In order to understand you and your bank's real relationship, you need to be aware of some basic information. Let me lay out a scenario that should remove some blind folders from people's minds and enable people to see this matter clearly.

Let's go back to a beginning. Let's go back to a time when the word money referred to something precious like silver or gold. For the sake of simplicity, let's use gold only.

There was a time, long ago, when the money people carried around in their "pocket" was gold. This gold had many shapes and sizes, it was heavy to log around and it could be stolen rather easily. So what happened is this: goldsmiths started keeping people's gold for them for a small fee. When people turned over their gold to a goldsmith, the goldsmith took a piece of paper from somewhere and wrote the owner a receipt. This receipt was proof that the gold the goldsmith had belonged to somebody other than the goldsmith.



But a strange thing happened. I'll explain it like this. John Doe had gold that was worth $100.00. John Doe left his gold with the goldsmith in exchange for a paper receipt. John Doe then went about his business. When John Doe wanted to buy a good or service, he would show his receipt as proof that he could pay, and the merchant would provide John Doe with what he needed on credit. After a while, John Doe realized that it was easier and safer for him to carry around paper receipts than gold, and the merchants realized they would not have to give John Doe credit if John Doe gave them a paper receipt instead of simply showing them one. So John Doe went back to the goldsmith and told him he wanted 20 paper receipts worth $5 each or 10 paper receipts worth $10 each instead of one paper receipt worth $100. The goldsmith agreed and John Doe started signing over paper receipts to merchants who provided him with the goods and services he needed.

Time passed and the goldsmith started thinking. The goldsmith noticed that John Doe didn't come in to check on his gold anymore, so he started wondering how he could make money off of John Doe's gold. The goldsmith decided that he could make a killing by "loaning" paper receipts to other individuals based on John Doe's gold. No one would know it was John Doe's gold but the goldsmith, and the people who received "loans" would not realize the paper was worthless because merchants were accepting the paper in exchange for goods and services. So without investing a penny of his own money and without taking on any financial risk at all, the goldsmith would earn "interest" on John Doe's gold. And, to make it even more profitable, the goldsmith decided he would give "loans" of $500.00 for every $100.00 of gold he had that belonged to John Doe. Every John Doe who left gold with the goldsmith could be taken advantage of in that manner.

As time passed, some transformations took place. The worthless paper receipts the goldsmith wrote became known as paper money, the goldsmith became known as the banking industry, the small fee John Doe paid the goldsmith became known as service charges, overdraft penalties, insufficient funds penalties, late charges, etc., and the gold became known as "federally insured." The banking industry, like the goldsmiths, rob John Doe in every way imaginable. Banks charge John Doe a lot of fees, make money off of John Doe's money without giving John Doe any of the profits, and they don't let John Doe use his money until three or four days after John Doe has deposited it. This enables the banks to use John Doe's money before John Doe can spend it.

John Doe might grumble from time to time--- about the fees he pays. And if John Doe experiences a personal financial crisis, he might complain about having to wait so many days before he can use his money. But other than that, John Doe doesn't make a lot of noise about the

BE BLACK SMART

situation because he thinks the bank is doing him a favor. John Doe doesn't realize how much the banking industry is taking advantage of him. Poor John Doe.

Let's go back for a sentence or two. Do you remember when the goldsmith wrote out $500 of paper receipts even though he didn't have but $100 worth of gold? When a financial crunch hits, that amounts to a $400 difference, and that difference has to be made up for some way, some how. Poor John Doe is the one who takes the hit.

Three things happen during an economic depression. Number one, paper money takes on its real worthless value; Number two, John Doe's real wealth takes on its real value and; Number three, John Doe's real wealth is transferred to the banks and the bank's friends. In the "modern" world, the situation plays out like this.

You go to the bank for a "loan" because you want to buy a house. The bank "loans" you $300,000. The banking industry knows that $300,000 is worth only $60,000 in the best of times, but you think it's worth $300,000 because you can use it to buy a house that you think is worth $300,000. Over a period of 25 or so years, you pay the bank most of the $300,000 plus interest charges that amount to another $350,000 or so. The bottom line: you spend $650,000 for a house that is only worth around $60,000, but you will not realize this until a depression makes it clear to you.

When the depression hits, you get a pay decrease or are laid off. What little paper money you have takes on its true worthless value, so you can no longer use "money" to pay your bills. As a last resort, you are forced to put your house, the only thing you own of value, on the market. But because of the depression, the house takes on its true value. Few people who are willing to pay true value have the resources to do so, and those with the resources, mostly those who profit from the banking industry, will only give you less than the house is worth.

The figures look like this: You have paid $300,000 plus $350,000 interest for a house that is worth only $60,000. That's a difference of 600 thousand dollars. Something has to make up that 600,000 difference. That something is the only other thing you had of value--- your 25 or so years of labor, your 25 or so years of blood, sweat, tears, energy and intelligence. All of that is gone; right into the vaults and pockets of the banking industry and the bank's friends.

During the good times, the banks constantly fleece you and John Doe. During the bad times, like an economic depression, three things even worse take place. Number one, paper money takes on its real worthless value. Number two, your and John Doe's real wealth takes on its real value. Number three, your and John Doe's real wealth is transferred mostly to those who profit from the banking industry.

Poor John Doe; at rock bottom, down and all but out, without a roof over his head or a pot to pee in. But John Doe is the ideal victim because what he wants more than anything else is a loan from the bank that will take him through the depression.

Your bank and you. The banking industry is loving it.