



“Try Not To Cringe As You Watch This”: Woke Signature Bank Videos Go Viral After Fed Shut Down

Description

Democratic representatives are scrambling in the wake of the potentially contagious Silicon Valley Bank implosion, looking for a way to divert attention away from them should the crisis expand.

One avenue for scapegoating the event that has been suggested among Dems and the media is to **blame a 2018 law that eased Dodd-Frank capital requirements for midsize and small banks.** Republicans led the effort to pass the law, which President Donald Trump signed, but 33 House Democrats and 17 Senate Democrats also voted for it.

No mention, of course, of the cancerous exposure SVB had to numerous woke investments through venture capital, including money losing ESG related projects, climate change-based companies and World Economic Forum stakeholder capitalism projects.

The Dems have found their narrative, which is an old narrative: **“The conservatives did it.”**

What Democrats do not seem to understand is that **the easing of Dodd-Frank capital requirements was in direct response to the Federal Reserve’s announced plan to tighten liquidity and raise interest rates through 2018.** With more expensive credit and a shrinking Fed balance sheet, reducing requirements for bank buffers was one of the few ways to prevent the stimulus addicted lending sector from plummeting. The extra capital also allowed banks to continue lending to companies that engage in stock buybacks, keeping stock markets afloat.

With a larger capital buffer even more liquidity dries up, revealing the true economic weakness underneath that Dems have denied for the past few years. So, if Biden and the Dems get what they want (more strict capital requirements for banks), then there will be an even swifter collapse of markets and the overall economy due to lack of liquidity.

By the end of 2018, markets began to plunge anyway under the strain of higher interest rates, which led to the Fed reversing course, and this seems to be what Democrats are really hoping for. They

have called for endless liquidity measures and have consistently demanded lower rates and looser monetary policy. However, when Donald Trump's Administration called for rate cuts during his term, Dems attacked. Once again, when Republicans do it, it's wrong; when they do it, it's good policy.

Another issue to consider is that each successive program by the Fed to employ bailouts and QE accelerates the inflation crisis. While **both sides of the aisle** seem to want helicopter money when they are in power so they can boast about rising stock markets and improved employment, the Dems are now facing a systemic stagflationary event; the same event they originally claimed did not exist. This means that any pursuit of new QE in the face of a credit crunch would lead to an immediate spike in inflation once again, crushing the middle class.

Are Democrats willing to accept responsibility for something like that? Not a chance.

The Biden Administration has so far taken full credit for the slowdown of consumer inflation as well as the shrinking deficit, but these changes are only due to the tightening actions of the central bank which sets policy independent of the White House. Democrats can't have it both ways – They can't take credit for reduced inflation when the Fed tightens policy against their wishes, and then not take credit for the consequences of higher inflation when they badger the Fed to inject more stimulus.

The only recourse for the political left is to somehow lay the blame on conservatives no matter which way the wind blows, inflation or deflation.

Emergency congressional hearings have been organized to determine the cause of the SVB crisis and the course of action needed. Democrats including Sen. Sharrod Brown and Rep. Maxine Waters were quick to applaud the backstop initiated by the Fed and the Treasury Department, attempting to calm market concerns and reassure investors and depositors that all is well. Maxine Waters stated that Republicans and Democrats needed to "work together to protect the safety of the financial system", which is likely a thinly veiled assertion that Republicans must support raising the debt ceiling and commit to even more spending.

Biden took a slightly different tone, vowing to hold the people who caused the mess responsible, specifically referring to Republicans. Of course, to legitimately hold the true culprits responsible would require that Biden punish himself – As it was the Fed along with the Obama/Biden Administration that launched the ongoing stimulus bonanza in 2008/2009. Obama and Biden doubled the national debt from \$10 trillion to \$20 trillion in the span of a mere eight years. The normalization of fiat money creation to avoid economic consequences has created the very inflationary crisis and banking weakness we are facing today.

And, if banks cannot withstand even a moderate rise in interest rates and reduced liquidity because of their addiction to Fed stimulus, then it is fitting if the system crashes under a new Biden regime.

by Steve Watson

Category

1. Economy-Business-Fin/Invest
2. Main
3. Politics-Geopolitics-Gov.-Events

Date Created

03/15/2023