

# Financial Failure in America: The Cover-up Begins

By [Dr. Paul Craig Roberts](#)

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*The disinformation service, Bloomberg, takes the lead. Bloomberg points its finger at Donald Trump and "Trump era deregulation." In Bloomberg's rewriting of history, Trump is responsible because he signed a bill passed by Democrats and Republicans that allowed mid-sized banks to "skirt some of the strictest post-financial crisis regulations." So, where was the federal reserve? Where were the bank regulators? Bloomberg doesn't say.*

Presidents don't write financial legislation. Financial legislation that the Federal Reserve and the SEC don't approve doesn't get passed. A third world immigrant-invader, Ro Khanna, who somehow represents in Congress Silicon Valley says: "Congress must come together to reverse the deregulation policies that were put in place under Trump."

What utter total BS.

Silicon Valley Bank failed because in 1999 the Clinton regime signed the repeal of the Glass-Steagall act and because the Dodd-Frank Act allows failing banks to seize the deposits of depositors in order to have a bail-in instead of a bail-out. The foolish legislation causes depositors to withdraw their deposits on any sign of bank trouble.

The utterly mindless Dodd-Frank Act set up the mechanism for modern-day bank runs. If you have more money on deposit than the \$250,000 insured amount, Dodd-Frank allows the bank to bail itself out by seizing your deposits. Many companies and corporations have payroll deposits in excess of \$250,000. If deposits are seized, business can't pay their workers or their bills. Thus Dodd-Frank is an excellent way of initiating bank runs and collapsing businesses and employment and city and state tax revenues.

But don't expect Bloomberg to ever tell you any truth. I have never read a correct report on Bloomberg.

Silicon Valley Bank got in trouble because the Federal Reserve raised interest rates and reduced the value of the bank's bond portfolio which made the bank insolvent. Large depositors, seeing their money at risk, quickly withdrew it. Silicon Valley Bank had to sell its

depreciating bond portfolio, thus depreciating its value more, to meet withdrawals, thus driving down the value of its bonds, with the consequence that the bank's liabilities exceeded its assets leaving the bank bankrupt.

The Democratic Party is an anti-American political party. It does not represent anything envisioned by our Founding Fathers. It has no respect for a rule of law, the US Constitution, truth, and White Americans, who are racist and domestic terrorists by definition.

Trump was a challenge to Democrat woke hegemony. Consequently, everything wrong in America is blamed on Trump by Democrats and presstitutes.

The crazed woke politics that Democrats, presstitutes, and universities have inflicted on America precludes intelligence analysis. Everything that would save existing society from failure is dismissed as "white supremacy."

Apparently, banks themselves are affected by this ideology. They hired not competence but diversity in support of the rainbow. If the Federal Reserve also has this problem, there is no hope of avoiding financial collapse.

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*Paul Craig Roberts is a renowned author and academic, chairman of The Institute for Political Economy where [this article](#) was originally published. Dr. Roberts was previously associate editor and columnist for The Wall Street Journal. He was Assistant Secretary of the Treasury for Economic Policy during the Reagan Administration. He is a regular contributor to Global Research.*

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