Just a few weeks ago I said the FDIC was insolvent. No worries, right? After all, President Obama signed legislation in May giving the Federal Deposit Insurance Corporation the right to tap \$500,000,000,000 (that's right, 1/2 a trillion dollars) from the Treasury. If our banking and monetary system collapses, the FDIC can just demand the Treasury to print more money.

If that plan wasn't already seriously flawed, the most recent move by the FDIC is simply beyond belief. FDIC chair Sheila Blair proposes borrowing \$100 billion not from the Treasury but from the same banks it insures. Talk about a conflict of interest! Talk about the creditors now being able to watch over their watchdog agency! What happens if the banks "loaning" money to the FDIC go under?

Common sense approaches to the banking crisis long fell by the wayside in Washington. But this circular reasoning and bone-headed plan suggests that logic and common sense are simply dead.

Will this happen? The FDIC's board votes on the idea next week (September 29th). Chairwoman Blair rarely announces anything without already having the votes. Unfortunately, the bankers could again see more power and more money. And all that expenses of account holders and taxpayers. Once again, our elected officials are asleep at the wheel.

Although the G20 summit this week is attempting to drive home the final nails in the coffin of the offshore tax havens, offshore accounts and constructs are still a viable option for diversification and asset protection. Just don't think you will be fooling the tax man.