

October 16, 2008

Dubai Reads from America's Economic Playbook

by The Mogambo Guru

"I don't know about how they do it in Dubai, but here in America, we destroy our money by creating more and more of it, which I measure with Total Fed Credit, which is the magical stuff that appears in the banks as an increase in credit available for lending."

From Bloomberg.com we happily discover that Dubai is a lot more like America than one might think at first glance, as these arrogant blowhard morons also came up with "a surge in borrowing that paid for the world's tallest tower, palm tree-shaped man-made islands and stakes in banks worldwide" as they spent and spent and spent on credit, and now "may need help from Abu Dhabi and the United Arab Emirates government" to bail them out with some quick cash. Just like us! Hahahaha!

Another important parallel is that Tristan Cooper of Moody's said, "In most countries there are identifiable delineations between the public and private sectors. In Dubai, however, the state corporatist model plus the fact that the ruler and his closest relatives form the core of the government make it difficult to draw such distinctions." Hahaha!

Just like the symbiosis of the U.S. government with Goldman Sachs! Hahaha! So, it's like looking in a mirror and saying, "Hey! Why I am wearing a turban on my head, and where did I get the great tan?"

So, I don't know about how they do it in Dubai, but here in America, we destroy our money by creating more and more of it, which I measure with Total Fed Credit, which is the magical stuff that appears in the banks as an increase in credit available for lending.

And not only lending, but lending as a huge multiple of the increase in TFC, which went up by a staggering \$103.6 billion last week!

This is So Freaking Bizarre (SFB) that I slobber down my own chin when I say it exceeds the staggering irresponsibility of the days of Alan Greenspan since 1997 when he was driving the Federal Reserve over the dead, dying body of the dollar by increasing Total Fed Credit by \$10 billion a month, which was enough to produce the current terrifying bubbles in stocks, bonds, housing, derivatives and growth of government!

Now, if \$10 billion a month of new money and credit is enough to create all of that inflationary horror, then what in the hell is \$103.6 billion in One Freaking Week (OFW) going to do? Gaaaaaah!

I am suddenly scared, very scared, and I want to run and hide in the Mogambo Bunker Of Warm Safety (MBOWS) where I can hold soothing things in my hand, such as my teddy bear, gold and silver ounces, Uzi submachine guns and a fork with which to eat comforting foods, mostly of the meaty goodness and yummy chocolate varieties.

But I can do nothing but squirm and howl in dismay and fear, as new, terrifying facts swirl in front of my eyes, like Non-Borrowed Reserves in the banks now going to a NEGATIVE \$363.1 billion!

Free Reserves in those same banks has collapsed to a NEGATIVE \$407 billion!

With those numbers as a reference, you will be absolutely astonished at the sheer corruption of the Fed and the banks to learn that the Required Reserves in the same banks is back down to a paltry \$43 billion, which is the same, laughable bit of chump change that has been the Required Reserves since the '90s! Some things never change! Hahaha!

I heard the sound of my own laughter, and I was delighted to learn that I could still laugh at such things, even considering my highly agitated state, made more so by seeing that the national debt surged \$121 billion last week (last week!) to \$10.245 trillion! Trillion!

If ever there was a case where circumstances shouted, "Buy gold and silver or die a horrible death by the ruinous inflation of a fiat currency in the hands of giant, corrupt government and its greedy friends!" this is it.

And I couldn't have said it better myself!