

Illustrating How the Dollar Gets Whacked

By [The Mogambo Guru](#)

12/29/08 Fiat currency has always been doomed from the start. But here comes the Mighty Mogambo with a few more ways that the U.S. dollar is getting beaten down.

I am one of those economist-type guys who laughs at anyone who says, "It's different this time" because things are never different this time any more than they were different last time. This is because the entire history of economic mankind shows that that there is never anything really new under the sun, as there have always been just the basics, namely something that functions as a supply of money, a government that taxes and spends, personal savings/assets, and debts from borrowing, usually (I assume) utilizing some form of crude interest-rate scheme, like "paying back 5 for 4 or I smite thee!"

And so I say, with Infuriating Mogambo Self-Assuredness (IMSA), that there is nothing new this time, either, and if you disagree with me then I have the obligation to tell you how much of an idiot you are so that maybe you will stop being an idiot, at which point there would automatically be an improvement your standard of living, an elevation in the general standard of discourse, and therefore raise the general standard of living for everyone.

But does anyone ever say, "Thank you, Mogambo, for informing me that I am a total jerk!" or "Here, Mogambo! Take the last donut!"? No! They never do! See the kind of crap I have to put up with every day of my damned life?

Unfortunately, most there is nothing new this time, either, including corruption and greed in our government, as TheHill.com reported, with a bit of barely-disguised sarcasm that I detected after actually looking for it, that "A crumbling economy, more than 2 million constituents who have lost their jobs this year, and congressional demands of CEOs to work for free did not convince lawmakers to freeze their own pay.

"Instead, they will get a \$4,700 pay increase, amounting to an additional \$2.5 million that taxpayers will spend on congressional salaries."

Naturally, I am Very, Very Upset (VVU) about this, and perhaps obliquely referring to me as a snarling, rabid dog who wants to tear whole multitudes of elected officials and government workers to pieces with my sharp fangs, snapping jaws and slashing claws, they note that "watchdog groups are not happy about it".

Nobody but me notices that "snapping jaws" rhymes with "slashing claws", and that they both rhyme with "Santa Claus", but of course I am upset that it is now too late to work into a holiday poem that, now that I look at it, promises to be bloody and horrific, perhaps applauded by critics as "A classic! A delightfully terrifying departure from the usual holiday treacle! – Baltimore Sun."

My new literary dreams aside, they report that "However, at 2.8 percent, the automatic raise that lawmakers receive is only half as large as the 2009 cost of living adjustment of Social Security recipients." Yow! There are a hell of a lot more Social Security recipients than there are Congressional morons, millions and millions more, and it adds up although they each get about a tenth as much! If that!

Apparently, everybody already knew this, but instead of delighting in saying, "Hey! Mogambo! Have you ever had an original thought about anything in your whole stupid life?" (Answer: No, but I haven't given up hope!) Like everyone else, they seem to show how the dollar has been debased.

There are many ways to illustrate how the dollar has been whacked, of course, like, for instance, with numbers. In the last 7 years, the dollar has fallen 33% according to the dollar index, which has fallen from 120 to 80, which is actually up as the dollar has exploded back 15%, rising from 72 to 83, in the year.

But, of course, this is only a measure of the dollar against other currencies, each one of which is as much of a dirtbag fiat currency as the dollar and all the others.

Another way would be to look at the Consumer Price Index, which is a measure of how much stuff costs, and when you do that, even with all the government finagling and adjusting and lying and outright fraud, you find that the CPI has risen, also in the last 7 years or so, from about 175 to 212, which is a 21% increase, which comes out to an inflation of 2.76% per year compounded! Horrific! Unacceptable!

Another way would be, perhaps, to look at the salaries of the morons we have had in Congress all along, which is made easy when they note that "In the beginning days of 1789, Congress was paid only \$6 a day, which would be about \$75 daily by modern standards. Currently the average lawmaker makes \$169,300 a year."

And now these self-absorbed Congressional lowlife morons who epitomize total failure and traitorous treachery in disregarding the Constitutional requirement that money be "only of silver and gold", are in control of a \$3 trillion budget, plus a couple of trillion dollars more in off-budget deficit-spending, all in a \$13 trillion economy! Hahaha!

Any way you look at it, all roads lead to gold! Hahaha! This investing stuff is easy!

Until next time,

The Mogambo Guru