

# A Busy Week for the Money Printing Press

By [The Mogambo Guru](#)

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I had thoughtfully turned off all the audible alarms to the circuits monitoring the nefarious activities of the Federal Reserve, but you could tell by the way the indicator lights were furiously flashing and the recording pens were scratching maniacally across the seismograph paper that something important was up.

Sure enough, my paranoid suspicions were right! Federal Reserve Credit, which is the stuff that the Fed creates out of thin air that becomes Whole Freaking Multiples (WFM) of that amount in actual money when somebody borrows this new “larval money” from a bank, jumped a whopping \$45 billion last week!

\$45 billion! In one week! One! Week!

As if my heart was not already pounding in my chest and my breath coming in ragged gasps was not enough of a blow to my system, I foolishly divided this \$45 billion increase in Fed Credit by the fractional-reserve ratio (the part of any new deposit that a bank must keep on hand as reserves, while remaining free to loan the rest of the new deposit), which is currently less than one percent, this means that the Fed has, with this one act, enabled the possible creation of (at the current fractional-reserve ratio) another \$4.5 trillion dollars! In one week! In case you weren't paying attention earlier, I repeat that this is in One Freaking Week (OFW)!

I comically gulp in horror, which was a bad thing to do, as I had just bitten off a fresh mouthful of a delicious burrito, the involuntary ingestion of which made me choke and gag, and start coughing my guts out, which was pretty unpleasant, but which was made even MORE unpleasant by the idea that kept going through my head, which was that “This is more than a third of Gross Domestic Product (GDP) in One Freaking Week (OFW),” which deserves at least two exclamation points, which I now supply thusly: “This is more than a third of GDP in OFW!!”

I am sure that you, as a Junior Mogambo Ranger (JMR), recognize the significance of the two exclamation points as the punctuation of the preceding sentence, indicating a special emphasis, probably in the “We're freaking doomed!” vein.

Naturally, JMRs around the world realize that the secret punctuation code is calling attention to the huge increase in Federal Reserve credit, which will (so the Fed hopes) become a vastly increased money supply when people borrow the new “money” and get it into circulation, which means that inflation in consumer prices will increase horrifically as this new money is used to bid for a static-in-the-short-run supply of goods and services, which means that the number of people that will suffer a falling standard of living will increase dramatically because they don't have more money with which to pay higher prices, and then these poor people come over to my house and ask me to loan them some money, like I am going to loan money to someone so stupid

that they do not buy gold, silver and oil when I tell them to buy them, which is “all the time” for more than a decade, because 1997 is when Alan Greenspan, then chairman of the disastrous Federal Reserve, started really, really, really creating Fed credit in the books of the banks, which in turn created Whole Freaking Multiples (WFM) of money when this credit was loaned with a marginal fractional-reserve ratio of literally zero so that it could finance the biggest explosion of borrowing and pandemic economic stupidity in history to inflate huge, bankrupting bubbles in stocks, bubbles in bonds, bubbles in houses, bubbles in consumer spending, bubbles in derivatives and bubbles in size of government, with astonishing, towering, crushing debt, debt, debt everywhere you look!

Now that I am all worked up, one of the other bubbles was the “college education bubble”, which is where everything intellectual was “dumbed down” and colleges were funded with taxpayer money so that the dumbest cluck in high school who managed to stick around long enough would be graduated and could actually go to college on a “scholarship”, whereupon to emerge with a college degree in something easy with which to qualify as a teacher or a menial government job unrelated to their degree, where they can do a crappy job (look at the results!) and whine full-time until they get more wages and benefits until, now, our “public servants” are making, on average, more than the rest of the people who “hire” them! Servants make more than their masters! More! I laugh mirthlessly “Hahaha!”

And a person does not have to be a paranoid, gold bug, gun nut, conspiracy freak (like me) to see treachery in everything and rogue government agents everywhere spying on me, shooting dangerous mind-control rays into my brain while they root around in my computer and steal all my best porn.

In short, we are freaking doomed because the short version of the economic history of the world is that the economy collapsed and gold soared in value when a government was so stupid, so brain-dead, so abysmally ignorant, and so monumentally corrupt as to allow a creation of excess money and credit, like Congress allowed the Federal Reserve to do, that paid for all the bubbles that are now popping and handing out losses and misery by the bucketful.

But, notice, not a gold bubble! There WILL be a gold bubble, to be sure, but the top of the bubble in gold is a lot higher than this, and so high, in fact, that the upper limit is “infinity dollars per ounce”, which is not out of the question now that the US government is spending, and the Federal Reserve is creating, so much money that the dollar could fall to zero value.

And anything less than “infinity dollars per ounce” for gold, when I can now buy the stuff at less than \$1,000 an ounce, makes me squeal with schoolgirl delight, “Whee! This investing stuff is easy!”