

The Dangers of an Exploding Money Supply

By [The Mogambo Guru](#)

06/01/09 Tampa Bay, Florida With all the trillions of dollars of new money being deficit-spent by the federal government, not the least of which is the mind-boggling \$1.84 trillion in new deficit-spending that the Obama administration and Congress have conspired to enact and spend This Freaking Year (TFY), it is at least amusing to know that we taxpayers are paying taxes for nothing! Hahaha! Paying taxes for nothing!

Now, there are many definitions of nothing, most of them referring directly to me, as in “you are nothing as a husband, father, employee, neighbor, citizen or even a pale resemblance to a normal human being,” but in this particular case I am referring to all of the federal personal income taxes paid last year, net of refunds.

And how much personal federal income taxes were collected last year? Only about \$700 billion dollars! And total corporate net federal income taxes paid was a paltry \$171 billion! Hahaha!

“Yet,” I say with scorn and contempt, “here is the government spending almost four times as much as that, combined, while we working bozos still have to pay taxes (and, for some, more taxes)! I want to know why? Why?”

I get this data from the Treasury’s “Monthly Treasury Statement of Receipts and Outlays of the United States Government For Fiscal Year 2009 Through April 30, 2009, and Other Periods,” sent to me by Junior Mogambo Ranger (JMR) J. Scott N.

Also from it we learn that, **to this point in the fiscal 2009 year, which started in October 2008 and ends in October 2009, the federal government is already showing a deficit of \$803 billion**, not far from its “target” of deficit-spending \$1.84 trillion!

And if you look at the size of the Treasury Gross Public Debt, it shows that **the federal government has, cumulatively since 1776, borrowed and spent \$11,285.5 billion**, whereas at this time last year (twelve short months ago!), the national debt was “only” \$9,373.4 billion.

Here is where I admit that I am not a wizard with a calculator, although I do know that if you enter the number “07734” on a calculator, it will read “hELLO” when you turn it upside down, which I trust will indicate to my many, many detractors more than mere passing familiarity with calculators.

And to prove it, I deftly subtract \$11,285.5 billion from \$9,373.4 billion to get a negative \$1,912.10 billion, which means that the national debt must have gone down, which is so surprising to me that I am getting ready to finally admit that, as many have suggested, I do not know what in the hell I am talking about.

Suddenly, I realized my mistake! Oops! I meant to say that **I subtract \$9,373.4 billion from \$11,285.5 billion to get \$1,912.10 billion, which means that the national debt went up**, as I originally suspected, and that the damned federal government actually borrowed and spent, in One Stinking, Lying, Corrupt, Commie-Think Way Or Another (OSLCCTWOA), \$1,912 billion dollars in the last year!

In fact, let me re-phrase that to read **“the federal government already deficit-spent \$1.912 trillion in the last Twelve Freaking Months (TFM), which is So Freaking Incredible (SFI) that I think I peed in my pants in stark terror of the economic calamity this will create!”**

Notice how it now reads much more clearly, and how it simply cries out for resolution with something like “You, with your puny Earthling minds, apparently cannot imagine the inflationary horror that is going to happen to your money and you as a result of such calamitous fiscal excesses by the government, especially when it is paid for by such horrifying monetary excesses by the Federal Reserve, even though your whole stupid Earth history is chock-a-block full of prior examples! Most of them written in blood! Blood!”

And, more horrifyingly, this is mostly BEFORE the government even started cranking on any kind of suicidal “quantitative easing” to accommodate suicidal government deficit-spending. The money supply is being exploded!

In fact, **the money supply jumped, in the last couple of weeks, by almost \$100 billion to a total of \$1.8 trillion, which is up more than 100 percent from the \$825 billion one year ago!** Gaaahhh! We’re freaking doomed!

Until next time,

The Mogambo Guru
for *The Daily Reckoning*

P.S. Of course, if you have gold, silver and oil, then the “we” in “we’re freaking doomed,” doesn’t actually include “you” – as in “if you are the owner of gold, silver and oil, then you are indeed fortunate, as they are the only things upon which you can rely during the coming economic cataclysm which won’t sell you out and stab you in the back, unlike your family and co-workers, which you always suspected, so don’t act surprised.”