

# The U.S. Financial System: A Flimsy House of Paper Promises

By [The Mogambo Guru](#)

03/04/09 Tampa Bay, Florida Junior Mogambo Ranger (JMR) Phil S. sent me the essay titled "Government: A Successful Failure" by Robert Anderson, erstwhile professor of economics at Hillsdale College and executive secretary of FEE, and posted at [LewRockwell.com](#).

He writes, "What is ignored throughout all this political posturing has been the core cause of today's financial difficulties. The singular cause has been the manipulation of interest rates and expansion of fiat money by the Federal Reserve Bank" which he agrees created waaAAAAaay too much money and credit for waaYYYaay too long, and that all of our problems can be "causally" related to these Fed weenies doing it for decades, in direct contrast to classical/Austrian economics and sheer common sense.

A more terse explanation is provided by James Turk of the Free Market Gold & Money Report, who says, "Crises occur for one simple reason – excessive credit expansion."

Of course, by this time I am pretty drunk from trying to drown my fear and panic about what is going to happen because of the idiocy of the Federal Reserve and Congress, although he doesn't mention it, and in my drunken tirade I want to make sure that everybody knows that the moronic Alan Greenspan, Federal Reserve chairman from 1987 to 2006, is directly responsible for the mess we are in, he got away with it because the moronic Congress allowed it, and the moronic Congress got away with it because the despicable Supreme Court – in 1933, and in every appeal since then – ruled that the dollar would NOT be "only of gold and silver" as the Constitution requires, and instead ruled that the Fed could use a fiat "paper-promises" dollar. Gaaaahh! We're freaking doomed!

But this "we're freaking doomed" stuff is not new to me, which handily explains my drinking problem, but doesn't offer any solutions, which Mr. Anderson seems to rectify by adding, "Is there any solution to today's economic problems?"

Good question! It depends on whom you ask! Hurriedly, I wipe the drool from my chin with the sleeve of my shirt, stand up and say, "Of course not! If there were a solution to the problem of an idiotic government plunging the country into an inflation of excess money and credit to finance a cancerous, bloated, government-centric economy of mal-investments and economic absurdities, then in the entire of history of mankind, where one idiotic government after another did this exact same thing, somebody would have thought of it before! And everything that they tried has failed! Failed! Hahaha!"

Mr. Anderson, on the other hand, handily dismisses me and says, "Of course" there is a solution, which makes all the other kids in the class look at me with cruel, mocking looks on their faces,

making obscene gestures and saying hurtful things like, “Hahaha! You are wrong again, you Ugly Mogambo Idiot (UMI)!” and, “Quit staring at my boobs!”

I was feeling pretty low at this turn of events, but heartened to know that I would, after all these years of looking and failing to find even a hint of a solution, hear a solution!

Unfortunately, he admits, “it won’t happen”, because we would have stop doing all the stupid stuff we are doing! Hahaha! Like THAT is going to happen!

So while there is no macro, systemic solution to our problems, you will be happy to know that a solution exists on the personal level, which is to buy gold, silver and oil, as these will positively soar when the inflation in prices inevitably follows such an explosion in government spending all this new money and credit created by the Federal Reserve just for this horrifying spectacle of governmental orgiastic gluttony.

Whee! This investing stuff is easy!