

Ballad of a Heartbreaking Money Supply

By [The Mogambo Guru](#)

03/29/10 Tampa, Florida – As much as I scream in Loud Mogambo Outrage (LMO) about the sheer amount of money that is being created that will create horrendous inflation in prices, using whatever data that I can easily get my hands on or, better yet, falling into my lap, or, as a last resort, just making up facts and figures to prove my point, I may, for once in my over-the-top, obnoxious and irritating life (“The Way Of The Mogambo (TWOTM)”), be understating the case! Understating it!

James Turk of Goldmoney.com notes, “There has been an unprecedented amount of deposit currency created by the Fed over the past two years. From December 2002 until the collapse of Lehman Brothers in September 2008, the quantity of deposit currency created by the Fed averaged \$11.8 billion, an amount that is relatively insignificant compared to total M1. Presently, it stands at a record high of \$1,246.2 billion, which of course is highly significant.”

Well, personally, I can think of many ways that this can be “highly significant”, which I figure is already inherent in the fact that the M1 money supply figure (mostly just cash and near-cash), “stands at a record high.”

In effect, he says, “the traditional definition of M1 does not accurately capture this process when the Fed uses deposit currency to pay for its purchase”, which I am not sure I understand, as I am usually too busy with the kind of currency that kids and wives want, like the ever-popular “I need five dollars” and so I ask, “What for?” and they give me some kind of stupid reason, and I tell them, “No” and then they want to argue with me about my decision, and the argument goes back and forth between us until they are screaming, “I hate you!” and I politely ask, “And I am expected to give money to someone who hates me?” and they ask, “Is a father supposed to hate his children?” and then I am yelling, “I hate you!” and then we are both yelling, “I hate you!” until my wife comes in and tells us to shut up and for me to give the kid the damned money and stop acting like the stingy little bastard that I am.

Well, Mr. Turk is not interested in my personal troubles or how it costs me plenty, but goes on that, “The Federal Reserve reports M1 to be \$1,716 billion as of February 15th. When deposit currency created by the Federal Reserve is added to the traditional definition of M1, M1 after adjustment is actually 170% higher at \$2,918 billion”! 170% higher! Yow!

Ignoring my spontaneous outburst of surprise and horror, he goes on, “Its annual growth increases to 29.5%, nearly 3-times the rate reported by the Fed and, more importantly, is an annual rate of growth in the quantity of dollar currency that is approaching hyperinflationary levels.”

This talk of hyperinflation is what I am planning to blame for my taking off work early to go drinking, which worked out serendipitously because, since my head was already hanging down in a kind of alcohol-inspired stupor, I was looking at the top of the bar where I saw what I hoped

was a little pool of beer and tears, mostly because it rhymed so nicely that I thought maybe I could make a hit C&W tune out of it, maybe about Charlene, she of the luscious lips, blond hair and budding breasts that made her the darling of the whole 4th grade.

I figured that the first verse could be something like “Tears and beers is all I have now, since you left me I’m dying somehow, but only in the figurative sense, unlike how the Federal Reserve is literally killing our money since, by creating so damned much of it, the idiot Congress and the moron Obama can deficit-spend us into (switching again to the figurative sense) the hell of (back to the literal) inflationary bankruptcy and ruin us completely, sort of like how your sweet, sweet love literally ruined my whole freaking life, metaphorically broke my heart and literally ruined my trust in women ever since, so that now I think females are all lying, two-timing, heart-breaking tramps like you, and all I have left is a currency that is losing its buying power, and the aforementioned tears and beers!”

I was pretty sloshed, which may explain how I immediately saw the chart-busting potential of this terrific new song of mine, and was working on the second verse (where I work in how you ought to be buying gold, silver and oil, and if you aren’t, then you are an idiot like, umm, Charlene) when I realized that perhaps I ought to do a little market research as to its popularity before I invest any more time in it.

So I turned around and said to the listless barflies around me, “Hey! Listen to this!”, and I sang them the first verse. From their reaction, I learned a lot, like about how tuneless, slurred monotonous delivered in a bizarre meter are not as popular as I had hoped, but mostly in the, “I don’t get it, and it sounds stupid” genre.

So I explained, “It’s a sad story of a star-crossed love gone wrong, you morons, where a beautiful girl named Charlene breaks a good boy’s heart, and who tells him to his stricken face that she would never have agreed to let him copy her homework in the first place if she had known how creepy and weird he was, which is such a tragic blow that it is killing him inside, not unlike how the Federal Reserve is killing our money by creating so much of it that we are doomed to ruinous inflation in prices, which means your money is being killed! Can’t you see the obvious parallels, you morons?”

I saw that I was not getting through to these drunken sots, and I knew that they would be similarly unimpressed with the news that the Federal Reserve increased Total Fed Credit by a whopping \$30 billion last week, and then apparently used the money to buy another \$39 billion in US government securities, taking their massive, monstrous, corrupt accumulation of this crap to \$2.011 trillion. I sigh.

And I am sure that they would be completely uninterested that Foreign Holdings held at the Fed increased by a big ol’ \$15 billion last week, and the total of these holdings of foreigners who are, I assume, up to their necks in US dollars, is now less than a measly \$4 billion away from crossing the \$2 trillion mark! Wow!

Do you really, really, really need me to tell you to buy gold, silver and oil after all of that? No, I didn’t think so.