

Funny Money and the Banks that Make Us Laugh

By [The Mogambo Guru](#)

10/29/10 Tampa, Florida – In my long life, I have learned many things. Important things. One Important Mogambo Lesson (IML) is that “responsibility is a cruel taskmaster,” and that one should accept as little responsibility as possible, especially if it concerns taking responsibility for a wife and family, who not only seem to exist for the sole purpose of bankrupting me and driving me absolutely insane with their silly Earthling antics, but are also so stupid that they cannot be made to understand the Vital Freaking Importance (VFI) of investing every dime into gold, silver and oil when the Federal Reserve is creating so much money that it causes inflation in prices to rise above zero.

This is, (as horrific as it is), the “good old days,” whereas now the horrible Ben Bernanke and the Federal Reserve are now actually admitting to “targeting” monetary policy to deliberately, purposefully, disastrously achieve at least 2% inflation in prices, which is so criminally insane that it would be irresponsible of me to spend our family’s money on anything other than gold, silver and oil!

Another lesson learned “the hard way” is that a person cannot escape the facts unless you are like O. J. Simpson pulling a fast one with that latex-glove trick to make the leather glove appear to not fit.

The Ugly Reality (UR) is that there is only about \$986 billion in actual dollar bills and coins in circulation, the M2 money supply is around \$9 trillion, and total indebtedness of Americans is about \$60 trillion.

From whence came the \$60 trillion to loan, when there is less than \$1 trillion in cash in existence? Where did the other \$59 trillion to loan come from?

“Easy one!” I think to myself!

Quickly, I raised my hand to answer the question, proudly being able to finally answer a question after all those frustrating times of not raising my hand, then being called upon, then having to admit my ignorance and shrug my shoulders in defeat! But not now! This was going to be fun!

Imagine my embarrassment to discover that it was I who asked the question! Oops! Hahaha! My mistake!

This, of course, explains why I knew the answer as to how less than \$1 trillion of Currency In Circulation can become enough money to finance all of that silliness, and more beyond that, and then much, much more beyond that when including the surreal amounts of derivatives that have been created!

So how is it possible for less than \$1 trillion do all of that? The answer is: It's the banks!

In fact, it's always the damned banks! It's the damnable Federal Reserve creating the excessive amounts of credit, unrestrained by any relationship to gold, and the corrupt banks in the banking system creating the excessive amounts of money by loaning it out!

And the banks loan out the money in gigantic multiples via a bizarrely elastic fractional-reserve banking regime that, at times, literally reached infinity – infinity! – when reserves did not increase along with higher deposits and higher loans!

By the look of disgust on many of your faces, and the way many of you are checking for messages and looking around for an exit, I can see that you are expecting that it is going to be yet another hysterical Mogambo Bellow Of Outrage (MBOO) about how the despicable Federal Reserve is full of moronic neo-Keynesian econometric wankers, ridiculously playing with their laughable systems of equations and convoluted mathematical models, absurdly deriving three-decimal place precision in solutions to vague economic estimates and dubious economic correlations in a hideously complex, unwholesome, computerized cesspool of incestuous mathematics where all the tragic errors inherent of bad theory, poor data and erroneous correlation spread their mutant DNA throughout the entire incomprehensible system, the tiny error in each variable grotesquely feeding upon one another and evolving into monstrous, twisted equations and insane computer models leading us to (pause) utter, (pause) utter (pause) disaster.

Well, if that is what you were expecting, then you were wrong! Instead, I will completely refrain from even mentioning how much I despise the Federal Reserve, and the load of lowlife leeches in academia, government and the media that suckle at its poisonous teats, for their smug arrogance despite their total, complete, cataclysmic failure, and for their steadfast obstinacy in refusing to comprehend anything about Austrian economics because, as Junior Mogambo Ranger (JMR) Phil S. reminded me, “It is hard to get a man to consider the facts when his income depends on him not doing so.”

Instead, since Christmas is coming, and I want a few good things to say about me when Santa gets around to making up that “naughty and nice” list, I will only say that Ben Bernanke is not the first government-lackey, useful-fool, egghead scapegoat in history charged with destroying the economy to try and protect the government and the status quo.

And personally, I could not care less about Ben Bernanke, and at this point all I care about is what has happened all the other times in history when things got like this and how I can make a gigantic profit on it without working.

It turns out that gold and silver were the only things that always went up in value (due to the enhancement of their innate qualities by the perilous economic and financial climate), and thus went up in price.

And because I am just a stupid, self-absorbed little man who is naturally lazy, unable to learn from experience, and who is still wondering what happened, about so many things, for so long,

concerning so many people, I know that no matter what I do to solve a problem, some new problem will immediately take its place. That is why I always take the Easy Way Out (EWO).

And the easiest thing I know to do, and the thing that has worked 100% of the time in the last 4,500 years when a corrupt bankrupt government reaches Desperation Time (DT), is to buy gold and silver, which is so easy that you find yourself leaping joyously to your feet and happily shouting, "Whee! This investing stuff is easy!"