

Laughing at Fiscal Absurdity

By [The Mogambo Guru](#)

12/16/10 Tampa, Florida – I was cowering inside the Mogambo Bunker Of Fear (MBOF) in preparation for the release of the news from the Federal Reserve about how much credit those treacherous bastards created last week, expecting it to be a Big Whopping Bunch (BWB) since they have already announced that they were going to create an astounding \$600 billion in the next six months as part of their shameful new Quantitative Easing 2 crap, which comes to \$100 billion per month as part of their shameful Quantitative Easing 2 crap, which comes to \$25 billion per week as part of their shameful Quantitative Easing 2 crap.

This \$25 billion a week is, again, \$100 billion per month, which is, again, \$600 billion in six months, which is a huge \$1.2 trillion per year, which is a massive \$6 trillion in only 5 years, all in an economy with a GDP measuring a measly \$14 trillion!

I cleverly extrapolate all of this not to show off my skills with mathematics, which are impressive only in the way I misunderstand and misuse them to get a wrong answer most of the time, but to help you understand why you should be screaming your guts out – sounding like an angry, wounded, rabid wolf going, “AoooooOOOOoooo!” – in fear of the ruinous, catastrophic inflation in prices that all this new money will cause.

So I was shocked to see, and glad that I had double-locked the bunker’s doors, that the Federal Reserve created a whopping \$33.9 billion in new credit last week! And, as we knew it would, used the money, like common counterfeiters, conmen and cheap swindlers pulling the old switcheroo, to buy \$30.1 billion in US government securities! Monetizing the debt, and at a rate faster than needed to spend a massive \$1.2 trillion per year! Gaaahhhh!!

Okay, I admit that I threw all those extraneous exclamation points in there for the cheap effect, as the sorry fact is that this foul monetization of government debt is almost nothing new: The damnable Federal Reserve has over the years, already monetized a gigantic \$2.07 trillion in US government debt, and increased the reserves in the banks to a massive \$1.05 trillion! Hahahaha!

I see by the puzzled expression on many faces out there about why I would be laughing at such ruinous monetary insanity that promises inflation Out The Wazoo (OTW), and especially with a laugh that has such undertones of anger and outrage, not to mention containing more than just a tinge of scorn, not unlike, perhaps, the fabled Mogambo Laugh Of Anger, Outrage And Scorn (MLOAOAS), but with more outright hostility.

The answer is that confused laughter at topsy-turvy unreality is the appropriate response to the style of humor found in any classic example of Theater of the Absurd, sort of like an episode of the old Bennie Hill television show, but without any hint of humor, bathroom jokes, farting, or scantily-clad beauties shamelessly prancing around in high heels with that unmistakable “I want you, Mogambo! Observe the way I gratuitously hump, bump and grind through this scene, thus proving my unquenchable passion for you!” look on their adorable faces.

Hence, we get a Theater of the Absurd with a weird, Kafkaesque nightmare of gigantic governments, where spending by local, state and federal government is fully half of GDP, become frantic when confronted with the inevitable bankruptcy and total ruination due to their stupid fiscal policies, which were only possible in the first place because the evil Federal Reserve created the money that made it possible!

So, perhaps instead of watching the Theater of the Absurd, we should be watching the History Channel to see the Immortal Lessons Of History (ILOH), one of which is the, you know, ordinary collapse of the economy that has always happened at the end-stage of a country, on a strict gold standard, continuously borrowing itself into the bankruptcy of massive, crushing, un-payable debts because of corruption by the banks and banking system.

Another ILOH is the inflationary collapse that always happened at the end-stage of a country, using a 100% fiat currency, borrowing itself into the bankruptcy of massive, crushing, un-payable debts, and then trying to create more fiat money to buy itself out of the debt by creating more debt, creating more and more money, driving prices of consumer staples to astronomical levels, everything bursting into flames as street riots spontaneously erupt, everything being swept away in the angry onslaught of hordes of starving, desperate people.

Now you know why I laugh, as it is Theater of the Absurd in real life! And although the reality is that We're Freaking Doomed (WFD), even at this looming horror I can laugh because a third ILOH is the best one of all: Gold and silver always reign supreme in a land of fiat money!

And with buying gold and silver so easy to do ("Here's my money, give me my metal!"), and with such a guarantee of monstrously outsized capital gains as the buying power of the dollar is lost due to over-creation of money, all that's left to do is gleefully, gratefully gloat, "Whee! This investing stuff is easy!"