

# The Money Supply Conspiracy

By [The Mogambo Guru](#)

07/14/10 Tampa, Florida – [Marin Katusa](#) is Chief Energy Strategist for Casey Research, which probably made it easier for him to get his stuff into *Casey's Daily Dispatch*, whereas no matter what I write, they always say to me, “This is crap! Stop sending us your Stupid Mogambo Crap (SMC)! It’s crap! It’s always crap!”

For a long time, I thought their behavior was, you know, just because they were like everybody else, actively thwarting my every move and stabbing me in the back at every opportunity to make my life miserable, like how my garbage cans always mysteriously end up at the end of the block on garbage day, like they get there by themselves, or they are caught in some weird forces of gravity, perhaps not unlike those said to be swirling around the Bermuda Triangle, sucking boats and planes into some weird inter-temporal time-space discontinuum or, in this case, at the end of the street.

And when I walk down there to retrieve them, all my stupid neighbors just happen to be outside, and they say, “Hello, neighbor!” as I walk past, like I don’t know that what they really, really mean is, “I hate you, Mogambo! And that is why we put your garbage cans at the end of the block so that you will have to go get them and drag them back, and maybe you will have a heart attack and then you’ll die! That’s how much we hate you! Just like your wife and kids! Hahaha!”

So, naturally, I say to them, “Shut up! And why don’t you show a little smarts by going out and buying gold, silver and oil since it doesn’t take a real genius to see that our own government has destroyed the country by plunging us into un-payable debt in order to support whole populations of people, both domestic and foreign, and regulate everything via ‘a multitude of new offices, sending hither swarms of officers to harass our people and eat out their substance,’ all made possible by the despicable Federal Reserve creating So Freaking Much (SFM) money that was thusly borrowed and spent on new offices and officers, to name a few, money which must continue to be produced and which will, in turn, produce ruinous, cataclysmic inflation in consumer prices that will destroy us more thoroughly than did Godzilla when he was stumbling angrily around Tokyo, maliciously flattening some buildings, stomping on a few trains and taking out whole swaths of the electrical grid!”

Well, I notice that my neighbors never really have a good reply to that, and as I can trudge back up the street with my garbage cans in tow, I shout “Moron!” at each neighbor as I pass them, just to remind them about how stupid they are not to buy gold, silver and oil to protect themselves against the predations of an expensive, expansive, deficit-spending, idiotic socialist government and a Federal Reserve that expands the money supply to an unbelievable size to accommodate such insane levels of governmental borrowing and spending, despite how Utterly, Utterly Bizarre (UUB) it all is even to contemplate – for even a nanosecond! – such economically-suicidal behavior in the face of its disastrous inflationary effects.

Such fiscal and monetary stupidity, I maintain, can only be the result of a conspiracy of some kind, which is a whole other topic, even though I am reminded of the old saying “Never attribute to malice what can be explained by stupidity,” although my comeback is “But it takes such a mass stupidity that it must involve some kind of thought-control beams from outer space, or government goon squads putting psychoactive substances in our food!”

Well, it turns out that neither Mr. Katusa nor anybody at Casey Research wants to get into a discussion with me about juicy conspiracy theories and how there are murderous enemies galore out there, four of which are the Obama administration, the Congress, the Federal Reserve and the Supreme Court which continuously upholds that money does not have to be made of silver or gold like the Constitution requires, which it requires so that the supply of money will always be stable and thus easily prevent inflation in the money supply which produces inflation in stock prices, and prevent inflation in bond prices, and prevent inflation in house prices, and prevent inflation in the price of government, which is not to mention the sheer impossibility of a derivatives market that swamps everything else in terms of sheer size.

Instead, the Supreme Court has consistently ruled, to its continual shame, that money can be made of paper and promises so that we will have inflation in stock prices, and inflation in bond prices, and inflation in house prices, and inflation in the price of government, which is not to mention allowing a derivatives market that swamps everything else in terms of sheer size.

Nor do they want to get me started on a Loud Mogambo Rant (LMR) about the horrors of inflation in prices that follows inflations in money supplies, but they apparently want to keep it more topical, and thus they discuss the BP oil spill and the Obama administration over-reacting by outlawing off-shore oil drilling, which has lots of knock-on effects, and which is the reason that I am here in the first place.

Firstly, he says, “Thousands upon thousands of rig workers were effectively laid off when the 33 rigs operating in the Gulf stopped drilling. The full economic impact of the ban is still unrealized, with the layoffs just starting, but estimates put the figure for lost wages as high as US\$330 million per month. Given the potential economic losses, BP’s US\$100 million compensation fund for rig workers starts to look rather paltry.”

I don’t bring this up only because of the ugly economic effects of \$330 million per month being cut out of aggregate spending or the blighted circumstances of the people who suffer as a result, as bad as that it, but that “It doesn’t end there either. There’s a domino effect in play as well – each rig job supports up to four additional jobs for cooks, supply-ship operators, and those servicing the industry.”

Thus, the jobs multiplier is 4!

This is important, because if the multiplier is 4, which it probably is because all economic multipliers like this seem to be between 4 and 7, and if all multipliers of this kind are likewise 4, then since there are 130.4 million jobs on all non-farm payrolls and 22.7 million of them are government jobs, but which may, or may not, but probably don’t, count a couple of million

teachers and support personnel, among others, who are paid by taxes but are not actually government employees.

So, if the total is actually 25 million government and taxpayer paid jobs, and the multiplier is 4, then I can make the ridiculous statement that 100 million of the 130 million non-farm jobs are based on taxpayers! There are one hundred million taxpayer-paid “government” workers and only 30 million private sector-workers! Gaaaahhh! We’re Freaking Doomed (WFD)!

Fortunately, as you can tell by the serene look on my face and the way I am not vomiting up blood at the contemplation of imminent destruction that I know that the example is bogus, but 3 guys supporting 10 is the way it feels around here sometimes, and thus I am justified in citing it as a fact.

It is also a fact that the noun “we” in the phrase “We’re Freaking Doomed (WFD)” does not include those who buy gold, silver and oil, which is (at last count) you and me, in which case it is “They’re Freaking Doomed (TFD) but We’re Making Money Like It’s Going Out Of Style (WMMLIGOOS)! Whee! This investing stuff is easy!”