

Fraud, Corruption and Sleazy Manipulation are Rampant

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Oddly enough, I am breathing heavily, my mighty heart racing boom, boom boom. My eyes dart nervously, seeing frightful dangers in every shadow. Trigger finger is twitching. Brain thinking about pizza.

The world outside of the Fabulous Mogambo Bunker (FMB) seems so sinister and scary, but only somewhat less so here inside it. This dismal disparity is proved, QED-like, by the fact that, despite the safety of steel-reinforced concrete, heavy firepower, stores of gold, silver, and cases of yummy frozen burritos and pizza (thin crust, with everything!), I am nevertheless still scared Out Of My Freaking Mind (OOMFM) by the unfolding horrifying economic collapse caused by the insanity of Keynesian economic theory, a ridiculous attempt to control the economy using incestuous equations without any acknowledgment of the concept of having too much debt, disastrously used for most of the entire last century to justify the creation of monstrous amounts of fiat money and credit, an idea stupidly adopted by the evil Federal Reserve and all the other lowlife central banks of the world, to finance a gluttonous, bankrupting orgy of government expansion and moronic private-sector mal-investments not stemming from true, self-sustaining demand and a stable money supply.

The proximate cause of my snarling, paranoia? Peter Coyne of DailyReckoning.com writes “In this year's edition of their ‘10,000 Commandments’ report, the Competitive Enterprise Institute estimated that the cost to comply with federal regulations totaled \$1.8 trillion last year. That's more than the GDPs of Mexico or Canada and more than the receipts of all corporate and personal income taxes combined.”

Naturally suspecting a trap, I sarcastically note that he doesn't mention the cost of complying with state and local regulations, which the Grandfather Economic Report reports, as of August 2011, as “\$446 billion state & local government mandates.”

Calculating the same rate of increase as federal regulations, the burden of state and local overregulation must have expanded to around \$505 billion by now, adding to a total cost of \$2.305 trillion.

Mr. Coyle blithely ignores my mounting suspicion and deft calculator wizardry, and goes on to look at government spending, writing “If you add in the \$3.53 trillion Congress spent last year, it makes the federal government account for more than 1/3 of the economy,” where, again, I note that he neglects to mention that total federal, state and local government spending in 2012 was \$6.2 trillion last year, which does not include the \$800 billion spent by the public schools, which adds to a tidy \$9.305 trillion in One Freaking Year (OFY)! \$9.305 trillion!

This is certainly a lot of money, and I would almost certainly have a lot of trouble spending that much cash over a long weekend, although I seem to be very good at it.

But, as you probably noticed by my sudden shift into Shrieking Paranoid Overreaction Mode (SPOM), it becomes even more, more, MORE outrageous when one considers that the entire GDP of the USA is only about \$15 trillion!

This means that total government spending, school spending and cost of regulation is 62 percent – more than half! – of everything this country makes, buys and sells! More than half! Approaching two-thirds!!!

Reduced to sniveling discombobulation by this revelation and overuse of exclamation points, I am looking at my pathetic stash of gold and silver, thinking “Oh, no! I spent too little buying gold and silver! And I spent too much on guns, pizza, and golf, and spending way too much on the wife and kids who are still bleeding me dry with their current whining about needing new clothes when there is nothing -- nothing! -- wrong with their clothes that a little duct tape, or a stapler, can’t fix!”

Just then, my weary, bloodshot eyes fell across a quote from a guy named Andrew Maguire, and my mood instantly elevated, meaning either that the morning’s medications finally kicked in, or that I was going to be very, very rich despite my pathetic under-investment in gold and silver.

It was probably the latter, as the pills never really worked that well (just like I told my wife and the doctor, who both insist that I take them as prescribed and shut up about it), but mostly it was Mr. Maguire telling King World News that “Eastern Central banks have purchased a staggering 580 tons of physical gold in just the last 7 trading days. This means Eastern Central banks just purchased a stunning 25% of the world’s annual gold mine production in just 7 trading days. This was the largest purchase of physical gold during any 7 trading day span in history.”

In history! A history of gold that stretches back thousands of years, yet never before!

Despite being a lowbrow kind of dullard who just wants to be a very irresponsible rich guy, and drive some really snazzy car with a great paint job and powerful stereo, I know how supply and demand are equilibrated by price. Especially when considering this startling increase in demand for gold.

Additionally, as is usual in history at the end of long monetary booms, fraud, corruption and sleazy manipulation are rampant in the commodities market (just like in all markets and governments), but especially gold, which is why the price of gold has fallen so far so fast, taking silver down with it.

This means that gold and silver are grossly, fraudulently, impossibly undervalued to start with, but now with a startling statistic like “the largest purchase of physical gold during any 7 trading day span in history,” I shout with joy! “Gold and silver are going to the moon, baby! To the moon!”

After all, it's not for nothing that I say "Whee! This investing stuff is easy!" Whee!