

Government Economic Malfeasance

By [The Mogambo Guru](#)

08/11/03 The Mogambo Guru takes "a nervous look at the things that are going to kill us"...

I cannot remember the last time I read that any country was expanding the narrowest measure of its money supply by 24% percent in some heroic-yet-suicidal effort to keep its currency from appreciating against the dollar and the euro.

But the Swiss are doing it right now.

The Swiss, who are relative newcomers to the area of currency debasement and acting like idiotic, brain-damaged children, are making up for lost time by continuing to drive their currency into the toilet by the expedient of printing up humongously more currency, sorta like we are doing and the Japanese are doing and the Germans are doing and the French are doing and the Canadians are doing and the Chinese are doing and like every other freaking country on the freaking planet is doing as far as I can tell. It's just that when you line everybody up according to size, then somebody has to be the Numero Uno on the list, and right now the Swiss are it.

Predictably, inflation in Switzerland is rising. Last year it was the Australians who were the poster-children for money supply madness. Now their inflation rate is rising, too.

Currency Debasement: Inflation Comes Tootling Along

And how is the USA doing as concerns the money supply? Well, lately it seems to be cooling off, but the trend has been running at about 7% annually, which is about 500% faster than the economy has been growing. And, of course, that means that inflation is sure to come tootling down the expressway to a price tag near you. Bet on it.

And the amazing thing to me is the almost complete lack of concern, especially when it is within recent memory that the Gnomes of Zurich were supposedly such economic and financial hotshots and everybody went "Ooohhh! Ahhhh!" and nodded their heads in solemn agreement whenever the Swiss had something to say about money.

But not anymore. It is almost like all the economic hotshots around the globe, who can usually be counted on to prance and preen and run their mouths about how educated and smart they are, are completely unaware of what is going to happen to generalized, aggregate prices in just a little while, measured in a few days or weeks or months, as all this huge freaking global oversupply of money works its evil, horrible way into rising prices.

And when prices rise so high that us proletariat trash can no longer afford to eat or pay the rent, this is typically when the course of civilization is suddenly altered. And perhaps that is why the ownership of guns is always under attack by the forces of the Left, which love to remove barriers to total government control. And if there is one thing that the government wants to control, it is

crowds of us unthinking, uneducated, ill-tempered, bankrupt, starving bozos, like me and you, well, maybe not you since you are so sophisticated and wealthy, but me anyway, running around armed to the teeth and in a very bad mood, being angry about what the government weenies have done to us.

Currency Debasement: \$500 per Month, Each

Taking a nervous look at the things that are going to kill us, like the condemned prisoner who morbidly looks out of the window of his cell to watch the scaffold being built that will be used to hang him, we note that the Treasury is still issuing debt at the rate of about \$52 billion per month, and therefore about five hundred bucks a month is added to the burden of every lunchbox-toting private-sector job-holder in the country. Five hundred bucks a month! Each! PER MONTH!

So the recent rises in capital investment can be, I figure, chalked up to managers and CEO's desperate for something, and who are thus susceptible to the hypnotic siren-call of a Fed's bullish bias, money that is extraordinarily cheap, with foreign central banks willing to participate in the fraud, at the same time as the Bush Administration is gearing up one monumental swindle after another to make sure that Dubya will be re-elected in November 2004, although for the life of me I cannot think of a reason why ANYONE would want to be the President for the next, oh, fifty years, much less for the next term.

All this at the same time as a coordinated global expansion of budget deficits, printing of excess money, granting of excess credit, bank reserves being lowered to insignificance, blatant lying and deceit on a monumental scale, selling of gold by central banks, and just about every other government economic malfeasance you can name. So why not be bullish, too? If we don't borrow and expand, we go bankrupt. If we DO borrow and expand, we will still go bankrupt. So what's to lose? Which alternative course of action is more fun and more popular?

This is the kind of scary stuff I have been thinking about, and so I decided that I needed to get my mind on something else, and overcoming my paralyzing paranoia with a superhuman effort and handfuls of psychotropic medications of every hue, I decided to try to finish up another home- security perimeter-control project, in this case wiring a flame-thrower into the doorbell circuit on the front door.

Currency Debasement: The Swiss Will Get Burned

So I'm trying to figure out what in the hell this green wire is for, see, and out of the corner of my eye I see, coming up the walk, the know-nothing busy-bodies who work in the city's code-enforcement department, who seem to know zilch about even the basics of the theory and practice of self-defense, and I just know that they are going to get into another snit about this flame thrower thing. So I quickly just tie the mysterious green wire into the first circuit that is handy, namely the nearest hot circuit where the electrical tape is coming unwound and I can easily see exposed bare wires, and then I hang a sign on the doorbell that says, "If you are from the City Building Code Enforcement Department, or are a Swiss monetary official, ring the bell."

Of course, at this point there is nobody locally in the whole county who would dare to ring my doorbell, which saves me a bundle by not having to buy any candy every Halloween, and rumor has it that new city employees are actually given a special in-service training about me, but the Swiss are not so wise to the ways of Mogambo. So either I get them, or their debasement of their currency gets them, but in any event the Swiss will get burned.

And if the illustrious Gnomes are getting burned, you know what's in store for us...and the Japanese and the Germans and the French and the Canadians and the Chinese and every other freaking country on the freaking planet as far as I can tell.

Regards,

The Mogambo Guru
for the Daily Reckoning

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P.S. No matter what anybody does from here on out, there will be many more losers than winners, and it will get worse and worse and worse with each passing year, until one day there is some cataclysmic event which kills the last lingering spark of life. And then we will be conquered or something by somebody, probably the Chinese, and then history will have made one of its famous discontinuities. And I say this not because I am such a hotshot, but because I can read. And this calamitous misery is the lugubrious result of what happened every time in all of history when governments acted so bizarrely, so predictably poorly, so brazenly brainless as regards money and economics.

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The Mogambo Guru is quoted frequently in Barron's, The Daily Reckoning, and other fine publications.