

# The Root of All Evil

By [The Mogambo Guru](#)

04/11/05 It is often said that money is the root of all evil – but The Mogambo disagrees with that thinking. He likes money; it's our monetary system that gives him the willies...

There are some guys who go beyond the problems with our monetary systems, and one of them is Dr. Edwin Vieira, Jr., Ph.D., J.D, whose essay on NewsWithViews.com poses a question right in the title: "Will the Coming Monetary Crisis Provide Opportunity For Reform?" I think he answers his own question when he replies, "No! We're scroomed!!"

And since a currency crisis is inevitable, then what happens next? Well, this is where Dr. Vieira comes in, who reminds us that it is not just the economic problems that will bedevil us; as history has shown us the depths of corruption to which legislators will stoop when their own spending/philosophical stupidities inevitably backfire on them. He says, "Even the most abusive precedents established under Roosevelt, however, will not define the outermost reaches of the 'emergency' powers contemporary public officeholders will seize in the event of a new monetary and banking crisis. Rather, they will employ whatever police-state tactics they deem necessary to deter and punish violations of their 'regulations, limitations and restrictions' – from fines and forfeitures of property to incarceration in prison cells, internment in prison camps, and interment in graves...As O'Brien told Winston Smith in Orwell's 1984, if one wants a picture of the future, imagine a boot stomping on a human face – forever." Or, as Edwin Clarence Riegel may have put it, "Not money, but a false money system is the root of all evil."

## **The Trouble with the US Monetary System: Writing off South Koreans' Debt**

To show you an example of the depth to which governments must sink when these Ponzi schemes get out of hand, the South Korean government, to quote the last Thursday's Wall Street Journal, "Made a last-ditch effort to tackle the country's household debt problem by announcing a package for Koreans with little or no income that practically writes off their debt."

The idiocy is that those who are on welfare are not obligated to repay their debts, and, as a bonus, are also relieved of being stigmatized as "credit delinquents," so that they can continue to borrow more money from unsuspecting lenders, which they never have to repay, either!

If you are on welfare in that country, you don't have to repay the principal or even pay interest on your debt as long as you remain on welfare, which brings up the point about who in their right mind would ever get OFF welfare with a sweet deal like that?

The problem is that Korea is in recession, see, and the whole country has been, like the United States, gorging at an orgy of credit. Which brings up a nice quote from the Elliott Wave International people, who were researching the history of major depressions in the United States from 1830 on. They say they were "impressed" that, "All were set off by a deflation of excess

credit. This was the one factor in common." Exactly! It's the Austrian Business Cycle Theory, over and over and over again!

But what is NOT answered in the little sidebar was what happens to the Korean lenders, the people who are owed the interest payments, which they are not going to get, or the original money that they expect to get back, which they are ALSO not going to get. Hahahaha! Chumps! It is exactly what they deserve, the morons! I mean, how stupid do you have to be to loan large amounts of money to people on welfare? Welfare pays so much in Korea that the recipients have so much money that they can afford to not only buy things, but also pay the high interest charges? My God! And they though this could last? Hahahaha!

It embarrasses me to mention it, I happen to be, uniquely, one of the most stupid people on the planet, and yet this even sounds stupid to me! But what is going to happen is that the creditors are just going to raise prices and interest charges on the people who DO pay, and that will be an "unexpected" consequence. And then when these people see how they are being screwed, and what a sweet deal this is for people on welfare, they are going to want a little of this gravy, too! And then people will run for office on a platform of "no payments, no interest loans for the little guy!" And that will be another "unexpected" consequence.

### **The Trouble with the US Monetary System: "Gold: The Forgotten Asset Class"**

In Richard Greene's March 25 essay, "Gold – The Forgotten Asset Class," he notes, "It has been over two decades since gold was widely referred to as an asset class by Wall Street and the media. It would probably be generous to say that even 1% of American investors have an adequate understanding of why at least a 10% portion of their assets should be safeguarded in gold and silver, primarily in bullion. An even smaller percentage understands that they must have physical possession or a custodian that can prove that they are holding their purchased gold in a segregated account. Unfortunately, we have found that the vast majority that has moved to protect their portfolios with investments in the precious metal sector are foreigners."

Foreigners have been buying gold? Is that why the price is over \$400 per ounce? Well, who are these people, since it is not us hotshot Americans? He answers, "The really sad part is investors from China, Japan, the Middle East, and India are taking advantage of any pullback to keep adding to their gold and silver holdings." So what does one do? I start to get to my feet to offer my suggestion, which is, of course, to buy gold. But he sees me stirring, and quickly adds, "The fundamentals for gold get better every single day as money expansion continues. Use declines in the prices of metals and the stocks to build a position as part of your portfolio. Speaking of gold, I notice that the gold lease rates have collapsed, which brought out a lot of leasing, which they turned around and sold, which could explain why the price of gold dropped last week." Most of us figure that gold is being manipulated down by the fabled Gold Cartel, the one that GATA and the Metropolecafe.com people are always yelling about.

Want more proof than the idiotic Mogambo standing in the middle of the road haranguing people as they drive by that gold is being manipulated and that this represents a golden buying opportunity, if they will excuse the pun, which they never do? Well then, maybe you will listen to the Charleston Voice when they say, "It is now becoming widely accepted that the world's

central banks have shorted (sold) as much as 15,000 tons of their gold reserves in a concerted effort to suppress gold's price as measured in paper currencies."

And it is not just the gold and silver markets that are being rigged, but all the other markets, too, as chronicled in "The Invisible Hand (of the U.S. Government) in Financial Markets," written by C. Robert Bell and posted on Financialsense.com. His summary is "The U.S. government is manipulating all major U.S. financial markets-stocks, Treasuries, currencies." The rest of the highly informative article "shows how it is possible and how it is done, why it is done, who specifically is doing it, when they do it, and where they get the money to do it."

Even George Ure at UrbanSurvival.com reported that an article has appeared that indicates that The Mogambo was right when he said that that monetary policy, now operating for most of the last decade with all the taps open full, will prove ultimately to be a failure, even though the government is freely manipulating the markets via fiscal policy to keep it from failing. To wit: "Tax money was sent to the Office of Special Brokerage Services (OSBS), to which management of the reconstruction funds was assigned. The OSBS, quietly through third parties, purchased approximately \$5 billion in stock in February 2004. Another \$9.2 billion was invested the following month. More than \$14 billion earmarked for reconstruction was actually invested on Wall Street. The memo's author and date are unknown. This portion of the apparently classified document – marked 'page 3' – was mistakenly sent to Mid-America Seed Savers, a nonprofit organization in Lawrence, Kansas whose members had filed a Freedom of Information Act request for documents related to the Army's alleged distribution of genetically engineered wheat seed to farmers in Iraq," according to Stan Cox, who is a plant breeder and writer in Salina, Kansas.

It is all part of a gift to the Iraqis, they say, "The OSBS has assigned portions of the fund's assets to individual citizens, based on voting rolls from the January election. Although he or she is not yet aware of it, each and every Iraqi voter now owns a Personal Reconstruction Account (PRA)." Until the unrest settle down, they figure that the accounts that will "continue to grow in value, safely, until violence in Iraq subsides and normal economic activity can resume. At that point, Iraqi citizens will be able to draw on their PRAs as needed, putting that money to work in their economy and stimulating private-sector solutions to the problem of reconstruction." Hahahaha! This is what passes for economic and financial management! Of course, the U.S. markets going up will have wonderful domestic effects, too, and that is the whole point of it, because if we really, really, really cared about Iraqis we would have given them the money before we killed a couple of hundred thousand of them.

Everybody assumes that this is a hoax, especially since it came out on April Fool's Day. But after seeing the lies and frauds being committed every day by our own government, I am not so sure.

Regards,

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for The Daily Reckoning