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## **The U.S. Dollar on Roman Steroids**

by The Mogambo Guru

*"The modest decline corresponded with Rome's rise to become an empire. From the original 66 grains of silver, the value had only declined 10% to 60 grains, by the time of Julius Caesar (49 BC). But soon afterwards monetary tumult commenced in earnest."*

Inflation seems to be raging, to one degree or another, all over the world now, and in Europe as a whole it rose to 4.1%, which is (as I hear) the most inflation in 16 years. Curiously, the inflation rate in consumer prices in Germany, which is Europe's largest economy, is still "only" 3.4%.

It doesn't take a math genius to see that if the largest economy has inflation at 3.4%, then a lot of the other 14 countries in the bizarre, idiot's-delight "euro monetary scheme" must have much higher inflation if the damned average is 4.1%! Wow!

Hell, Russian inflation, generated by gangsters bitten with the bug of capitalism and implemented with the reins of monetary power over a [fiat currency](#) (like we have here in the USA), is running at about 15%, according to a chart I saw in the Financial Times, insuring that inflation in consumer prices is destined to get worse! Yikes!

And, to make matters monumentally worse, these Russian dudes have plenty of nuclear weapons and armaments already!

This kind of inflation in prices, especially on such a grand global scale, is beyond insane! It's economic suicide, if for no other reason than the damned Russians are going to remember the coercive power of all that weaponry when the Russian citizens start getting angry and rebellious about rising prices, too, which the government will try and alleviate by printing more money, which inflates the money supply, which makes inflation in prices worse and worse and worse until one day it all breaks down in a Big, Ugly Heap (BUH), and everybody gets all busted and disgusted.

Except for the people who [bought gold](#), silver and oil, which is what you would expect because that is exactly what happened in every other stinking episode in history where a stupid people allowed a stupid government to create too much money and credit, and doubly so for those episodes where the stupid people let their stupid government allow an actual fiat currency that can be literally increased at will by a private bank (the Federal Reserve), as opposed to the beautiful, wonderful, intelligent limiting strictures of a gold money.

I don't know what will happen in Russia, but around here the abused, impoverished people are all whining and complaining about how everything costs more, and I can tell that they are thinking about how gold is soaring in price, and then they remember that I was always yammering at them to buy gold, and now they rue the fact that they did not buy gold, [silver](#) or oil in response to either my kindly advice or my screaming at them about what idiots they are, how their abject stupidity disgusts me, and how I would happily try and slap some sense into them if I thought I could get away with it.

But instead of buying some gold, silver or oil, they figure that I must have bought a lot

of gold, and "what the majority wants" is now the equivalent of "providing for the general welfare", as the modern, repugnant rationale by which governments are now popularly elected to confiscate the money of "them that has" to give to "them that wants", either by taxation or inflation, and usually both.

Thus, with a sigh of relief, their glowering presence outside the Sturdy Mogambo Bunker (SMB) means that the lesson to buy gold when the government is acting like collectivist morons is, finally, learned, albeit too late to help any of those moron halfwits who heard me tell them a zillion reasons to be buying gold, silver and oil, but who just looked at me like I was speaking Martian moon-language or something, which I was certainly NOT doing, because I never, ever want to go to the Martian sector of the moon, and if you have ever been there, you know why.

Now, these idiots are going to be very unprepared for the new lesson I bring them, which is how the Second Amendment right to own and bear arms has tragic consequences when in the hands of an angry old man who laughs - hahaha! - at them all for their Leftist stupidities, wherein the government takes care of everybody who "needs" taking care of, which (as Bastiat explains) means an economic system where everybody is trying to live at the expense of everybody else, and the sheer stupidity of thinking that such a preposterous system could ever work in the long haul or not be suicidal at the end makes me laugh until I puke, although it will work like a charm in the short run if you allow the banks enough latitude to act like greedy, influence-buying, lowlife banker trash and a government intellectually and ethically corrupt enough to run constant budget deficits and allow such monstrosities as "off budget" expenses and liabilities! And naked short selling! And Fannie Mae and Freddie Mac!

Oops! I can see I got off on a real tirade, and you are probably thinking "Oh, hell! That Irritating Mogambo Idiot (IMI) is off on a real tirade! Let's go get something to eat and drink, and we won't give him any! Hahaha!"

While I make a little note to myself about what a selfish little pig you are, I will turn you over to Robert Ross, who provides an interesting lesson in going to a fiat currency from a gold money in an article posted at FinancialSense.com, where he reminds us that "in Rome, 277 BC, the denarius was born. It was a silver coin, and for the first 250 years, its silver content declined only modestly. The modest decline corresponded with Rome's rise to become an empire. From the original 66 grains of silver, the value had only declined 10% to 60 grains, by the time of Julius Caesar (49 BC). But soon afterwards monetary tumult commenced in earnest." This was 228 years, which is just a little more than the time since 1776.

I could tell by the look on his face that he was not interested in me interrupting with that little factoid about America or how I cleverly subtracted 1776 from 2008 to get 228, and continues, "In 54 AD Emperor Nero started to inflate and debase the value of Rome's money. Nero took 14.3% of the silver out of the denarius coin and 11% of the gold out of the aureus coin, replacing the precious metals with base metals."

Finally, "As Rome continued on its moral, political and monetary decline, by 193 AD, the denarius had only 26 grains of silver - a 61% devaluation from the original 66 grains. Shortly thereafter, Rome's denarius stopped being accepted in trade by the rest of the world. By 268, the denarius was nothing but base metal with a thin silver coating."

What's this got to do with anything we care about, which is ourselves? I thought you'd

never ask! He says, "If we flash forward to the U.S. in the 1960s, we find that, in one fell swoop, all of the silver was taken out of our coins and replaced with base metals. Are we Rome on steroids???" Hahaha! Yes! Yes, we are!

But snide comments about what a bunch of corrupt, bloodthirsty, power-crazed, commie hedonists we have become aside, he doesn't mention what an ounce of gold was worth all along the way when valued in the local currency, so I will. It went up! The whole time!

And by 268 A.D., when the currency went to zero, gold was selling at a zillion denarii an ounce! Dollars. Denarius. Denarius. Dollar. Ponder and be instructed!