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The Mother of All Depressions (MOAD)

Bob Moriarty

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The US government lit the fuse to the \$683 trillion dollar derivative's debt bomb on Wednesday March 18, 2009 with [the announcement](#) the Fed would purchase \$300 billion dollars worth of US Treasury used toilet paper and an additional \$750 billion dollars worth of mortgage backed used toilet paper. In total the commitment to counterfeit over a trillion dollars leaves only \$682 trillion dollars worth of derivatives to sort out.

Economics is all about price discovery. No one knows what the real value is of the \$683 trillion dollars in derivatives. No one knows who owns what. No one knows who owes what. If left to its own devices, the market would lower prices until all assets had a value to someone. The government in its infinite wisdom has just short-circuited this discovery mechanism.

This is the end of the dollar. Everyone with any sense on earth will be unloading both their treasuries and mortgage-backed crap on the Fed. The Fed has just pissed \$1 trillion of counterfeit money into a \$683 trillion dollar cesspit. It can't possibly fix the problem. When the world realizes the impact of the Fed monetizing all debt, there will be a total default. And then what happens?

The Mother of All Depressions.

The ability to publicly fund its debt has been what has kept the US government spending. Once that ability is dead, so is the government.

The meeting of the G20 in London on April 2, 2009 will be the most important financial meeting in history. If the delegates do not adopt a new gold standard of honest money, the dollar will totally default within a few months. The fuse has been lit. There is nothing the government can do beyond what they have already done. Nothing has worked. Nothing can work.

Bob Moriarty

President: 321gold

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