

Who Prints the Money?

To understand what is being printed we first must understand who is printing and why.

Obviously, the Federal Reserve is printing tangible dollars in binary form as it appears on the Federal Reserve's balance sheet. The Federal Reserve operates with a dual mandate; one is that of controlling inflation, the price of goods. By statistics noted in 2011, the world's gross domestic product was around \$60 trillion dollars and the United States gross domestic product was around \$16 trillion. Looking at a 10% net of \$16 trillion it would be seen reasonable that the Federal Reserve's printing of billions of dollars in tangible bills or intangible binary digits would impact the gross domestic economy in a positive way.

So why did the Federal Reserve's printing not suffice in achieving one of its mandated goals.

Simple, the Federal Reserve's newly issued money was, hopefully and unintentional misdirected to support the \$60-\$70 trillion dollar secondary market.

The old concept of Bartering, between financial wheeler dealers and anyone that would operate on the opposite side of a contract was the cause. Oh yea, I bet one is confused. Was it the financial institutions that financed the opposite parties to their CDO/CDS concept called leverage? Risk Management?

Credit Default Obligations, Credit Default Swaps in essence was the creation of intangible binary digits for when a bartering party interchanged these intangible binary digits as payment for debts occurred in the intangible market when there was a default on barter's tangible contract. Doesn't really seem as much of an issue, until one considers "all" the intangible binary digit betting, risk hedging. The number of CDO's and CDS's and the subsequent subservient CDO's and CDS's carried an intangible value many times greater than tangible value.

Where the Federal Reserve's mandate is to the public, the Federal Reserve's would not have a short of money for the tangible economy but to tackle the intangible market would require the Federal Reserve to print 10 times, maybe more, the amount of money currently being printed to save this intangible risk hedging market and the cost would be placed upon the backs of the non rich in America in accordance to current tax laws if such was not returned to the Federal Reserve, which in this authors opinion is an impossibility. So for all the working, get out your checkbook and pay Uncle Sam.

In similar fashion, Europe's current financial fiasco mimics that of the United States.

No longer can be heard; "Hello Houston", we have a problem for a louder voice speaks, "Hello World", we have a problem. Engineers saved man, but saving a thief, liar and con artist is another question?