

The Fed and the Gold Price
By Kenneth J. Gerbino
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<http://www.kitco.com/ind/Gerbino/jun182004.html>

In the last five months \$213 billion new dollars have been added to the U.S money supply (M2). Amazingly, no one in the mainstream financial community questions this. Looking over some past Federal Reserve archives one finds that \$213 billion was all the money in circulation in 1962. Currently it is \$6.2 trillion.

How much money do we need to pay off ALL of the debts in America?
By Ernie Whiteside
June 24, 2004

Consider this:

The Outstanding Public Debt as of 25 Jun 2004 at 01:49:04 AM GMT is: **\$7,223,425,845,004.26!**
The estimated population of the United States is **294,395,449** so each citizen's share of this debt is **\$24,536.47**. The National Debt has continued to increase an average of **\$1.64 billion per day** since September 30, 2003!

http://www.brillig.com/debt_clock/

It would appear that there is not enough money in circulation to pay off the federal debt! M2 (money supply) consists of the non-bank private sector's holdings of notes, coin and checking accounts where cash is available on demand PLUS overnight repurchase agreements and Eurodollar deposits held by US residents at branches of American banks worldwide and all banks in the UK and Canada; general purpose and broker/dealer money market mutual fund balances; and savings and small time deposits. The M2 money supply is essentially every Federal Reserve Note and EURO that Americans own and could conceivably withdraw from the bank and spend.

Of course the US federal debt is not the only debt to be taken into consideration! State and local government debt stands at \$1.6 TRILLION; the financial sector debt is at \$11.4 TRILLION; business sector debt is now estimated at \$7.4 TRILLION; and the private sector debt is about \$9.4 TRILLION.

<http://mwhodges.home.att.net/debt-summary-table.htm>

And somehow all of that debt is going to be paid off with only \$6.2 in cash?

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