

# Litany of Woe

By [The Mogambo Guru](#)

11/03/03 Mogambo on Monday! A brave new world of woe...courtesy of your friends at the Fed.

Inflation.

Hardly a minute goes by when I don't mention the dreaded "I" word. It freaking scares me to death.

Last week, USA Today offered an article entitled, "Bernanke Has No Fear of Diving In." The article confirmed that Bernanke was appointed to a 14-year job at the Fed. But it also provided a little information about the guy, such as, "In a break with Greenspan, Bernanke is prodding the central bank to adopt a target or range of acceptable inflation. He says such a target, mentioning 1% to 2% annual core inflation based on a preferred Fed measure as a reasonable bound, would give markets increased confidence the Fed will not let inflation soar too high nor plummet too low."

So, right off the bat we have a new Fed big-shot promising price inflation! Could anything BE farther from the goal of a central bank? And as a direct corollary, is there anybody who is LESS deserving to be getting an appointment to the Fed than this Bernanke creep?

The goal is supposed to be zero inflation, or, better yet, gently falling inflation, which would give people an automatic rising standard of living! But noooooooo! We have a guy standing right there in front of you, appointed to a sparkling new 14-year term at the central bank, looking you right in the eye, who has the sheer gall to promise to use all the powers at his disposal to give you a constantly lower and lower standard of living, every year, for the rest of your life!

The article goes on to say how Greenspan disagrees. Oh, not about cramming a lower and lower standard of living down your throat by fostering inflation. No, Greenspan's objection is that setting a strict inflation goal, "used by other central banks, could limit flexibility."

## **Ben Bernanke: "Flexibility"**

Man, I love that word! "Flexibility!" So what else is Greenspan "flexible" on? Well, the Greenspan Federal Reserve has consistently broken every rule of responsible and prudent economics and central banking, so you have to assume that he is flexible on most everything, as long as it results in you getting whacked on the head.

And perhaps the ultimate in flexibility is permitting a jackass like Bernanke, who is promising you the one thing that is to be feared over all else, namely persistent, gnawing, cancerous price inflation, to be appointed to the Federal Reserve. It reminds me of a speech by Groundskeeper Willie of the Simpson's TV show, who was testing a podium microphone and facetiously said,

"And if elected, my first official act in office will be to kill the lot of you, and burn your town to ashes!"

Well, I'm happy to say, Groundskeeper Willie's services will not be needed by most of the electorate. In fact, the litany of woes experienced by the lower-income classes is heating up, judging by the seemingly increasing number of references that I run across in the media. Whatever low-income group you talk about, somebody is speaking up about them and their escalating desperation. The homeless. The poor. The disabled. The immigrants. The minorities. The seniors.

I am sorry to report that the misery will continue to grow in breadth and severity, and it will continue to be more so in the future. Week after week you will be able to see it in graphs and charts and visual aides. Month after month there will continue to be strident calls for the government to "do something" to help these pathetic, desperate people. Year after year the big situation gets worse and worse, and everybody's little situation gets worse and worse, and pretty soon the whole freaking enchilada gets worse and worse. And tempers will flare, and scapegoats will be found, and the excess population will be killed off.

### **Ben Bernanke: No One Has Come Close**

I know I shocked you with that last part there, you know that part about excess populations being killed off. But, you know me: I am always trawling for the Nobel Prize in Economics, grubbing around in the gutter and sewers of the world of economics, and especially that million-dollar prize money. Or even just the money, if you want an example of how flexible I can get on this thing. And now, to my amazement, econometric guys are still winning the darn things, even though I get up and look out of the window and I see the result of them and their stupid cockamamie theories, and their damned stupid econometric models, and their damned stupid monstrously over-inflated egos, thinking they could make a healthy economy out of fraud and printing money, when not one other country in the history of the world has ever done it, and all of them tried to print their way of their stinking mess and none of them could do it! But Alan Greenspan, and Ben Bernanke, and all those Fed governors, and Fed big shots, and advisors, and researchers, and concerned bank presidents, and Congressperson meddlers, and computers, and computer models, and miscellaneous hangers-on and loudmouth bores, all smugly thinking that now – now! – after all these wasted centuries, now will our geniuses in charge make a vibrant, healthy economy based on fraud and printing money, and then forever preventing the collapse they so justifiably earned, when, as I said, everybody in all of history has else has already tried it, and NOT ONE OF THEM EVER CAME CLOSE!

Jeez, now I'm all worked up in a sweat and in a really foul mood! What were we talking about? Oh, yeah, my Nobel Prize-winning economics idea! Well, first we note that that poor brain-dead Terri Schiavo woman was ordered by a court to be left alone to starve to death. Why? For the money, stupid! It's always about the money! Everything is always about the money! This brain-dead woman is costing somebody around a hundred thousand dollars a year, every year since 1991. And I don't know where you come from, but around these parts \$100,000 a year is a lot of money to keep a human vegetable alive.

And so killing off the old people and the disabled people and all the rest of those people gobbling up expensive government-provided money and services would instantly alleviate the stress on those systems. And then Social Security would always be solvent, since retirees would all be dead, and Medicare would always have enough money, since the sick would all be dead, too. And those smelly homeless people would all be dead, and not creating an unsightly mess by sleeping on the sidewalk!

But getting back to the point I was trying to make, which was about how the poor and the old and the disabled and all those static-income people get the old baseball-bat-upside-the-head treatment, or in this case let-them-starve-to-death treatment, when it comes to inflation. And I know it is inflation that is causing their problems because all the problems being suffered by these pitiful people are the one same problem: prices rose faster than income, and now they don't have enough money to buy the things they need. They USED to have almost enough to buy the things they needed. But nowadays they do NOT have enough money to buy, you know, the things they need.

And I know this for a fact because history has shown that these are the people who ALWAYS feel it first, and then the misery travels up and up into the middle classes and chews their guts out awhile, and then pretty soon everybody else is looking at reduced real income.

Welcome to the Wonderful World of Inflation!

Regards,

The Mogambo Guru  
For the Daily Reckoning

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P.S. If there anything you can do to prepare yourself to enter this brave new world of woe? Well, you can get a copy of Financial Reckoning Day, hopefully a first edition. And by reading it and taking the necessary precautions, then you can easily afford the updated one they are going to print in a few years. Hopefully, that next book will contain more flattering references to the Mogambo Guru (total references in current edition: zero), and maybe they'll even put my picture on the cover or something.

But right now the plan I have carefully laid out for you is to get a copy of Financial Reckoning Day, read it, underline whole passages, study it, comprehend it, color whole paragraphs in yellow highlighter, and pore over the graphs. The Mogambo looks down at the eager students, gently reaches out his open hand, and says "Listen and listen well, my little grasshoppers! I, the Mogambo, say to you that if your souls are indeed pure, if your purpose be righteous, and with the proper frame of mind, your course of study will be diligently done. And it is thus that your consciousness will expand until you will achieve Full Comprehension and Enlightenment (FC&E). And if you check the schedule, you will notice that there is a light buffet, and the next scheduled stop after that is Full Panic Mode (FPM)."

For this reason I recommend that you only read the book in the bright daylight hours, because if you read it at night, when everything is scary and gloomy and quiet, when all you can hear is your heart pounding in growing panic, the clock ticking hollowly in the hall, and the sound of CIA agents rustling around in the bushes outside the window, well, that's what I did, and, I mean: Look at me! Do I seem normal to you?