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Inflation In-Stereo

by The Mogambo Guru

"The next thing I know, my stupid boss is at my door, glaring at me, and I can see in her eyes that she is really pissed about something important. But since I often scream like that about the horrors of inflation in prices, I know it can't be about that..."

The inflation in consumer prices that is going to destroy the United States as a result of the government deficit-spending, financial bubbles and the Federal Reserve creating excess money and credit to pay for it all will be felt in different ways, such as what John Hartleb at outrageousaudio.com describes as "All of the companies that we deal with are imposing many different rules and price increases across the board", such as having to order in bigger quantities to get the manufacturer to pay for shipping charges, "and the prices on product have risen 12% or more across the board."

Also, inflation is felt in "a big retraction in 'Warranty Coverage'", such as the manufacturers now actually voiding the warranty because the returned defective device seems to have been "abused" by the customer.

He asks, with what I assume is a rudely sarcastic tone to his voice, "Guess how many warranties are getting refused?" The answer, in case you were wondering, is NOT "all of them", when, in fact, only about 99% of returned items are deemed to be not covered under the warranty! This means that the manufacturer is honoring 1% of all warranties! Hahaha!

And, to make it just that little bit much more of an outrage, he goes on, "In our stores, we used to exchange items for customers, but now we have been forced to have the customer send in the product for warranty, just to be refused as 'Abuse'", which prompts him to say, "This is crazy. I have never witnessed anything like this..." which I believe, because he has never seen such insane creation of excess money and credit by the loathsome Federal Reserve before, either. Nobody has!

And all this inflation is affecting me, personally, as I am getting used to puking up blood when I think of the misery and suffering to come. But it is affecting me in a more practical way, too, as when I started out in economics, it was mostly about millions of dollars, and then things were in billions of dollars (a thousand times bigger than a million), and then things were in trillions of trillions of dollars (a million times bigger than a million), but last week I mentioned the \$1.25 quadrillion of global derivatives estimated to be outstanding (a billion times bigger than a million), and when disbursed evenly amongst all the world's population of 6 billion people, \$1.25 quadrillion comes out to \$203,000 for each man, woman and child on the face of the planet!

Originally, I erroneously said it comes to \$203 per person, which is too low by a factor of 1,000, as I have grown used to mere trillions of dollars, instead of quadrillions of dollars, all of which are sums so insanely large that they are incomprehensible, and it is de facto proof of how inflation is roaring! By this time, I am screaming like a banshee, a wounded banshee, a wounded banshee trying to pass a huge kidney stone in my unbounded outrage.

The next thing I know, my stupid boss is at my door, glaring at me, and I can see in her eyes that she is really pissed about something important. But since I often scream like that about the horrors of inflation in prices, I know it can't be about that, as we have already had that conversation, where I told her that if she was NOT scared out of her freaking mind about inflation in prices, then that proves she is an idiot, and I that was going to tell the board of directors what a moron she was for not being afraid of inflation in prices, and she saw that I was right.

No, I figured it had something to do with that satirical YouTube video, "Hitler Gets a Margin Call". This movie clip - still in the original German, but with newly substituted subtitles - tells the story of how Hitler is invested long gold and heavily margined, there has been a downdraft in gold, he didn't send in more money to meet a margin call, the broker sold out the position, and he was wiped out. "They have messed with the wrong guy!" Hitler says in anger. "I have friends in high places!" which is pretty funny that there is someone in a higher place than de facto, which is probably why the job appeals to me so much.

Later he laments, "All the financial advice I've paid for! The investment letters I've subscribed to! The gold conferences I've gone to! The workshops I've attended! And I still end up losing my shirt!" Sigh.

Then Hitler asks, plaintively, "Does anyone here think gold is going over \$1,000 any time soon?"

This is where I spent all day yesterday and most of the afternoon today, trying in vain to insert The Mogambo into the video, because I would have said to Hitler, "You bet your sweet nasty Nazi butt I think gold is going over \$1,000, and then \$2,000, and then higher and higher as the buying power of the dollar goes lower and lower! I mean, we are looking at almost \$1.6 trillion in new government spending over the next 36 months! The dollar is freaking toast!"

My work on this video was impeded because people kept barging in to my office, wanting to say how appropriate it is that an arrogant, overbearing, sadistic and probably homicidal creep like me would be in a video with Nazis, and so I kept trying to work some cute puppies into the script to hopefully soften that rhetoric, but I could not make anything "work", and then I'd get frustrated, and then I'd think about how the economy is really imploding, and how scared I am, and how badly I want to get my hands around the throats Christopher Cox, head of the SEC (who turned a blind eye to everything, including rampant naked shorting), Barney Frank of the House and Christopher Dodd of the Senate who had the responsibility, opportunity and authority to keep this kind of leveraged crap from happening, and, of course, Alan Greenspan, the foul bastard who, in the final analysis, did this to us.

My teeth are clenching so hard that I cannot go on, so I will turn this rant about Alan Greenspan over to Bill Fleckenstein who, in his Daily Rap newsletter, writes, "After the dust settles and people want to learn how all this dislocation became possible, let's hope that blame is placed squarely on the shoulders of Alan Greenspan (and the Fed) - for his irresponsible monetary policies, his refusal to stop bubbles that were obvious to see (because he felt he could clean up the aftermath), and his unflinching support for financial deregulation and securitization."

But as it takes "two to tango", then it is appropriate that he also mention, "Of course,

the greed, carelessness, and stupidity on Wall Street were also contributors to the mess, as were the homeowners who willingly suspended disbelief."

But the ultimate guilty party is, again, Greenspan himself, as, "without the financial nuclear weapons unleashed by Greenspan's policies, none of this tremendous turmoil would have been possible."

But then again, the tremendous gains in gold and silver that are coming would not be possible either! Making money from the stupidity of others! Whee! This investing stuff is easy!