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Love/Hate Inflationship

by The Mogambo Guru

"We love inflation and we hate inflation! So, it's a love/hate relationship! The most confusing kind! No wonder my head is spinning all the time!"

Michael Nystrom of BullNotBull.com is writing at depression2.tv, which shows how weird things are getting when he is writing at a place called "tv".

I am sure there is an explanation, but I am sure that I will miss the point even if it was explained to me, and I am already reeling under the onslaught of so many confusing things lately that I don't want to hear about it.

So I decide to send an unmistakable signal for him to start entertaining me by cleverly lowering my head to my chest and start dozing off, making these cute little snarky, snoring sounds that (so I say) resemble kittens purring.

And since everybody like kittens, then shut the hell up about my snoring, or it will prove you hate kittens.

But before I could even get started with my little pantomime, he immediately writes that the nominal Dow Industrial Average "has been in an uptrend for the last 34 years", although he does not say why the year 1974 is so particularly important to have caused such a thing, but I assume there is a reason for that, too, which I also don't want to hear about, unless it is because I graduated from college in 1973 and my genius immediately caused the 34-year uptrend, which I doubt.

Neither does he adjust the nominal prices of the Dow for inflation. Since it is my mission here on Earth to raise awareness of the effects of inflating the money supply, which, in turn, causes higher prices (which everybody seems to love) for assets like stocks (e.g. the DJIA since 1974), bonds, houses and government, and it causes higher prices (which everybody seems to hate) for consumer goods, like higher prices for food and energy.

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But it is much more than merely confusing, as it causes societal breakdown when prices have risen so much that people can no longer afford to buy all the fun stuff like they could before, and then one day they can no longer afford to buy the necessary stuff like food and shelter, and no matter how loud I must yell, it seems that idiot Earthlings will never, ever understand the inflation in the money supply makes prices go up, **JUST LIKE THAT, YOU FREAKING MORONS!**

I have been thanklessly laboring at this task of getting the Earth admitted to the Federation of Planets ever since I took the stupid job on this stupid planet after my parents accidentally crashed our flying saucer in Roswell, New Mexico in 1947.

In case you were wondering, the crash was caused by mom and dad arguing. My dad was yelling that Earthlings are the stupidest morons in the entire galaxy, and mom was

(like my own wife, family and coworkers) disagreeing with him just to disagree and be disagreeable, hateful and deliberately argumentative. Anyway, the argument escalated, something happened, and we crashed.

Well, I was young back then, and I arrogantly thought that I, thanks to my enormous talent and gigantic, extra-terrestrial intellect, would make some progress in educating the dominant life form of the planet Earth towards qualifying to join the Hyper-Galactic Federation of Planets.

The dominant life of Earth turned out to be, surprisingly, beetles, which still holds true, as far as I know, as there are a hell of a lot more beetles in the world than humans. Or anything else, for that matter.

The good news is that beetles already knew about the horrors and dangers of a fiat currency and the economic catastrophes it always entails, and that is why beetles evolved like they did, and they still, after all these billions of years, do not have a fiat currency! Amazing, but true!

I naturally figured, "Wow! This is going to be an easy gig!"

So, imagine my dismay to learn that beetles are not interested in the Federation of Planets, and only mankind, the most "intellectually evolved" of all the animal species on the planet, is interested.

Unfortunately, humans are uniquely ineligible for membership, since they are the only species that still believes in such crap as "something for nothing", which is actually defined in the Mogambo Big Book Of Economic Stuff (MBBOES) as "Fiat currency (n.): Money made of paper, or electronic entries in a computer, which is the ultimate 'something for nothing', in that the money supply expanded with money that nobody worked for, nobody earned, but somebody got to buy some things with it, artificially increasing demand for those things, making prices go up and up and up until you are screaming your guts out."

So, with reluctance, I see that duty calls. I took the plate of delicious nachos off of my lap in preparation for standing up to enlighten Mr. Nystrom about inflation.

With all the politeness that I could muster, I politely asked, "Hey! Have you adjusted for inflation?"

A careful review of the tape shows that he was nervous at my sudden question, and I notice that he kept a wary eye on my nachos, perhaps fearing that I would use them as a weapon, or maybe that he hoped to snag a little corny/cheesy snack for himself at my expense.

Whatever it was, he kept his emotions under control as he went on to explain that of COURSE he had adjusted for inflation, and that is how he knows that "the Dow measured in gold began its crash long ago, resulting in the decimation of over 75% of the Dow's real value." Yow!

So this means that the inflation-adjusted Dow is up only 25% over 34 years? Less than one-percent per year? Hahaha! And who in the hell is going to finance a retirement with

THAT kind of stupid return? Hahaha! We are so freaking doomed!