

Monetary Lab Experiments on Inflation

By [The Mogambo Guru](#)

04/17/09 Tampa Bay, Florida Bloomberg.com reports that Janet Yellen, president of the San Francisco Fed bank, says, to my complete disbelief, “For some time to come, disinflation, and even deflation, will represent greater risks than inflation.”

Of course, none of the media morons, even Fox with their vaunted “fair and balanced” reporting, made mention of my press release that read, “The Mogambo, visitor from another world with strange powers and abilities beyond those of mortal men, such as the ability to see pure, unadulterated, low-IQ, moronic lying crap when he sees it (which is pretty much all the time these days), says he is laughing his butt off at such stupidity in general, and Janet Yellen in particular, as she is the same incompetent yahoo that aided and abetted Alan Greenspan, former chairman of the satanic Federal Reserve, to get us into this mess to start with! And now she is trying to arrange a ‘less bad’ result for the USA to suffer, which is roaring inflation? Hahaha! This is insane as she is incompetent!”

To further prove that they don’t care what I think, Bloomberg goes right on and delivers “The Excuse” as to why it is “OK” that so much money is being created by the Fed and spent by the Congress, which is that “At the root of that concern is substantial and growing slack in the economy, which, according to White House chief economist Christina Romer, is operating 5 percent to 10 percent below potential.” Hahahaha!

We are in a recession, and have been for 16 months, and the economy is “operating 5 percent to 10 percent below potential”? Hahaha! No kidding? Hahahaha! Ya think so?

But the last laugh is on me, as they are clever and devious enough that they figure that this means “the economy will have to grow a percentage point above trend – reckoned by the administration to be about 2.5 percent annually – for five or more years before the slack is used up.”

Reflexively, the thought of that much inflation in prices and the sheer economic suicide as a result of deliberately overbuilding, over-producing and over-consuming, much less “for five or more years” to bizarrely try to remove all slack from the economy through heightened demand, makes me leap (“boing!”) to my feet, as I frantically shout, “Get out of my way, you ugly little trolls!” and run pell-mell to the safety of the Mogambo Bunker Of Safety (MBOS), which was kind of unfortunate in that I had to knock a couple of children out of my way to do it.

And even though I shouted back to them, “Sorry, kids!” I thought to myself that it was really their own stupid faults for standing in front of an exit when there was a grown man running at them, shouting, “Get out of my way, you ugly little trolls!”

And besides, a couple of stupid kids being knocked around a little is but an unfortunate inconsequence, a mere trifle, hardly worth talking about, compared to the continual suffering that they, their families, their parents, their friends and everyone they know is going to suffer during

the coming Hell Of Price Inflation (HOPI), a tragedy of misery that will be limited in scope and ferocity only by the imagination and vengeful anger of people whose children are starving to death, sort of like the depths of the French Revolution, or the Russian Revolution, only this time in English and without any of those pesky subtitles where if you are looking at some girl's boobs and neglect to read the dialog, you lose track of what is going on!

I know what you are thinking. You are thinking, "Why am I wasting my time reading this Stupid Mogambo Crap (SMC)?" and, "What in the hell kind of justification can there be for this kind of monetary stupidity?"

Well, it's funny that you should ask, as I have always wondered why anyone would waste their time reading SMC, and the very next sentence from the Bloomberg.com article contains the argument for destroying us with more money and credit! How handy!

The justification is that the economy will grow faster than "trend" for a long time, which means exponentially-increasing growth, so that all slack in the economy is, magically, used up, prices rise, thus deflation is averted and we are destroyed by inflation, instead! Hahaha!

Well, they don't put it like that, but they do say, "The Phillips curve – developed by economist A.W. Phillips using Keynesian concepts – posits that such excess will reduce inflation as firms stuck with idle capacity cut prices and workers facing layoffs accept smaller wage hikes." Gaaahhh! Insane!

Let's see: The money supply is increasing by an annual doubling, and yet firms are stuck with idle capacity, and workers are accepting lower wages, because they are too damned stupid to see that the economy is growing thanks to all of this unholy mountain of money inundating the world? Hahaha! Businesses and workers are stupider than I thought! Hahaha!

The fact that anyone would believe such crap makes me scream with Predictable Mogambo Outrage (PMO), which (for the first time ever!) must have done some good, because a short time later, Bloomberg followed that up with, "Not everyone at the Fed buys into that argument."

To be fair to the Federal Reserve, even though they are just a bunch of scummy, incompetent private bankers operating as government henchmen (and acting like it, too!) who do not deserve such consideration, Richmond Fed President Jeffrey Lacker says that he would be "cautious about relying on this correlation", which I figure he said instead of saying the more direct "That's stupid and you're stupid!"

And to be more fair, Laurence Meyer, a former Fed governor (and so he ought to know) admitted to Bloomberg that the Federal Reserve "is 'running a laboratory experiment' on what drives inflation: the money supply or the output gap."

The fact that we already know the answer to this experiment is what makes me stand at the window and shout at passersby that they should "Buy gold, silver and oil right now, you pedestrian morons, because your Congress is spending the 'too much money' that is being

created by the Federal Reserve just for that sinister purpose, and which will burn you alive in the painful fires of inflationary hell!

“And yes, that includes you, Jimmy, your stupid parents and your whole stupid family, too! And all your little mutant friends in second grade are doomed, too! Hahaha!

“So forget school, but instead go home and say, ‘Thanks for nothing, mom and dad, for voting for the Leftist morons all these years who have now spent us into economic destruction with the help of the evil Federal Reserve creating the excess of money and credit’, and tell them how the Nice Mogambo Man (NMM) told you that if they do not buy lots and lots of gold, silver and oil to save you all from the horrifying inflation in prices that will engulf us as a result of all of this new Federal Reserve money sloshing into the economy via government deficit-spending, then it proves that your parents hate you, and for them to remember that you are still too young to be tried as an adult!’”

I hope it does some good!