

Quantitatively Easing into a Stupid Idea

By [The Mogambo Guru](#)

03/20/09 Tampa Bay, Florida The most popular question that I get asked these days is still the perennial favorite, “Is there something wrong with you that makes you sound stupid?” (Answer: yes), but the second most popular question is, “What’s next?” to which I reply, “Time for dessert! And if not, then time for a snack of high sugar and low nutritional value of some sort! And ditto a beverage!”

Well, actually I know it is not time for dessert, and if I have a snack I will have to listen to my wife complain about how it is so close to breakfast, lunch or dinner that I will “ruin my appetite.”

So, in anticipation of getting neither a dessert nor a snack, I have been giving this “What’s next?” question some additional thought.

Thus, I have now decided that “what’s next?” is that bonds will fall in price as interest rates rise a lot, because inflation in prices will rise a lot, because the money supply will rise a lot, because the ridiculously childish and simplistic Obama administration and Democratic Congress is promising to deficit-spend a couple of trillion dollars this year, which is a lot, almost all of which will be a lot of new money created by the despicable failure known as the Federal Reserve, and just for the purpose.

Of course, nobody is listening to me, as it is nothing new, and I have been whining and complaining about this same stuff since 1991 and I have been really screaming my guts out in fear about it since 1997 when that creepy little bastard Alan Greenspan made the Federal Reserve start creating money and credit with what some could call “reckless abandon”, but which I officially refer to as “suicidal insanity that you can see by just standing up and looking around, and so how do you like your benign-sounding ‘reckless abandon’ now?”

So instead of my usual method of tightly-reasoned argument (screaming in the face of anyone who disagrees with me to silence them under an onslaught of sheer decibels, bad breath and musky bodily odors), I will save myself the trouble of such tiring histrionics and merely show them the article in the Wall Street Journal titled “Fed Treasury Purchases Debated” by Min Zeng, where we read “Treasury investors, time to fasten your seat belts.”

Now, there are many times in my life where it was good advice to fasten a seat belt, and it sounds like good advice now, too, because “With interest rates already near zero, policy makers are likely to focus their debate on unconventional measures – so-called quantitative easing – to increase the nation’s money supply and jolt the economy out of recession”!!!!

Perhaps you are one of the people who noticed the four exclamation points that I added at the end of that sentence, which are there to correctly indicate to you that this idea to increase the money supply by printing money is the Single Stupidest Idea (SSI) in the whole history of economics for the last 4,500 years, and the reason that no nation does it is because it shows a

serious mental defect in that nation's leaders, its universities, its news media, and the people themselves because it is truly, truly stupid because it is truly, truly catastrophically ruinous every time anyone has tried it.

And this is not to even mention the sheer, staggering stupidity of the term “unconventional measures”, which would seem obvious that, since they are unconventional, they don't work, because if they worked, they would be conventional!

For example, it is like when I was not having any luck getting a job and, in what seemed to be a stroke of marketing genius, I tried the “unconventional” approach, which was that I dressed for interviews like a beaver, wearing this big stupid beaver costume, to show that I was an “eager beaver” and by hiring me, they would get an industrious worker! Get it? It's unconventional! “How could it miss?” I figured!

Well, I will not get into all the sorrowful details, but wearing a beaver suit is still unconventional because it was a total flop, and I dribbled taco juice down the front of the costume and I had to pay to have it cleaned, and there was that unpleasant incident with the receptionist who wouldn't let me in and who kept screaming at me, “Is this some cruel joking reference to my big beaver?” for some reason. So I snort with scorn at “unconventional.”

And as for unconventional child-rearing, as another example, I have learned that no matter how many times you explain that you are providing a warm, safe, cozy, dark, womb-like, zero-stress environment for nap time, they still call it “locking the kids in the closet all afternoon” which it is, I suppose, technically, but the point is not the wording of the indictment, but the fact that the law says you can't lock them in there, which I did not know, and such information should have been posted on the closet door when I moved into this crap-hole apartment with the damned kids in the first place, and now I was being required to waste a lot of my Precious Mogambo Time (PMT) attending Parenting Skills Class because it wasn't.

Sharp-eyed Junior Mogambo Rangers (JMRs), are like everybody else and could not give a crap about my life, but are different from most folks as they are attuned to four exclamation points at the end of the aforementioned famous quote, “With interest rates already near zero, policy makers are likely to focus their debate on unconventional measures – so-called quantitative easing – to increase the nation's money supply and jolt the economy out of recession”!!!!

Adjusting Junior Mogambo Ranger Decoder Rings (JMRDR) to the correct setting, this phrase is revealed to be a coded message that, when properly decoded, instructs you to “Buy more gold, silver and oil, because this deficit-spending around the world means that inflation in consumer prices is going to go freaking ballistic as a result of all of this money being created, not only from \$2 trillion in deficit-spending here in America, but desperation-induced deficit-spending around the world, all horribly financed by central banks acting despicably, merrily making the money and credit to add to the money supply to carry out the despicable, deficit-spending wishes of despicable governments, and thus this whole thing is just a dinner bell going ‘Gong! Gong! Gong!’ alerting us greedy pigs to come waddling up and gobble up gold, silver and oil at prices that are so absurdly low that it makes us squeal in delight ‘Oink! Oink! Ooooooink!’” which is, thankfully, not a reference to that whole beaver thing.”

And to prove that there are a lot of JMRs out there to whom this inflation news is not news but is, rather, exactly what we have been expecting since the Austrian school of economics (Austrian Business Cycle Theory) has been fearlessly predicting exactly what we now have, Reuters.com reports that “Mints around the world say demand for gold coins has risen sharply as interest in the precious metal soars on the back of financial instability and concerns over the inflation outlook.”

In fact, even we stupid Americans seem to be getting into the act, as “The United States Mint said sales of its one-ounce American Eagle gold bullion coins rocketed to 710,000 ounces in 2008, from 140,000 ounces a year before.”

Whee! This investing stuff is easy!