

Inflation: The Economic Factor that Never Stops

By [The Mogambo Guru](#)

03/02/10 Tampa Bay, Florida – I am a guy who thinks that such huge explosions in money supplies around the world and the explosions in government deficit-spending around the world will lead to catastrophic explosions in inflation in prices, probably around the world.

I am also a guy who thinks that inflation in prices is the Thing Most Feared (TMF) in the whole world in terms of total sheer misery and suffering, judging by the entire last 4,500 years of history, except for, maybe, the plague.

Naturally, for one so dyspeptic and predisposed to paranoia because the people in charge are apparently overpaid, corrupt morons, I am visibly shaken at the news from *Bloomberg* that “The consumer-price index increased 0.2 percent for a fifth straight month, led by higher fuel costs, Labor Department figures showed today in Washington.” Yikes!

Inflation never stops! Even in a recession/depression like we have now! It’s terrifying!

Anyway, since insane levels of massive governmental deficit-spending of fiat money created by central banks is a world-wide phenomenon, there will be a massive inflation in consumer prices as a result of all of this unbelievably much new money being poured into the economy via governmental deficit-spending, and already the government is forced to report 2.6% inflation.

This is actually down from last month’s 2.7% inflation, and so immediately I get angry emails from people saying, “Dear Mogambo Stupid Head (MSH), You say that inflation is raging because of all the money that the Federal Reserve is creating, so how do you explain *Bloomberg* reporting ‘Excluding energy and food, the so-called core index unexpectedly fell 0.1 percent, reflecting a drop in new-car prices, clothing and shelter’? You can’t explain it because you are stupid and you are wrong and everybody hates you! Sincerely, Anonymous Reader.”

Well, as nice as it is to hear from my sister like that, it is doubly enjoyable this time because she is so wrong that I rate her as one who “has her own head up her own nasty butt” and I can hardly wait until Thanksgiving when everybody will be around the table and I can remind her of that ugly fact, getting back at her for what she said about me last year, by reminding her that she is so stupid (audience shouts out, “How stupid, Marvelous Manly Mogambo (MMM)?”) that she forgot to read farther into the article to learn that costs are being held down because “Even with higher production and material costs, US companies are reluctant to pass on the expenses to consumers”, which includes Wal-Mart, “the world’s largest retailer”, which “reported fourth-quarter sales that trailed its projection after cutting grocery and electronic prices” which, in a nutshell, explains why I am now screaming, “Inflation is here, you morons! It’s being temporarily absorbed by businesses and their stockholders making less money, and sometimes taking losses!”

That ought to shut her up pretty good, I figure, and if not, then I'll scream at her until she confesses that she did not consider that the government now uses Hedonic Measurements of inflation, such as how that the turkey she is jamming into her pie-hole used to start getting stale and dried-out after a week or so in the refrigerator. But now, perhaps with the addition of small amounts of preservatives as part of a secret government experiment involving adding tiny little bits of nuclear waste during processing to produce enough radioactivity to kill all organisms that touch it, the leftover turkey will be just as tender and delicious a year from now as it is today!

Maybe even glowing, so you can make a sandwich in the dark!

This increased shelf life of the cooked turkey obviously increases the value of the turkey tremendously, and it also helps to deplete the nation's nagging problem of its stockpile of dangerous, clumsy and expensive-to-store nuclear waste, producing a double benefit! Double!

Thus, the government calculates that the new, extra benefits of having turkey available for consumption for more days of the year (which is not a problem for my sister since she seems to be eager to eat lots of food, and she'll probably finish the turkey carcass off pretty quick!), and simultaneously achieving a profound social good of disposing of dangerous radioactive waste, means that the turkey can never go up in price! Only the rising price of the new benefits makes it LOOK like it, because it costs more dollars per pound! Hahaha!

I am sure that she will come back with some of her stupid blah blah blah, but no matter what she says before I interrupt her, I am going to tell her that, even worse, the Labor Department report went on to say that "The CPI is the broadest of the three monthly price gauges from the Labor Department because it includes goods and services", which was put in there to make you yawn and skip over the part that said that prices "showed 1.4 percent gains in both the cost of imported goods and wholesale prices in January"! Wowser!

As I said, inflation is the only thing that makes sense when considering such unbelievable, incomprehensibly massive increases in government borrowing-and-spending, overshadowed only by the enormous increases of money created by the Federal Reserve, and which makes sense since every doofus in town is yammering about how "inflation is impossible" and how "deflation is the bigger problem" since deflation means that the over-indebted middle class, the over-leveraged rich, the bloated financial services industry and the socialist government would lose, while inflation would affect mostly the poor, which are always the ultimate victim.

My suggestion to the poor? Buy gold, silver and oil immediately, because they will all rise right along with inflation, and probably more. Probably a lot more!

And if you don't think that "the poor" today, after a half century of one bleeding-heart Congress after another finding ways to give them money and benefits, cannot come up with twenty bucks a month to buy an ounce of silver, then you don't know squat about "the poor" in America today.

My suggestion to everyone else? Surprise! It's the same! That makes it easy to remember, as in, "Whee! This investing stuff is easy!"

