

Money Creation and Price Inflation Cause Justified Paranoia

By [The Mogambo Guru](#)

11/09/10 Tampa, Florida – I have to admit that I am getting so jaded by the horrific monetary and fiscal insanities of the Federal Reserve and the Congress that new horrific fiscal and monetary insanities seem to now sort of “bounce off” my numbed senses.

I also seem to be more hypersensitive these days, which may or may not be associated with Mogambo Hysterical Syndrome (MHS), a tragic condition where the sufferer of MHS has the terrifying mental stress of carrying foretold knowledge of the certain economic doom of price inflation as a result of the creation of too much money, especially when used to fund the expansion of the welfare-and-government/bread-and-circuses state that the American economy has become.

Sufferers of the tragedy of MHS, in case you were wondering, instinctively buy gold, silver, guns, good grub and build some kind of weird Mogambo Last Line Of Retreat (MLLOR) bunker out of, for example, sofa cushions, or perhaps steel-reinforced concrete bristling with surveillance gear and large-caliber weaponry.

Parenthetically, bunkers of MLLOR class do not have cannons around my neighborhood, as it seems to be impossible to get a zoning variance to install an anti-aircraft cannon, even though I carefully explained to them, Occam’s Razor-like, “Invisible helicopters and flying saucers from outer space invading the Earth are not going to shoot themselves down, you morons!”

But after a while you get a kind of “permanent stunned” feeling, like hearing my family telling me, for the thousandth time, that “normal” husbands and fathers do not have nightmares about devouring inflation in prices that will be caused by the Federal Reserve creating so, so many new dollars, particularly so that the insane Obama administration can deficit-spend us into a Devouring Hellhole Of Un-Payable Debt (DHOUPD) to support a gigantic welfare-state that is spending half of GDP!

And I am absolutely sick of hearing how “normal husbands and fathers” are not forcing their families to skimp and scrape, hoarding every dime like Scrooge-like misers so that I can feverishly invest as much money as I possibly, possibly can into gold, silver and oil as fearful protection against the foul Federal Reserve creating so much new money that terrifying inflation in prices is, as we professionals say in official economics jargon, Guaran-Freaking-Teed (GFT).

Now, however, their unkind words bounce off of me, and I sit around a lot, watching TV in a kind of catatonic stupefaction and in my underwear so that the kids will be too grossed-out to stay in the same room with me.

But suddenly, alone and benumbed as I am, something stirs inside me at the scary fact that the Gross Domestic Product Deflator for the 3rd quarter came out as 2.3%, which is inflation of 2.3%, which is up from the 1.9% of the 2nd quarter!

The cynical, hysterical pessimist in me immediately computes the percentage change, and finds that the rate of inflation increased by 21% in one quarter! Gaaahhh!

Of course, the screaming in fear aside, the statistic is virtually meaningless, but not completely, as it is obviously indicative of trend, and by the way that my heart is pounding, pounding, pounding at rising inflation we also know that a 2.3% GDP deflator is a lot in an economy that has its GDP growing at only 2%! Gaaahhh!

In short, prices are rising faster than the economy is growing, a horror hinted at by the second use of “Gaaahhh!” a word used to indicate a blood-curdling scream of horror.

And it is by this that you can identify the people who do NOT own gold, silver and oil, as they are the ones saying “Gaaahhh! We’re Freaking Doomed (WFD)!”

And it is also by this that you can identify the people who DO own gold, silver and oil, as they are ones saying, “Whee! This investing stuff is easy!”