

Price Stability Not a Fed Priority

By [The Mogambo Guru](#)

07/27/10 Tampa, Florida – I knew the instant that I read the article’s title, “Fed Nominees Seek Economic Boost” in *The Wall Street Journal*, that I was probably going to be outraged and end up screaming a fearful and angry Mogambo Howl Of Anger (MHOA).

It was, alas, a feeling of doom that soon gave way to stark fear when I saw that the accompanying photo was captioned “Fed nominees – Janet Yellen, Peter Diamond and Sarah Bloom Raskin – at a Senate hearing Thursday.”

I am already petrified of this Yellen woman and the horrifying things that she has said over the years, and probably done, for all I know, and maybe far worse than even I expect. In fact, I am so distrustful of the “sacrificing the minority to benefit the majority” insanity that I am sure that they would have no qualms about killing all the first-born sons if it meant a higher standard of living for the remaining population, a proud tradition she perpetuates when she embarrasses herself by testifying, “Over the next few years, the Fed must craft policies that ensure that our economy accelerates its progress along the recovery path it has begun to trace.” Yikes!

Because I was paying so much attention to my sudden crushing chest pains and my left arm going numb at what she said, and the fearful inflationary implications thereof, I was not sure if my hands were shaking at the prospect of the Fed creating enough money to “ensure that our economy accelerates.”

So I stood up, raised my hands and loudly asked, “Hey! Are my hands shaking?”

Well, almost everyone said something rude along the lines of, “Shut up, you creepy little weirdo” or, “Hey! I’m on the phone here, moron!” but a few acknowledged that, yes, my hands were shaking.

So I said, “Of course my hands are shaking, you morons! Yours should be, too, when you read about the staggering amount of money and credit that the Federal Reserve is willing to create, according to this horrid woman, which is sufficient to be deemed ‘all the help that the Fed can provide over the coming year,’ which is a truly terrifying thing for those of us who fear the terrible miseries of inflation in consumer prices that such monstrous inflation in the money supply will bring!”

Well, everyone went back to work, most of them shaking their heads and muttering under their breath, so I went back to reading the article, and saw that Ms. Yellen apparently mentioned something along the lines of, “the Fed achieved price stability for a generation,” which made me want to laugh, and would have, too, if I wasn’t so angry that I was grinding my teeth together so hard that sparks were flying out of my mouth.

So, to distract myself, I looked up the definition of “generation” and found that a “generation” is 30 years, which really, REALLY makes me want to laugh that Ms. Yellen would be so boldly, so brazenly, so bereft of brains that she would DARE say that the Fed has achieved price stability for 30 years!

Even the Bureau of Labor Statistics calculator shows that \$1 in 1980, 30 years ago, had the buying power of \$2.65 today! That’s 3.3% a year, compounding for 30 years, for crying out loud!

As Exhibit A in my persecution of Ms. Yellen, according to thepeoplehistory.com, “In 1980 the average cost of new car was \$7,210.00,” and now the average cost of a new car in the United States is \$28,400, according to the National Automobile Dealers Association.

I apologize for bringing up the cost of cars because you and I both know that the car we really, really want is not an “average car” that costs \$28,400, but one that costs at least \$75,000, and usually more, lots more. Of course, we can’t afford either of them, like we are some kind of big-shots who could even afford the insurance on a snazzy ride like that, which we find, after careful research, that we could actually swing if the spouse left and took all the kids, vowing never to return, but who kept paying the mortgage!

Then you realize that THAT sure ain’t gonna happen, either, and this is just one MORE thing to be angry about, as if you didn’t already have enough heavy crosses to bear.

Well, peoplehistory.com also notes, probably as Exhibit B, that “From Our 80s Price of Food Section,” milk was 85 cents a 1/2 gallon, while I easily find that the average price for a half-gallon today is \$2.06.

So, Ms. Yellen, price stability? Hahaha! A stable currency? Hahahaha! Isn’t the expressed mission of the Federal Reserve to provide a stable currency? Hahaha! I laugh at you! This is outrageous inflation!

Again, the more frightened and enlightened among us scream in dismay in the dark, dank dismay of doom and destruction, where all we have is a depreciating currency and gratuitous use of alliteration, meaning higher prices day after day, and month after month, and year after year, and decade after decade, each of them filled with people suffering because their incomes did not rise as much as inflation in prices because they were old, young, infirm, ignorant or just plain lazy, or otherwise had nothing to offer with which to bargain for higher incomes to offset inflation in prices.

So congratulations to the horrid Federal Reserve, and congratulations Ms. Yellen, for inflicting continuous financial pain on the population, despite the fact that the freaking mission of the Federal Reserve is to preserve the stability of the buying power of the dollar. Hahaha! Failures all!

So while everything else was a crappy investment that barely broke even in nominal terms, they were dismal failures when adjusting for inflation, although you might happily note that buying

gold and silver were fabulous investment decisions over the last 30 years, and for the 2,500 years before that, too!

And, I might add, just like right now. This amazing, wonderful consistency of precious metals makes investing so easy that you cannot stop yourself from happily laughing and clapping your hands together, saying, “Whee! This investing stuff is easy!”