

Rounding Up the Culprits of Rising Prices

By [The Mogambo Guru](#)

08/31/10 Tampa, Florida – From Bloomberg.com we get the bad news that “Bank of England Governor Mervyn King said inflation is likely to exceed the UK government’s upper 3% limit in coming months as higher sales taxes drive gains in consumer prices,” which “rose 3.1% in July from a year earlier after climbing 3.2% in June.”

Apparently, he has to write a letter about it, probably something along the lines of “Dear British taxpayer, Our stupidity and incompetence have caused prices to rise more than 3% in a year, which means you are all doomed unless we government lowlife halfwits stop being incompetent, especially as regards monetary policy in general and creating far too much new money in particular, which we won’t. Terribly sorry, old chap. Respectfully yours, Mervyn.”

Of course, this cruel punishment of having to write a letter is harsher than the justice meted out in the USA, as New Jersey, and everybody connected with their pension disgrace, lied, hid relevant information and data, and is, according to the SEC, being charged with the fraud and corruptions of “withholding and misrepresenting pertinent information about its financial situation” so that municipal bond sales could continue.

Actually, in the UK, their consumer price index (CPI) rose at an annual rate of a scary 3.1% in July, which was only down from a slightly-scarier 3.2% rise in prices in June.

And inflation in something called the retail price index (RPI) came in at a terrifying 4.8% annual rate of increase! Yikes!

Here in the USA, according to *The New York Post* reporting a “recent JPMorgan Chase study” of prices at Wal-Mart showed that “the world’s largest retailer has raised prices by nearly 6% on average over the past six weeks,” and, “Prices on certain items increased by more than half,” which is an instant inflation rate of 50%, which all thinking people agree is a lot of inflation! Wow!

Now, if you are like me, then you are already calling for rough vigilante justice and/or some mindless, merciless mob rule, an obviously hysterical over-reaction when compared to saner heads saying to simply let the justice system take care of these government and Federal Reserve creeps, and they will all be found guilty and locked away in a dark and dank dungeon for the rest of their lives, and you can go to the prison on visiting day and laugh at them and make fun of them right to their snotty faces, and tell them how much you enjoy seeing them slowly rotting in prison as punishment for having caused so much suffering and misery with their greedy, self-serving arrogant treachery.

So, we all finally agreed that they would let me up from being pinned rudely to the ground if I agreed not to advocate open revolution, rebellion of any kind, mob rule, vigilante justice, or have

anything to do with any extra-legal “rounding up” of any, or all, of these malfeasant monsters for any punishment, well-deserved or not.

They, in turn, were required to stipulate that this Whole Stinking Mess (WSM) was proof of how justified I was in having so little faith in a lying, moronic, rat’s nest of incestuous government thievery and lying.

So, what happened to these lying, thieving Jersey scumbags who ripped us off? According to [Ian Mathias](#), in his essay [“Another Warning Shot for Bond Investors”](#) here at *The Daily Reckoning*, “the penalty for this outright fraud” is “Nothing.”

In fact, “The State of New Jersey will pay the SEC precisely zero dollars. Not one state employee will pay a fine either, or go to jail...not even lose his job. In fact, the State didn’t even have to admit wrongdoing. ‘New Jersey agreed to settle the case without admitting or denying the SEC’s findings,’ calmly explains the SEC press release.”

About this time my fists clenched into Mogambo Fists Of Rage And Outrage (MFORAO), and I am screaming obscenities at them, and curses upon them, and exhorting the excitable gathering crowd to do the same and then converge on Washington, DC to take over the US government in some spontaneous revolutionary rebellion, whereupon everybody agrees to place me, The Fabulous Mogambo (TFM), on the Throne Of Absolute Dictatorial Power (TOADP), and thus begin the wonderful reign of the Fabulous Emperor Mogambo (FEM)!

This is where I bring back gold and silver as the currency of the United States to fix the dollar’s value to the only tangible things that have survived 4,500 continuous years of history, explaining their required use as money as written in the Constitution of the United States, and I will be a true American hero, and everyone will love me and proudly name their children Mogambo, a proud name meaning, “The wise and handsome one, and hung like a horse” instead of meaning, you know, other stuff not as complimentary.

After doing that, I would probably have lunch, and maybe a nice nap. Then, when I got up, I would eliminate, at a stroke, all barriers to real entrepreneurial free-market capitalism that don’t address actual criminal frauds and corruptions, setting us on the road, at last, to Utopia.

The closest I can come to providing a parallel is in the movie *It’s a Wonderful Life* when Jimmy Stewart returns to Bedford Falls after Clarence the Angel gives him his wish to have “never been born.” Jimmy discovers that the town has turned into Pottersville, where the previously sedate downtown area is now a hoppin’ and boppin’, be-boppin’ thriving community, where one finds blaring marquees advertising “Girls Girls! Girls!”, all in a fun-loving, laughing, whirling, jazz-crazed, alcohol-fueled boomtown extravaganza of “party down, dudes and dudettes!”

I will not get into criticizing Jimmy Stewart when he finds out he is not married anymore, since he had never been born, and he gets weird about it (“Mary! Mary!”), instead of saying “Yippee!” and happily heading back to the party, hopefully to run into Violet, and I will stick, instead, strictly to economics.

From a research standpoint, I had been hoping that there was something in the official records of Pottersville that would indicate the conditions of the local economy under the wise stewardship of Mr. Potter lending money for capital equipment to satisfy real demand, instead of the previously lackluster economy of crumbling Bedford Falls, where the Savings and Loan was apparently so broke that they had all Sam's money in Joe's house, and Sam said to Joe, "What are you doing with my money in your house, you moron?" and Joe said, "Who you calling a moron, you ugly little snot?" and there was a big fight, all of which was later completely edited out of the movie, which explains why not many people know about this ugly part of the story.

The point is that the people affected by my wholesale slicing of the government payrolls and paring of the list of Pottersville government parasites would be employed as new-hires by new private businesses, new industries springing up as solid, demand-led growth, and hired as part of a brave new economic tomorrow of zero inflation, higher quality goods and services with lower prices, thus raising the standard of living for everyone, which is the gift of the free market. Whee!

Well, it turns out that official records of Pottersville are, mysteriously, missing, and there is constant denial at all levels of government, where most of their "official government policy" is summarized as, "It was only a movie, you nitwit! They made it all up! There is no Pottersville, and there never was! What in the hell is wrong with you that you keep calling us up and asking this stupid question all the time?"

So, it looks like the truth will never be known, so my advice is to keep buying gold, silver and oil until it all gets sorted out, one way or the other. By that I mean, of course, that one way is to end badly, and the other way is to end very badly.

Except if you are buying gold, silver and oil today, because then it will all end happily for you, and you will say to your son Mogambo Junior, "Whee! That investing stuff was easy!"