

The Madness of Inflating Away the Debt Burden

By [The Mogambo Guru](#)

11/19/10 Tampa, Florida – I get really tired of hearing how “inflation reduces the burden of debt,” which I say is a Gigantic Load Of Hooey (GLOH). And the fact that I say it with a loud, arrogant voice should convince you that I am absolutely correct, beyond the fact that I am obviously some kind of weirdo lunatic in a manic phase of some kind, in which case it would be dangerous to disagree with me about anything.

You can tell that I am scornfully dismissive of anybody who says that “inflation reduces the burden of debt,” because such a scheme only works for a debtor whose income keeps up with inflation AND who pays down the old debts with cash.

Otherwise, I can't imagine how it would work, and nobody has ever explained it to me, as I would really, really, really like to know how I can borrow money at 5%, and then “reduce the burden of my debt” by borrowing money at 10% (interest rates having gone up in response to the inflation) to pay off the 5% debt just because inflation is high! Wow! Must be part of the “new math”!

The reason I want to know is that my measly little paycheck barely covers subsistence living anymore, and my job is hanging by a thread due to the embarrassing fact that I am an incompetent, untrustworthy, arrogant, gold-bug, gun-nut, Austrian Business-Cycle Theorist, paranoid, greedy, lazy lunatic who is always taking company time to bellyache about how “We're Freaking Doomed (WFD)!” to be destroyed by inflation since the foul, filthy, fetid Federal Reserve is outrageously creating so (pause) much (pause) freaking (pause) money.

This point was brought home to me in my last Quarterly Employee Evaluation at work, which ended up with me being put back on Probationary Status and having my name tag taken away from me. Now I am again known as a lowly “Trainee.”

The reason is that they have video evidence, thanks to the new security surveillance system they installed, that I seldom actually work, and am usually walking around, urging everyone to buy gold, silver and oil, sometimes adding emphasis by running up and down the hallways yelling about how the Federal Reserve creating so much money so that the odious Obama administration can deficit-spend ridiculously excessive amounts of money, like the video tape segment showing me staggering up the hallway outside my stupid little office, yelling, “We're freaking doomed!” and obviously drunk as a skunk.

The Human Resources department has transcribed what I said, which is, “We're freaking doomed! Buy gold, silver and oil stocks, you morons! Buy gold and silver, or you and your precious fiat dollars will be destroyed by inflation caused by the Federal Reserve creating so much excess fiat money, and soon prices will rise so high that you will be destroyed, and your

poor starving children will curse you for their poverty and their suffering as you all scratch around in the dirt, desperately looking for tasty bugs and weeds to eat, and as I curse you now for your stupidity and your idiotic leftist proclivities to constantly elect a corrupt government that spends its considerable time coming up with new ways of redistributing money, goods and services, and then deficit-spending \$14 trillion more when even that mountain of money proves insufficient, to more and more people in a laughable leftist effort to achieve equal outcomes, and regulating out of existence the very business enterprises that can make enough profit to pay the damned taxes necessary to have such a nanny state! It's insane! We're Freaking Doomed! WFD! Do you hear me, you morons? WFD!"

In my own defense, I thought it was pretty coherent and completely correct reasoning, despite the slurring of words and the falling onto the walls, and I so suggested that it indicated a certain sobriety.

So I asked that the phrase "drunken oaf" be stricken from the narrative in my permanent record, but they just smiled at me and said, "We don't operate that way."

Then I pointed out that my instructional and entertaining episode cleverly morphed into me imitating an airplane, as evidenced by the video showing me holding out my arms like the wings of a jet airplane, swooping and turning and shooting machinegun bullets "dadadadadadada!" some of which ricocheted with a "Tea-oo! Tee-oo!" sound.

Obviously, imitating a strafing airplane made a lot of logical sense, again indicating my sobriety, as it is the perfect metaphor in respect to my argument that the Federal Reserve and the government are foul, thieving, lying, greedy, corrupt demons from hell who have destroyed this country, the former by creating too, too much money and the latter for deficit-spending it, and for which they each deserve the same fate as King Kong.

Unfortunately, the incriminating videos and my poor showing on the recent Employee Performance Statistical Analysis is what the Human Resources department and my stupid boss wanted to talk about, yammer, yammer, yammer, and I never got a chance to ask them, "How does inflation reduce the burden of your debt?"

Instead, I was forced to merely ponder the mystery of "inflation reducing the burden of debt" as they talked and talked, and pointed out things to each other on different pieces of paper, and every time they stopped talking, I solemnly nodded my head, and then they went on talking again.

Anyway, I never solved the mystery of how inflation reduces the burden of debt, although I am still sure that anyone who thinks otherwise is a real, first-class moron.

But probably not the kind of moron who appreciates the Mogambo Investment Guidelines For Morons (MIGFM), a terrific plan which was designed for utter simplicity and complete lack of decision-making, explaining the MIGFM slogan, "Designed by a moron for morons!"

The utter simplicity is to buy gold, silver and oil when the money supply is being increased by the Federal Reserve merely creating it out of thin air, and doubly so when the federal government was deficit-spending it, and triply so when the Federal Reserve itself is using the money it created to buy the Treasury debt that needs to be bought so that the federal government can deficit-spend it.

It's so simple that we morons, in our childish delight, say, "Whee! This investing stuff is easy!"