

Total Fed Credit Takes Credit for Inflationary Nightmares

By [The Mogambo Guru](#)

05/27/10 Tampa, Florida – I was having another nightmare about how the inflation in consumer prices that is guaranteed by the Federal Reserve creating so much money (so that the loathsome Obama administration can borrow and spend it) was some kind of weird replay of *The Lord of the Flies*, which seems kind of odd since I haven't read, or thought about, that book since the '60s when I was required to read it for English class, and I really don't remember much about it except that there was a pig (which I assume was a metaphor for the Federal Reserve), and everyone reverted to acting like tribal savages, killing each other in gruesome fashion, which I assume was because inflation in prices was raging across the island and food cost so much that everybody was starving, which would explain angry people killing each other! Hey! This economics stuff is easy!

I don't remember my teacher stressing this obvious metaphor, although, now that we are suffering due to the utter failure of the Federal Reserve, maybe he should have!

So, there I was in bed, tossing and turning, screaming in my sleep, yelling, "No! No! No!" when my wife suddenly jabbed her elbow in my side hard enough to rudely wake me up and/or crack a rib, and yelled, "That's enough! Go sleep in your Stupid Mogambo Bunker (SMB)!"

Dejectedly, I trudged out into the night to the SMB with my pillow in one hand and my teddy bear in the other. As I approached the door, I was suddenly aware that I could faintly hear, through the walls, the Mogambo Fed Alarm (MFA) ringing its little heart out, going "clang, clang, clang!" whereupon my heart started going "clang, clang, clang!" too, and I was scared, really scared, and I hugged my teddy bear close to me for comfort.

The security system asked for a Secret Mogambo Code (SMC) to open the blast-proof door, and my trembling finger entered 1-27-1756 (Mozart's birthday). As the door swung open, I raced to the Mogambo Fed Alarm (MFA) to see, you know, what in the hell was happening, clang, clang, clang!

Well, I got shooting pains across my chest and my left arm went numb when I saw that the Federal Reserve had increased Total Fed Credit last week by a whopping \$28.8 billion! In One Freaking Week (OFW)! Clang, clang, clang indeed!

Usually, this Fed Credit is pumped into the banks, giving them the power to loan almost 100 times this money, or a 1,000 times the money, or a zillion times the money (thanks to the fraud of fractional-reserve banking gone crazy). This time, however, they used most of the money to buy up (thus monetizing!) \$23 billion in debt! Gaaahhh!

I don't know what it is that the Federal Reserve bought with \$23 billion in one week, and I would not believe them even if they told me, mostly because the government has been caught, like Obama, lying, lying, lying to me so long, about so many things, but which I suspect is mostly just another \$23 billion of worthless bank debt gone bad and is threatening to drag another bunch of butthead banks into bankruptcy.

My teddy bear looked into my eyes and solicitously said, "You need something to calm down! Take a handful of those pills your doctor is always badgering to you take, and wash it down with something cool and soothing! Like tequila!"

Always ready to take such good advice, I did it, only to discover that taking a long, hard pull on a bottle of cheap, rot-gut tequila is neither "cool" nor "refreshing" which only shows how little teddy bears know about real life, I suppose, and what an idiot I was for listening to him.

So, my throat burning, gagging and gasping for air, I decided that the better route was to look at some other statistical facts and figures, perhaps to find some glimmer of hope that we are not, as I so often say, "Freaking doomed!"

My hopes were not realized, as I immediately saw that the monetary base jumped up to \$2.02 trillion from \$1.97 trillion last week, too!

Suddenly, with the dangerous direction that the money supply is going, thanks to the Federal Reserve creating so much of it, my brain recoiled in horror and spasmed painfully as I remembered that horrendous inflation in consumer prices is guaranteed by such a huge increase in the money stock.

My mind, in some kind of weird escape-from-reality limbo, was swamped with more visions of flies ("buzz, buzz, buzz!") and people killing each other ("whack, whack, whack!") to keep from starving to death ("Let's go out for pizza!"), and then I remembered that owning gold, silver and oil will protect me! Whew!

Instantly, with this to hold onto, I was back in the real world, and there were not yet any flies, and there were not yet any people killing each other, and there were not yet any people starving because the price of food keeps going higher and higher as the Federal Reserve keeps creating money and the federal government keeps spending the money to help people cope with the higher prices of food which makes the price of food go higher.

And so while there is still time before the collapse because of the madness in government and the Federal Reserve, there is also plenty of time to accumulate the sanity of gold, silver and oil. Whee! This investing stuff is easy!