

# Scary Halloween Time

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The horror of our economic situation is, for some weird reason, made even more terrifying on Halloween, when the little darlings from the neighborhood come to the door with their annual "Trick or Treat" tomfoolery, knowing that it is going to cost me money.

I find that I can no longer frighten them away by popping up with the usual scary masks, fangs, fake blood, or even screaming at them at the top of my lungs, my face bent down to theirs, nose to nose, "You're going to die! Die! You and your parents will die horrible, painful, lingering deaths because the evil Federal Reserve is creating so much money that it will cause so much inflation in prices that you will all starve to death! Have some candy! Happy Halloween!"

This year, I decided that I was becoming stale. That is why, this year, I greeted them by saying "Happy Halloween! Have some candy! Eat up! Enjoy it while you can, kids, and eat all this yummy candy to make yourself fat and sweet because your parents will soon have to kill you, probably while you are sleeping, and then use big, sharp knives to cut out your bones and organs to sell on the black market, and then cut up what's left of you into little pieces before they cook you. And then they will eat you, maybe topped with some tangy barbeque sauce made out of your congealed blood sautéed in butter with some minced onion, brown sugar, maybe a little mustard, salt and freshly-ground pepper to taste, topped with a festive sprig of fresh parsley, all because the prices of food, and the prices of everything else, are so high that they cannot afford to buy regular food! Fatten up, kids!"

As I am dishing out handfuls Halloween candy to each of the kids, I continued in Fine Mogambo Style (FMS), loudly yelling at the kids anew, asking "And you want to know why? Huh? You want to know why you are going to be killed and made into hamburgers? It's because the evil Federal Reserve is creating so terrifyingly much money, and thus creating horrifying, murderous inflation in prices. And they are doing it to -- incredibly! -- allow the corrupt, insane federal government to give money to literally half the population by irresponsibly deficit-spending the equivalent of a full 10% of the Whole Freaking Economy (WFE), and, in the process, racking up insane, suffocating amounts of painful, bankrupting debt that cannot possibly be repaid!"

By this time, out of the corner of my eye, I can see the concerned parents are no longer patiently waiting in the street, but are coming up to see why I am yelling at their kids and the other trick-or-treaters, making them scream and cry, but still wanting for me to give them more candy, the greedy little beggars.

The parents call out anxiously "Angela! Are you okay? Why are you crying?", and "Jimmy, get away from the creepy, horrible man!"

Immediately sensing that they are nervous and distressed, I soothingly tell the concerned parents "Of course they are okay, you lowlife morons! They are crying in fear because they have seen the ugly future, a destroyed, nasty, barbaric world after an insane Federal Reserve has created untold more trillions and trillions of dollars in new money and debt, until the buying power of the massively over-produced dollars falls to zero. And it scares them, as it should!"

Keeping the kids carefully herded into a tight group standing between me and their strangely-and-suddenly angry parents descending upon me, I quickly explained "I was just trying to help your children learn to buy gold, silver and oil to capitalize on the inflationary horror destined to devour them, since you seem to be too stupid to understand any of it!"

Then, surprisingly, one of them yells out "If you are so smart, how come the velocity of money is going down?" Well, I gotta tell ya, I was pretty astonished at this odd turn of events!

And so was everyone else, apparently, as suddenly everything got very quiet, and everyone was looking right at me.

Well, of course, the reason is that the velocity of money is merely a plug figure, equal to GDP divided by the money supply. This comes from the famous Fisher equation where the Price of things sold, times Quantity of things sold, equals Money supply times the Velocity of money (turnover in financing transactions), or, more familiarly,  $PQ = MV$ .

Since PQ is essentially the Gross Domestic Product (GDP), the idle calculation of velocity of money is made simplistically easy by simply dividing the money supply into GDP, which are two readily-available figures, thus perhaps explaining its popularity.

In general, when the denominator (Money supply) goes up faster than the numerator (Price times Quantity sold, or GDP), the calculation of Velocity will, by simple arithmetic, go down, and when things are vice-versa, vice-versa.

In this case, though, the question seemed apt, though the Halloween setting seemed odd, as the Money supply is undeniably rising rapidly, making Velocity go down, but Prices are obviously rising, making Velocity go up, and Quantity sold is disastrously going down, making Velocity go down.

But remember: Velocity is the result of three variables, and velocity could be rising (a supposedly good sign) although Prices were exploding upward (a bad economic sign) and the Money supply was rising (another bad economic sign) if Quantity sold was actually falling (a very bad economic sign).

With all due respect to the singer Meatloaf and his immortal song, maybe two out of three ain't bad, but not so when zero out of three is, without a doubt, bad.

So I answered, in that strangely cryptic, monotonic, robotic way that visitors from other planets have when addressing Earthling carbon-units, "Velocity has fallen because the ratio of the numerator to the denominator went down. Surrender, Earthlings. Resistance is futile."

I expected, if not a suddenly-enlightened crowd cheering and shouting my praises for my illuminating insight in interpreting  $PQ=MV$ , at least a brief smattering of polite applause for my pithy profundity.

Well, there MAY have been some of that, but it was drowned out by shouts of "You're crazy!" and "Quit trying to look up my wife's skirt!" and "Burn him and take all his candy!"

At least, I THINK that is what they were saying, because by that time I have scurried off, safe and sound inside the Fabulous, Fully-Fortified Mogambo Bunker (FFFMB), and all I hear is muffled voices through the thick walls.

In the sudden silent solitude, I realized that the kids got the candy treat, referred to in "Trick or Treat," but their moron parents got the trick, in that I did not get a chance to tell them to frantically buy gold, silver and oil to prevent their looming and dooming calamity.

But, then again, they would not have listened. They never do. That's the way it is with most Earthlings.

Happy Halloween, doomed carbon units.