

Dumb Wookie Morons

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By: The Mogambo Guru

I emerged into the sunshine, my eyes wincing in the sudden light. I had been in the Mogambo Bunker Of Solitude (MBOS), named, of course, after Superman's Fortress of Solitude, figuring "Hey! It worked for him Why not me, too?"

I mean, did you ever hear of Superman's house being robbed, or being overrun by armies of desperate, bankrupted, murderous idiots who thought that a government deficit-spending massive sums of fiat currency to provide a vast welfare state wouldn't produce ruinous inflation and complete economic ruin, like what is happening to us right now, like it has happened to every other idiot country in history that tried this stupid crap? Of course not!

And, besides, it was getting pretty noisy down there in that bunker, what with all the economic seismographs going crazy and the shrieking monetary alarms all making a lot of noise, clickity clack, gong gong gong, honk honk, ahh-oogah, making the unbearableness of it all more nerve-racking.

Mostly, beyond being completely freaked out about the economic situation, I was distressed by reports showing GDP amazingly going up, although by a still-lethargic 2.5 percent annual rate, to almost exactly \$16 trillion, and that price inflation (CPI-U) was amazingly only being reported as 2.1 percent.

The ugly reality, and the reason for my prolonged stay in the Mogambo Bunker Of Solitude (MBOS) in the first place cringing in terror, is that price inflation in the necessities of life, as reported by other researchers, is actually, and horrifically, running at over 8 percent, and thus the raw GDP number would have to be deflated by 8 percent instead of the laughable 2.1 percent reported by the government.

This would make, horror of horrors, GDP fall. A lot!

And, of course, also bugging me is the Big Economic Horror (BEH) of the foul Federal Reserve actually monetizing government debt by creating massive, monstrous mounds of moolah, currently running at about \$1.5 trillion a year, which is guaranteed to produce price inflation, first in some things, then in most things, and then in all things.

Thus, if you are as intelligent as you look, you can tell by the expression of abject fear on my face and the way my hands are knotted into tight little bloodless fists, so that it is almost impossible to type, that the economy is actually shrinking at an alarming rate and price inflation is roaring, which certainly helps to explain my screaming outrage and hysterical paranoid lunacy.

And the real reason that the economy is in the dumpster is that, in the first quarter, real per capita disposable income fell – fell! – at a 5.9 percent annualized rate, which was already adjusted downward by the aforementioned and still under-reported 2.1 percent inflation rate, instead of being collapsed by 8 percent inflation, which is a terrifying number that makes you go “We’re Freaking Doomed (WFD)!”

And it also explains the steep collapse in the velocity of money (the number of times per year that each dollar is involved in a transaction), which is, thus, merely equal to GDP divided by the money supply.

In short (which by “in short” I mean that I want stop here so that I can get back to my bunker, lock myself in, strap on some large-caliber armaments and have a microwave burrito while cowering behind the couch like some frightened feral animal, and maybe watch the Golf Channel), we have the twin terrors of a falling GDP in the numerator of velocity, and a massive increase in the denominator (the money supply) of it, making the velocity statistic ominously fall.

This should, by all rights, be a boom time for gold and silver, their prices soaring, people rejoicing and raising huzzahs to the sky, happily shouting “The Wonderful Magnificent Mogambo (WMM) was right to call us dumb Wookie morons if we did not buy gold and silver!”

Yet, alas, the recent big selloff in silver and gold lately has people suddenly asking me all kinds of impertinent questions, such as “Are you going to return my lawnmower that you borrowed, or not, you ungrateful little turd?”, and, of course, the inevitable questions about the aforementioned gold and silver selloff, like “Why is this happening, you worthless piece of garbage, when you told me that gold and silver were going to go up and I’d be rich because of the roaring inflation in prices that will result from the evil Federal Reserve and other dirt-bag banks around the world wallowing in monstrous monetary inflation by creating so insanely much excess currency and credit?”

My explanation was not about corrupt market manipulations, the corrupt Federal Reserve, the corrupt JP Morgan, the corrupt ETFs and all that complicated corrupt stuff, which leaves out all the corrupt, slimy crap that I don’t even know about.

Instead, my wonderfully succinct explanation is the same as that of Darth Vader: “It is a disturbance in The Force,” by which, of course, he meant “Who cares? Buy more gold and silver to take advantage of it, you dumb Wookie moron!”