

# Ravenous Vampire-Hounds Of Inflationary Hell

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By: The Mogambo Guru

Thinking back on it, I see that I was, indeed, “on the edge” of going, as I seem to routinely be these days, completely berserk about how the evil Federal Reserve is creating so irresponsibly much, so staggeringly much, so impossibly much, so disastrously much excess currency and credit that We’re Freaking Doomed (WFD) to ruination and complete bankruptcy by the unstoppable inflation in prices, crushing weight of unpayable debt and a monstrous, suffocating government.

And this always leads to the destructive action of angry, unemployed, hungry, bankrupted mobs that such a grotesque inflation in the money supply always -- always! -- produces.

As proof, ancient Egypt of the third century B.C. was finally ruined,, according to Jean Philippe Levy in his book “The Economic Life of the Ancient World,” when the government had grown “omnipresent” and had unleashed a “whole army of inspectors” to combat inflation in prices by ruthlessly enforcing horrific price controls “at all levels.”

Perhaps this is why ChartoftheDay.com had a quote from Georg Hegel, a German philosopher from the early 18th century, who said, even way back then, “What experience and history teach is this -- that people and governments never have learned anything from history, or acted on principles deduced from it,” by which he obviously means that “Earthling people are stupid, greedy and corrupt when they allow irresponsible expansions of the money supply when even a cursory look at the history of their own world for the last 2,500 years – even back to the Egyptian pharaohs, for crying out loud! -- proves that this horrible result happens 100% of the time! It’s so obvious that even the Magnificent Mogambo knows it, spewing customary vitriol in response, and he won’t even be BORN for a couple of hundred years, for crying out loud!”

Tyler Durden of Zerohedge.com, perhaps thinking along the same lines, writes “To think that one can live without the lessons and principles of one’s ancestors is a disease – a mental disorder of the highest caliber. It is an insanity that leads to terrifying catastrophe.”

Now, I mean with all of this economic insanity, how could one NOT be on the teetering verge of some completely insane, pointless act of outrage and utter mindlessness, sort of like at the end of “Animal House,” only with more screaming and crying, and people wailing “We’re Freaking Doomed (WFD)”?

Nervously, I go through my checklist. Got gold? Check. Got silver? Check? Got yummy frozen burritos and cookies? Check. Soon I was armed and armored, snacks at the ready, and thus ready to go!

I was, as usual, stymied at the door trying to figure out how one angry, heavily-armed little old man could fix anything at all by stupidly shooting the hell out of something that didn't include my neighbor's stupid garbage cans, or his stupid series of lawn ornaments, each more hideous than the last, as if they were rudely taunting me, saying "I'll be you can't shoot me from all the way over there in your backyard!" and me saying "Oh, yeah? Want to bet, you stupid, ugly piece of paint and plaster?" and then, you know, chambering up a few rounds and Blam! Blam! Blam, followed by sirens. Cops. Lawyers. Judges. Psychiatric evaluations. Me screaming and crying "It's not me, you fools! You are being destroyed by the Federal Reserve creating so much currency and credit to buy the debt of a disastrously deficit-spending, bankrupt Congress, and satisfy a gluttonous private sector up to its ears in debt! Arrest them, not me, you fools! I'm the guy who's trying to stop this insanity, and beautify the city by destroying hideous garden gnomes at the same time! I did us all a big favor! Can't you SEE that?"

You know. The usual.

But this is not about frosty relations with neighbors, but about inflation in prices, caused by the foul, filthy Federal Reserve creating so much currency and credit, and how it causes one to "go ballistic." I bring this up because inflation in prices is The One Big Cause (TOBC) that economies and societies fall apart, as we are doing, and we are seeing it in spades in Detroit, where the price of government caused its collapse.

John Williams of Shadowstats.com figures (the old-fashioned way) that inflation in consumer prices is about, rounding off, 9 percent or so, to which one must add percentages of tax increases, which are not included.

Porter Stansberry, of the eponymous Stansberry & Associates Investment Research, notes that "inflation is found everywhere in our economy, except in the government's statistics. Corn, the most important food crop in America, is up 75% since 2008. Gasoline is up from \$2.25 a gallon to more than \$3 a gallon – an increase of more than 30%. The nationwide minimum wage is up by 40%. Rents are up by 25% nationwide and up 40% in most urban markets."

You could tell he was cautiously dancing around the delicate subject of inflation in the price of crunchy and delicious tacos, which is one of MY major pet peeves, and instead nervously continues "And my favorite example, the base price of a Ford F-150, the best-selling passenger vehicle in America, has gone from \$18,225 to \$23,670 – a 30% increase. That's a domestically sourced and manufactured product... its price is completely dominated by the value of the U.S. dollar."

Besides all that 9% inflation in price increases, now add tax increases! Yes, taxes!

Why? Well, since it is true that price inflation is a "hidden tax," and it is thus also true that higher taxes is inflation, too. After paying higher prices for each, you have less cash than usual to spend on fun things, like tacos and pizza, which is the horror of price inflation.

Now, alarmingly, simple price inflation is increased by the estimated \$500 billion in new and higher taxes (which is reported to be the biggest tax increase in American history, and is about 42 percent of \$1.2 trillion in federal personal taxes) for 2013.

Add it up and you get some horrific inflation number that the human brain refuses to believe, abandoning rational thought and going, instead, into Screaming Mogambo Outrage And Fear Mode (SMOAFM).

What is more, inflation is there because every history, and every economic theory known to man, agree that prices of everything will rise when the money supply is rising. Every one of them! Even John Maynard Keynes, the father of the ridiculous Keynesian economics and the insane idea of deficit-spending to counter economic downturns, said that prices would rise when the money supply rose.

Milton Friedman famously summed it up as “Inflation is always and everywhere a monetary phenomenon.”

Already, ravenous vampire-hounds of an unleashed inflationary hell are drawing closer, closer, ever closer, and only the gleaming talismans of gold and silver can repel the slaving, nightmarish beasts of inflation that are coming to eat you alive, and hideously devour your family, and your friends, and the whole economy, and everyone who does not have the aforementioned gold and silver.

At least, that is the way it has always worked out Every Freaking Time (EFT) for the last 2,500 years, which leads me to strongly suspect that it will happen just that way this time, too.

And with the prices of gold and silver fraudulently manipulated down, they can now be bought for roughly their cost of production! Unbelievable! Inconceivable!

Ahhhh! I am certainly satisfied, and smile with a certain satisfaction at the satisfying certainty.

It's not for nothing that I, and happy Junior Mogambo Rangers (JMRs) around the world and throughout the cosmos, delight in buying gold and silver while saying “Whee! This investing stuff is easy, especially here on Earth, which my people call ‘maize’!”