

# The Sharpened Sticks of Quantitative Easing

By [The Mogambo Guru](#)

05/22/09 Tampa Bay, Florida I am proud to announce that I am the winner of the Mogambo Guru newsletter's famous and much-anticipated "Name The Era Contest" – a task made easier by the fact that I just invented the contest and mine was the only entry.

However, the contest seems especially pertinent this year since we appear to have achieved almost-universal participation by the world's central banks to create massive amounts of money and credit with which to buy ("bailout") other people's losses, thus making them "whole."

Are you suddenly asking, "Why would a government – even a government as nutzoid as the laughable commie-think Democrats in America – allow such a crazy thing, which guarantees Massive Freaking Inflation (MFI) in consumer prices that will destroy everything?" Is that what you are asking?

Well, the answer is simplicity itself: Tax revenues! It's all just to keep these losing people and corporate entities from declaring these huge losses on their tax returns, thus paying no taxes! It's that simple!

And (from the government's perspective) it's all made worse by the people carrying all the rest of their monumental, multi-trillion dollar not-yet-deductible losses forward indefinitely to future tax years, whereby to offset any gains the people might make then, again paying no tax. THAT'S why the bailouts! Hahaha!

In fact, the Wall Street Journal reports that the Nelson A. Rockefeller Institute of Government found that "State tax collections continued to fall in the first quarter as muted consumption, falling incomes and weak profits plunged states into a deeper financial hole," as they deduce from the 47 states that have reported their statistics, and 45 of these 47 states "saw revenues decline," the particulars being "total tax collections fall 12.6% – about \$20 billion – compared with the first three months of 2008."

Yikes! First-quarter government revenues down by 12.6% in the first quarter! See what I mean?

However, the biggest collapse was in income taxes, and "Corporate income taxes declined 16.2% in the latest quarter, reflecting weaker profits" which should be bad news as far as the stock market and everybody's retirement account is concerned.

As for us workaday schlubs, us backbone-of-America types who get up every day and go to our stupid jobs (even though we hate it as much as we hate everything, and everybody, connected with it, especially the commute back and forth where those people in the other cars act like they are singing along with the radio, but who don't know that I can tell that they are really saying how they want to kill me), the news is that incomes went down so much that "personal income taxes fell 15.8%."

And, as one would expect in a collapsing economy where people are paying off debt and refusing to loan money to relatives who say nasty things about you behind your back, and then are all smiles to your face when they want to borrow some money, but who then get all pissy when you laugh at them and ask them where is all the gold and silver that you have told them to buy over the years?

They admit that they didn't buy any! And now, they are seemingly saving money instead of borrowing to consume, as sales taxes were down 7.6%! Wow!

Maybe this lack of spending is because they are losing their jobs, or because they owe more on their house than it is worth, or they are watching their taxes and prices rising as their incomes stagnate or fall, and are so indebted that they owe, collectively, almost 380% of GDP (a new record of personal irresponsibility and conceited stupidity).

Plus, maybe their kids are the whiny kind that never shut up and who know all of their "rights" and it just seems like hell on earth. Who knows?

However, I see that I have strayed from the subject, which was about the proud winner (me) of the Mogambo Guru newsletter "Name The Era Contest" and how my winning entry was "Period Of Quantitative Easing (POQE)" which barely edged out my other terrific competing entry, which was "The biggest freaking piece of stinking, insane monetary and fiscal excess crap into which the world ever stepped, and which makes you want to scream your bloody guts out in your fear, in your anger, and in your sheer outrage at what has been done to us by a corrupt Congress with the 'aiding and abetting' of the Federal Reserve, which created the money and credit that financed it all."

What put POQE over the top was that it was so deliciously apt, as it sounds like "poke" when pronounced as a word, which is itself an apt metaphor for the massive "quantitative easing" increase in the money supply that will create massive inflation in prices and massive, twisted distortions in the economy, in this case an economy malformed by the federal government deficit-spending a truly astonishing \$1.84 trillion budget deficit this year, for a total of over \$3 trillion in federal spending, a horror that can be, as I said, aptly likened to sharpened sticks poking at you, constantly poking you, poking you, poking, poking, poking you everywhere, harder and harder, faster and faster, sharper and sharper, pain upon pain, bleeding you dry, but especially poking you in the groin and in the eyes just to make it as miserable as possible and you cry like a little baby, just as you do when inflation in prices grinds and grinds you and your family down and down.

And although everybody can clearly hear somebody's mother saying in the distance, "Watch out! You could poke his eye out!" all you hear is cruel, mocking laughter that never stops, and the poking of inflation never stops. Or should I say POQE-ing? Hahaha!

And that is why one should not stop buying gold, silver and oil, which is easy to remember, as it should be, as, "Whee! This investing stuff is easy!"