

Monetary Inflation and the 32-Cent Gallon of Gas

By [The Mogambo Guru](#)

02/17/10 Tampa Bay, Florida – I got an email from Junior Mogambo Ranger (JMR) Steve, who writes about “a quickie from the show Pawn Stars”, which startled me into Instant Mogambo Alert (IMA) because I thought he said, “a quickie from the show Porn Stars”.

Alas, it was not, and it was, as the name implies, a TV show about the things that happen in a pawn shop where people who are desperately in need of a little money bring in stuff as collateral for a loan.

“A guy brings in,” Steve says, “an old gas pump from the 1960s. The price per gallon is 32 cents. I go to coinflation.com, and the metal in 32 cents from that time is worth \$2.87 now. That’s pretty close to the price of gas per gallon today!!”

Naturally, my eyes were drawn to his highly-informative choice of punctuation, which was 2 exclamation points, instantly triggering another Instant Mogambo Alert (IMA) that, per plan, instantly alerts me, The Mogambo, to the fact that it has been quite a few hours since I was screeching insanely about inflation in prices that is destroying us all, a terror that will destroy us thanks to the despicable Federal Reserve creating so much money and credit (monetary inflation) that it made ruinous inflation inevitable, which can be easily deciphered to show that the Federal Reserve, which has already been described as “despicable,” is the terror that is destroying us all!

The whole previous paragraph is a weird, circular kind of logic, I admit, but it is exactly true, although with a strange construction and limited vocabulary, probably due to my natural stupidity, or perhaps because I am scared and paranoid about the Whole Freaking Thing (WFT) with the damned Congress deficit-spending us into bankruptcy and the damned Federal Reserve creating all the mountains of money that will be needed to be loaned to the government, and scared of the Federal Reserve itself as the Fed itself borrows the money to buy the Treasury debt for itself, and now the dollar has declined so much in value that the metal in three dimes and two pennies from the '60s is still worth a gallon of gas! Gaaaahhh!

You can instantly understand that I think the Federal Reserve is destroying us, which makes me wonder why people who say they want to “help” me want to know why I am always ragging on the Federal Reserve! Hahaha! I explain to them that inflation is the worst thing that can possibly happen to a country, as the entire corpus of economic history of the Whole Freaking World (WFW) proves over and over and over, until I am physically ill from reading it, and then I start puking up blood in horror when I see it happening to us! Gaaahhh!

Well, as usual, they nod their stupid little heads up and down like they understand what I am talking about, and they make little notes in my file, and they want to know if I hear any voices in

my head “right now”, and I say, “no”, and then the discussion turns to why I am wearing an adult disposable diaper.

Why? It is obvious “why”!

But, with the heroic patience of a saint, I slowly and carefully explain to these bozos, “If you truly, truly understood the tragedy of high inflation that will doubtlessly follow such terrifying increases in money and credit, and the stupefying, unbelievable increases in money and credit around the whole stupid world, all to satisfy the insane deficit-spending of governments all around the world, then you would be crapping all over yourself, and after a couple times doing that, you’d be wearing a stupid diaper, too! But you don’t, and you aren’t, and you don’t some more, and it’s because you are all stupid, ya moron!”

Usually, my attempts to educate these halfwits means that my good intentions are all for naught, and instead of saying, “Hey! Thanks for the good information, Wise And Wonderful Mogambo (WAWM)! Now I know enough to vote against any moron who is in favor of deficit-spending by the damned federal government, a situation that means the loathsome Federal Reserve will, in a childish knee-jerk reaction with emphasis on ‘jerk’ to such monstrous demands for loans, blithely create the money and credit necessary to pay for it all, increasing the money supply and destroying us with inflation as all this money starts bidding for the available supply of goods and services!”

This response rarely (as in “never”) happens. Usually, the conversation immediately degenerates into a screaming match about who is the moron, and when it doesn’t, then they want to know why I am wearing the diamond tiara and the snazzy high-heels shoes, which means that now I have to spend my Precious Mogambo Time (PMT) to educate these bozos with tips on fashion, too! Jeez! See the kind of crap I have to put up with around here all the time?

Anyway, my Pedantic Mogambo Lesson Plan (PMLP) is, as always, to have the conversation wind up by showing them the necessity of buying gold, silver and oil to protect themselves against the inflation caused by the moronic federal government deficit-spending and the nasty Federal Reserve creating the excess money and credit.

Alas, the learning experience never gets that far because the morons think it is more important to call me nasty names and walk away instead of learning about how economics works, because if it did, then there would be a lot of people running around buying gold, silver and oil saying “Whee! This investing stuff is easy!”