

Calculating the Misery of Inflation

By [The Mogambo Guru](#)

02/17/11 Tampa, Florida – I was, unfortunately, sober enough to realize that I needed to get a lot drunker if I was going to withstand the horror of reading of even more economic fallout of the Federal Reserve’s disastrous decisions to create So Freaking Much Money (SFMM).

In particular, Michael Pento, in an essay in the *Euro Pacific’s Weekly Digest* newsletter, writes, “For the year 2010, the trade gap surged 43%, which was the biggest jump in a decade, as our government’s efforts to reignite consumer borrowing and spending led to a record number of imported consumer goods.”

I wince and moan, devastated by the very concept of a trade gap jumping by almost half in One Freaking Year (OFY), a situation where we bought more from foreigners than we sold to foreigners, thus many of the Fed’s trillions of new dollars flowed out of the US and into the world economy where it would produce its inflationary havoc, QED.

Mr. Pento is also one of the few to notice that “the Misery Index hit a 26 year high for 2010. The index – which is simply the addition of the unemployment and inflation rate – reached 11.29.”

And how bad is this? Well, he says, “You have to go all the way back to 1984 to eclipse such a level of pain. Only back then, inflation was calculated without the ‘benefit’ of the manipulations of the Boskin Commission. Therefore, the Misery Index should be, in reality, much higher than 11.29 and is probably closer to the pain we felt under Jimmy Carter.”

Well, as a guy who thinks that inflation in important prices (food, energy, etc.) is running at least 7%, and as a guy who has seen John Williams at shadowstats.com showing pretty convincingly that unemployment is really running at over 22%, this means that the Misery Index at 29 has NEVER been this high!

As bad as this is, this is, actually, the good news! The bad news is that the Misery Index will continue higher and higher because the Federal Reserve continues creating more and more money, and today’s record-setting Misery Index of 29 will one day be considered “the good old days” when the news is filled with catastrophic inflation, widespread bankruptcies and economic collapse.

At that dismal future time, your growing sense of horror will only momentarily be diverted by an amusing sidebar, perhaps a story titled “Mogambo Him Go, Say Fed No Mo”, a human-interest saga of how a guy calling himself The Mogambo is calling for his army of Junior Mogambo Rangers (JMRs) across the country to lean out of their windows and say, “I’m as mad as hell with the inflations and horrors of the Federal Reserve and I am not going to take it anymore!” in their demand that the Federal Reserve be dissolved and the country put back on a gold standard as literally required in the Constitution of the United States so that this monetary and fiscal madness would stop, and with a gold standard, never again would we have to face such

appalling, catastrophic consequences of absurd levels of monstrous, monetary irresponsibility and sheer stupidity.

Of course, the Main Stream Media will latch, like vicious, mindless, blood-sucking lamprey eels, onto the fact that my “popular uprising” is just a glaring rip-off of Peter Finch’s famous scene in the movie *Network*, and which proves how I have no talent or creativity of any kind, which in turn shows how stupid I am, despite how I got very, very lucky when I bought all that gold and silver before the full impact of the inflationary horror unleashed by the Federal Reserve creating all that excess money started hitting everyone, but they won’t mention that, by then, I am So Freaking Rich (SFR) that the only I reason I don’t buy the whole Main Stream Media and fire them all is that I am too rich, too lazy, and/or too drunk, and/or too distracted, and/or too whacked-out to do it, or to even give a crap one way or the other.

Mr. Pento is apparently unimpressed with my Fearless Mogambo Forecast (FMF) of what the future holds, or that whole swaths of the economy will tremble at my whim, but agrees that “America’s citizenry are experiencing rising food and commodity prices, rising interest rates, falling home prices and stagnate wages and job growth.”

I was going to say that Mr. Pento, again, does not mention how buying gold, silver and oil is a perfect thing to do when the Federal Reserve is creating So Freaking Much Money (SFMM) that it guarantees ruinous inflation in prices so that most everyone will be bankrupt and eating weeds and bugs to stay alive because they can’t afford food.

Then I realized he actually DID say the same thing when he said, “But so far Mr. Bernanke has only managed to bail out his buddies on Wall Street and in Washington. Maybe he just doesn’t realize that he is in the process of wiping out the middle class by destroying the value of our currency and rendering those without financial means, helpless to guard themselves against inflation.”

I smiled with satisfaction that when he went on to disparage Bernanke’s legendary acing of the SAT by saying, “Too bad questions regarding the benefits of a sound currency weren’t on his SAT exam.”

And again I smiled that Mr. Bernanke’s dismal, utter failure and ridiculous incompetence shines a revealing light on Princeton, where he was, unbelievably, the head of the economics department.

And a third time I smile because the entire historical record of the last 4,500 years is the same story, over and over, of idiot governments spending themselves into bankruptcy, and how gold and silver prove to be The Best Investment Ever (TBIE).

And a fourth time I smile because one cannot help but smile when saying, “Whee! This investing stuff is easy!”