

Topic: America's Future

Stagnation, Stagflation, Inflation & Hyperinflation... Just think of the Possibility

The Federal Reserve is printing money we don't have, America prices are raising; stagflation, inflation, hyperinflation they are upon us as food and gas hike higher every day; will we tank with hyperinflation? This is a very real possibility; we need a strong American voice; Hello Congress, Stop this insanity.

by Catherine Elizabeth
(libertarian)

Tuesday, February 22, 2011

First let me start with some very wise words from a wonderful author. I hope you will do a follow up with this article, after reading my pen; for it will most certainly surprise and delight We most certainly can learn from history " The lessons of the Roman Empire for America Today," by J. Rufus Fears, the author states;

"In the course of history, we have come to take up that burden. We live in a time as momentous as that of the American Revolution, the Civil War, and the days after Pearl Harbor. In each of these watersheds in our history, we have not only taken up the burden, but we have advanced the cause of freedom."

"In the American Revolution, we saw to it that a nation could be established under Liberty and law. In the American Civil War, we purged ourselves of the great evil of slavery so that we could go on and become a model for the world. In World War II and the Cold War that followed, we advanced the cause of freedom so that today, more people live in freedom than at any other time in history. That is the result of America bearing this burden."

"I think that September 11 is just as important a date as Pearl Harbor, and we now advance into a new and dangerous era. Think of Winston Churchill when he said how Britain set out across unknown seas, through uncharted waters towards unknown shores, guided only by the beacon of freedom. We have another guide, and that is history and the lessons of history. For the founders of our country, history was the most important single discipline that every citizen of a free republic should study." By J. Rufus Fears

The one truth I glean from this article is that history is a rich source of knowledge, we cannot understand where we are going as a nation if we do not see how the world has lived before us, what lessons have been learned, what have we lost, achieved and overall do we stand strong and recognize the perils we face as a free nation. Time has gifted us a unique perspective; for through histories voice we can learn what works and particular what never seems to work even though it has been tired and tried again, one example democracy.

History carries the torch for the next generation to instill knowledge; to steep them in the rich history yet to be made; they deserve to know, to learn from us, as well as the past. Let us not be silent but speak with fervor about life and freedom. Our knowledge passed on ensures their freedoms, their desire to keep the flame of freedom alive. Let's talk history.

If you have not studied the Weimar Republic or if this is something new to you, please right now America educate yourself, don't listen to anything I say but do your own research see if it all makes sense to you; I am not certain our elected officials even understand what is about to happen in America, if we do not change course, now a more recent example today.

If we look at Zimbabwe we can see the carnage that takes place from the devaluing of a once stable currency; "Zimbabwe is the first country in the 21st century to hyper inflate, In February 2007, Zimbabwe's inflation rate topped 50% per month, the minimum rate required to qualify as a hyperinflation (50% per month is equal to a 12,875% per year). Since then, inflation has soared." Stated by Steve H. Hanke, Professor of Applied Economics, John Hopkins & Cato Institute

Anytime a country experiences hyperinflation from a series of missteps or planned steps; bringing an economy to ruin as well as its people. the people are often doomed, they lose liberty and most times life; an inconvenient truth, a real fear, we could give rise to another exterminative moment that the Weimer Republic produced. History often repeats itself, Lets hope we do not repeat these mistakes.

We may in the United States have to endure stagflation for a very long time, as we see prices inflate in all aspects of our lives as our economy remains high in unemployment and seemingly there is no new jobs on the horizon of course new jobs could be created easily if our government would stop these ridiculous over reaching regulations that do nothing but harm the people.

The businesses that the government regulate deeply impact our countries economy, I could go on about the oil industry and how we are not drilling due to regulations and losing not only a natural resource but a resource we own and one that we need right now, we can safely drill, so ask yourself why doesn't government get out of our way and let us drill? So stagflation starts.

Investopedia States; "A condition of slow economic growth and relatively high unemployment - a time of stagnation- accompanied by a rise in prices, or inflation Stagflation occurs when the economy isn't growing but prices are, which is not a good situation for a country to be in. This happened to a great extent during the 1970s, when world oil prices rose dramatically, fueling sharp inflation in developed countries. For these countries, including the U.S., stagnation increased the inflationary effects"

One more example in the 1970's show everything in our economy affects our pocket, as stated from the U.S. Department of State; "The government's ever-rising need for funds

swelled the budget deficit and led to greater government borrowing, which in turn pushed up interest rates and increased costs for businesses and consumers even further. With energy costs and interest rates high, business investment languished and unemployment rose to uncomfortable levels."

In the 1970's "The prevailing belief as promulgated by the media has been that high levels of inflation were the result of an oil supply shock and the resulting increase in the price of gasoline, which drove the prices of everything else higher. This is known as cost push inflation. According to the Keynesian economic theories prevalent at the time, inflation should have had an inverse relationship with unemployment, and a positive relationship with economic growth."

"Rising oil prices should have contributed to economic growth. In reality, the 1970s was an era of rising prices and rising unemployment; the periods of poor economic growth could all be explained as the result of the cost push inflation of high oil prices, but it was unexplainable according to Keynesian economic theory. (For more, see [Cost-Push Inflation Versus Demand-Pull Inflation](#).)

"A now well-founded principle of economics is that excess liquidity in the money supply can lead to price inflation; monetary policy was expansive during the 1970s, which could explain the rampant inflation at the time." Stated by Barry Nielsen, CFA in his article *Stagflation, 1970's Style*.

It seems today 2011 we seem to parallel the 70's fiasco; is the average American unaware of the deep spiral we are about to go through with the devaluing of our dollar by the Federal Reserve printing money against our wishes. Unless we stand up and take charge and demand the Federal Reserve stop this devaluing of our money this administration along with the Federal Reserve will drive us further into stagflation, inflation, then hyperinflation you will have widespread hunger, like the Weimar Republic, where the money was worthless and many people perished.

Don't believe me check out the prices of food at the grocery store, look at the prices of gasoline at the pumps and ask yourself why is that, the economy doesn't appear to be any worse off than the last year so why are prices rising now? Why are we seeing this inflation today and possible into the next few years? With the president spouting we are on the road to recovery then why are the prices rising rather than staying the same?

The Weimar Republic was destroyed from exactly the same formula our administration and Federal Reserve is slowly leading us too, like a herd of cattle to be led to slaughter. Don't think it could happen to us in the United States well if you think it won't happen then you were as naive as I was, but not anymore. I am doing my homework, and hope we can enact change.

In June 2009 Ben Bernanke the head of the Federal Reserve; sat straight faced in front of the world on C-Span lying to Congress and the American people and he should be ashamed of himself. As a nation why do we not demand individuals with moral courage,

instead of thugs with an agenda? In a superb Article penned by The Economic Collapse, states;

"Bernanke promised the U.S. Congress that the Federal Reserve would not monetize the debt of the U.S. government. On November 3rd, 2010 the Federal Reserve announced a massive quantitative easing plan which will involve the purchase of 600 billion dollars of U.S. Treasury securities by the middle of 2011. Creating 600 billion dollars out of thin air and using them to buy up U.S. government securities is monetizing the debt. So Federal Reserve Chairman Ben Bernanke has been caught in a lie. Will we ever be able to trust a single word that he says ever again?"

If you get a chance please read the entire article as it is an eye opener, as is most reference and source work I use.

We are seeing higher inflation due to the Quantitative easing (QE) enacted this past year and today he is going to print more money, to our detriment QE it is being improperly used, by Ben Bernanke; this man is playing a very dangerous game; one that we can ill afford, there should never be one entity or one person or one political body capable of bringing so much destruction to our nation.

Where is Congress or are they being made irrelevant as I have been posting, about in other articles about this very fact This administration desire to make them irrelevant as well as make our constitution irrelevant seems to suit their agenda Congress everyday is losing its voice, or are they? Congress needs to investigate the Federal Reserve is we are to legislate their actions.

Although I do see the Grand Old Party (GOP) attempting a resurrection of our political process, lets hope they realize the debt and devaluing impact on this economy; lets hope they stand strong; for when too much money is created. The measure can fail if banks are still uneasy and prefer not to lend money to small business or pertinent individuals; the economy continues a downward spiral. The Federal Reserve needs to be open and transparent.

Even when we are told the economy is better; fuzzy math does not account for the individuals that are fed up with looking for a job. Then there are those individuals who have fallen off the unemployment; benefit rolls. Uncertainty still prevails and that is exactly what we have witnessed this past year, and will continue to witness through the next few years.

Then we see a stalemate between institutions that fail to stimulate the economy as the Federal Reserve most certainly assured would not happen yet we see most conclusive and an obvious devaluing and further rise of inflation is present in everything we do and climbing, I hope you are concerned as I am about the creeping inflation.

As referenced in Wikipedia "Quantitative easing can effectively ease the process of de-leveraging as it lowers yields. But in the context of a global economy, lower interest rates may contribute to asset bubbles in other economies."

"An increase in money supply in excess of what is required in an economy has an inflationary effect (as indicated by an increase in the annual rate of inflation). Inflationary risks are mitigated if the system's economy outgrows the pace of the increase of the money supply from the easing. If production in an economy increases because of the increased money supply, the value of a unit of currency will increase even if there is more currency available."

"For example, if a nation's economy were to spur a significant increase in output at a rate at least as high as the amount of debt monetized, the inflationary pressures would be equalized. This can only happen if member banks actually lend the excess money out instead of hoarding the extra cash. During times of high economic output, the Fed always has the option of restoring the reserves back to higher levels through rising of interest rates or other means, effectively reversing the QE steps taken." States Wikipedia

They say if a person is armed with the right knowledge they can effect change, arm yourself with the truth, we are experiencing stagflation, now inflation; we cannot risk higher inflation let alone a meltdown with hyperinflation we must act before it is too late. We are seeing the first signs of inflation that will take us to a tipping point of no return, let's together make certain this does not happen.

If "We The People" don't put a stop to this madness, we may soon find ourselves unable to right this terrible crime that is being perpetrated on the American People, please stand up for a free and debt free America make then stop spending and printing money, NOW! Let us correct this egregious crime and believe me it is a crime. Bernie Madoff parallels are uncanny.

What our own government is doing today to our currency is nothing short of simply stupefying and I guess as an American I find it hard to believe we could elect anyone that would engage in such an action against their own people so stand up make your voices heard and stop this terrible deed before we are a former shadow of the United States, What a Ponsi scheme.

I for one do not desire to become a third world country with rampant hunger, widespread, panic that is ripe for a take over, I don't ask you to believe me I ask you to find out these things for yourself then act accordingly; but then even if you are shaking your head saying she's wrong, then just ask yourself one question, please and thank you.

What if I am right?

For heavens sake, Congress wake up and stop the Federal Reserve from printing our money. This devaluing of our currency is putting us at real risk, this is not something that we can save for another day, do not wait, hold them accountable the time is now for we

have run out of time we must stop the spending and the printing now and if I sound redundant and horrified I am.

I am also terribly afraid yes I am afraid we won't stop it in time so the time is Now to tell your senator, your congressman your house of representatives your federal and state officials that you want the Federal Reserve to stop printing money, NOW, Please! QE is wrong!

Or "We the People" will abolish on our own the very entity that seeks to destroy us. I think this is the real war against America

You say to yourself she seems melodramatic? Well if I am right you can call me on it but if I am not then I will pray you find food. I will rail until every American knows exactly what is going on under their noses. I often wonder with the misuse of tax payer's money; in such a way that causes harm to her citizenry, then why are these politicians not held accountable.

They should have to pay for their past decisions for these egregious acts, they have put our country at great risk and what a shame they treat the people so poorly; the very people that elect them to protect this country. I ask you why they would deserve a pension for destroying our country.

I am thinking even now with term limits and a vast 50% pay reduction; will wake them up maybe we can find some individuals that actually want to work for this great Nation; to work to protect and defend her and do her people proud; to work for the people instead of becoming rich from her people's money, no more spoils for the elite.

The old saying goes with friends like that who needs enemies.

What the fed is doing to the monetary base has never been done to this extent and we will see hyperinflation unless something is done right away. We must stop the spending and the printing of our American money or we will repeat the Weimar Republic. I cannot stress the necessity to stop this train wreck while we can.

I cannot afford \$50.00 for a loaf of bread or a gallon of milk, I don't want to watch when the children of the United States die from hunger, this is not just a little worry we are on the road to repeating the Weimar Republic. We need to call, call, and call some more write and post e-mails until our elected officials' let them know we are serious.

I really have my doubts government understands what seems to be the inevitable, that makes it even more egregious that they don't understand or are not willing to look at the truth for if you don't know how can they understand or take it serious as a real threat, I hope it is only a possibility but again I am afraid it all too well could become a reality.

Politicians of today need to be schooled in much more than the average politician of the past for I feel they are clueless in most instances and too think these are the elites that think they know how to run this country while sipping champagne.

I find this bit of information rather invigorating if you get a chance please read his article entitled "Lessons of the Weimar Republic" by Michael E. Telzrow he pens a rather intriguing article, I have gifted the reader an excerpt below, please and thank you.

"Although not in exactly the same position as Weimar Germany, the United States now finds itself under the rule of its own charismatic leader and a Federal Reserve that together seem bent upon debauching our currency through inflation, "priming the pump" in super Keynesian fashion, the Obama administration courts an economic disaster that could make Weimar Germany look fiscally sound."

Let me gift youmy reader a heartfelt thank you; for I do so appreciate you taking your valued time to read my article. I am pleased to have a place to voice my thoughts; if even in a small way my words gift you food for thought, then maybe we together have a chance to reach every American, and make a difference, hence make the changes we need the more that learn the fate of this great nation or at least the possibility of losing it allet me leave you with one last thought, please and thank you

If we are not extremely thoughtful in our decision for this country; we might not have this great country called America, the Great Experiment.over!