- Buy OEM AnyBizSoft PDF Converter MAC
- Buy Adobe Photoshop Elements 9 (en,de,fr,ja)
- Discount - Infinite Skills - Interactivity with HTML5 And CreateJS
- Buy OEM Autodesk AutoCAD Inventor Professional Suite 2010 (64 bit)
- Discount - Lynda.com - CSS: Page Layouts
- Buy Cheap Adobe Photoshop Lightroom 5
- Buy OEM Autodesk AutoCAD Map 3D 2012 (32-bit)
- Buy Photoshop CS4: Top 100 Simplified Tips and Tricks (en)
- Buy OEM Adobe Creative Suite 5.5 Design Standard Student And Teacher Edition
- 79.95$ Adobe Premiere Pro CS5 cheap oem
- 299.95$ Geometric CAMWorks 2014 64-bit cheap oem

Austrian School economists have often explained the business cycle using the metaphor of liquor or drugs. The expansion of paper money and credit gives a sense of exuberance, an economic high that leads to excessive risk-taking and ballooning production. But it can't be sustained. There is a morning after.

Then what? There is a choice: more drugs and liquor or sobriety. Sadly, the economy – meaning the choices made by you, me, and billions of others – is not permitted to make the choice. It is made for us by our lords and masters in Washington. Here are the meth dealers. Guess what choice they make.

And so we had Bush's QE1 (QE stands for "quantitative easing," a euphemism for printing money), but the effects didn't last that long. Then there was Obama's QE2, the effects of which are likely to run out sometime this summer. (As an aside, maybe we should just start referring to the QE[*n*] administration, inserting the appropriate number, since otherwise these presidents are mostly interchangeable.)

Note the following important point. These various attempts to restore the inebriated happy time have unpredictable and uncontrollable effects, and the metaphor helps here, too. The body is weakened. It might take more of the drug to get the same effect. The drug promotes underlying disease. Each new dose makes the person ever less rational and coherent.

The stimulant can land everywhere but where it is intended to land by the money printers. The Fed wanted to lift housing prices and re-stimulate the entire real-estate sector. But guess what:

Housing prices are still falling, and new-home construction just tanked at a faster rate than at any time in 27 years.

What is being stimulated? Stock prices, certainly, but that is not wealth. Stock prices are just prices. They are no different from apple prices, coffee prices, and gas prices. When these go up, do we say, “Fantastic news! We are wealthier!”? Of course not. The belief that a rising stock price is great news remains one of the most wicked of all economic myths.

Then there is the problem of price increases more generally. The producer price index for February has generated terrifying results, though you probably haven’t heard about them. Predictions were for a 0.6-percent increase, but the reality was 1.6 percent, which points to double digits on an annualized basis.

And that’s just the beginning. Food prices rose the most since November 1974. Prices of raw materials rose by 3.4 percent in February from the previous month. Intermediate prices climbed 2.0 percent, with diesel fuel up a monthly 12.6 percent in February. These huge increases were counterbalanced by falling prices in cars, trucks, warehousing, and other areas that are already showing signs of a post-boom slump.

Will there be a QE3? Most likely. Look at this exchange with Fed Chair Ben Bernanke at the National Press Club:

Question: Will there be a QE3?

Bernanke: In the end, we’ll just ask the same questions. Where’s the economy going, and what do various inflation indicators look like? We’ll ask those questions. If unemployment is still too low [sic], then we may continue. If we’re moving towards full employment, then we won’t need to stimulate more.

And what is full employment? The Fed’s statisticians believe that 6 percent unemployed or so is “full employment.” We are nowhere near headed that way. Plus, Bernanke is wholly wrong to believe that somehow employment can be used as a measure of economic health. For many decades, socialist economies bragged about zero unemployment, but the economies regressed year after year. Even in mixed economies such as ours, high employment is most often an effect of prosperity and never a cause.

Plus, we can't believe Bernanke that employment data alone will drive the decision. He is an errand boy for the big banks and Wall Street. That will drive his decisions, along with politics. And we can be all but certain that there will be plenty of bad news by the summer, which will provide enough cover for another round of stimulus.

Meanwhile, what's anyone going to do about the problem of much higher prices, the ghastly beast waiting around the corner? The truth is that the Fed pretends as if it has nothing to do with this. Bernanke routinely says that prices are formed by supply and demand – which is true enough in a free market, but money-creation complicates the picture.

Another truth is that the Fed doesn't really care about inflation as much as it cares about the solvency of the banking and financial systems. Bernanke would drive us right into hyperinflation to save his industries. Savers living on pensions just don't have the political clout to stop the money machine.

And contrary to Bernanke's promises, he does not have the ability to turn off the monetary spigot once prices start zooming. The economy is too globalized for that. Keep in mind that although the Fed has loads of power, it has no power to control inflationary expectations and the demand for cash generally – and in hyperinflationary environments, these are the driving factors.

History is littered with monetary managers who believed they were in total control, until the disaster they caused hit. It is hubris of the first order to believe themselves masters of the universe – but hubris is epidemic in Washington.

QE3 is playing with fire. Or with a third dose of meth. Or another bottle of Four Roses. Choose your metaphor. It is a bad and deeply dangerous policy, all built on the insane view that if you stimulate a zombie with enough fiat money, it will start to live and breathe on its own.

Reducing this even more, consider: If you drink enough, does your body start to generate its own liquor? The Fed and the government have hooked the American economy on a wicked drug. Our job is to drive the dealers from their seats of power.

Llewellyn H. Rockwell Jr., former editorial assistant to Ludwig von Mises and congressional chief of staff to Ron Paul, is founder and chair of the Mises Institute, executor for the estate of Murray N. Rothbard, and editor of LewRockwell.com, where this commentary originally appeared.