

What's the daily bag limit on McDucks?

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Dallas Federal Reserve President Richard Fisher said Friday in a Fox News interview that the US economy is threatened by higher wages. His solution is to head this calamity off by raising interest rates so that hiring is cut back. He fears that higher wages are inflationary.

The Fed as a whole has been trying to create inflation in order to stop the rich from hoarding cash. The Fed has set a modest goal of 2% inflation instead of the 4 to 6% we really need to make such a policy work to jump start real investing (real as in creating jobs). Creating jobs is part of the Fed's legal mandate and the results have not been stellar to say the least.

And guess what? A census of billionaires by Wealth-X and UBS (a census not a poll because a representative sample is all of them, so they just asked them) found that they're indeed hoarding cash. The billionaire's money bins have 1000% more cash in them than a year ago. Weaker billionaires have had to quit swimming in their money bins out of a fear of drowning.

Wealth-X is a Singapore based intelligence service company that keeps track of the world's Ultra High Net Worth individuals (UHNW) and funnels profitable invests to them. UBS sponsored the study and is the same huge Swiss bank that paid off Senator Phil Gramm for repealing the Glass Steagall Act. Its repeal allowed Wall Street banks to engage in unlimited gambling with depositors' money and was a major contributor to the 2008 banking collapse.

The level of wage inflation that this Texas Fed banker fears could happen is 4% . He's at odds with Fed Chair Janet Yellen who sees wages as having pent-up deflation and believes that a jump in wages is healthy for the economy. After all it's people spending money that makes the economy work, not rich people swimming in it like Scrooge McDuck.

If wages were to increase at 4% above price inflation for 18 years in a row, that would double wages. This would get workers back to roughly the position in the economy that they enjoyed on Jan 20, 1981, and never saw again. The Ultra High Net Worth pay the media big bucks to tell you how awful it is to increase wages, and in fact we'd all be better off if everyone's wages were cut. The UHNW don't collect any wages at all, so they're doing their part. Perhaps Wealth-X can do a census on what's the best swimming stroke to use in new currency as opposed to a bin with a lot of older bills?

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