

Moving Back Home for the Gravy

By [The Mogambo Guru](#)

12/18/06 **The Daily Reckoning PRESENTS:** The Brits have showed us that there's one surefire way to avoid the declining standard of living in America: live with your family. So if you manage to make it through the holidays without "accidentally" locking your Great Aunt Ida in the basement, this may be something you want to look into. The Mighty Mogambo explains...

MOVING BACK HOME FOR THE GRAVY

For those of you who think I am just another stupid, paranoid, lunatic, gold-bug, gun-nut, whack-o, pretty-boy pervert who over-reacts to everything, and that I would willingly gun down my own grandmother if she made any suspicious moves towards my stash of gold and silver, I say "Touché!" But even you have to agree that, even at my most outlandish, I am behaving appropriately to the roaring inflation all around us.

And not only us, but also for the Brits, as, according to Telegraph.co.uk, "The cost of living for many British households is up to four times the Government's published rate of inflation." Four! Real, wallet-emptying inflation is up to 400% higher than the lying British government is admitting, which is bad enough, as even "official" inflation is running at a hefty 2.4%!

They rudely ignore my handy statistical-oriented editorial blurb (the little limey snots!), but go on to say that "millions of families are experiencing inflation far beyond the official rate of 2.4%, new research suggests." In fact, they say that it "shatters the illusion that the Consumer Price Index – used by the Bank of England to set interest rates – represents the true cost of living as experienced by many households."

As you would expect, those on fixed incomes get the biggest whack to the wallet, with annual "inflation rates of almost 9%" for pensioners.

"Hard-up families," they go on to report, "getting by on £20,000 a year, saw their costs increase by 4.6 percent – almost twice the national average and well above the annual rate of wage increases, 3.9 percent."

The article wimps out by not mentioning that these are the same stupid people who happily voted, year after year, decade after decade, for the economically illiterate elected officials who allowed their central bank to cause this to happen to them. And I'll bet very few of them tuned into the Daily Mogambo U.K. Radio Show (DMUKRS) this week, which is too bad, as it was a big part, the major part, of my Mindless Mogambo Rant (MMR) editorial comment, in which I heaped loathing disrespect on the British variant of Earthling moron, and laughed cruelly at their pathetic whining about their miserable, yet so richly, richly deserved, plight.

More importantly, of the "news-you-can-use" kind, you should immediately move back home with your parents while you are still young enough, and strong enough, to beat the hell out of

anyone, like your parents, who stand in your way, as “the increasingly large number of young Britons living at home with their parents – and not paying mortgages or bills – experienced deflation of 2.1 percent, since many of the items they spend their money on, such as clothes and electrical goods, are falling in price.”

Deflation! These irritating little brats are experiencing a rising standard of living, while ours is declining! So, move back home today, and get some of that standard of living gravy for yourself!

The International Herald Tribune reported that America going down the tubes won't cause a global recession “thanks to a European resurgence and the boom in Asia.” Hahaha! This is fabulous!

For one thing, it proves that the Chinese government is just as stupid as our American one and their fiat currency will be just as worthless because of it, which I cleverly deduce from the article by Shailendra Kakani, of Commodity Research, titled “Plunge in U.S. Economy Doesn't Mean Commodity Bear”. In it, we find that China is officially encouraging people to spend money as a direct attempt to increase aggregate demand, which will increase aggregate supply, which will provide the jobs to buy the output. All very, very classic-economics and all that.

But it gets worse, as the Chinese are also starting up with that whole neo-Keynesian deficit-spending crap, too, but now combined with their own brand of stinking commie redistributionist crap that always ruins everything, as “Simultaneously,” the article continues “the government is doing everything to bolster the income of its citizens. Recently the government raised minimum worker compensation and increased welfare spending to get households to spend more and make the economy less dependent on investment and exports.” Hahaha!

The stupid Chinese are deliberately choosing less dependence on investment, but more dependence on government handouts and people depending on the government? Hahaha! Does that sound like any other stupid government you know first-hand? Hahaha! So is communist China acting like America, or is America acting like communist China? Hahaha! This is too rich! The dollar is doomed, and the yuan that is killing it is also going to be doomed one day, too!

And then, after hearing this, you laugh at me in scorn for suggesting that you buy gold and silver? Hahaha! That shows that you don't know anything about economics or history, my misguided young one!

This brings up my criticism of the standard contrarian advice these days, which is “Own foreign currencies, precious metals and foreign stocks”, with which I don't completely agree. For one thing, foreign currencies are being “managed” by their own governments, too, just like the disaster with the mismanagement of the dollar. So those currencies will be going down in purchasing power, too. So, the question is, “Is a relative haven a real haven?” I say not only “No”, but “Hell, no!”

The only thing you can do is own gold, which is the only thing that will consistently hold its value. That is the Iron-Clad Lesson of History. And you don't have to actually read all of history, as all you have to do is listen to The Mogambo run his loud mouth about it, as I famously drone

on endlessly, endlessly, endlessly about it, and will actually pursue you down the street to hammer it, hammer it, hammer it into your thick little head, louder and louder, and I never seem to shut up about it, according to whole baskets full of affidavits from family members and neighbors filed with the court, where, in case after case, the judges hand out Restraining Orders like candy or something.

Or you could read Addison Wiggin's book, *Demise of the Dollar*, to verify it for yourself, as there is a whole chapter titled "Short Unhappy Episodes In Monetary History". The quote to start the chapter, which makes the point I am trying so unsuccessfully to make, is from Norman Cousins, who said, "History is a vast early warning system."

And, brother, is it ever! The chapter goes from the Romans debasing their money 2,000 years ago, to the Chinese, 1,000 years ago, first experimenting with paper money (which was soon abandoned because of the inflation it caused), to Rome, Spain, France, Germany, 18th Century United States, the Great Depression, and not even mentioning all the episodes of economic crisis in the last thirty years. And gold sailed successfully through every single one. Every one. Every.

And as for foreign stocks, I say forget foreign stocks, and foreign economies, and foreign people who all speak English with funny accents while rudely laughing at us Americans because we are so fat and stupid; if America is not going to be sucking up vast, sweeping flotillas of cargo ships full of their exports anymore because the economy is going down and prices are going up because the dollar is going down, then they are all going down the tubes, too, as we consume damn near a third of the entire globe's exports as it is! An \$850 billion a year current account deficit proves it!

And as the dollar falls, because of the monetary and fiscal stupidity and the crushing debts which have destroyed us, imports will become more expensive for us, meaning that we American consumers will buy less when we can ("No more big-screen TVs!"), and buy less other stuff (things for children, like clothes, shoes and birthday presents) when we can't, because we must use our dwindling buying power to buy the necessities (gasoline and tacos).

Until next week,

The Mogambo Guru
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Mogambo sez: Today I impart this True Mogambo Gem Of Wisdom (TMGOW): You can't do anything to thwart the greed of people for a free lunch, and thus you cannot thwart the boom-bust cycle, and thus – and thus again! – the only remaining option is to (like judo) use their weight and stupidity against them by buying gold and silver, and thus to become, as reader Brian says, Filthy Stinking Rich (FSR) when this current popular-and-laughable Federal Reserve economic idiocy and towering incompetence finally destroys the currency.

And then you can do anything you want, legal or not, as you will have so much money that you can usually settle disputes out of court, or, failing that, hire enough lawyers to tie everything up

in the court system for decades or more which, at the rate at which you are burning the candle at both ends with all that wealth, will be more than enough time to die naturally with a big, beaming smile on your stupid face.