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Do the Russians Have it Right?

by The Mogambo Guru

"Then, to show you that there is a perspective beyond the American perspective where we are the Center Of The Freaking Universe (COTFU) and everybody has to do what we say, even if they don't like it, the paper says, 'What can Russia do about this?'"

An article at En.rian.ru, which is a Russian site, asks, "Time for a gold rouble?", which made me initially laugh in a Disrespectful, Xenophobic Mogambo Way (DXMW), as it looks like the damned Russians are so stupid they can't even spell "ruble"! Hahaha!

My levity was soon abandoned, however, as the paper reports, "the decision by the US government to inject \$700 billion into the financial system means that the already gigantic annual budget deficit of the American state (previously some \$450 billion a year) will now rise by a factor of three. The total state debt of the USA will rise to well over \$11 trillion. It is obvious that such a colossal debt can never be repaid. Instead, it will be serviced by more debt in the future", which they attribute to the collapse of the financial system, as "the collapse of those markets is only a symptom of a much deeper problem, the basic insolvency of the American state itself."

Then, to show you that there is a perspective beyond the American perspective where we are the Center Of The Freaking Universe (COTFU) and everybody has to do what we say, even if they don't like it, the paper says, "What can Russia do about this?"

Since I never think of Russians except as humorless bad guys who speak English with terrible accents and who are always out to kill James Bond, it is novel to me that the paper concludes that "as a major exporter of hydrocarbons, her role in the world economy is actually very important. As the age of the dollar draws to a close, Russia will have to consider selling her oil and gas not in the devalued American currency, but instead in the euro used by most of her customers."

I thought it was strange that they thought that "most of her customers" would use the euro as a common currency, which means that they do NOT think that the Chinese would be most of her customers, even though they are right next door, they outnumber Europeans 2-to-1, and they have almost no consumer debt.

So I thought that was a little strange; but it got spooky when they wrote the line, "the age of the dollar draws to a close", as my heart withered in fear and I suddenly mistrusted everyone around me, but before I could ask them to explain such a remark, it suddenly made sense when they went on, "It is surely unnatural for two geographical neighbours to do such large volumes of business using the currency of a distant and now ailing nation." Oops! They're right! We're freaking doomed!

I was just beginning to dismiss this odd appearance of intelligence in Russians - about whom I know next-to-nothing except that they drink a lot of vodka and instinctively hate James Bond for some reason - when I was forced to again give them at least grudging respect when the paper wrote, "the Russian leaders might also consider making their own currency, the rouble, convertible into gold", although they lose points when they are forced to admit that "The idea of gold convertible currencies is extremely unpopular

among most economists" as these hotshot weenies "dismiss gold as a 'barbarous relic' (to use the famous phrase of John Maynard Keynes) and suggest either the present regime of paper currencies or, at best, a link to a basket of commodities." Hahaha!

Russian economists are as stupid as the rest of the world's economists; they prefer a paper, fiat currency, and (if not that), then a currency priced in terms of a basket of commodities! Hahaha! These Russian morons want a currency whose value is dependent on the good fortune of blights not destroying any of the world's cereal crops, a virus not decimating the livestock of the world, and ecological, geological and political accidents don't upset the economic status quo! Hahahaha!

I think they heard me laughing, and their feelings were probably hurt, which allows that "Both these solutions are highly artificial and based on the same level of state control which has now just so spectacularly failed." Hahaha! Yes! Exactly!

Somewhat mollified and again ready to give them the benefit of the doubt, they finally win me over when they conclude, "The contempt of the Keynesians notwithstanding, it is an indisputable fact that gold does remain the ultimate store of value, which is precisely why states own so much of it."

Russians! Who knew they could be so smart?