

June 12, 2008

## **Investing Made Simple**

by The Mogambo Guru

*"Suddenly I think, 'Ahhh! I see! Demand is more than supply, meaning price will go up until demand equals supply!', at which point I think, 'Whee! Investing is easy when you know to avoid stocks and bonds and buy gold, silver and oil...'"*

Since I think that the stock and bond markets are a big, fat fraud (in that the vast majority of "investors" will get back less buying power than they invested, thanks to the [depreciation of the dollar](#) by the despicable Federal Reserve creating so many of them), it is only natural that I buy gold, silver and oil with every nickel I can get my sweaty hands on, and miserly hoard it all until the day when the whole economy falls into the crapper, as it will, because it must.

Up to now, I have bravely and heroically borne the insults and taunts of stupid people in silence ("We insult and taunt you, Mogambo!"), but no more! Now I shall tell them that I am doing this because David Morgan at silver-investor.com says, "precious metals are the only asset class that truly moves opposite to stocks and bonds"!

Well, with the market value of stocks being a zillion dollars, and likewise bonds, how much silver is actually available to move in the opposite direction of these investment losers?

My jaw dropped when he said that "the amount of investment grade silver (bullion and coins) is about one billion ounces. At our \$18 per ounce, that is obviously \$18 billion to purchase the entire silver supply, including all .999 fine bullion and silver coins!"

In fact, he says, "The total amount of Silver 'Eagles' minted since inception (1986) to present is approximately 160 million ounces."

What is still astounding to me, as James Cook of InvestmentRarities.com says in the introduction to Theodore Butler's book, *Silver in the New Era*, is that "Most Americans don't realize how truly important silver is to industry and how strong the demand is. Nor do they know that the U.S. government, which had over 3 billion ounces of silver in 1942, ran out of silver. Even the national defense stockpile is gone. Over 90% of all the silver that's been mined in the past 5,000 years has been used up by industry and is gone forever. Today, world silver inventories are at the lowest point in 200 years."

I naturally have a question; so what in the hell does this mean to me as far as making money? As Theodore Butler himself put it, "Silver's got it all; worldwide appeal, strong demand and short supply."

Suddenly I think, "Ahhh! I see! Demand is more than supply, meaning price will go up until demand equals supply!", at which point I think, "Whee! Investing is easy when you know to avoid stocks and bonds and buy gold, silver and oil instead because you know about the stupidity of the Federal Reserve creating so much money and credit!"

And sure enough, it is! Again with the "Whee!"

And it is not just the Fed that is acting imbecilic, as we learn from the Wall Street Journal, which had a nice editorial piece that included the creepy Democrat trash named Janet Napolitano, who is (so far!) the governor of Arizona. The WSJ writes, "Arizona has been hit hard by the real-estate bust, with the average home value down 17% in a year and a record number of foreclosures. So Democratic Governor Janet Napolitano has devised a clever was to revive the housing market: Raise property taxes"! Hahaha! And people elected this loser? Hahahaha!

And lest you think that this is just a weird little aberration and that people in Arizona are stupid, the editorial goes on "Fairfax County in northern Virginia, Washington state, Chicago and Memphis have announced proposals to increase residential property tax rates to offset declining revenues."

The bad news is that this will, as if anyone could possibly think different, only make problems worse and houses go down even more in price, as the WSJ goes on to report that The Center for Business and Economic Research at the University of Kentucky found that "between 60% and 70% of property taxes are capitalized into a reduced value of the home", while Richard Vedder of Ohio University found that increasing state and local taxes also reduces the value of houses, and that "while property tax changes have the biggest impact on housing price changes, other forms of taxation exhibit the same effect."

Why do these idiot states think that they "must" raise taxes to further punish the citizens? The WSJ sums it up nicely; "State and city government lived well - too well - during the housing boom. From 2000-'07, property tax collections climbed by 62%, two-and-a-half times faster than per capita incomes, according to Census Bureau Data."

In short, some idiot, conceited, greedy governments had a wonderful time overpaying themselves and starting permanent government programs based on a temporary increase in revenues, all thanks to the horrid Alan Greenspan and the Federal Reserve creating (especially since 1997 when the Fed started really, really, REALLY going el nuts-o) all that excess money and credit to make it temporarily possible, and government parasites want it to continue, even if it kills us!

That tells you everything you need to know about government at any level these days! Hahaha! We're freaking doomed!