

The Happy Mogambo Retirement Fund

By [The Mogambo Guru](#)

02/18/08 As the dollar's purchasing power falls closer and closer to nothing, the Mogambo realizes that something must be done to save his retirement...which is why he has created the Happy Mogambo Retirement Fund. He appreciates your contribution.

Some people think that there is no advantage in listening to an idiot like the Loudmouth Mogambo Lunatic (LML), and they always want me to go home, or go someplace else, but please, please, please just shut up and go away. Being able to take a hint, I leave, but to show them their folly, I stand on the street outside their doors and shout, "Buy gold, silver and oil stocks, you conceited lowlife drunken bastards, to capitalize on the destructive nature of a fiat currency and a wildly out-of-control fractional-reserve banking system that has now debased itself to holding literally zero reserves against either their liabilities or their assets like we have, I am embarrassed to say, in the United States! Buy gold now, or rue your folly, ya lousy stinking drunks!"

My voice is almost drowned out from them yelling things at me through the bar's door, like, "Shut your hole, idiot!" and "Go away, jerk!" and "Hey! That Mogambo bastard didn't pay for his damned drinks again!" But I could have saved us all a lot of trouble by merely referring them to Adam Hamilton of ZealLLC.com, who notes that, "the flagship HUI unhedged gold-stock index was up 1,237% since its bull was born in November 2000. This incredible run was driven by a 262% gain in gold since its own bull launched in April 2001."

More than a one-thousand, two-hundred percent gain in seven years! 1,237%! Fabulous! Compare this against the "average" long-term gain in the stock market of somewhere between 4% and 7% a year! Hahahaha! How long does the stock market have to increase at the high end of 7% to equal a 1,237% gain? Hahahaha! 38 years! How long does it take if the average gain is at the low end at 4%? 65 years! Hahaha!

And let me tell you the Really Bad News (RBN): if you are a person who has their retirement money in common stocks gaining between 4% and 7% a year; you have lost a lot of buying power and not made much money, but the guys who own gold didn't actually make much profit, either, if any. An ounce of gold pretty much buys what an ounce of gold has always bought.

What actually happened is that the guys who owned gold did not LOSE gobs and gobs of purchasing power; they could still buy the same amount of stuff, or more, with the same amount of gold as they always could! But you can't! That's the difference! Hahaha!

In fact, the guys who have had their money in common stocks since 2001 now have to spend more money to buy the same amount of stuff that they once could! Hahahaha! Chumps! With inflation at 13%, like it is now, even if you made 7% on your money in the stock market in the last year, you can only buy 6% less stuff this year! Before paying taxes on the phantom capital gain of the whole 7%! Hahahaha! Nice investing there, America! Hahaha!

Mr. Hamilton is apparently not interested in my sudden interruption about inflation, or how gold protects you against inflation while everybody else gets their guts eaten out by it, and then they go whining to their Congressperson, "We need more money! Give us more money!", which the government will do, which will inflate the money supply when the Fed creates the money so that it can be borrowed by the government and then disbursed, which will make inflation in prices worse and worse, which will make these people again run to their Congressperson, again mewling piteously, "Now we need lots more money! Give us lots more money!", which the government will do, which the Fed will do, and inflation will start roaring out of control and everybody is screaming and there are "bread riots" and The Mogambo is so panicked and scared that he barricaded himself in the Mogambo Fortified Bunker Of Panic (MFBOP) and is expending a fortune in ammunition on warning shots alone.

Mr. Hamilton, to his credit, does not get caught up in the blood fever, but gets to the heart of matter, which is making money on this stuff, which we all need so that we can buy, of course, more gold and ammunition. So it becomes suddenly very important when he goes on to say that this comes to the interesting result that, "the HUI has leveraged gold's underlying gains by 4.7x!" Wow!

Gold stocks rising almost five times as much as gold itself! "Since the mid-August 2007 lows," he goes on, "at best gold is up 42.6% while the HUI is up 60.3%. This yields HUI leverage to gold of just 1.4x so far in this upleg. This is indeed disturbingly low."

"Hmmm!", the astute Junior Mogambo Ranger (JMR) thinks, "Gold-oriented equities outperformed gold bullion by 4.7 times in the last 7 years, but now they are only outperforming bullion by less than 2 times, while the monetary and price inflationary madness around the globe continues faster and faster and faster? Hmmm! There is probably a lesson in there somewhere, but I cannot think on an empty stomach, and so I'll wisely defer thinking about it until after lunch. Or until after my after-lunch nap."

It's all up in the air, schedule-wise, but I know that I am definitely going to sneak out of here and knock off a little early today because I hate it here, and I hate this stupid job, and I hate this stupid desk, and this stupid computer, and the stupid people all around me who think that they know everything, but do they even dimly comprehend the terrifying enormity of the fact that the Federal Reserve has created so enormously much money, that was created out of so enormously much debt, which is producing so enormously much inflation in consumer prices? No!

And even when I tell them about it over and over, do they rush out and buy gold? No!

They only want to talk about how they found out that the 0.5% deduction in their paychecks for HMRF is actually the Happy Mogambo Retirement Fund (HMRF), which means that I am taking money out of their paychecks for my own use.

So now I have to spend a lot of my Valuable Mogambo Time (VMT) trying to calmly explain to the cheapskate employee trash, who apparently begrudge me a few lousy bucks a week, that this is the exact same thing that is being done to them by inflation. "So," I helpfully suggest, "why don't you shut the hell up?"

I show them how, on the one hand, that after the HMRF deduction they have less money, so they must buy less stuff. On the other hand, their money is being robbed of its buying power by the Federal Reserve in cahoots with the Congress to allow massive, massive amounts of money and credit to be created, so each dollar must be worth less when measured against a short run static supply of goods and services, and so they must buy, again, less stuff.

So I say to the shop foreman, "So you see how it works, you moron? No matter what, you buy less stuff. Now, get back to work!", which didn't make much of an impression on them, and the discussion flowed back and forth for awhile, and it was decided that I would refund their money, on the condition that they would not beat me to a pulp and press criminal charges, and that they will all use the money I give back to go out and buy some gold, which they said they would do, but they won't. They never do.

But it is The Mogambo Way (TMW) to do what I say, and I will be faithfully paying them back every dime I took from them with that HMRF scam of mine, and I am now deducting 0.6% of their stupid paychecks for the Employees Get Their Stupid Repayment (EGTSR) deduction, which works out fine for me, as I take a huge administrative overhead allowance out of it, too! Hahahaha!

Until next week,

The Mogambo Guru