

September 16, 2008

Topsy Turvy Government Policy

by The Mogambo Guru

"Drawing myself up in a posture of overbearing arrogance born of what appears to be some kind of natural law or something, I point out that booms always turned to busts, and precious metals always turned out to be the best investment of all."

Fixated as I am on inflation in prices because it scares The Living Hell (TLH) out of me, I was drawn to how Peter Schiff of Euro Pacific Capital was amused that the government and its minions have reported that "the GDP deflator, used in the report to downwardly adjust GDP to account for inflation, was shown at just 1.2% annualized...the lowest deflator in ten years", while at the same time "the latest reading on consumer prices (CPI) in the second quarter shows year-on-year inflation running at a 5.6% rate, a seventeen-year high!"

He asks, without the slightest hint of the venomous sarcasm you would expect, "How can it be that inflation is simultaneously running at a seventeen-year high and a ten-year low? Welcome to the Alice in Wonderland world of government statistics."

But this obvious fraud and bold-faced lying does not lead me to, as you would think, a Predictable Mogambo Screeching (PMS), which unfortunately has the same acronym as Pre-Menstrual Syndrome.

And while both PMSs have a lot of features in common, the main difference is that when I get in your face, bellowing in a loud, arrogant, irritated and irritating rant about what an idiot you are, it is only because you are not buying more gold and silver, on your way to buying more gold and silver, or just getting home after going out and buying more gold and silver.

I note that Peter Schiff does not ascribe to the Mogambo-Scream-Loudly-Until-People-Do-What-You-Want Theory (MSLPDWYWT), probably because it has never actually worked or perhaps because he never heard of it since I just made it up, but he was intrigued that there was no response in the news media to this startling paradox about how inflation could simultaneously be at a 17-year high and a 10-year low.

Well, the answer was that they didn't know. And so he tried to inform them. The results were more dismal than you would think, and "Although none of the reporters we spoke with could explain why inflation could run at a 10-year low and a 17-year high at the same time, they did not deem the anomaly sufficiently noteworthy. Having been ignored by reporters, I then tried the opinion pages. Unfortunately the piece that we prepared on the subject was rejected this week by all the leading national newspapers."

After all these years, I have very little respect left for the various media and their execrable "journalism", especially now that they are predictably Leftist morons who are always proponents for more and more government programs and government spending, which costs so much money that so much money was created that it has now led to inflation in consumer prices being at a 17-year high, almost matched and usually exceeded everywhere in the world, too, which is beyond terrible, and true American patriots should rise up in open rebellion against the federal government and the Federal

Reserve, making it easy for me to take over and begin the long-awaited Mogambo Reign Of Terror (MROT).

Mr. Schiff is not going to be drawn into a senseless fantasy about some stupid Utopian MROT, and says that the important point is that investors don't get the real facts, and "reacting to the global economic slowdown by buying dollars and other U.S. based assets while selling gold, commodities, and foreign assets, are jumping out of the frying pan right into the fire. My guess is that it will not be much longer before they feel the heat."

But the lack of intelligence in the media has even gotten to The Economist magazine, and showed some real stupidity when it ran a little sidebar about Ron Paul's "counter-convention" in Minneapolis "across the river from the official Republican convention in St. Paul".

Everything was fine until the mental midget wrote, "The movement has its dafter elements, too. The Federal Reserve is a subject of intense hatred for Mr. Paul and his fans, who want to disband it. (The candidate prefers the gold standard, though he does not think the Fed can be got rid of immediately)."

"Dafter"? Hahaha! You will note that my Disdainful Mogambo Laughter (DML) is dripping with customary scorn at this stupid little "journalist" who obviously knows absolutely nothing about economics and derides gold, the one historically-proven economic system that does not implode, and defends the Federal Reserve, a central bank abusing a fiat currency, which is one of the historically-proven economic systems that always implodes! In case you missed it, I will repeat it now: "Hahaha!"

This little know-nothing snot thinks it's "daft" to prefer the non-inflationary security of a stable money supply (as with gold) instead of the guaranteed-ruination of a fiat money supply, especially one where that money is created out of un-payable debt in an out-of-control fractional reserve banking system? Hahaha! What an ignorant little turd! Hahaha! To hell with The Economist magazine for not editing out such abject stupidity! I am ashamed of them!

And speaking of gold, I hope that Jon Nadler at Kitco is right when he says that gold "appears poised to retest the \$775 zone," which I figure is due to the recent strength in the dollar as central banks around the world frantically try, try, try to coordinate massive frauds they call "interventions" to frantically try, try, try to keep the dollar up, which Mr. Nadler figures is "sapping the confidence" from wannabe buyers of gold, silver, platinum and copper and all that metals/commodities stuff.

Well, it may be "sapping the confidence" or even "draining precious bodily fluids", but Junior Mogambo Rangers (JMRs) know that there is No Freaking Way (NFW) that gold and silver will NOT shoot to the stars as the dollar collapses, taking the economy down with it, because if there WAS a way to end a gigantic, malignant, money-supplied boom without a huge bust, then somebody in all of the rest of the world's history of booms-and-busts would have thought of it before now, but they ain't, and if there was anything better than gold and silver to protect wealth against the oncoming predations of inflation and taxes, then somebody else in the whole rest of the history of booms and busts would have thought of that, too, before now, and they (in the vernacular) ain't, neither.

Drawing myself up in a posture of overbearing arrogance born of what appears to be

some kind of natural law or something, I point out that booms always turned to busts, and precious metals always turned out to be the best investment of all.

This proves that these people who are confidence-sapped and bodily fluids-drained are not Junior Mogambo Rangers (JMRs), as the artificially-strong dollar temporarily gives us more buying power to buy more gold, the price of which is depressed in price, thanks to the strong dollar, thanks to the mismanagement of the economy and the currency by the Federal Reserve and their frantic efforts to keep a sinking ship afloat until after the elections! Hahahaha!

Hey! This economics stuff is easy! And buying gold and silver is almost just as easy, as it involves, at least, a few clicks on your computer or a few seconds dialing a telephone!

And then, when gold and silver rise in price thanks to the coming economic collapse, just like they always have in every other economic collapse, getting rich will be the easiest of all, as you do absolutely nothing except sit around watching their prices go up and up! Whee!