

Gold in the Face of Government Stupidity

By [The Mogambo Guru](#)

05/08/09 Tampa Bay, Florida “Gold Isn’t Going To \$2,000 An Ounce” is both the headline and the announcement of [Jeff Clark](#) at CaseyResearch.com, a conclusion he apparently reached after he “decided to take a fresh look at calculations that could be used to appraise gold’s upside potential.”

Confirming rumors that I am “always disagreeable,” I am absolutely sure that gold will soar in price, as in To The Freaking Moon (TTFM), as a result of the fiscal and monetary malfeasance as we see today, as that is what has ALWAYS happened in the last 4,500 years of governments acting like grubby, corrupt morons, particularly when using a fiat currency, which always expands too, too much and for too, too long.

Naturally, being paranoid and argumentative, I figure that Mr. Clark is trying to pick a fight with me, just like all the other people in the world who are out to get me, each more jealous than the last, seething with their poisonous, hate-filled envy because I am smart enough to buy gold and they are stupid because they are not, even though I tell them all the time, “Just buy gold when your government is acting so stupidly, and then you will be acting smart, stupid!”

But, alas, they don’t. (And just between you and me, that’s how I know that they are stupid! Hahaha!)

In response to this challenge, I shout to my secretary, “Sarah, get Jeff Clark on the phone immediately, damn it!”

While I wait and fume for her to make the call, I read further into the essay, only to discover to my horror that he was NOT trying to argue with me! Oops!

Instantly, I shout out, “Sarah! Forget about making the call!” which was met with complete silence instead of her usual response of, “Okay” with the undertone of surliness and contempt which I figure she obviously uses to disguise the fact that she is Hot For The Mogambo (HFTM).

It was only then – Silly me! Hahaha! The joke’s on me! – that I remembered that I no longer had a secretary since she, too, quit, storming out of here screaming about what a creep I am and threatening to sue me and the company for her anguish.

Anyway, it turns out that the reason for the title “Gold Isn’t Going To \$2,000 An Ounce” is that it will be higher than that, and he calculates a possible \$6,214 per ounce price for gold if it replicates “Gold’s Percentage Rise in the Last Bull Market.”

When comparing “U.S. Gold Holdings to Money Supply,” he calculates gold selling for \$5,468.80 per ounce, and the venerable Gold/Dow Ratio yields \$4,000/oz.

It gets interesting when he looks at “All the Money in the World vs. Gold Reserves,” where we learn the novel factoid that “Total central banks reserves (including gold holdings) = \$4.8 trillion,” which includes not only a lot of each other’s fiat money, but 929.6 million ounces of gold, which is the “total gold reserves held by all official institutions that issue currency.”

When dividing one into the other, “gold would be \$5,246 per ounce.”

Then it starts getting weird, as when he compares “U.S. Gold Holdings to U.S. Foreign Trade Deficit,” based on “the cumulative trade deficit of \$9.13 trillion (up from \$6 trillion since June ‘07!)” compared to the entire U.S. gold holdings of 286.9 million ounces, “the corresponding price of gold would be \$31,822 per ounce.”

Since “Official U.S. government liabilities now ring in at an incredible \$55.2 trillion,” to pay it off right now “would require a \$192,401 gold price.”

In short, by not doing any real work whatsoever other than to mindlessly quote Jeff Clark’s calculations, I have fulfilled my mission to give you one more set of reasons to buy gold as protection against the sheer tonnage of stupidity of the government and the Federal Reserve, and to give myself a new set of reasons to laugh at you and call you disrespectful names if you don’t buy gold after being told about it, which is the part that I like best! Hahahaha!

And, whee! This investing stuff is easy!