

# No Gold. No Silver. Just Inflation and Hotcakes.

By [The Mogambo Guru](#)

04/07/09 Tampa Bay, Florida Bloomberg.com had a report by Kim-Mai Cutler saying, “Currencies of countries that are using quantitative easing, or printing money to buy government or corporate bonds, are plunging against those of nations sticking to conventional monetary policy” which surprised me because I did not know of any big economies that were “sticking to [the] conventional monetary policy” of not creating excess money and credit, which makes their currencies strong, but I know of plenty of them that are “sticking to [the] conventional monetary policy” of constantly creating too much money and credit because that is the bizarre bastardization of the economic system that has evolved! Hahaha!

In fact, all countries seem to be in a rush to participate in a disgusting orgy of government deficit-spending, which would be a sign of global mental-illness unless they were using this money to buy gold and declare a gold standard for their currencies, which is what I would do to insure a currency so strong that I got cheap imports of goods, services and raw materials, thus keeping inflation low and delivering a higher standard of living for all the citizens, for which they would regularly gather and have “Thank You, Mogambo (TYM)” parties, sort of like midnight at Mardi Gras in New Orleans, except not as reserved in relative behavior as that Louisiana bunch of prudes.

Jim McCormick of Citigroup is not impressed with how the phrase “Show us your boobs!” is mysteriously common to both Mardi Gras and Hail Mogambo! Parties Of Thanks (HM!POT), and says only that “The foreign-exchange market has clearly gotten its arms around the notion that quantitative easing is a negative for currencies.”

Well, this makes you want to ask “Where in the hell has the foreign-exchange market been all this time that they are just now finding out that a country stupid enough to abuse a fiat currency to create excess money and credit, leading to inflationary bubbles of speculative frenzy and resultant excesses in the prices of assets such as stocks, bonds, houses and size of government, and then try to spend its way out of bankruptcy by creating huge NEW multiples of NEW money and credit so that the buying power of the dollar falls to (in the original Latin) ‘squatus stinkum’, is, after all this time, now ‘a negative’ for its currency? Hahaha!”

Not too surprisingly, then, the dollar index sank a staggering and heart-stopping 4.1% last week, taking the index back to 83.8. This is, also surprisingly, still a lot higher, and for no good reason that I can think of except that all the other currencies are even more worthless, than its low of the low 70s in 2008.

I’ll bet that if the foreign exchange markets don’t know that the currency of a nation of fiscal and monetary idiots was “a negative for currencies”, then I guess that they also don’t know that gold

and silver, when priced in the currencies of fiscal and monetary idiots, will soar as the currency falls in buying power, which is so elementary that I am shocked that they are that stupid!

Before you start thinking that everyone is stupid, I met a guy named Art Arbutine, of [BellaireCoins.com](http://BellaireCoins.com), and I casually asked him “How much gold are you selling these days?” and he surprisingly says “None.”

Well, I used the word “surprisingly” precisely because this was kind of surprising to me, as I had been hearing that gold is selling like hotcakes, which is an expression that you don’t hear much these days, probably not too surprisingly because I never heard of hotcakes being big sellers and thus giving rise to the expression.

Waffles, maybe, but not hotcakes. Crepes, maybe, but not hotcakes, although, now that I think about it, it’s been a long time since I had hotcakes, and maybe I’m being hasty in my rush to judgment!

So there I am, trying not to think about hotcakes and how hungry I am, or how some hotcakes would really hit the spot right now, maybe with a side of bacon, various syrups and toppings with a cup of coffee, when I suddenly remember that he said that he is selling no gold! Huh?

So I suspiciously ask him, “Why not?” and he says that when people come into his shop and want to buy gold, he tells them that he doesn’t have any gold to sell them because there is no gold for him to buy to turn around and sell to them, and that is why he told me that he sells no gold.

I could tell by the slight smirk on his face that he thinks it is “Art 1, Mogambo 0”, but I am going to protest the score because more and more you hear those kinds of “no supply” things, what with stories of South African gold mines shutting down, and the U.S. Mint suspending production, and shipment schedules, and silver comes mainly as a by-product of base metal mining which is effectively stopped nowadays and blah blah blah, a blizzard of facts and crucial interconnections, none of which I have straight.

However, it does bring up the question, “Hash browns with hotcakes, yes or no?” which is not even mentioning the puzzling paradox of “With rising demand but zero supply, why is gold not shooting To The Freaking Moon (TTFM) in price, on its way to infinity dollars per ounce, which would be a mathematical imperative of a supply/demand dynamic where the price of gold cannot be determined by the market-clearing point where demand equals supply because supply is always is zero, regardless of the price”! Wow!

This is, indeed, Twilight Zone weird, trapped in some kind of spooky nether-world beyond space and time, between light and shadow, between the depths of despair and the heights of imagination where the Laws of Economics do not apply any longer, but the Laws of Physics still work 24/7, and you still have to work at your same stupid job, and you are married to the same stupid person and you have the same stupid kids as the ones you had in the “other world” where the Laws of Economics still worked, which shows how unfair life is.

My wife and her stupid friends in “this” parallel reality say that I am acting childishly, whining about how life is “unfair” and how I imagine that I am in some parallel universe where immutable “laws” of nature simply disappear, like how a price of something does not rise even though demand is increasing and supply is zero! Amazing!

Of course, this could be easily explained by the Mogambo Gold Conspiracy Theory (MGCT), which, as I recall, I stole directly, line by line, from GATA.org because I am too unimaginative and too stupid to think of it on my own, and too desperate to save my career to be stopped by mere plagiarism when I am, like a diseased, cornered rat in a do-or-die situation, capable of so, so much more.

The Executive Summary is how the Fed and the other central banks around the world have been conspiring among themselves to suppress the price of gold so that the price would not rise, which would alarm a lot of people since a rising gold price means rising consumer prices, who would then start asking a lot of questions, and then everyone would find out “Hey! Inflation in prices is soaring, just like that Idiot Mogambo Lowlife (IML) said it would after such suicidal increases in government deficit-spending and the Federal Reserve increasing the money supply to pay for it, and now we are screwed and need to buy Mogambo Mindless-Mob Brand Riot Gear (MMMMBRG) while supplies last in our displays of open rebellion! I hope operators are standing by!”

Well, you can relax on that score, as an operator is standing by in case someone is so stupid as to send me money for some purported Mogambo Brand product that may or may not actually exist; but as for the price of gold rising in the face of inflation, it is no secret that the Fed and the other central bankers have been releasing gold into the market to keep the price down, and they have literally admitted it, as GATA.org has laboriously documented, especially after being counseled to do so by Paul Volcker, famous former chairman of the Federal Reserve, in his book, who said that not controlling the price of gold was the biggest mistake he made in his famous fight against inflation.

The surprising thing is not that he is selling twice as much silver bullion and numismatic coins than he ever sold, but that people are buying silver without even asking him how much it costs! They just want it!

Of course, what can one say in response to this except, “Whee! This investing stuff is easy!”