

The Euphoric High of Government Spending

By [The Mogambo Guru](#)

06/18/09 Tampa Bay, Florida I gotta admit that I am confused by lots of things, like how come if my kids hate it here so much, why don't they run away from home and save us all a lot of aggravation?

And then there is my confusion over the Bloomberg.com report that "Brazil and Russia joined China this week in saying they would shift some \$70 billion of reserves into multicurrency bonds issued by the International Monetary Fund." Huh?

Instead of using their excess dollars to buy multicurrency bonds, when most of the world's combined currencies are dollars! Hahaha!

And they want to buy bonds with the money! Hahaha! They want to buy bonds at the very moment that interest rates are getting ready to soar, with the effect that bonds will lose a lot, or most, or all of their money when their precious little "multicurrency bonds" collapse in value, all because the money supplies of the world are soaring, soaring, soaring because the governments of the Whole Freaking World (WFW) are printing up such vast, enormous, incredible, unbelievable amounts of money in their panic.

They are creating sums of money so staggering that such overarching, monumental monetary and fiscal stupidity has never been seen before, except in times of war!

I mean, Congress has already deficit-spent the \$14 trillion GDP of the USA into more debt to the tune of another \$1.956 trillion in the last 12 months alone, and is already budgeting that much deficit-spending this year, and almost that much for every year for the foreseeable future! Yikes! This is beyond insane!

Worse, Bloomberg.com reports that we Americans are not the only idiots in town, as "European governments have approved \$5.3 trillion of aid, more than the annual gross domestic product of Germany, to support banks during the credit crunch," and China and Japan are doing the same thing, too!

Of course, the biggest idiots, the U.K., "pledged 781.2 billion euros (\$1.1 trillion) to restore confidence in its lenders, the most of any of the 27 EU members."

I am trying to read the rest of the article as I am bouncing along as I take a precautionary walk to the Mogambo Big Beautiful Bunker (MBBB) in a fresh burst of panic at the inflationary implications of this terrifying expansion of world's money supply, desperate to snugly lock myself in as some pathetic kind of attempt to save myself from the Bad Times A-Comin' (BTAC) as prices soar, the economy sours and the people get testy.

I mean, it just sounds so stupid that you wonder what these people are drinking, smoking, inhaling or eating, because whatever it is, I desperately want some, too! It apparently puts the user into some kind of pleasant mental fantasy-land where the problems caused by an excess of pleasure-seeking are solved with much more pleasure-seeking and the problems of too much debt and too much government are solved by much more debt and much more government, but they somehow retain the ability to act straight and sober so they can say this kind of insane crap with a straight face! Wow!

When I try to attain the aforementioned “pleasant mental fantasy-land,” however, and I finally get smashed enough to contemplate its wonderful attributes, I do so at the huge cost of losing my ability to act straight and sober, and I am usually found collapsed on the floor in a puddle of urine, mumbling incoherently about the horror of inflation in prices, my eyes bleary and bloodshot, and occasionally crawling over to puke into the wastebasket.

Chris Mayer of the Mayer’s Special Situations newsletter writes that “Inflation – rising prices, or a drop in the purchasing power of the dollar – will soon rise to the very top of economic concerns,” while I think he might as well have said, “Gold will soon rise to the very top of investors’ concerns,” by which I take to mean that “Gold will soon rise to the very top of concerns for greedy, grubby speculator trash like the Mogambo who are counting on gold zooming, like it has every other time in history when an idiot government amassed so much debt that the currency collapsed in buying power, so that he can get so rich that he can quit his stupid job and just get the hell out of here, tires squealing on the pavement as he roars out of town, radio blaring and the sound of a voice saying, ‘Hahaha! So long, suckers!’ ringing in the warm summer air.”

In the meantime, just keep buying gold, silver and oil! Whee! This investing stuff is easy!