

Buying Gold for Buoyancy as US the Credit Rating Sinks

By [The Mogambo Guru](#)

11/17/10 Tampa, Florida – Alvaro Vargas Llosa is quoted in The Independent Institute’s newsletter, *The Lighthouse*, as saying that the new “\$600 billion in 6 months” QE2 program (and \$900 billion with re-investments) of the evil Federal Reserve is, “The biggest load of stinking monetary policy crap in the history of the United States, and we should all follow the lead of the Incredible Mogambo Guru (IMG) and buy gold, silver and oil in those few, rare moments when we are not Screaming Our Guts Out (SOGO) in anger at the Federal Reserve for its treachery, and likewise not Screaming Our Guts Out (SOGO) in fear of the inflationary horror that is guaranteed – guaranteed! – to befall us because this Federal Reserve monetary insanity is to – as ridiculous as it sounds – enable the despicable federal government to monstrosly deficit-spend \$2 trillion a year, every year from here on out, to enlarge its suffocating self and expand its long roster of dependents which total, currently, half the freaking population of the Whole Freaking Country (WFC), and thus will be constantly expanding the money supply as this new money pours into the economy at rates of growth even beyond the horrifying 14% rate that is happening right now, which is the raw feedstock of the ‘inflationary horror’ mentioned earlier in this very wonderful sentence of mine.”

Okay, I admit that he did not write that. I wrote that. And I lied when I said that he wrote it. And I wrote it because I am a pathetic loser who craves attention, and if I don’t get it, then I’ll lie to make other people look as stupid and crazy as I am.

Mostly, however, I wrote it mostly because I have sunk down to the clogged drains in the sub-basement of ethics, where my very soul rots from the anger, and the hatred, and the outrage, and the fear of a horrible, terrifying, inflationary “unknown” where all that is known is that it is unknown except for that it will be inflationary, and it will be horrible and terrifying in a sinister kind of non-specific way that makes it all the scarier.

And if you are one of those neo-Keynesian dorks who thinks that deflation is So, So Bad (SSB) that you would rather have inflation, then prepare to be instructed to the contrary, moron: Already commodities are rising 20%, 30% – and some more than 100% in the last year! – and soon these wholesale price increases will fully seep into retail prices, so that when you go to the grocery store, the place is crowded with mobs of looters and desperate, starving people, and things are on fire, and shots are ringing out, and all you wanted was some Italian bread and some milk, but they only had the un-sliced bread left, which means you have to slice it yourself, which is such a hassle, just adding to the overall misery, as you can probably imagine for yourself.

And it won’t stop, either, because the torrents of new money necessary to make inflation roar will not stop, as we see when we read what Mr. Llosa actually said. The quote was, “The United States is doing what every protectionist government does – trying to make its economy

competitive by devaluing the currency, a perverse mechanism for making what comes in artificially expensive and what goes out artificially cheap.”

And with import prices rising, it will be highly inflationary since we already have a merchandise trade deficit of \$57 billion, and a trade balance deficit of \$621 billion over the last 12 freaking months!!

Mr. Llosa makes no mention of the use of double exclamation points ending the previous sentence or any of the many ramifications of such punctuation, and instead notes, “The many protests heard around the world on the eve of the G-20 meeting in South Korea signal the strong possibility that other major powers will eventually respond in kind.”

Perhaps like Dagong Global Credit Rating Co downgrading US debt from AA, to A+, and with a “negative outlook” commentary attached?

Then, from marketnews.com we learn that “Moody’s Investors Service upgraded the Chinese government’s bond rating to Aa3 from A1 and is maintaining its positive outlook.” Hahaha!

I was not surprised that nothing was reported about the bad news contained in the new report from the Mogambo Investors Service (MIS) that “Ah-oogah! Ah-oogah! Dive! Dive! This is an emergency bulletin to buy gold, silver and oil, as much as you can, as often as you can! Stragglers will be eaten alive by inflation, or maybe by ravenous wolves, or sharks, but eaten by something, nonetheless, and maybe all three!”

The only “good news” was found later in the MIS bulletin, where it read, “Those who do buy gold, silver and oil, as much as they can, as often as they can, will not be eaten, but will eat, and indeed wax prosperous while happily exclaiming, ‘Whee! This investing stuff is easy!’”