

Gold, Silver and Oil: Buying the Essentials in Tough Markets

By [The Mogambo Guru](#)

03/12/10 Tampa, Florida – The *Money Morning* newsletter bills itself as “Essential investment news & insight from MoneyWeek.com” which makes me suspicious right away because of all the times I have been lied to over the years by people telling me that something is “essential”, which it seldom is, and it usually turns out to be a code word for, “It’s gonna cost ya, buddy!”

Like today, for example, when I am told that it is “essential” that I curtail my frenzied buying of gold, silver and oil this month so that one of the whining kids can go to the doctor (or dentist, I forget which) for some real or imagined discomfort, ache, pain, open wound, bloody discharge, festering sore, oozing abscess or gangrenous limb, like I am made out of money or something.

Normally, I would explain, with the patience of a saint, for the thousandth time, how the Federal Reserve is creating waaaaAAAAAaaaay too much money and credit so that the federal government can borrow and spend waaaaAAAAAaaaay too much money, which is this selfsame “waaaaAAAAAaaaay too much money and credit” created by the Federal Reserve in the first place, which is a kind of strange circular logic, I admit, but which I think only serves to prove the bizarre, incestuous nature of the whole thing, but without any bodily fluids being exchanged.

And I told them, “If you don’t think so, just wait until the inflation in food and energy prices really gets here, good and hard, and when you look at the horrors this will create, you can tell me again how you don’t believe that inflation in the money supply leads to inflation in prices when all this new money enters into the marketplace, like a flood, adding massive amounts of money to the bidding for goods and services, which makes prices rise”, but they just kept whining, “No, daddy! I need to go to the doctor now, not when inflation is raging so that the cost will be higher and you will not want to pay those higher prices! So you want to send me now, when prices are lower!”

So you can see that there are two sides to every story; on the one hand this whole incident with crybaby kids and their whining, and complaining, and blacking out, and getting blood all over everything, and on the other hand there are “essentials” in the world, as in “essential insights”, which, in the case of *Money Morning*, is apparently true, as we note with surprise that David Stevenson writes in the newsletter that, in the United States, “Prices of commercial property – real estate – are down by 43% overall since the October 2007 top, says Moody’s Investors Service. Retail rents have plunged by a third from the peak. For offices, rents are down 40% and vacancy rates are as high as 18%.”

Now, most people, like me, and maybe like you, too, look at that paragraph and say, “Whew! That seems like a lot of numbers, which are already confusing by their very presence, which explains why I don’t understand!”

Being the peach of a guy that I am, I am going to show you – free! – the essential information in there, which is: If you own commercial property, you are screwed, and if you do not own commercial property, then it is getting cheaper and cheaper.

In the meantime, just keep buying gold, silver and oil stocks, not because I say so, which I do, and you should, too, but because we have no other choice, because if we did, I am sure that I would have read about, or heard about, someone buying it to successfully protect themselves against governmental stupidity at least one (pause) freaking (pause) time (pause) in the last 4,500 years of the economic history of the Whole Freaking World (WFW), especially since the whole thing seems to be about economic stupidities that flow from continual, ever-worsening government fiscal malfeasance, just like we have all over the world today and all over the world in all of the rest of history, but, in a word, I ain't.

And, so, investing doesn't get easier than that! Whee!