

# The Robert Zoellick-Gold Standard Affair

By [The Mogambo Guru](#)

11/22/10 Tampa, Florida – It was with regret that I read in *Reuters* that “World Bank President Robert Zoellick said on Wednesday he was not advocating a return to a gold standard for exchange rates, but described the metal as ‘the elephant in the room’ that policymakers needed to acknowledge.”

What a wimpy attitude! Now I can go back to regarding Mr. Zoellick as just another neo-Keynesian pencil-necked geek moron with a dorky haircut and an ill-fitting suit who thinks he understands equations but knows little about economics.

I, on the other hand, say that any economist who knows what he is talking about would LOVE to see a return to a gold standard, and thus take control of the money supply out of the hands of evil men, each with their nasty secret agendas, conspiracies and cabals forming and dissolving in a swirling cauldron of corruption, and thus return the country to a blissful “golden age” where prices stayed the same, or gently fell, while quality and quantity improved, handing the whole cornucopia of blessings and benefits of free enterprise in a capitalist system to the economy and to the grateful, prosperous, happy people.

This is where I wrote in my notes to, “Wait for the thunderous applause from the crowd, giddy with excitement at your Fabulous Mogambo Profundity (FMP).”

I didn’t have to wait long, as there was no applause. No bouquet of roses. No placing of a tiara upon my head. No nothing.

Instead, I got Mr. Zoellick saying to the Foreign Correspondents Association, “I don’t believe you can return to a fixed exchange rate system and that is the gold standard,” and later saying, “I’m not advocating a return to the 19th century when money supply was linked to gold.”

Naturally, I consider this to be so idiotically wrong that I advocate that we, meaning you, go en masse to the World Bank, arrest everybody, tear the building to the ground, burn the rubble and scatter the ashes, which shows you how dreadfully wrong he is, and makes you wonder why (“Hmmm! I wonder why!”) anyone would pay attention to this idiot who advocates for an expanding fiat currency which will increase the suffering of the poor and indigent by deliberately causing high inflation in prices, which is not to mention the impoverishment of everybody and every asset as a result of the dollar being devalued!

Feeling a particular ugliness come over me, I leap to my feet and shout, “What an inhuman bastard! And just like all the rest of his banker trash ilk, not to sugar-coat it any more than necessary to keep my head from exploding in a fit of Wild Mogambo Outrage (WMO)!”

Well, my head did not explode, even though the inflation in prices that comes from such irresponsible expansions of the money supply, that jerks like Robert Zoellick and Ben Bernanke

embarrass themselves over, must already be showing up to the extent that even idiot bond buyers (as idiots are the only ones buying bonds at such high prices that they yield almost nothing) are selling bonds, and suddenly the US Treasury yield curve got seriously-unbent recently, as the price of the 5-year note went down enough to bring up the middle of the yield curve by an entire percent! One percent increase in yield in one week! And even the 30-year bond went up in yield as their prices fell.

This means that the decline in the prices of 5-year and 1-year debt handed huge unrealized losses to an entire world full of idiots stupid enough to own massive amounts of US government debt paying historically-low, abnormally low, insanely-low yields, all thanks to the foul Federal Reserve insanely creating the money to buy them, flooding the system with money, making your greedy “dark side” scream out to, “Short bonds, you moron! It’s one of those ‘once-in-a-lifetime’ can’t-miss, sure-fire deals, especially since bonds are already so overpriced that they are yielding less than half the rate of inflation Right Freaking Now (RFN)!”

You try to ignore that inner voice because you are too chicken for that kind of gamble since you’ve seen the foul, corrupt Federal Reserve simply create the money to buy bonds to make their prices stay up, and even go up, handing lots of losses to the shorts.

So you stick conservatively with buying gold, silver and oil when the desperate and clueless Federal Reserve is creating So, So Much, Much Money (SSMMM), a move that is so obvious and so simple that even complete morons like me can do it, and shout, “Whee! This investing stuff is easy!” when we do it!