

How to Save Yourself from Fed Money Creation

By [The Mogambo Guru](#)

03/18/11 Tampa, Florida – Roger Wiegand of *Trader Tracks Newsletter* ominously notes that “With no fiat money to spread around and no takers for their specious bonds, bills and other paper, stock and credit markets as we know them now are finished. Then we’ll see some real, old-fashioned goods trading, black markets, expanding regional gangs and unbelievable backlash against the instigators. If you thought the 1850-1890 USA era was the Wild West, watch what comes next.”

Part of “what comes next” he gets from the book *When Money Dies* by Adam Ferguson, which is that “over 400 politicians were assassinated in the 1920-1921 Austrian-Weimar Germany hyperinflation. This is what happens when things go very desperate,” and that “history books tell us, have proven time and time again, this is what lies ahead under these circumstances.”

He calls it The New Abnormal, which seems perfectly appropriate to me because I know that things are going to get weird from here on out, as the Old Normal is dead, making the Old Abnormal the New Normal, which is just a hint of How Freaking Bizarre (HFB) things are going to get when things are weird enough right now!

In fact, to use an analogy, the economy is like a group of overpaid people, milking the government for every dollar and benefit they can get, on a chartered airplane that has been certified as “unsafe,” where one minute everybody is having fun, drunk as skunks, laughing and telling dirty jokes, and the next minute the plane is plunging out of the sky, out of fuel, one wing is in flames, the engines are dead, the entire electrical system is kaput, and, worst of all, the beverage cart is completely empty of cold beer and those little bottles of different kinds of tasty liquors. Uh-oh!

Naturally, everyone is shouting, “Help! Help! What can we do to save ourselves? Can we save ourselves, like the banks saved themselves, by having the Federal Reserve create enough new money, which increases the misery of the poor by making prices rise, and rise, and rise with every new dollar created by the foul Federal Reserve, so that we can make a huge, huge, HUGE pile of money on the ground to cushion our crash landing, thus saving ourselves?”

Well, I admit it’s not the best analogy I ever saw, and I anticipate a deluge of hate-mail over it, and I am sorry that I used it, and I only did it because I cannot suppress – Hahaha! – the Laugh Of Mogambo Scorn (LOMS) at any idiots who actually believe in the long-term possibility of a dysfunctional, government-centric economic system, based on a constantly-rising money supply based on a fiat currency and insane levels of fractional-reserve banking, especially one where total local, state and federal government spending has grown to – literally! – half of all spending in the Whole Freaking Country (WFD)! Half!

This dismal fact is made possible, remember, only by the evil Federal Reserve creating more and more and more money and credit to finance it all, and thus creating the resultant inflation in prices that literally destroys – piece by piece, bit by bit – those who cannot pay higher prices for food and energy, and more-or-less figuratively destroys everyone else.

Except, that is, those who happily own gold and silver, of course, as these wonderful metals have always reigned triumphant over all other investments when things get to this metastasized end-stage, which is the part where the rise in consumer prices goes exponential along with the creation of new money by the Federal Reserve going exponential as the deficit-spending needs of the federal government go, likewise, exponential, and everything gets, predictably, exponentially worse.

Well, Mr. Weigand, who has been watching all of this, apparently realized that it was foolish to get into a conversation with a paranoid whack-job like me, and offers that “It appears we are mostly safe until May or June when the ‘Sell In May And Go Away’ bell rings,” which I take to mean that we have a couple of months in which to accumulate as much gold, silver, oil, guns and ammo as we can.

And with a nice lead-time like that, what can you say except, “Whee! This investing stuff is easy!”