

Investing in Gold and Silver for the Long Haul

By [The Mogambo Guru](#)

01/28/11 Tampa, Florida – Chris Mayer was quoted in the *5 Minute Forecast* newsletter as having noted that “If history is any guide, inflation will likely get much worse.”

Being the kind of guy who goes absolutely insane about inflation in prices, you can imagine the effect this had on me, although with a modest touch of understatement, he does not take things to the logical conclusion, namely that “We’re Freaking Doomed (WFD), you morons! And now everyone is going to see what happens after an excessive creation of money has distorted the economy, little by little over the decades, into a grotesque, corrupt, cancerous, incestuous economy feeding on government spending that, in the local, state and federal aggregate, now comprises an outrageous 50 percent of all spending in The Whole Freaking County (TWFC), and yet the Federal Reserve keeps creating more and more so that the federal government can borrow more and more and thus spend more and more!”

I would suggest, of course, that he would finish up with, “And now I, Chris Mayer, speaking both for myself and *The 5-minute Forecast*, and everyone on the planet who has not lost his or her freaking mind, the only logical thing to do is to follow the sage advice of The Mighty Mogambo (TMM) to buy gold and silver, gold and silver, gold and silver, more and more and more until they are stashed in huge piles all over the house and you are stubbing your toes on them all the damned time, costing you as much in doctor bills as the silver goes up in price, which means (with certain simplifying assumptions yet yielding 3-decimal place precision) you have reached maximum utility!”

This is Very, Very Good (VVG) advice, and provides a good place to finally stop buying gold and silver, as taking the next step is the path to insanity, which starts when you find yourself getting peevish about your inability to get a permit to construct a lousy combination precious-metals vault and oil storage facility in your backyard, using land acquired all around my house by buying out the neighbors who thought they were so smart not to buy gold and silver when I told them, “Buy gold and silver, you morons, when the evil Federal Reserve is creating So Freaking Much Money (SFMM), or one day you will regret it, and I one day I will buy your stupid houses for pennies on the dollar and kick you out, just before bulldozing your homes to rubble and having it hauled away so that every trace of you and your ‘no gold or silver for me’ stupidity is gone forever! Wiped out! Hahahaha! Morons!”

Well, apparently everyone has heard of my Strident Mogambo Advice (SMA) to buy gold, silver and oil equities, and it doesn’t even rate a raised eyebrow anymore, as proved when Mr. Mayer went blithely on “Everyone seems to know the US inflationary story of the 1970s. The official inflation rate hit nearly 14% by 1980.”

I am stopped from going ballistic about such horrors of inflation only because the rate of inflation is worse in other countries, where, Mr. Mayer goes on, “it was worse. In the UK, inflation topped out at 27%; in Japan, 30%.” Yikes!

I used the word “Yikes!” in the sense of “ancient history” since, as far as most people are concerned, 1980 was 31 years ago, which was before most people were born, and which is all a sorry result of the aftermath of 1971, which is 9 years earlier, when the dollar’s last tenuous tether to gold was severed by Nixon, allowing dollars to be created “at will” by a whore Federal Reserve, which they were, which is why debt soared and there has been constant inflation in prices and now we are all ruined.

Here is where I forsake the use of, “Yikes!” to use the words, “We’re Freaking Doomed!” in the sense of “current events,” because if inflation in 1980 was 14%, what is the inflation rate when a reader of Chris Mayer’s commented, “He may have cited the Wells Fargo forecast of 4% increase in food prices, but between packaging size reductions and slight price increases, we’re currently running between a 10-15% increase on core grocery items.”

And it gets worse than that, as the reader goes on, “Add that with the upward trend in energy prices, you’re slowly barking up a tree that’s 15-20% higher than what we started with a year ago”!!

Perhaps the link between the creation of money and inflation does not impress you, the casual reader who has wandered across the MoGu newsletter by accident, and who wonders if there is something of any significance or interest beneath the dull veneer of my poor writing and weirdly recurring thinly-disguised threats against the Federal Reserve as revenge for creating their so much excess money that it creates inflation in prices which makes life Very, Very Tough (VVT) for the poor.

If so, let me bring you up to speed: 15-20% inflation is enough to destroy you and everything, and everybody, you love, and your best bets are to get a lot of gold and a lot of silver, which is automatically proved, in a metaphysical, mystical way, in that “best bets” are anagrams, and “silver and livers” are anagrams, and if there is one thing you can’t live without, it’s a liver!

Okay, I admit that I am stretching it with this “silver and livers” thing, but after all the other thousands of reasons to buy gold and silver that I have used over the years to convince people to get up off of their fat, stupid butts to go out and buy gold and silver, I am simply out of ideas.

I am desperate for some new reason to buy gold and silver beyond the first 3,000 reasons, although, fortunately, as far as buying them is concerned, easy is easy is easy, and no more need be said of its ease, expect for, perhaps, “Whee! This investing stuff is easy!”