

# Here's my money. Give me my metal!

July 26, 2012 Mogambo Guru

Something woke me up. I don't know what. Something, though.

But once awake, it seemed to me that it was strangely quiet. And before you ask, the answer is "Yes. It is TOO quiet," which unfailingly means that something bad, usually something VERY bad, is just about to happen, like (as I learned from decades of watching TV) getting attacked with guns and/or arrows.

So, naturally, I instinctively ran to the periscope and quickly scanned the perimeter of the Mogambo Sure-Fire Defensive-Posture Bunker (MSFDPB), naturally expecting the worst. Flames. Riots. Mushroom clouds rising up in the distance. Flying saucers shooting rays at things that then explode. I dunno what. But something like that.

And if not the worst, then something almost as bad, because I happen to know at least the bare rudiments of the Austrian Business Cycle Theory, and I have heard of Milton Friedman, and thus I know what happens when the money supply is hyper-inflated, as has been done in the US and in EU for years and years, explaining why the Mogambo Fearfulness Meter (MFM) is redlined, with the needle pegged.

With trembling hands and nimble feet, I hurriedly spun the periscope the full 360, but saw no real enemies, at least none that I couldn't handily take care of by yelling "Hey! Neighbor! Are you finally buying any gold, silver and oil to protect yourself from the inevitable inflationary catastrophe caused by the Federal Reserve, foreign central banks, the World Bank and the International Monetary Fund creating so much money and credit? Don't you realize that inflation in prices is going to soar to horrific levels and absolutely destroy the economy in some ugly hyperinflationary collapse, like it always has for the last few thousand years Without Freaking Fail (WFF) because of all this new money? What are you, some kind of brain-damaged nitwit who can only understand things if I come over there and scream in your face or accidentally shoot your stupid garbage cans full of bullet holes?"

These days, they always go back into their houses, being careful to not make any sudden moves that could startle me, and keeping their hands where I can see them.

Like I said; nothing I can't take care of.

It was only later that I discovered that the reason for the unnatural silence is that the staggering national debt (now an astonishing \$16 trillion) is ballooning at an unbelievable, terrifying speed, and is going up at the Exact Same Time (EST) as Consumer Installment Debt is rapidly going up!

I punctuated that sentence with an exclamation point because I was surprised. I would have bet that with the economy declining, sales falling, losses mounting, incomes stagnating,

consumer prices rising, and everyone worried about their jobs or lack thereof, people would not be running up any more debt.

I was, to my complete embarrassment, wrong.

In the latest Fed report, as summarized by the Wall Street Journal, Consumer Installment Debt was rising at an 8% annual rate, really galloping along, and is now back up to a staggering, horrifying total consumer debt of \$2.57 trillion dollars! Trillions!

Now attuned to subtle nuances of punctuation, you no doubt noticed that those last sentences ended with exclamation points for added emphasis, calling your attention to the fact that with irrational behavior like this, there was never any doubt that We're Freaking Doomed (WFD).

I realize that there are people, perhaps you, who would prefer using bland, "full stop" periods as punctuation, additionally pointing out, in a cruel, snotty way, that my redundant use of "Trillions!" was stupid and pointless, and that, speaking of points, you are deducting points from my final score, to which I say "What points? What in the hell are you talking about? Screw you!"

But you would use exclamation points, too, if you knew, like I knew, and still know, and now you know, too, in case you did not know, that the Wall Street Journal neglected to mention an important fact, probably because they are afraid.

They are afraid that you would be so terrified that you would immediately have a heart attack, or your brain would explode, falling screaming to the floor, clutching your chest or head as the case may be, perishing in writhing, crushing agony and unbearable torment, and your survivors would not be inclined to renew your Wall Street Journal subscription.

In short, nobody wins from printing the whole truth, except maybe your bereaved wife and kids, and your hateful neighbors, and relatives, and people who hate you, and you hate them back, even though neither of you can remember why you hate each other.

Wait a minute! I remember! I remember why I hate that guy! Hey! I hate that guy!

Anyway, the crucial bit of information left out of the Journal's article is that Consumer Installment Debt reached its peak in 2008 at just under \$2.6 trillion, after rising from \$725 billion in 1992 which was -- do the math yourself! -- more than tripling -- tripling! -- in a mere 16 years!

Interestingly, Consumer Installment Debt never really fell much below \$2.4 trillion after reaching its last peak in 2008, with consumers paying off a lousy \$200 billion of their massive debt over the last 4 years, a pittance when compared to the fabled "the consumer is deleveraging/paying down debt" nonsense and lies of the last few years.

So, alarmingly and in keeping with the theme of We're Freaking Doomed (WFD) that hangs like a big ol' nasty fart in a tiny elevator, Consumer Installment Debt is now back up to \$2.57 trillion, very nearly back its old back-breaking record level reached in 2008, while government debt is up to a massive \$16 trillion, up from less than \$10 trillion in 2008! Gaaahhh! It's all too insane! Insane, I tells ya!

No matter how you look at it, with monetary and financial insanity like that, Something Very Bad (SVB) is going to happen pretty soon, whereupon you will clearly remember my constantly urging you put all your money into gold, silver and oil, and your face will burn in shame that you ignored me, probably thinking to yourself "Why should I listen to this Raving Lunatic Mogambo (RLM) just because the last 4,500 years of multitudes of various rulers and governments borrowing themselves into debt, especially with a fiat currency, bears a vast, glorious, incandescent proof to such Profound Mogambo Profundity (PMP)?

"And," I imagine you continuing on, "why should I buy gold, silver and oil just because it has always been a good idea to exchange devaluing things for gold and silver? Hasn't anybody ever heard of the phrase 'Past performance is not an indicator of future performance'? This means that just because it has ALWAYS happened ALL the other times in history when any government was so stupid, so ignorant, so corrupt, and so incompetent as to greatly expand the money supply, it does NOT mean that it will happen again. So maybe catastrophe will not happen this one time, once in all of history, for no particular reason!"

Well, to be honest, I am not sure what you were thinking, but you SHOULD have been thinking "And thus it has always been! Thus, I see it now! Always the exact same story! And to hear wise counsel to buy gold, silver and oil is Damned Good Advice (DGA), too, dropping, as it does, like pearls before swine such as I!

"Thus enlightened, yet insulted to be compared to a pig, I shall happily buy the aforementioned gold, silver and oil, and soon be thankful that I did, yet destined to be disappointed that I did not buy more than I do!"

One day soon, you will rue your rash decision not to follow such Fabulous Mogambo Advice (FMA), deciding instead to send me rude emails, saying things like "You are a stupid ugly man that everyone hates, and I hate you, too, and I wish I could spit in your food and throw things at you when you aren't looking," as if I don't already get enough of that at home, but thanks for thinking of me, mom.

On the other hand, you may be cheered to know that one day, maybe not today or tomorrow, but soon, and for the rest of your life (so kiss me, Ingrid Bergman, and put some tongue in it this time, baby!) you will have the leisure of having nothing else to do except think about how miserable and broke you are, and you will entertain yourself by idly trying to calculate how much money you would have made if you had listened to me and bought gold, silver and oil. It is then that you will have an exciting, "talk-about-it-at-dinner-moment" when you look at the result and say "Wow! That much?" to yourself at the astonishing answer.

Then, soon after that, you will still have another big block of time to fill and, still miserable, still broke, and still with lots of time on your hands, you will idly wonder how much money was made by people who DID heed the aforementioned Fabulous Mogambo Advice (FMA) to buy gold, silver and oil at these bargain prices.

Well, I am happy to tell you that you can stop wondering how much wealth! I'll tell you how much! Enough that they will sit in air-conditioned luxury behind the blacked-out windows of their long, fancy bullet-proof limousines as they speed past you, on their way to fun and fancy parties, or to fun, fancy beachside mansions, or something else equally fab-fab-fabulous and fun, while everyone ignores you laying there in the gutter.

And if you listen carefully as they hurtle by in their shiny new cars, you may be able to hear them scornfully laughing at you for having been so oblivious and ignorant that you missed the most obvious, most important and most profitable investments of your Whole Freaking Life (WFL).

As a preview, their condescending, scornful laughter will probably sound like this:  
"Hahahahahahaha!"

If it makes you feel any better, they will secretly pity you. Laughing at you with contempt and disgust, yes, but pitying you, too.

Or, as an alternative, you could buy gold, silver and oil now, too, and be just like them. Maybe even rule them with a dictatorial iron fist, turning them all into your unholy army of the night, mindlessly doing your nefarious bidding.

Well, I'm not a very smart guy, but I know which option I prefer! Hahaha!

And especially so since buying them is such a snap! As a reader once quoted me as saying, but me having no memory of it, it's as easy as "Here's my money. Give me my metal!"

And is that why buying them leads one to happily exclaim, as you are walking back to your car, precious metals in hand, "Whee! This investing stuff is easy!"