

It Gets Much, MUCH Worse From Here

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By: The Mogambo Guru

I know now, with the huge benefit of hindsight and a lot time spent with drunken friends explaining it all to me, how all my problems are somebody else's fault.

I know that they are just being kind, of course, as there were a lot of the places where I personally went wrong along the worrisome, winding way of my worthless, wasted life, none of which, unfortunately, explains my bizarre use of such gratuitous alliteration that even I am embarrassed about it. Sorry.

Anyway, I thus see crystal-clear that if I had made even one correct decision anywhere along the way, then today I would be rich, handsome, popular, happy, loving, respected and trusting, instead of, well, you know, this.

Of course, there are the obvious benefits of being a paranoid, cynical, hateful old man following the Austrian school of economics.

Thus educated in The Only True Economic Theory (OTET), I am looking forward to being happily and embarrassingly wealthy, at least in a relative sense, when gold and silver shoot to the moon in price and everything else turns into (as they say in Spanish) El Crapola.

This is as it must be because the horrid Federal Reserve, the incompetent European Central Bank, and the corrupt International Monetary Fund are creating so much money, so impossibly-much money, so horribly much money that burning inflation in consumer prices must necessarily result.

I can see the skeptical look on your face, questioning my statement that "burning inflation in consumer prices must result" from so much money-creation.

So, before you say "Are you sure?", or "I think that is debatable, Mr. Mogambo", or "You filthy, lying, pig bastard!", let me explain that it is because -- and this is the Very Telling Point (VTP) of the whole thing! -- prices have always risen when the money supply was expanded! Always! Over thousands of years!

I bring this up, not just because the current, fashionable-yet-stupid, new-age, neo-Keynesian econometric monetary inflation crap ("Central banks gone wild!") scares the hell out of me, and scares all educated people, too, but because of a little blurb in an article in Bloomberg Businessweek magazine.

The article is about Ben Bernanke, a guy for whom I grudgingly put aside my disdain for him and his stupid brand of economics so as to act professionally in my role as Big Chief Editor Mogambo (BCEM), I have conservatively and professionally classified him as a

raving neo-Keynesian econometric academic nitwit, and who is disastrously the current chairman of the evil Federal Reserve.

About his policies, Peter Coy writes "Take this little quiz to see how much you know about Bernanke's monetary policy derring-do. Have the central bank's asset purchases since August 2008 increased banks' lendable reserves by a) 25 percent, b) 50 percent, or c) 100 percent?"

He could probably tell by the way my eyes glazed over that I did not know the exact figure, and never even thought about it, to tell you the truth.

Thankfully Mr. Coy did not immediately launch into the usual taunting I usually get, mostly along the lines of "So, The Great Mogambo (TGM), for once in his arrogant, overbearing life, doesn't know the answer to a simple question?"

If I don't take action to stop them right there, the average person will continue "Is this TGM, the snotty guy who thinks he knows everything about everything, especially how the horrid Federal Reserve creating so unbelievably much excess money and credit over the last 25 years has destroyed the economy, is still destroying the country by, and by extension the world, with horrendous inflation in prices, monstrous un-payable debts, an economy riddled with cancerous, ruinous mal-investment and an adversarial regulatory government?"

About this time, I have found that the best way to end this rude line of questioning is to graciously interrupt by saying "Shut up!", then saying it over and over until they, you know, shut up.

Then I gently answer their probing questions with "Yes, it's me, TGM, the blowhard who is constantly shouting how one would have to be an idiot NOT to buy gold, silver and oil when faced with such an economic calamity, and thus I call you 'moron', as I am sure that you have not bought them, else you would not address me in such a rude manner instead of falling to your knees to worship me, loudly singing my praises, including about how handsome I am and how wonderfully my darling blue eyes twinkle with a kind of inner light, and thanking, thanking, thanking me repeatedly for the wisdom of True Mogambo Enlightenment (TME) that I have given you!"

Mr. Coy obviously does not want to get dragged into that whole weird scene, and so instead of him saying "You tell 'em, Mogambo!", he goes immediately on to write, surprisingly with not an exclamation point in sight, "It's a trick question. The correct answer is d) 80,000 percent, from less than \$2 billion before the financial crisis to around \$1.5 trillion now."

80,000 percent! Yikes! Alas, economies will be destroyed, currencies will be destroyed and everyone will suffer! Notice all the exclamation points!!

At that rate, that's when relatives and miscellaneous people will come wandering in, staggering as if in a daze, over to my house, carefully standing outside the clearly demarcated fire-control zone perimeter around the Mogambo Ultimate Dual-Mode Offensive And Defensive Bunker (MUDMOADB), where they are tearfully shouting out to me that they want to "borrow" some money that I know, that they know, that we all know, they can never pay back.

They will finally ask the question "Do you enjoy seeing us suffer?"

Well, wondering what I think about people getting what they deserve is a good question!

And here's a good question for them! "Why do you cluster in a small group like that, out in the open, where a short burst could take you all out at once, instead of taking cover and dispersing yourselves around me in a pincer-movement flanking maneuver, which shows at least a minimum of competence?"

Another good question for them is "Why do you want to borrow money from me when you could just cash in some of your own gold, silver and oil stocks that you have accumulated over the years, like to told you to do all through those selfsame years?"

They will have an answer for that, though: They will say they "forgot" to buy gold, silver and oil! Hahaha! They forgot!

It's like they think I never heard them talking about me behind my back, saying things like "Mogambo is a stupid-head gold bug!" and "Why is he always ragging on the Federal Reserve?" and "Does he always smell like that?"

Well, thanks to the inflation in prices that follows an inflation in the money supply, they will be standing at my door, their savings gone, or almost gone, after always paying higher and higher prices to maintain their standard of living as long as they could.

And they kept it up the whole time that prices were rising, their incomes not increasing (assuming they still had jobs!), taxes were rising, and returns on assets lagged, assuming they hadn't already fallen to their real-world, and drastically lower, value, wiping them out.

Their few remaining paper dollars almost worthless in terms of buying power, reflected in the terrible inflation in prices, and they are hungry, and desperate, and they have nowhere else to turn, and blah blah blah.

Little do they know that, if they had read history, they should cheer up, as this is only the start of the fun part of currency debasement by over-issuance. Hahahaha!

Believe me, it gets much, MUCH worse from here! And for a long time, too!

I am sure you noticed how I bravely laugh in the face of such impending misery and deprivation, which I bravely do because prospering in such apocalyptic times is as easy as buying gold, silver and oil!

And how can you NOT be carefree and bravely laugh when you are busily saying "Whee! This investing stuff is easy!"? Whee!