

# A Valuable, Valuable Clue As To What To Do

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Junior Mogambo Ranger (JMR) Philip S. kindly forwarded an entertaining email to me, containing a lot of facts about, of all things, the year 1910.

Now, I gotta tell ya, I can remember a lot of things, mostly as a result of living a lot of years and thus spending a lot of years finding out about a lot of stuff, but 1910 was not one of them.

Accordingly, on the Mogambo Hierarchy Of Interest (MHOI), it always rated a big, fat zero since I have never heard anything about 1910 that I could use. For instance, maybe in 1910 there was some wonderful hair tonic to grow my hair back, only fuller and more luxuriant, or some glorious elixir to give me a powerful, studly physique with bulging biceps and washboard abs, but without exercising, preferably in an inexpensive pill, that works overnight, while I sleep, so that I wake up refreshed, strong as an ox and looking like a million Hollywood bucks.

Now THAT'S as a 1910 I could use!

So, perennially scoring the proverbial "none of the above", I thought I would be immediately bored to death with some doofus email about 1910.

It turns out I was wrong! It was more interesting than that, from an economics standpoint, by which I mean from an inflation standpoint, by which I mean prices going up, by which I mean the inevitable result of creating too much money and credit, by which I mean that the evil Federal Reserve is creating massively too much money and credit so that the horrid Obama administration can deficit-spend roughly \$1.5 trillion a year, by which I mean we're talking about annually adding national debt equal to ten percent of GDP, by which I mean This Is Too Freaking Insane For Words (TITFIFW).

For instance, from the email we learn that in 1910, "The average US wage in 1910 was 22 cents per hour."

We later learn that "The average US worker made between \$200 and \$400 per year."

Well, I immediately sense that this is the perfect opportunity to show off my skills in using a calculator, and so I start to look for mine, and I couldn't find it, eventually gave up after a fruitless twenty seconds or so, and reluctantly did the long-division by hand, over and over, seemingly getting a different result every damned time, until my hand got a cramp and I was really grumpy.

In doing so, I found out two interesting things. 1) Doing long-division with paper and pencil is more confusing than I remember, and 2) The average US worker (working 52

weeks a year) worked somewhere between 909 hours per year (a lousy 17.5 hours per week) and 1,818 hours per year (a more respectable 35 hours per week).

Immediately, the nimble Analytical Mind Of The Mogambo (AMOTM) concluded "Seventeen hours a week working? What a bunch of lazy bastards they were!"

Of course, I am not going to call them "lazy bastards" out loud since that would cause, as it always does, those people who are merely standing nearby to perk up, happily start talking trash about me, and how I am the King of Lazy Bastards, and that I am, by consensus, the laziest bastard in town, no matter what town I am in, and definitely the laziest man any of THEM ever met. Ever!

And it's not like I don't patiently and clearly explain to them that "I am not here to do any work, you lowlife morons! I am only here to (insert variously 'Get a paycheck,' 'Sit on my fat ass,' or 'Eat like a pig')!"

Yet, unbelievably, they look at me like I am the crazy one! Me! I mean, why ELSE would I even BE here, ya morons? For my health?

"So," I can hear you asking yourself, "what does any of this have to do with anything? Is there a point? Will he ever get to the point? Why am I wasting my pathetic life reading such Stupid Mogambo Crap (SMC), anyway? What in the hell is WRONG with me?"

Well, since you are so impatient, I'll tell you the point: It has to do with inflation in prices, and how intelligent people fear inflation, especially the kind where people cannot afford to buy food, which is the big killer of economies and countries, and then there is usually a war with somebody, and the whole thing is a Big Freaking Bankrupted Mess (BFBM).

More to the point, in 1910 "Sugar cost four cents a pound."

Eggs were fourteen cents a dozen.

Crappy coffee was fifteen cents a pound.

That got me started thinking about how the prices we pay for these things are relatively low, according to the inflation calculator at the Bureau of Labor Statistics, as they calculate that it now takes \$23.37 to buy what one dollar bought in 1913 (the farthest back the program can calculate).

And even though 1913 is three full years after 1910, that's still a whopping 2,337% inflation! And that staggering loss of buying power of the dollar comes from just 3.14 % inflation per year, compounding!

So anybody -- and I mean anybody! -- telling you that 5% inflation is a worthy goal, "to prevent deflation" in the prices of stocks, houses and overvalued things in general, is a complete and irredeemable moron, which I deftly prove by noting that this outrageous

idiocy is the actual opinion of the horrible Ben Bernanke, lowlife loser chairman of the catastrophic failure known as the Federal Reserve, and whom I nominate as King of the Keynesian Econometric Nitwits.

Now, after that unsavory-yet-satisfying bit of completely gratuitous rudeness and scornful disrespect, I will now, at last, add that spicy, piquant bit of extra horror that is so traditional during the Halloween season.

In this case, the terror of John Williams of shadowstats.com still calculating inflation the correct, old-fashioned way, and finding the chilling, terrifying result that inflation in prices is now over 9% per year, compounding!

And by "compounding" we mean, of course, "growing exponentially", which is the problem with debt growing at an exponential rate: After all these years and decades of creating massive amounts of debt (and therefore new money) to both spend and to pay the interest due on an even more unbelievably colossal amount of existing debt, the upward-sloping curve of debt ("curve of death!") is getting pretty steep, the required amount of new money necessary to "keep on keeping on" becomes truly unbelievable, and soon, after that, things will really start getting completely irrational.

What to do? Beyond screaming in outrage and vowing to use the upcoming elections to wreak righteous revenge on the elected scumbags who caused all this mess, you mean? What to do?

That's a good question! Hundreds of millions of people in the last 4,500 years of world history, in millions of other countries and governments, have faced this Exact Same Question (ESQ) because their rulers were this same kind of Stupid Corrupt Scumbags (SCS).

So, pray tell, what did those hundreds of millions of people do? What Did they do? What did THEY do? What did they DO?

I mean, if we knew what they all did, and how it worked out for them, it could provide a valuable, valuable clue as to what to do!

Hmmmm! "A valuable, valuable clue as to what to do"! Catchy!

Anyway, my fabulous bon mot aside, what history boils down to is that when the value of the currencies kept going down and down because the governments acted like they always do, the people who owned gold and silver (and got the hell out of town with it) did very well.

Those who owned all other things did, unfortunately, not.

So, I ask incredulously, how can this "investing thing" get easier when it is so glaringly, grotesquely obvious that the corrupt Federal Reserve is now, year after year, creating enough money equal to a tenth of GDP?

Causing massive price inflation? So that the insane federal government can borrow and deficit-spend that selfsame tenth of GDP? All because the US economy is now disgustingly distorted, monstrously malignant, twisted and totally, totally dependent upon massive, gagging amounts of government spending?

If you suddenly feel sick to your stomach, like me whenever I think of it, cheer up! I have good news at last!

What to do? It's not for nothing that Junior Mogambo Rangers (JMRs) around the world eagerly accumulate gold and silver bullion, and who say to themselves as they do, "Whee! This investing stuff is easy!"

And with 4,500 years of history backing their play, how can they lose? Easy and guaranteed! Whee!