

Golden Butter on Inflation Toasted Dollars

By [The Mogambo Guru](#)

03/05/09 Tampa Bay, Florida There are obviously a lot of differences between me and damned near everybody else, one of which is that I spend a lot of time screaming in outrage about the stupidities of Congress (spendthrift morons and their half-witted commie/socialist absurdities) and the Federal Reserve (for creating too much money and credit, with which to buy the Treasury debt necessitated by Congress's continual, crazy, catastrophic deficit-spending).

Another big difference I can deftly demonstrate by quoting an open letter written by the Sovereign Society to Obama, which starts off with, "Dear Mr. President," which is where we start diverging right off the bat, because I refer to him as "Usurper Obama" since I have finally concluded that he is not, actually, qualified to be president of the USA by the fact that he is not "American-born" as required by the Constitution, because if he was, then all he has to do is show his birth certificate to somebody and prove it, which he has not only refused to do, but has spent millions of dollars in legal fees to block access to it! Hahaha!

Apparently, this fraud has included fighting appeals all the way to the Supreme Court, which has turned away every appeal on the grounds that the petitioner had "no standing" with which to sue (by suffering actual harm), and includes even soldiers who are required to follow Obama's military orders, who would seem to have lots and lots of "standing"!

In short, the Supreme Court is saying, "He may be illegally occupying the office of President of the United States according to the Constitution of the United States, but since nobody actually got hurt, it's OK with us!"

But this is not about how I despise the Supreme Court or how Usurper Obama, whom the estimable Alan Keyes has accurately called a "radical communist", is a fraud and a commie-weirdo, but about how his (and Congress's) unbelievable "stimulus" legislation is going to destroy the last remaining penny's worth of buying power left in the dollar, which has already lost 97% of its buying power since the loathsome Federal Reserve was created in 1913, and which is directly responsible for every dime's worth of inflation-borne misery (seen as higher and higher prices) it has caused ever since, culminating in the catastrophe that we call (checking my calendar) "today."

I can see I am getting myself worked up about how the dollar and America are now on the brink of extinction thanks to the idiotic Democrats and their ridiculous idea that "all you need is love and equality of outcomes, paid for by lots of government entitlements and regulations, which we will pay for by borrowing without any limits whatsoever"; it behooves me as The Loudmouth Mogambo (TLM) me to tell you that, since the dollar is toast in terms of future buying power when all this "stimulus" money starts flowing good and hard, which you will experience as inflation in prices, higher and higher prices, always higher and higher prices, then you should be buying gold, silver and oil. Right now! Lots of it! Let's go! Hup! Hup!

Bob Chapman of the International Forecaster newsletter is too smart to be drawn into one of my hysterical rampages, but does inadvertently corroborate my argument by calculating that “since 1997, real inflation, as opposed to ridiculously understated official inflation, has raged at a minimum of 8% annually, and has soared as high as 14-16%. This means that you have lost a minimum of two thirds of your 1997 purchasing power”, which I notice happens to be the exact time that Alan Greenspan started really goosing Total Fed Credit, which expanded the money supply to pay for the booms in stocks, bonds, houses and size of government!

I was hoping he would say, “Well, done Mogambo!” or, “Have half of my pizza, Mogambo!” or maybe something like, “Although the thought of agreeing with the Mogambo about anything actually gives me the willies, he is absolutely right that you should be buying gold, silver and oil” – but he did not.

So I turn to CaseyResearch.com, and am gladdened that they note “Last month, the price for a single ounce of gold surpassed the S&P 500 index for the first time in 18 years. Following the last such inflection point that occurred in 1973, gold surged ahead over 600%.”

Naturally, being the greedy little creep that I am, I immediately lose interest in anything anybody is saying, and I start daydreaming about how my life will change when gold is \$5,700 an ounce.

So, I almost missed it, but they continued, “In case you were wondering, in 1973 the inflation-adjusted price of gold was \$600 an ounce when it first went higher than the inflation-adjusted S&P 500, whereupon gold went to an inflation-adjusted high of \$1,800 an ounce while the poor old S&P 500 went essentially nowhere until 1991, when the S&P again went higher than the inflation-adjusted gold, crossing at \$600 again, whereupon the inflation-adjusted S&P500 went to an inflation-adjusted 1,600.”

Now they are crossing again! Whee! This investing stuff is easy!