

The Unmistakable Stench of Bad Fiscal Policy

By [The Mogambo Guru](#)

06/12/09 Tampa Bay, Florida I keep marveling at the Financial Times article talking about Angela Merkel, the German chancellor, breaking tradition and ridiculing central banks and their idiotic monetary policies.

And apparently her feelings about the absolute stupidity of central banks in general and the Federal Reserve in particular are shared by a lot of people, as more and more countries are now “more resistant to taking advice from Anglo-Saxon quarters,” since they think “these countries’ economic models have been exposed as deeply flawed.”

Exactly! Wonderful to hear such uncommonly correct monetary analysis! And from foreigners, too, a class of people that we Americans look down upon with cold disdain since they are always appearing in the movies as a bunch of dim-witted guys with bad accents who are always trying to kill James Bond, and if the only good-looking girl in the film gets killed, then it is always a foreigner that kills her.

But now I realize that perhaps I have been too hasty in my blanket condemnation of foreigners, especially based on Hollywood stereotypes, as they are suddenly showing uncommonly good economic sense about economic theories that are “flawed,” which, of course, brings me to the one economic model that is NOT flawed, and that is the gold standard.

As is easily predicted, the mere mention of the gold standard has me leaping up from my chair to heroically announce, in a voice both loud and irritatingly nasal, “Hear me, Earthling morons! Gold will, one day, emerge from the disastrous collapse that must befall any economy so stupid as to trust another bunch of idiots experimenting with brain-dead, fiat-currencies and obscene levels of fractional-reserve banking, just as gold has always emerged from the ashes in all history’s other sorry episodes of vast, brain-dead governments abusing a fiat currency until they, too, collapsed into a big pile of nasty, disease-ridden, stinking crap, where the metaphor is truly apt, although the stench is thankfully more figurative than literal!”

Mr. Bernanke, of course, disagrees, not about whether the stink is real or not, but about the actions of the Fed, and is quoted as saying that everybody around the world “faced an extraordinary combination of a financial crisis not seen since the Great Depression, plus a very serious downturn,” which makes you scratch your head and say, “Huh? Plus?” and then you laugh and say, “Hahahaha!” at the sudden realization that this Bernanke weenie doesn’t know what he is talking about.

Nobody else seems interested in the joke, even when he went on to say, “In that context, I think that strong action on both the fiscal and monetary sides is justified.”

Bingo! Suddenly, it all came together in my head! Another Fabulous Mogambo Plan (FMP) to save my job! I resolved to march into my boss's office tomorrow morning and say, "Ben Bernanke of the Federal Reserve says it doesn't matter that he or I acted stupidly in causing disasters! All that matters now is that we be allowed to act even MORE stupidly!"

Just between you and me, having tried variations on this theme before, I am not looking forward to it, nor am I looking forward to the awful economic times that we, as a nation and as a world, must endure thanks to the complete failure of the Federal Reserve, and the worthlessness of Congress in reining them in, and that, of course, brings me to why you should be buying gold, and buying gold Right (pause) Freaking (pause) Now (pause) (RFN)! RFN!

And silver and oil, too, now that I mention it, which makes it all so easy that it should make you, too, squeal with girlish glee, "Whee! This investing stuff is easy!"