

Chinese Duality: Fast Economic Growth or Social Stability?

By [The Mogambo Guru](#)

09/22/10 Tampa, Florida – I finally managed, for about two minutes, to stop worrying about the coming ascendancy of the Chinese to overwhelm the planet – a welcome respite! – after I read Rick Mills of Aheadoftheherd.com quoting some Chinese doofus named Xiang Songzuo, who unbelievably is deputy head of the International Monetary Institute at Beijing’s Renmin University, and who said, “Export industries employ so many people, and a drop in exports would mean a rise in unemployment which could cause very serious social unrest.”

Huh? I am surprised that he thinks that a drop in exports would necessarily mean a rise in unemployment, unless he is saying that there is no possibility of compensating pickup in internal demand for anything China! Hahaha!

He probably heard me laughing at him, and that is why he quickly went on, “Social stability is Chinese leaders’ top priority, and the way to achieve it is fast economic growth to keep people working,” to which I responded with even more Sardonic Mogambo Laughter Of Scorn (SMLOS), as the terms “social stability” and “fast economic growth” are actually mutually exclusive, especially when the Chinese official, government-issued estimate of inflation is already running at a terrifying 3.5%, which is high enough to be suicidal to not only any country stupid enough to allow 3.5% inflation in prices to persist, but also a death sentence to any notions of “social stability,” which is so obvious that you would think that this guy would already know about it! Hahaha! SMLOS!

So stop worrying about the Chinese, as they have a lot of intellectual rot in high places to hold them back, just as we have plenty here in the USA, like Michael Cox, former Chief Economist for the Federal Reserve and reported runner-up behind Bernanke to replace the odious Alan Greenspan, who appeared on Dan Cofall’s “Wall Street Shuffle” radio show.

Mr. Cox is, as far as I am concerned, the poster boy for American “intellectual rot in high places,” an honor he achieved by advocating that the Federal Reserve target 4-5% annual inflation!!!!

It doesn’t take a lot of intellectual capacity to understand the terror inherent in the use of the four exclamation points as punctuation for such a profoundly disturbing comment, as this is the most insane, hyperinflationary piece of stupidity that I have ever heard, as far as I know. And this guy was second-in-line to be the chairman of the Federal Reserve? Yikes! We’re freaking doomed!

But the economic crisis has brought every academic and/or government wonk out to parade their various crackpot idiocies in the pages of *The Wall Street Journal*, each touting some of their fabulous ideas to somehow “fix” everything that has gone wrong with using a fiat money to produce a massively over-indebted, bankrupting country, at every level from public to private,

with a monstrously large and expensive system of governments supporting unbelievable numbers of people with an unbelievable array of money, goods and services.

Usually, these “saviors” want to either cut spending to reduce the income of those who receive government spending, or raise taxes to reduce everyone else’s income, or deficit-spend massive amounts of money and diddle interest rates to entice even more indebtedness out of people who are already choking on their un-payable debts.

I again laugh the Sardonic Mogambo Laughter Of Scorn (SMLOS) at the sheer repellent arrogance of all of these people who think that, although they had no idea any of this would happen, they could come up with a “solution” to a problem that has defied every one of the tens of thousands bankrupted governments, and all their advisors, in history! Hahaha! Arrogance writ large!

So, perhaps it is no accident that I spend an inordinate amount of time yelling, “The ugly, unpleasant truth is that nothing – repeat, nothing! – can be done, because if something could be done, then somebody else would have done it in the last 4,500 years of governments destroying themselves with debt! Ipso facto, we are all freaking doomed!”

And since “nothing can be done,” that is why it is so critically imperative that we not get like this, which we can do by merely having our money be gold, like the Constitution demands, which is the only way of preventing the government from expanding the money supply, which causes ruinous inflation and social discord, a situation of which even the Chinese are afraid, and which is the Exact Freaking Reason (EFR) why the Founding Fathers wrote into the Constitution of the United States that money will only of silver and gold in the First Freaking Place (FFP)!

And while, alas, nothing can be done for the country or the dollar, for you and me there is plenty that can be done to prevent bankruptcy and ruination, and is why I say buy! Buy! Buy gold and silver! Not tomorrow, but right now!

And buy them not just because they are guaranteed by 4,500 years of economic history, but because it is all so easy that you want to shout, “Whee! This investing stuff is easy!”