

In Search of Golden Enlightenment

By [The Mogambo Guru](#)

11/18/10 Tampa, Florida – Kopin Tan of *Barron's* has the honor of having his photo accompanying his Streetwise column, and my Keen Mogambo Eyesight (KME) notices that he appears to be an Asian-type person.

Suddenly I was alert to the possibility that he, as an Asian, could be chock-a-block full of Asian wisdom, and of the kind that I can understand, unlike the advice that the Dalai Lama gave Groundskeeper Carl Spackler in the movie *Caddy Shack*, which was, as I recall, “Gunga da gunga,” which makes no sense to me or anybody I ask.

I could ask Bill Murray himself, I guess, but he is like me, in that he is too busy trying to get his golf swing under control to be answering some stupid question by some stupid guy with the stupid name Mogambo Guru about some stupid ad-lib he did in a movie he made 25 years ago.

In the case of Mr. Murray, I actually remember the time, back when I first started this newsletter, when I called him to get his opinion about the wisdom of buying gold and silver in response the inflation that will be caused by Alan Greenspan, the then-chairman of the Federal Reserve, creating so much money.

I recall that the phone rang and rang, but I let it ring and ring. I knew he was home because it was about 6:00 a.m., his time out there in California, so I knew he had to be home! “Simple deduction, my dear, Dr. Watson!”

Finally, as predicted in the previous paragraph, he finally answers, all groggy and half-asleep, “Hello?”

To help wake him up, I was deliberately perky and up-tempo, and I said, “Hello, Bill! This is your old pal Mogambo, and I was just calling to confirm your opinion about how you are sure that Alan Greenspan creating so much money and credit is going to result in inflation and more bubbles in stocks, and bonds, and houses, and derivatives, and the sheer size of the government and its many dependents, which is not to mention simmering, constant inflation in the prices of everything else, and how you were discussing that Exact Freaking Point (EFP) with the Dalai Lama when you were working as his looper in Tibet, which is a tasty tidbit of celebrity gossip that I want to use in my newsletter!”

I could hear him breathing on the end of the line, so I continued, “Well, Bill, old buddy old pal, since we are talking about the Dalai Lama, when he told you ‘gunga ga dunga,’ was he saying, literally, ‘money get money’? And does that translate into colloquial English as, ‘Get gold and silver?’ Does it, Bill? Does it?”

He didn’t answer right away, so I urged him on, “Does ‘gunga ga dunga’ mean ‘gold and silver’ or not? Yes or no, ya moron? Or are you such a conceited hotshot that you think you are too big

and too important to tell me just because I have a ‘problem’ and I live in a closet, and nobody knows me or reads my newsletter because the CIA and the FBI and the NSA are censoring me? Is that it? Is that what you think, Murray, you worthless piece of Hollywood crap?”

Well, for some reason, that is when he rudely hung up on me, so we never finished our terrific interview, and the Mogambo Guru newsletter piece ended up with me putting words into his mouth about how the Federal Reserve’s insane expansions of the money supply has created so much inflation in prices that the dollar has lost 97% of its purchasing power since the Fed took over in 1913, and how he now plays a lot of golf and urges everyone to rise up in angry rebellion and march on Washington, DC to tear down the Federal Reserve building.

But that was then, and this is now, and so naturally I was hoping that Mr. Tan would reveal something as pithy as “gunga ga dunga” that would suddenly, in a moment of blinding, transcendent enlightenment, miraculously put my whole miserable life aright, where suddenly I would not care that everyone was plotting against me and talking about me behind my back, and I would be complacent as the Federal Reserve is creating so much excessively outrageous amounts of money that ruinous inflation in prices is guaranteed and how we’re freaking doomed as a result.

And mostly I would be the height of serenity about whether I already had enough gold, silver and oil instead of obsessively hoarding more and more of them, always more and more as the only defense against the foul Federal Reserve’s creating inflation.

You can see that I was primed to something transformational, and so it is with enhanced pleasure that I read his opening sentence with a bias towards an Asian-type of fortune-cookie Zen, so that his “Extraordinary measures rarely produce merely ordinary consequences” became subtly profound.

And then scary! And then running like hell to the Mogambo Big Bubba Bunker (MBBB) in a panic and taking up a defensive position, which I did just ahead of the arrival of his going on that “all that money we’re printing has to go somewhere, and faster-growing emerging markets – and the commodities they gobble up – offer some of the more obvious and compelling stories.”

I bring this up not because the possible satori in Mr. Tan’s “Extraordinary measures rarely produce merely ordinary consequences” remark, nor how it is all bound up in a whirling hurricane of uncanny philosophical links to many other fascinating economic theories (none of which I actually understand), but how Mr. Tan quotes John Roque of WJB Capital saying, “\$1,000 bought you nearly 50 ounces of gold in 1930 and less than an ounce today, but gold has no more surged than the dollar has slipped nearly 99% over that stretch.”

He’s so right that it makes me angry in a Mogambo Howl Of Outrage (MHOO) kind of way because every percentage loss of buying power during those last 80 years is written in the tears and suffering of the unemployed, the unemployable and those living on fixed incomes, all of whom must pay higher prices even though they don’t have more money, or any money at all.

To deliberately increase the suffering of the poor by making prices go up as a result of the Federal Reserve creating so much money is actually shameful, and it is the shame of all the yahoo huckster “economists” like the execrable Ben Bernanke of the Federal Reserve and the odious Paul Krugman of Princeton and who spreads his insane economic opinions through the fellow-traveler leftist *New York Times*, a newspaper whose obvious hypocrisy is a foul stench in my Sensitive Mogambo Nose (SMN).

But this is not about how we Americans are morons who believe that you can live well, and probably forever, by spending more money than you have by just creating more money, nor about how we think that every other government in all of history didn't do this amazing trick because they were so stupid and we are so smart.

Obviously, I am working my way into a Hysterical Mogambo Rant (HMR), cleverly averted by Mr. Roque bringing me back to reality by appealing to my greed when he went on to say, “Besides, at about 1.15, the ratio of gold to the Standard & Poor's 500 is still below the long-term average near 1.5,” which a little deft calculator work reveals is either equal to a nice “spring back” potential for a 30% rise in the price of gold “just to revert to the historical norm,” or a 3,000,000,000,000 % rise, I don't really know which because percentages, fractions and calculators are so confusing to me.

But even the lower estimate of a 30% rise has me licking my Greedy Mogambo Chops (GMC) about how much I would like a 30% rise in the price of gold, and how many fun toys I could buy with those profits, but which would inevitably meet with howls of protest from the wife and children about how they are “dressed in rags” and eat only a cheap imitation gruel that I buy from a guy who sells it out of the trunk of his car down by the 4th Street bridge, while I invest all our remaining money into gold, silver and oil, except for the part I use to selfishly indulge my every frivolous whim.

Their whine, whine, whine is part of the downside of gluttony, I tells ya, as it really takes away some of the thrill of self-indulgence!

So you can imagine how I got really excited when he went on that the ratio of gold to the Standard & Poor's 500 went to levels “pushing 3 in the 1970s,” which implies either a 261% rise in the price of gold to equal the S&P500, or the S&P500 falling to equal a third of an ounce of gold!

Perhaps it is this fabulous fact that makes me leap suddenly to my feet and excitedly exclaim, “Buy gold, silver and oil, you morons, because it is so obvious, so cheap and so mindlessly simple that even a guy as stupid as I am can see it, instantly recognize its significance, and be thrilled that ‘Whee! This investing stuff is easy!’”