

“Buy Gold” Recommendation Reaches China

By [The Mogambo Guru](#)

03/24/11 Tampa, Florida – GoldSeek.com had the *Reuters* news report with the headline “China Adviser Says Beijing Should Buy More Gold.”

Now, of course, we are all saying, “This is exactly what The Incomparable Mogambo (TIM) has been advising the Chinese to do, and what everyone should do, too, and buy silver, too!” which rhymes, so you know that it must be true, which also rhymes, although, in describing it, it doesn’t, sort of like the Heisenberg Uncertainty Principle for no particular reason, which just shows how Very Freaked Out (VFO) I am by the satanic Federal Reserve continuing to create trillions of dollars even as inflation in food and energy prices is soaring.

Well, these Chinese dudes never admit that they are taking my Fabulous Mogambo Advice (FMA) to use their surplus foreign reserves and buy up as much gold and silver as they can, so as to use it to institute a gold-standard monetary system as a prerequisite to making the yuan stronger by virtue of its gold backing, which will make imports cost less, which will mitigate the inflationary effects of growing the Chinese money supply to accommodate a lot of economic development and expansion, and they end up ruling the world.

Li Yining, who is a “a senior economist at Peking University and member of the Chinese People’s Political Consultative Committee, an advisory body to the national parliament,” doesn’t mention me at all, and said that “China should use the precious metal to hedge against risks of foreign currency devaluations.”

Reuters went on to explain, “His view that Beijing should diversify its foreign exchange reserves, the world’s largest, into commodities is nothing new. Many other academics have publicly called on Beijing to do so.”

So, if everybody is saying it, who cares what another Chinese yahoo has to say? Well, the answer is that “Li’s views may carry more weight than most. Many of his former students are now high-ranking officials, including Chinese Vice Premier Li Keqiang, who is seen as Premier Wen Jiabao’s likely successor in 2013.”

I immediately see where I went wrong! I had no students! In fact, the guys I hung around with are all probably in jail somewhere, or in a loveless marriage with horrible children, living in a horrible house and slaving at a horrible job, where only the blissful, numbing effect of alcohol and the sweet, unspoken promises of sultry bar-babes who want me to buy them another champagne cocktail, while she tells me how handsome I am, can console me. I mean them.

It’s the same around the world, I guess, as even in China there is always something weird in the mix, and this case it is Yi Gang, head of the State Administration of Foreign Exchange, “which is responsible for managing most of the country’s foreign currency holdings.”

Well, for some reason it reminds me of Deputy Barney Fife, of the proud city of Mayberry, pontificating “it was not possible for China to make big purchases in the spot gold market,” which makes me laugh the Mogambo Laugh Of Scorn (MLOS) because if this were so, it would be the first time in all of history that somebody literally could not buy gold, even though they had more than enough money to buy all the gold in the world at the present price of gold, all because of some mysterious reason I don’t know about.

It turns out that the reason is not that mysterious at all, because he did not mean literally impossible, as Yi explains, “If China gets into these markets and pushes up prices to extremely high levels, the Chinese people will bear the cost at the end of the day as China is often the key buyer in these markets.”

What? Hahaha! This doesn’t make sense! For one thing, Chinese people will be buying gold all the way up which makes it go up, and so when gold soars in price under the onslaught of so much buying, there are going to be a lot of Very Rich People (VRP) who bought gold and a lot of Merely Rich People (MRP) who bought gold and a lot of Almost Rich People (ARP) who bought gold, too, but with nobody poorer for buying gold, which would seem, to me, to be a real nice result for a lot of people!

And China would end up with all the gold, which would seem to be a nice deal for China, too!

Indeed, he added that “Chinese firms and households had purchased more than 300 tonnes of gold last year,” which seems like a lot, and for which I thank him for the interesting information, and would have, too, if he had not gone on to say “and that it would have been hard for the government to buy any more with foreign reserve funds.” What? Again, “Hahaha!”

Perhaps one can conclude from the 300 tonnes of gold that “Chinese firms and households bought last year” that it means that the Message Of The Mogambo (MOTM), which is to buy as much gold and silver as possible when so much excess money is being created, has reached China, although my facility with the Chinese language is pretty much limited to “Me takee one combination dinner number five, chop chop!”

And since my Chinese is good enough to get dinner, maybe it will work about this, too! “You China fella buy-um gold and silver. Bank make-um too much yuan!”

I don’t know how to say, in Chinese, “Whee! This investing stuff is easy!”, but when they buy them, and see what happens to them, they will find out for themselves! Whee!