

Cheap gold! Cheap silver!

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By: The Mogambo Guru

I was innocently watching TV with the family, suffering only a tolerable minimum of constant, simmering anger and paranoia about the horrific economic cataclysm that is descending upon us like a devouring plague because the world's governments spent themselves into bankrupting debt, people and businesses of the world borrowed themselves into bankrupting debt, and central banks around the world created the irresponsible, impossible, incredible amounts of fiat currency and credit to finance it all.

But all that seemed so blissfully far away from the amusing antics of Andy of Mayberry when my face is suddenly, yet figuratively, slapped alert to the sad, sorry state of economics these days as my eyes fell across The Economist magazine, where it had flipped open to a page that had an article by David Autor of MIT, who postulates that computers and are robots replacing human labor and thus, all mysterious and Keynesian-like, shifting "the production function."

As the Economist puts it, this "need not be bad news for workers" when they are laid off and abandoned to die of starvation and exposure because nobody needs strong-back/weak-mind workers these days at these labor prices when a robot can do it better and cheaper.

The funny part, if you like your humor veering to the dark "We're Freaking Doomed (WFD)" vein, is when the simpleton dork who wrote the article says "Firms may find it more attractive to invest in technologies that boost the productivity of less-skilled domestic labor, pushing up their wages"! Hahahaha! It's beyond hahahaha! HAHAHAAAAHA!

Taking a but a brief pause from laughing scornfully while making rude comments about everyone concerned with this travesty, hoping to catch my breath, I laugh anew -- hahaha! -- when I remember that the whole point of the exercise was to save the business money by replacing expensive labor with inexpensive robots, and yet the redundancy of excess labor is going to cause the companies to raise wages, making it MORE compelling to replace more labor with more technology? Hahahaha!

Well, it would be too, too funny if it were not so, so sad and dismaying.

I was likewise dumbfounded to learn, surfing through the news channels, that the actual statistic that the new Republican proposed budget "only" grows government spending by 3.5% per year, while the Democrats want 5% spending growth per year.

You can tell by the look of horror on my face that I am aghast that this minimum of 3.5% growth means that, at the end of ten years, the budget will be a whopping 41.5% higher than it is now! Almost bigger by half! In ten lousy years!

And, even more horrifying, since there is nowhere else from which that incredibly much currency and credit can come, the already-huge money supply and the already-bloated national debt will both be a LOT higher than that!!

The more astute of you will have, no doubt, noticed the use of the two exclamation points, a clever literary device I used to denote particular emphasis because the writer -- me! -- or, perhaps, the editor -- surprise! Me again! -- thinks that this is very significant, perhaps in the sense that the best we can do is monstrously increasing debt and the money supply by almost half again in Ten Lousy Years (TLY), resulting in huge, huge, HUGE inflations in the prices of some things, then in the prices of most things, then in the prices of all things, which is the horrific thing that makes it all fall apart, with much wailing and gnashing of teeth in addition to the widespread suffering, deprivation and misery caused by rapidly rising prices against relatively static (or falling) incomes.

But there is a bright side of the problem of the economy and the whole country being ruined, devastated by bankrupting price inflation that always follows such irresponsible monetary inflation. And that "bright side" is for you to buy gold, silver and oil now! As much as you can!

Even I, the Wonderful Mogambo Font Of Investing Genius (WMFOIG), am always impressed with the incandescent brilliance of this timeless investing advice.

So I was strutting around the place, real proud of myself, when I saw that Mike Maloney's terrific "The Hidden Secrets of Money, Episode 1" was released at his GoldSilver.com website, and I was in it! Me! I had, as we conceited Hollywood stars say, arrived!

There was, of course, some heated controversy whether I sounded more stupid than I really am, or vice versa, or equally stupid-looking and sounding, although the majority eagerly agreed that I came across as some old man who has lost both his marbles and his hair.

Of course, perhaps because I AM just some old man who has, indeed, lost both his marbles and his hair, I steadfastly believe everything that I know is true, such as letting the Federal Reserve create so impossibly much currency and credit (monetary inflation) will produce terrifying increases in consumer prices (price inflation).

Now, couple that timeless truism with the known fact that gold and silver, the only true historical monies, have always gone up in price when the currency involved in the transfer of ownership of the aforementioned gold and silver has lost purchasing power due to the likewise aforesaid over-issuance of currency and credit.

Thus after viewing the episode, my standard high level of enthusiasm for buying gold and silver, with which to capitalize, richly, on the coming high price inflation, was suddenly launched into overdrive, propelling me into a whole new dimension of terror, actually transcending urgency and panic, in some weird kind of wild, psychotic episode.

I figure that I got all "psycho" because, for one reason, that's what people keep calling me because of my pronounced fear of price inflation, thus explaining my gold-bug and silver-bug

proclivities, which compel me to wax ever more, and probably evermore, outraged about how the evil Federal Reserve is absolutely destroying the purchasing power of the dollar by creating too much fiat currency and credit with which to finance a bloated, cancerous, debt-addled, government-centric economy dying of morbid obesity and abject stupidity.

And for another reason, I would REALLY have to be a psycho screwball to even consider suggesting to my wife that we mortgage the house to the limit, sell the kids' belongings on eBay, and hit up her friends and her parents for loans to get a big bunch of currency to buy more gold and silver – lots more! – because it is such a guaranteed, can't miss, sure-fire, dead-bang winner of an investment!

I mean, look at the amounts of currency and credit that the foul Federal Reserve is creating so that the horrid federal government can spend it! And all the other large central banks of the world are doing the same thing! Horrors!

If gold and silver do NOT rise in terms of a devalued dollar, it will be the first time – the first time! -- In All Of Freaking History (IAOFH) that the ruination of a currency by over-issuance did NOT result in roaring inflation in prices, with gold and silver rising supreme, soaring majestically over an economic landscape of destruction, ashes and suffering caused by the resultant terrifying inflation in prices, such that people starved to death, and froze to death, because the prices of food and energy were so high, and all the people got all real honked-off about it, and were rioting in the streets, and this time hopefully storming the Federal Reserve, taking over in a glorious bloodless coup to instantly put the USA back on the gold standard, to immediate effect as the dollar would probably instantly be so strong that we could import as much food and energy as we want at low, low, low prices, while the throngs gleefully shout “The Wonderful Mogambo (TWM) was right! We should have done this years ago!”

And the best part – the best part! -- is that the gold and silver markets are corrupt and manipulated to keep their prices down! What a godsend! Cheap gold! Cheap silver!

Now, there are many things you can say about corrupt markets and the corrupt regulators who allow such corruption, and I have said most of them most of the time, but one you probably never thought of is “Thanks, corrupt market manipulators, and your regulator lackeys, for keeping the prices of gold and silver down so I can buy more at these laughably low prices!”

And that is just one – ONE! -- of the many, MANY reasons why savvy investors, like you and Junior Mogambo Rangers (JMRs) everywhere, buy gold, silver and oil, and say, whilst doing do, “Whee! This investing stuff is easy!”