

Monday, March 17, 2008

Q: How do you get out of a mess? A: don't cause one.

I had to laugh out loud when I watched Jim Rogers interviewed on CNBC, after he lambasted Bernanke for his abject mishandling of the credit market implosion, one interviewer asked: "Tell me two things you would you do if you were Bernanke tomorrow?" - Without missing a beat he said 1: Abolish the fed and 2: Resign

His tirade against what capitalism is not, and that what passes for capitalism today is really just socialism for bankers is a must see. The thing I love about Rogers (and Buffet, and Munger and Soros et al) is you can't really argue with success. These are bar none, the most successful investors in the world and they have always said the same thing: All this fed liquidity will end badly.

Still, you say that on CNBC and some twit like Kudlow makes it sound "unAmerican". Hell, maybe it is un-American to let people take responsibility for their own actions and to let market forces do their job after a bunch of knuckleheads juice up the system on artificial stimulus for a few decades.

I'd be shorting the hell out of the markets even from here if 1) I could find a halfway decent re-entry point and 2) I thought US dollars would be worth anything on the other end. But since 1) isn't happening and 2) appears dubious at best I have to be satisfied with not having my net worth being chewed into pulp by a meat-grinder stockmarket each passing day (don't get me wrong, I'm very satisfied with that)

Amazingly, there are still talking heads talking as if the Recession is still hypothetical, avoidable or if not, how mild and soothing it will be and why this a fantastic chance to be buying stocks on the cheap. Tell me this: if "now" is always a great time to be buying stocks and the market is underpriced, how lucky are the bargain-hunting saps who bought Bear Stearns at \$30 on friday?

Let the class actions on that one commence, there will be many more to follow. As long as the Fed is acting as if an investment bank going out of business is purely unthinkable there will be much more of this to come, and if Bernanke keeps it up, this will end in a hyperinflation induced flameout of apocalyptic proportions (think James Wesley Rawles' Patriots, which describes a Mad-Max-like post-hyperinflation economic meltdown in the US)

Posted by Mark Jeftovic in This is not investment advice at 14:05

Great Video! It's fascinating how CNBC can't get the message.

Blog more!

Anonymous on Mar 17 2008, 14:49

Way too impressed to comment... Though of course I'll try.

Not often do I encounter such brilliance, not that you need stoking.

I think I like it. Yup, I feel inspired enough to write a subtle dity about stupidity.

Hey Did that rhyme?

We yanks just don't seem to get that not being able to afford something means just that. But after all, we haven't had to account for our debt since the East India trading company..

Was that last call? Really?? I was in the bathroom.. And I'm with the band dude!...

Anonymous on Mar 24 2008, 01:32