

The Bush Data Dump

By [The Mogambo Guru](#)

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My mood is very dark.

The reason is simplicity itself; when one knows what the future will hold, as I and the other Austrian economists do, it is one thing to laugh and make jokes at the impending calamity and the laughable ineptitude of governmental forces – and the university eggheads that caused it – but it is quite another thing to make jokes when you see the rising stress on those you love.

And it is all very, very depressing. And I am seeing it all around me. And I'm willing to bet that you are seeing it all around you, too, because all the people around me are seeing it all around them, and those people around them report to the people around me that the people around them are seeing it all around them, too. So you see how this thing builds.

And the bad news is that it will just keep getting worse and worse until it all collapses, as it must, as it always has. And so I assume that my mood will keep getting worse and worse until it collapses, too, or until I scarf down an entire bag of Coffee and Cream Oreos, and then, as Rosanne Barr said, "When you come down out of that sugar-coma, it will be a whole new week!"

Russ Baker: Philip Spicer

Philip Spicer, that handsome and debonair hotshot at the Central Fund of Canada, sent along an article that appeared in the National Post concerning pension accounting. "The financial economist's key charge against the actuaries is this: their models for long-run pension performance assume, wrongly, that over the long run investments in the stock market will rise fast enough to overcome essentially underfunded pension structures. Inevitably, when the actuarial model breaks down, the pension plans engage in a variety of techniques to try to cover over the shortfalls. This is known as smoothing, allowing pension managers to conceal losses and give the impression of long-term health."

So what bunch of scared witless weenies is NOT concealing losses and giving the impression of long-term health, huh? Welcome to the real world, dude! And I shall leave it to you, as a self-discovery exercise, to punctuate the phrase "scared witless weenies." Personally, the one that really puts some oomph in it for me is, "Scared? Witless weenies!" by which I snottily infer that we are scared because of witless weenies who are killing us all with their weenieositude.

Nonetheless, as regards the original point, assuming that I even HAD a point to start with, bad news and economic calamity are being kept from view.

In that regard, Russ Baker wrote a very interesting little essay posted on MSN Slate entitled, “Bush’s Data Dump. The administration is hiding bad economic news. Here’s how.”

“The administration muzzles routine economic information that’s unfavorable,” writes Baker. “Last year, for example, the administration stopped issuing a monthly Bureau of Labor Statistics report, known as the Mass Layoff Statistics program, that tracked factory closings throughout the country...

“Interestingly, President George H.W. Bush [George the 1st] buried these same statistics in ’92, also a period of job losses. They were revived by President Clinton.” According to Baker, a study predicting less than stellar job growth from Bush the Younger’s \$674 billion economic stimulus plan mysteriously disappeared from the Council of Economic Advisers’ website.

Russ Baker: The Future Has Been Deleted

Baker names a few more frauds and cover-ups of government globules of weenieosity, and reveals not only “how,” but “how much.” And when you get a gander at the size of the numbers that we are talking about, you realize immediately that the homework assignment, the one where you had to punctuate the phrase “scared witless weenies,” is now revealed to be more correctly written as “scared-witless weenies,” to signify that a bunch of weenies, who may or may not be congenitally witless, are now de facto witless as a function of their being so scared.

“We’ve seen the future,” Baker concludes, “and it’s been deleted.”

And for good reason, too! Because when I got a good look at the actual numbers, all in one place, then I, too, became scared witless. But since I have always been a weenie and pretty witless as befits my peculiar personality, and am now also scared, then I realize, to my profound dismay and disappointment, that the scared-witless weenies that I disrespectfully alluded to, with enormous Super-Sized portions of loathing and disrespect, is, alas – and this makes me feel really bad and I wish I did not have to say it – and you cannot fail to notice how I am dragging this out to keep from getting to the end and finding out who this mysterious scared witless weenie is – and if you could read my mind you would realize that I am desperately praying that a huge meteorite will crash through the roof and kill me before I have to finally say it, and it looks like that is not going to happen, c’mon c’mon c’mon, damn, so, okay, you probably figured it out already anyhow, me.

Yes, hear me, world!

Russ Vincent: Covering Up How, How Much, and Where

The Mogambo Guru discusses, among other things, an article by Russ Baker called “The Bush Data Dump.”

My name is Mogambo and I am a scared-witless weenie! I cry out in my pain! And I cry out for a federal subsidy to compensate me for my pain, which I will state for the record, and as many

forms in duplicate as necessary, as being chronic, and acute, and sharp, and dull, and 24- hours-per-day, every day, and I suffer, suffer, suffer, and – ouch! – there it is again!

And the problem is, these frauds and cover-ups of government globules of weenieosity have not only managed to cover up “how” and “how much,” but also “where.” As it turns out, “where” is anywhere but in my pockets, or in the pockets of anyone I know, or even of anyone I know they know, and I assume that works itself out to mean that “where” is not in YOUR pockets, either.

“Depression is seen as a product of systematic tendencies for the distribution of wealth to become concentrated among a few,” wrote Ravi Batra back in the late 80s. If you have ever read Ravi Batra’s stuff, especially “The Great Depression of 1990,” you remember it. He makes a lot of interesting points and brings up a lot of interesting things, but I want to give you a quote from the foreword by Lester Thurow, then one of the brainy profs at MIT. He says that Batra believes that: “When this happens, demand eventually sags relative to supply and long cyclical downturns commence.” A little glib perhaps, but when a few people have lots of money and wealth and lots of people have neither, things tend to happen. Bad things. The kinds of bad things that happen when people do not have enough money to get along from day to day.

Batra posits that societies go through four stages. The last one, the one just before the big collapse, is “the acquisitive age,” and this is when the whole society is engaged in getting money and making money and spending money, and that single-minded acquiring of wealth is predominantly what matters to the society. Does that remind you of any society you know?

Russ Vincent: The End of the Acquisitor Stage

Anyway, without making a big to-do about the four groups and their cycles, I am going to just sum up what Batra says happens at the end of the acquisitor stage, which we are bringing to a close. “As wealth becomes concentrated, the living standard of the other three classes progressively declines, until there comes a time when society degenerates into two groups – the haves and the have-nots...The resultant crime, poverty and malaise eventually invite the revolt of the masses.”

Some other cheery things that will happen are not only increased crime, as we have already stated, but also more “drug and alcohol addiction, family breakdown, high rate of divorce, child abuse, increasing poverty for the poor and middle class, greater disparity in income and wealth, and massive economic hemorrhage brought about by enormous trade and budget deficits.” He also figures that prostitution and gambling would increase. And remember, he was writing this in 1987. It is only now that his profound prescience is, seemingly, being made monstrously manifest, which is a sentence with two, count ‘em two, alliterations. Two for the price of one!

This concentration of wealth is why the tax code has been altered to give the poorer people money, via the tax return; the poor have so little spending power, and there are so many more poor people. And as the rich are the only ones with any money that the government can borrow, that is who is loaning money to the government. And then the government taxes everybody to

give the wealthy lenders their money back, plus the extra money to pay the interest. This is one big way how the wealth becomes more and more concentrated in the hands of the rich.

He also remarks that “the Fed can leash the money supply in the short run, but not in the long run. In other words, man can control his destiny at a point in time, but ultimately has to operate within certain bounds set by larger forces – forces which cannot be defied forever.” Which fits precisely with the observation that Greenspan produced the boom of the 90s, but now, although he has cut interest rates to lows that haven’t been seen for fifty years, nothing happened this time.

In fact, things are getting worse. And now interest rates have started climbing, even as the Fed cut rates for the 13th time in a row! All for nothing! The Fed can’t give away money for the first time in history...and expect it to work.

Regards,

The Mogambo Guru,
for The Daily Reckoning
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Mogambo Sez: It just keeps getting weirder and weirder.