

You Pay, We Provide

By [The Mogambo Guru](#)

10/06/03 Who's to blame for the Great Bubble Economy? The Mighty Mogambo takes on Nobel prize-winner Joseph Stiglitz, below...

"No one – not the president, the secretary of the treasury, or the chairman of the Federal Reserve – can be blamed for this irrational exuberance; but they can be blamed for not dealing with the consequences, and in some cases, for feeding the frenzy. After a faint effort to let the air out of the bubble, the Fed simply added to the hype."

– Joseph Stiglitz in "The Roaring Nineties: Seeds of Destruction", published October 2

Joseph Stiglitz, in an excerpt from his new tome carried in The Guardian, examines the bubbles fostered in the U.S. during the 90's from his lofty viewpoint as part of "we in the Clinton administration." His blatherings are part educational, part anti-educational, part nonsensical, part historical, and mostly self-exculpatory.

Earth to Mr. Stiglitz! Yes, the President, the Secretary of the Treasury, and especially the Fed Chairman CAN be blamed for the bubble mania, and I, the Mighty Mogambo, blame them with every fiber of my being, and with every decibel of my loud and irritating voice, and I point my long and bony finger at them and say "Shame! Shame!" Their every action was in reckless pursuit of expanding and exploiting the bubble economy via growing government meddling.

And also highly blameworthy, of course, is Joseph Stiglitz himself, who, armed with his precious Nobel Prize in economics, supposedly knew better and should have said something and done something, but chose to go along to get along. And now, I note with disdain, even though it looks like I am having some horrible gastric distress, but I am not, and that is just the way that my look of disdain appears to the casual observer, that he is defending his lack of responsibility.

Don't believe me? Well, just listen to this load of crap, and you instantly know that when the Mogambo uses a phrase like "get a load of this crap" that I am really going to lay into this Stiglitz character in a another pointlessly vicious and senseless personal attack of some sort:

"We made some good long-run investments – both in the private sector and in the public, but too much of our investment went into wasteful private expenditures. By contrast, too little of our investment went to address vital public needs, in education, in infrastructure, in basic research."

Joseph Stiglitz: Vital Things Stem from Government?

Get that part of about how private investments are wasteful, and how vital things, vital NEEDS he says, stem from government? Do you suddenly have, as I do, that foul taste of bile in your mouth?

He goes on to explain how he and his fellow-traveler commie buddies were so wonderful: "We had principles. As the administration came into office, most of us knew what we were against. We were against Reagan conservatism, we knew there needed to be a larger and different role for government, that we needed to be more concerned for the poor and for providing education and social protection for all, and we needed to protect the environment."

Once again, we have another Loathsome Leftist bleating about how only he and his precious leftist political buddies are concerned with the poor, and how things need protecting, and how they are so nurturing and wonderful and all, and thus intimating that all others, meaning you and me, are horrid ogres who delight in being evil. As if we are supposed to clasp our hands together, gaze adoringly up at their shining faces and gleefully exclaim "How wonderful! Our heroes! Our saviors! Knights in shining armor!"

But you would think that a guy with a Nobel Prize in economics would know that the government intervening in the economy always HURTS the poor, mostly by making prices rise! Ergo, Mr. Stiglitz and his loathsome friends are, their laughable and shrill protestations to the contrary, the embodiment of evil, as concerns increasing the pitiful travails of the poor.

The poor are considered poor because they haven't got enough money to afford to buy the things they need, and then here comes this Stiglitz and his buddies propounding expansionist credit-fueled policies to make sure that prices rise even farther out of range, making the poor even worse off! Jeez! I'm glad I didn't get a Nobel Prize, because then I would be ashamed that I won the prize because of the lackluster quality of previous winners as exemplified by the Stiglitz fella, and I already have plenty of things to be ashamed about without adding to my own misery.

Joseph Stiglitz: Larger, Different, and Better

But note carefully how he wants a larger and different role for government! But, and I extrapolate, just larger and different? No! Larger and different and better! No! Larger and different and better and more expensive! No! Larger and different and better and more expensive and much more powerful! No! Larger and different and better and more expensive and much more powerful so that it can crush anybody who dares to stand in the way of its providing for the poor, providing education, providing social protection for all, and protecting the environment through, ummm, providing! "We are the government, you pay, and we provide!"

If you don't think this is a fair characterization, then get another load of some more of this Stiglitz crap, "The central lesson that emerges from this story of boom and bust – that there needs to be a balance between the role of government and the markets. When countries got that balance wrong, veering either toward too much or too little government, disaster awaited."

Didja get that last stupid part about how he actually invents history out of thin air, and says it is dangerous to have a government that is too small? Huh? Did you ever, EVER, hear anybody other than a screaming, flaming communist, or socialist, or fascist, or Democrat, ever complain that government was too small? Is there a country right now, anywhere on the face of the planet, that is suffering because their government is too small? Was there EVER a country anywhere on the face of the planet that suffered because their government is too small? And exactly when

WAS there a time and place, in all of history, in all of time and space, across the length and breadth of whole galaxies, and this includes those teensy-weensy little planetoids way out there on the edges of the universe where you can't even get a good burrito, who, and I quote, "got that balance wrong" and suffered an economic disaster because their government was too small? When, where, how and who, Mr. Stiglitz?

Since Mr. Stiglitz is not here in person to respond to my rhetorical questions or my ridiculously vicious ad hominem attacks, I will fill in the blanks and announce that the answer is, in nice round numbers, none and never. But every country, in all of time and space, and that includes those nasty little planetoids I already referred to above, that got a government that grew too big ALWAYS suffered eventual economic collapse of said country and planetoid. But nobody ever suffered because their governments were too small and inexpensive. Sometimes because their armies were too small and/or lightly armed, but never because their government was too small.

Joseph Stiglitz: Increasing Homelessness

In my humble opinion as the humble and opinionated Mogambo, I offer as an example of their intellectual insufficiency that the Loathsome Left is always apoplectic about the problem of homelessness. And why are people homeless? They are homeless because they cannot afford a place to live. And yet the LL, which is, if you have been paying attention, merely an acronym for the Loathsome Left, sits there with these dumb, perplexed looks on their faces as the housing bubble prices the cost of housing even MORE outside of the pocketbooks of the poor, which increases homelessness!

How about lack of health insurance, which describes a sixth of Americans? The Congress, Stiglitz' big wonderful fount of goodness and compassion, mandated essentially unlimited free medical care for the old (Medicare), the poor (Medicaid), their children and whole hosts of others. Then they required that hospitals provide free care to anybody who shows up at the door, including illegal aliens.

So government mandated a gigantic demand in health care. And who is left to pay all the costs? The people who buy health insurance. But now the cost is so high, thanks to years and years of prices rising by double-digit rates, that fewer people can buy insurance, and then one day they have to make the choice of either eating or buying health insurance, so they have to join the ranks of the un-insured, but still get medical care simply by showing up at the hospital, driving up the premium costs by double-digit rates for the still-insured, until, one day, they too have to make the choice between eating and health insurance, and then they drop their coverage and become un-insured, but still need medical care, which the Congress requires that they get, thus driving up the premiums by double-digit rates for the few people who still have insurance, until one day those people...

And now these self-same Congressional weenies are trying to pass a prescription drug benefit, which means MORE costs will be passed on to the people who have health insurance, which drives up the premiums by double-digit rates, which means that more people will be forced to make the choice between buying food or health insurance, and then they will drop their coverage, and then...

If you haven't noticed yet, the cycle never ends. That's because people like Mr. Stiglitz make sure that the government is never ever satisfied with where it is, it must be always growing bigger, always spending faster, always reaching farther, always grabbing for more, more MORE power until we're landed in one of those Big Brother scenarios that I'm sure you don't want the Mighty Mogambo to go off on just now.

Anyway, like I said, you can be very sure the government IS to blame.

Regards,

The Mogambo Guru
for the Daily Reckoning

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P.S. Now, I guess, Stiglitz figures that because he has got some doofus "Me and my big-government buddies are so wonderful" article run in a British newspaper – and don't get me started on the laughable idiocies of the British, which is an insular little island and so I guess it was only a matter of time before the inevitable inbreeding started to be made manifest – we are supposed to conveniently forget and forgive the results of the policies that the lying, corrupt Clinton administration pursued with his blessing. And all of the other horrors inflicted on us by other loathsome, leftist governments. It is enough to, as the saying goes, gag a maggot.