

# Bet Your Bootie

By [The Mogambo Guru](#)

07/05/04 The man is talented, we already knew that...but today we discover that the MoGu is a rock star. For his latest hit song.

I can't seem to pick up a newspaper off of a neighbor's lawn, or take a magazine out of his mailbox, or turn on a TV that I borrowed off his porch last week without being bombarded with morons from the Left who are agitating for a rise in the minimum wage.

Take John Kerry for instance. The man is a typical odious and clueless Leftist chump who has spent decades as a Senator, and so is actually personally responsible for getting us in this pickle. And now, as he tries to take us even farther down this same tired path, it's not surprising that he's all gung-ho about raising the minimum wage.

With a weary resignation, I get into the Mogambo Mobile, rev it up, and I drive down there to politely explain to these cretins that raising the minimum wage is increasing the pain, as it makes prices rise. Minimum wage workers get no benefit, while the other guys, namely guys who get NO wages, raised or otherwise, and are on a relatively fixed income, get robbed. And in fact, raising the minimum wage actually ends up hurting the working poor as well, because prices tend to rise faster than their incomes.

And then they counter with "Oh, yeah? Well, what would YOU suggest, Mister Uptown Hotshot who thinks he can come down here, stinking up the place, and help himself to a free cup of coffee and who snags at least six donuts out of the break room when our backs are turned and who thinks he knows everything?" I am the epitome of grace when I answer that, first off, I would wear some clothes that fit me so I didn't look like some retarded street bum, and second, I would keep prices from rising.

## **Deflation: The Productivity Miracle**

And here's my reasoning: if prices never rose, see, then nobody would have to raise the minimum wage, and everybody would be happy. And if prices gently floated down in a nice little deflation, which is the whole the damn promise of the "productivity miracle" that Greenspan keeps running his stupid mouth about, then you would be able to buy more and more stuff every week with the same income! And that is what I see as the goal of economics: raising the standard of living for everyone.

Lew Rockwell backs me up on this, even though if you ask him he will deny it. He wrote an essay entitled 'Your Right to Deflation.' Mr. Rockwell, who is the guiding light behind the Mises.com site where you can learn about real economics as it really works in the real world, writes "Our intuition tells us that falling prices are great for our pocketbooks because they leave more left over for savings or other forms of consumption. It is just as good for society at large.

Our money becomes worth more and more, and hence our remunerative labors grow in value too. If inflation works as a stealth tax, deflation works as a tax refund."

And now they all crowd around my feet, some of them even clamoring to know how I can keep prices from rising and how everything will be wonderful as a result, and others wanting me to switch my long-distance carrier. I snatch the microphone from the stand, bring it close to my lips, and with a magnificent rumbling basso profundo voice from deep down inside my Manly Mogambo Chest, I say "Simple." My arm slowly rises until it stands directly out from my shoulder, and the only sound in the hushed stadium is the whir of videotape machines. Suddenly, with a flick of my wrist I motion to the band, and we launch into my rousing hit song, "Bring Me the Head of Alan Greenspan!" The first verse is kinda catchy, and it goes;

### **Deflation: Bring Me the Head of Alan Greenspan**

"To keep prices from rising,  
Don't print up money,  
And don't print up credit,  
Because if you do, I'm telling you,  
You can bet your bootie you're gonna regret it."

The boffo chorus was supposed to have these loud clashing, slashing chords with the drums going crazy, boom-a boom-a boom-a, and the lead guitar wailing some tasty blues-inspired licks high up in the background, and the lyrics were supposed to g

"Because all that new money makes prices rise,  
Like those of houses and burgers and fries,  
Because the money has to go somewhere, that ain't no surprise,  
But don't tell Alan Greenspan, who is one of those guys  
Who thinks those are lies.  
And if you question him he replies  
That interest rates have got to be low,  
And then the economy will always go,  
And inflation will always be low,  
Because we say so  
And if you say "no"  
Then up we say "Up yours, Mogambo!"

But we were not talking about my becoming a rock star and cranking out hit songs like this, and what a talented guy I am. No, we were talking about raising the minimum wage. And, by extension, let's talk about the people who have worked and raised themselves up to the point where they already make \$7 an hour. What about them? Aren't they going to be grumpy as hell that all their hard work, and butt kissing gets them exactly squat? "I've worked like a dog," they'll say, "and now some new-hire off the street earns an identical wage from the get-go?"

And what about the guys above THEM? Thus the pressure reverberates up the income ladder, one pay scale after another, until it reaches guys at Dick Grasso's level, the disgraced former

head of the NYSE, whose buddies let him make over a hundred million dollars a year, plus benefits, as an employee of a non-profit organization in an oligopoly marketplace. And after all, this higher labor cost has to be factored into prices, which forces prices up.

In conclusion, the actions of these greedy CEOs, the stupid politically-driven minimum wage ideas from the likes of John Kerry and all the Fed tinkering, when combined, blaze like a Fourth of July fireworks display, with those rockets that explode into huge displays of streaming bright lights, and those screaming things that go "eeeeeeee!" and the kind that go "bang!" with a loud report, and the kind that whooshes up "shhhhhhhhhuuuuuuuuuu!" all drawing your undivided attention to the fact that inflation in prices is like a gigantic asteroid getting ready to smash into the Earth, and it is going to come and whack us in the head big time, or more accurately Big Time, or even better yet, Big Freaking Time (BFT)

...and let me tell you, it will hurt.

Regards,

**The Mogambo Guru  
for The Daily Reckoning  
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—Mogambo Sez: Interest rates are rising, but people are actually bidding up stock and bond prices. It's too, too weird.