

Stupid and Horrible

By [The Mogambo Guru](#)

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Mogambo on Monday! Why imposing tariffs on foreign goods in order to "level the playing field" is, to quote the Guru, a very "stupid idea."

Lou Dobbs, talking head commentator who was brought back out of retirement because he has that warm and avuncular way about him, has decided that we need tariffs on imports. Why? Many people, it seems, would like to "buy American," but can't find things made in America. This is, according to this Dobbs guy who ought to put his tail between his legs and slink back into retirement, horrible.

And why can't people find things "made in America" to buy? Because of price. Things made in America are too darned expensive, what with the crushing regulatory burdens of government and bankrupting levels of liability insurance occasioned by an out-of-control legal system where people are actually suing, and winning, because they are not happy with the downside of acting like irresponsible brain-dead morons. And probably many other things too, but they all come down to, and you might want to write this down, the money. Everything nowadays is about the money. It's always about the money.

So therefore foreign companies can undercut American producers with one hand behind their backs. And the result of the fight in the arena of business warfare is that the American companies are beaten to death, and that is why nothing is made in America anymore.

Import Tariffs: A Higher Level Playing Field

So what to do? Well, for the Leftist Losers and their fellow-traveler commie buddies, the solution is tariffs. The idea is simplicity itself: If you can make foreign imports expensive, then American businesses can compete on a "level playing field." And you know what? It will work! It will work great! Suddenly, you will see lots and lots of American companies, employing American workers, making extremely expensive things to sell, the same things that used to be sold by foreigners at much cheaper prices!

I can see a wave of hands as each and every one of you has your hand up in the air, all competing for my attention, hoping so urgently that I will call on you to explain what is so horribly, horribly wrong with this stupid idea that I even turn around and write on the blackboard, "What is wrong with this stupid idea?"

The correct answer is: "Because it leads, as it is designed to lead, to higher prices. And no theory of economics has ever postulated that economic vitality can be achieved by having prices go higher. Bad things happen when prices go higher! It is called inflation!"

Well, up until a couple of years ago, this was correct. It was only until the arrival of Ben Bernanke, an insane, horrible little man from a horribly hot place, that anyone dared to advance a theory that inflation was good, and that we ought to actually try and reach some target of inflation! By printing money! Trying to create price inflation through the time-honored tradition of printing money! This is insane!

But we were talking about inflation. I walk over to the video equipment and rewind back to where I abruptly changed the subject, and then I relive that whole moment, and I am instantly galvanized. "Yes!" I scream. "Wake up people! You will not like inflation! Nobody likes inflation! It means that your standard of living is going to take a nosedive unless your income also rises as fast as prices, and I laugh like a demented hyena – owwwwwww, ow ow owwwwwwwww wow wow wow wow! – at the idea, as the aggregate 'you' in America is NOT going to have wages rise as fast as prices, and forgive me for my brutal honesty here, but I can state with some conviction that the majority of you are already so overpaid that the idea of paying you more is absolutely ludicrous. So if that sounds like you, then don't be making plans for a higher income to offset the higher prices."

Especially now that so many people rely on government checks every month. They are soon going to be screeching, and their lobbyists are going to be screeching, and their relatives are going to be screeching, and editorials in the newspaper are going to be screeching, and all the Leftists are going to be screeching, and all the people who are going to be hit up for money by these people are going to be screeching, about how they are, pause for dramatic effect, suffering. Suffering! And you know what? They WILL be suffering! And why are they suffering? Because, and watch my lips, people, because their incomes will NOT be increasing as fast as prices, and they will suffer a falling standard of living!

And they do not want a falling standard of living! Nobody wants a falling standard of living! And why are they suffering a falling standard of living? Because prices went up, and they can only afford to buy less stuff, because their incomes didn't go up as fast and they simply RUN OUT OF MONEY!

So, tariffs make things cost more. I call this the TMTCM Principle. And here is Lou Dobbs, looking you right in the eye and telling you that your retired parents, and the sick, and the infirm, and everybody else in America who depends on a government check, and most everybody else, too, is going to suffer a fall in their standard of living. And every month all of us will still spend all of our money, but we will be able to buy less and less stuff. And this horrid little twerp is all for it, and recommends that exact course of action.

Import Tariffs: To Hell with Lou Dobbs

To hell with Lou Dobbs.

But Lou can count on the support of Charles Schumer, Leftist Loser Democrat in Congress, who is from New York, and is reported to be pushing for a 27.5% tariff on Chinese imports. I shake my head in weary resignation. I have made my feelings plain about the execrable Charles Schumer many times in the past, and about the New York ninnies who elected this laughable

clown to Congress, so I will not expand on that theme. But it is not surprising to hear that this Schumer character is proposing such a stupid and horrible idea.

And now we have reached the end game of the stupid and the horrible, and you will notice how the phrase "stupid and horrible" keeps popping up, so you know it must be true. Here we have Congress and the Federal Reserve and the media and White House all trying to force prices higher while holding incomes low, which is the exact OPPOSITE of what government should want for the people! The exact, one hundred and eighty-degree opposite!

Stupid and horrible.

Regards,

**The Mogambo Guru
for the Daily Reckoning
February 2, 2004**

– Mogambo Sez: To show you that there are poets amongst us, as we slop around in the fetid swamp of economics and are always disgusted at how it makes our feet stink, a friend sent me a little present last week, and the poetry was how she wrapped it. Her cryptic note was "The wrapping paper is real U.S currency – just practicing!" Fabulous! How clever!

Anybody who recognizes that the currency is being debased to the point where it is worthless enough to wrap presents with, and then actually does exactly that as a symbolic gesture, ought to be honored for her charming wit. To show you that I am just the kind of guy to do that, I bow deeply from the waist and chant "We're not worthy! We're not worthy!"