

Watchdogs or Lapdogs

By [The Mogambo Guru](#)

03/12/07 **The Daily Reckoning PRESENTS:** This week, the Ominous Laughter Of The Mogambo (OLOTM) can be heard throughout the halls of the Daily Reckoning. What's he laughing about? Well, the stupidity of certain people who think that inflation is okay, for one. Oh, and bartenders who refuse to serve him. Read on...

WATCHDOGS OR LAPDOGS

I could not believe my eyes at an excerpt from a recent Kiplinger Letter sent to me by Tom L., whom I assume is as flabbergasted as I was at it, and that is why he sent it to me, probably hoping that it would kill me and then I'd finally shut my loud, fat mouth for once in my life, and the world would be a better place, and my surviving family would worship him like a god for the rest of their lives out of sheer gratitude. Maybe send him a few bucks as a nice way of saying "Thanks!"

Well, no such luck, Tom, even though the excerpt was indeed shocking when it read, "January's inflation numbers aren't as worrisome as they appear. The 0.3% rise in core inflation, although higher than expected, was 0.256% before rounding." Hahaha! 0.3% price inflation in one month may be "worrisome", but 0.256%, 46/1000ths of one percent, makes all the difference and so, now, for the first time in all of history, inflation is okay? Hahaha!

They were obviously miffed at my outburst of hilarity, and there was a sudden new edge to their tone when they went on, "And sharp increases in costs of medical care and retail items aren't likely to continue in subsequent months. The same goes for food costs, which jumped because of the freeze in California." Hahaha! I absolutely love that line. How can these guys know a thing like, "sharp increases in costs of medical care and retail items aren't likely to continue"? They've been going up for years now, but they are soon going to stop now for some reason? Hahaha! And they call ME arrogant!

And as for food, I guess prices will not go up since the farmers can just go out and harvest some more food, and send it to the stores. I personally was not aware that science had made the time-consuming drudgery of planting and growing obsolete! Wow! This is exciting!

Paul Craig Roberts writes "Immigration Numbers Outnumber U.S. Job Growth By 7,000,000." He gets this from the news that, "Last week the Bureau of Labor Statistics re-benchmarked the payroll jobs data back to 2000." The result is that, as he says, "If you are worried about terrorists, you don't know what worry is. Job growth over the last five years is the weakest on record. The U.S. economy came up more than [seven] million jobs short of keeping up with population growth."

Our economy has, thanks to government spending, morphed into a grotesque monster, as he seems to indicate when he says, "Over the past five years the U.S. economy experienced a net

job loss in goods-producing activities. The entire job growth was in service – providing activities – primarily credit intermediation, health care and social assistance, waiters, waitresses and bartenders, and state and local government. US manufacturing lost 2.9 million jobs, almost 17% of the manufacturing work force. The wipeout is across the board. Not a single manufacturing payroll classification created a single new job.”

One result is that, “There are now hundreds of thousands of Americans who will never recover their investment in their university education.”

He concludes, “No sane economist can possibly maintain that a deplorable record of merely 1,054,000 net new private sector jobs over five years is an indication of a healthy economy. The total number of private sector jobs created over the five-year period is 500,000 jobs less than one year’s legal and illegal immigration!”

I leap up and say, “Whoa, there pardner! How can it be that the total jobs created in five long years is less than one year’s immigration?”

I thought I had him, as this was pretty unbelievable stuff, but he was ready for me, and immediately says that according to the December 2005 Center for Immigration Studies report based on the Census Bureau’s March 2005 Current Population Survey, a guy named Steven Camarota reports that “there were 7.9 million new immigrants between January 2000 and March 2005.”

He strongly feels, as do I, that “The economics profession has failed America.” And ditto the egregious conduct of the schools, the governments and the media (who are supposed to be the public’s watchdogs, but are now their willing lapdogs).

Mr. Roberts, in case you did not know, is the coauthor of the book with the most delicious of titles; “The Tyranny of Good Intentions.” It reminds me of when the bartender says, with “good intentions”, that he is not going to serve me any more alcoholic beverages because I am plenty drunk already. Big mistake!

If we had done it my way, see, the bartender would be happy because he sold more drinks, I would be happy because I could buy my new acquaintance here, Lulene, a drink, and then she would be happy, I would be happy to have one myself to prevent my sobering up enough to see how ugly she really is, and the government would be happy because they made more tax money, and it’s a wonderful, wonderful world for everybody.

But now, because of “good intentions”, he’s got a shot-up bar, I’m being led away in handcuffs, the cops have all my guns. I’m sobering up, feeling sick, Lulene is long gone, and the whole day is freaking ruined as far as I am concerned.

And don’t get me started on the “good intentions” of government, which I think is best summed up by a terrific quote sent to me by my ol’ buddy Phil S., which won some kind of contest, and which was originally presented as a definition of “Political Correctness”, but it clearly applies to most of what the government does these days. So whatever it is, it “is a doctrine fostered by a

delusional, illogical liberal minority, and rabidly promoted by an unscrupulous mainstream media, which holds forth the proposition that it is entirely possible to pick up a turd by the clean end". Ugh.

Until next week,

The Mogambo Guru
for The Daily Reckoning
March 12, 2007

**** Mogambo sez: Ahh, the serenity of gold! I love having an asset that would rise to the moon if the government and Federal Reserve were not actively suppressing the price, as the history of successful perpetual price suppressions is the same as the history of successful perpetual anything coercive; zip point zip.

So, my Adorable Mogambo Cherub (AMC), use history to your advantage for a change. You'll be very glad you did, and very sorry you didn't if you don't, as another Timeless Mogambo Lesson (TML) is that "Too late smart and too soon old!" becomes very meaningful as time just ticks, ticks, ticks away. Tick. Tock. Tick. Tock.