

Laughable “Loans” To Prevent the Bust

By [The Mogambo Guru](#)

12/01/08 With both the U.S. government and U.S. consumers in debt up to their ears, you would think that "loaning" money to anyone would be impossible. Well, you'd be wrong...sort of. This week, the Mogambo maintains his ever-vigilant Laugh Of The Damned (LOTD) at this new batch of stupidity...and is delighted that those debt-addled ears are still slightly above water.

When I woke up, it was morning, which meant that the economic world did not blow apart during the night, abruptly waking me up by setting off loud alarms in the Mogambo Big Battle Bunker (MBBB), rudely alerting me to another outbreak of serious financial trouble from the economic cataclysm ("bust") that I figure is right around the corner, now that the decades of irresponsible over-creation of excess money and credit by Alan Greenspan and his misbegotten Federal Reserve ("the boom"), and the rest of the central banks of the world, are wreaking their inevitable damage.

Which is not to mention the inevitable wars that usually break out about this time in the economic cycle, either, which is another damned thing to be paranoid and worried about – as if worrying that my wife, children and creditors are trying to drive me to suicide with their incessant demands for more money, more money, always more money is not enough to worry about.

But perhaps I am just in shock, or becoming jaded, because while Total Fed Credit went down by a massive \$19.3 billion dollars last week, I am strangely not shaken or afraid, as it seems so insignificant nowadays, especially compared to the \$142 billion increase of the previous week, which, despite my deadened sensibilities, still merits an exclamation point!

Then, just as I was congratulating myself on how "cool" I am and how maybe I am finally growing up, I was again instantly childishly hysterical when I read at Bloomberg.com that "The U.S. government is prepared to lend more than \$7.4 trillion on behalf of American taxpayers, or half the value of everything produced in the nation last year, to rescue the financial system since the credit markets seized up 15 months ago."

My brain went into convulsions, as the average increase in Federal Reserve credit was a measly \$10 billion per month during the Greenspan years that created the bubble, and even Bloomberg notes that Fed lending is now "1,900 times the weekly average for the three years before the crisis." Yikes! We're freaking doomed!

Laying there on the floor clutching at my heart and waiting for the emergency squad to get here, I was laughing and choking up blood at the irony of American taxpayers "loaning" \$7.4 trillion dollars – half of GDP – when the problem is that American taxpayers are already up to their ears in debt and can't make the payments as it is; and American corporations are up to their ears in debt, and all the federal, state and local governments are up to their ears in debt, which is actually good news because with their ears still above the congealed mess, they can hear me

laughing at them, mocking them, and saying, "Welcome to the hell you rightfully deserve, you halfwit lowlife morons! Hahahaha!"

So, I have some bad news for the U.S. government; the taxpayers are not prepared to loan anything to anybody! Hell, total debt-to-GDP is over 350% already, maybe 450%, which is, either way, the highest, by far, of anything I've seen in U.S. history, including the height of the Roaring Twenties boom that preceded the Great Depression!

Well, Bloomberg is not interested in the Mogambo Rude Mocking Laugh (MRML) and they do not ask things like, "Tell us why you are so dismal, disdainful and derisive, oh, Fabulous Mogambo Person (FMP) upon whose full, sensitive lips is bloody froth and scornful laughter that chills our spines!"

Perhaps it is because nobody cares about me, or perhaps because \$7.4 trillion is already just another big freaking number that defies comprehension, but Bloomberg continues, "The unprecedented pledge of funds includes \$2.8 trillion already tapped by financial institutions in the biggest response to an economic emergency since the New Deal of the 1930s, according to data compiled by Bloomberg." Yikes!

But this, as horrifying as it is, is typical government crap, and if you want a good example of the kind of governments we have, Bloomberg.com reports that "New York Mayor Michael Bloomberg said his administration wouldn't send \$400 property-tax rebate checks due this month to owners of apartments and houses because the slowing economy threatens to worsen a widening budget gap." Hahaha!

I wipe the tears of laughter from my eyes and ask, "Seeing the way the government steals the buying power of the currency, the confiscation of taxes, and now seeing what appears to be outright theft, you STILL say I'm wrong about gold? Hahaha!"

Whee! This investing stuff is easy!

Until next time,

The Mogambo Guru