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More Bats and a Bigger Budget

by The Mogambo Guru

"Looking furtively about with my beady, rat-like eyes to a route of escape, I was nevertheless frozen to the spot when he said, 'Our nation has come to expect the Federal Reserve to step in to avert events that pose unacceptable systemic risk.'"

Many Junior Mogambo Rangers (JMRs) were correctly upset at the Washington Post story that bore the headline "Paulson To Urge New Fed Powers". The poop is (and you will soon see why I use that particular noun) that Treasury Secretary Henry Paulson is calling "for the Federal Reserve to be given new, explicit powers to intervene in the workings of Wall Street firms."

To show you what an unimaginative dork Mr. Paulson is (which is almost the same thing I have been saying for years), give The Mogambo "new, explicit powers to intervene in the workings of Wall Street firms, the Federal Reserve, Congress and the Supreme Court, and let me go stomping in there anytime I want, wielding a baseball bat in my Mighty Mogambo Fist OF Vengeance (MMFOV) and start imparting some monetary and Constitutional sense to those morons with (as the saying goes) a whack to remember it by, making them do anything I say, whether they like it or not! And extend my powers to total dominion over cheerleaders, too!"

Well, I should have known that Mr. Paulson wouldn't mention me or my wonderful, original idea that he mostly stole, and instead wants to give the Federal Reserve these awesome new powers to (get this!) "protect the financial system." Hahaha!

There is only one way to "protect the financial system", and that is to stop the damned Federal Reserve from creating all the excess money and credit that finances the inflated crap that ends up endangering "the financial system" because so many people have lied to so many people to have them invest so much money into so many over-valued things, and now losses are inevitable, and on a scale that dwarfs the economies of the world.

So, once again, I figure he is leading up to the point where he proudly tells the world that there is a new Big Mogambo Dog (BMD) in town, and that The Mogambo is (at last!) going to be given a huge salary, an unbelievably generous retirement and benefit package, free baseball bats, a chauffeured limousine to take him anywhere he wants to go, and CIA-level double-oh immunity to ferret out and deal with miscreants and lowlife halfwits, which, in terms of the Federal Reserve and Congress (except Ron Paul), I realize is redundant as hell, meaning that their heads are twice as thick, meaning that I will need more bats and a bigger budget. A much bigger budget! Whee!

Out of the corner of my eye, I see security guards descending upon my location in the audience! Looking furtively about with my beady, rat-like eyes to a route of escape, I was nevertheless frozen to the spot when he said, "Our nation has come to expect the Federal Reserve to step in to avert events that pose unacceptable systemic risk."

I tried to leap to my feet to shout, "No! No! No! The Fed is supposed to protect the value of the dollar, which it has completely failed to do, and now it has created so much

money and so much inflation in asset prices that they created the 'unacceptable systemic risk' you are talking about, you moron! In fact, the Federal Reserve is so incompetent and stupid that the dollar has lost almost 98% of its buying power since 1913 when the Fed was authorized by a few corrupt Congressional politicians on Christmas Eve, 1913 when everybody else was away! And now you want to give the Fed more powers? You're a freaking imbecile or insane! Or both!", but I found that was frozen in outrage! I could not move!

Hell, standing there immobile, I also remember that thanks to the complete failure of the Federal Reserve, the dollar has lost 40% of its value just since 2002! I feel the need to shout, "Why do you think prices have gone up, you ignorant, stupid halfwits?"

He correctly notes that the Fed "has neither the clear statutory authority nor the mandate to anticipate and deal with risks across our entire financial system." You're damned right they don't! It is crazy even to think about it!

But he ignores me and says, to his everlasting shame, the unbelievable sentence, "We should quickly consider how to appropriately give the Fed the authority to access necessary information from highly complex financial institutions and the responsibility to intervene in order to protect the system, so they can carry out the role our nation has come to expect."

Again, my mind screams out, "We expect you to do the job of protecting the value of the dollar, which is why the damned Fed was created in the first place, which the Fed has manifestly completely failed to do!"

I am sputtering in my outrage, and I could not even begin to fathom why in the hell Mr. Paulson is suddenly proposing something so bizarre and extreme.

Fortunately, Peter Schiff of Euro Pacific Capital perhaps answers the question by noting, "However, with its increased willingness to rescue the big financial firms from their own excesses, perhaps Paulson sees an expanded Fed as the best way to ensure the continued prosperity of his former pals on Wall Street." Hahaha! Exactly! The amount of corruption at the end of long booms is always off the charts!

And, to be fair, it is to rescue us all, as extrapolating to us all, America is such a dimwitted little nation that we have literally put all our investment/retirement monies, both public and private, into the stock and bond markets! Hahaha! We have put all our future in the one place where it is required by simple mathematical imperative that the majority must always end up with less buying power than when they started! The majority must lose over the long-term! What the hell kind of retirement do you think you are building when you are losing money? Hahaha!

And sometimes EVERYBODY will lose! Hell, the recent downdraft in the S&P500 index to just over 1300 means that anybody who bought shares in this index since October 2006 has lost money!

And now, because so many people are getting ready to lose so much money, here is the Secretary of the Treasury wanting permission to take over the finances of every company in America! Hahaha! Un-freaking-believable! We're freaking doomed! Ugh.