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The Bank Robbing Effect of Financial Desperation

by The Mogambo Guru

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I was surprised as hell to see that Total Fed Credit was down by another \$1.7 billion last week. This is Big Important Stuff (BIS) because it is this selfsame TFC which creates, as if by magic, new credit to be instantly available in the banks, which is turned into money when someone borrows it from the banks, which makes the money supply go up, which makes the price of something go up immediately (as this new money is used to bid up the price of something, as why else would you borrow money?), and which eventually makes the prices of everything go up as the money gradually diffuses throughout the economy, which makes life miserable for people who don't make more money with which to pay the higher prices, and they get angry and desperate, which probably explains why the Orlando Sentinel newspaper reports that bank robberies in Florida increased 40% in 2007.

A relevant piece by Paul Gores of jsonline.com had the headline, "Bank robberies on the rise", with the subhead, "And more criminals are getting away, FBI statistics show." The point is that not only is bank robbing 40% more popular by 40% than last year, but the FBI used to solve 75% of bank robberies in 2003, but only about half now.

There are a lot of reasons bandied about for this, of course, including the fact that the FBI is spending more of its time on anti-terrorism stuff with those luscious big budgets, freedom from pesky Bill of Rights restrictions or Constitutional restraints, and flashy news-at-eleven glory as they unleash one expensive, intrusive, ineffectual-yet-showy initiative after another to heroically "save America from terrorism!", and now they must spend less time on helping solve some stupid bank robberies because that old-time cops-and-robbers stuff ain't going to help anybody's career in this day and age.

And, of course, everybody has lots of suggestions for expensive ways for banks to fight this scourge of bank robbing, including glass shields for bank cashiers, turnstiles, upgraded video surveillance equipment, employee training, alarm systems, new vaults, new bank designs, and blah blah blah.

The only thing missing was the fact that people would not be robbing banks unless they were desperate for money. I mean, how desperate do you have to freaking be to rob a place that you know has beaucoup alarms, security equipment and cameras all over the place, and where you have a staggering 50-50 chance of being caught and charged with a felony for which you will be found guilty because you are guilty?

The irony is that the REAL crooks are the banks themselves! Hahaha! The Federal Reserve has been wildly, childishly, stupidly moronic in creating so damned much money and credit, year after year, expanding the money supply (monetary inflation), that they have stolen the buying power of your money.

This constant, new supply of money cheapens the existing stock of money, and now the compounded effect is that the filthy, foul Fed has engineered the loss of almost a third of

the dollar's buying power in the last five years or so, and in total the Fed has screwed us out of 97% of the value of the dollar that existed when the slimy legislation authorizing the Federal Reserve was slipped through an almost-deserted Congress by a few conspirators on Christmas Eve in 1913.

Thus, the Fed was born in sin, and then lived in it, too, as they immediately set about creating too much money and credit to produce the boom of the Roaring Twenties, which naturally led to the bust of the Great Depression. Nice work, Federal Reserve! Hahahaha!

And now that we have had a decade since that idiot Bill Clinton repealed the Glass-Steagle Act which prevented the damned banks from acting like idiots again and profiteering in the securities markets, we are paying for Bill Clinton's corruption and stupidity, which is another reason not to vote for his socialist wife, as if anyone needed another reason.

And so now, alas, here we are again. The world-record boom of the 90's, started by the absurd Reaganomics with its ridiculous theories of "cut taxes and borrow the money because deficits don't matter", so popular in the 80's, collapsed in 2000, temporarily resuscitated by Greenspan's negative real interest rates (the low interest rate is less than the inflation rate), is now back, and worse than ever because a monstrous housing bubble and collateralized debt markets that he also created are collapsing, too!

The Federal Reserve is, like me (according to my Employee Performance Reviews), laughably incompetent beyond any shadow of a doubt, and that is the One Big Freaking Reason (OBFR) why it is imperative that Ron Paul be elected President of the United States, and why the rest of those clueless campaigning poseurs be rounded up and charged with malfeasance, which I am not sure is a real crime anymore, but it should be, and it WILL be if The Mogambo has to run for President and rig every damned Diebold voting machine in existence since the rest of the American people are too damned stupid to vote for Ron Paul or rig the machines in his favor, which explains why they cannot even vaguely comprehend the enormity of what is happening, even though it is so simple that children understand it intuitively, which I prove by noting that even newborn babies instinctively cry at the horror of a fiat currency and unlimited fractional-reserve multiplication of money by the banks!

To prove it for yourself, go up to somebody with a new baby, and say to the mother "Oh! What a cute baby! May I get a closer look?", and then get right in that baby's face and yell, as loud as you can to get its scant attention, "Fiat currency! Fractional-reserve banking!" You will immediately notice that the baby will start crying! And the mothers usually start yelling and screeching like banshees, too! Everybody knows it!

Well, the essence of the Austrian Business Cycle Theory has nothing to do with babies, but shows how irresponsible monetary inflation must produce price inflation, that monetary inflation is a bad, bad thing (BBT), and thus only a complete moron, completely ignorant of the entire history of the world, would dare to think that inflation in prices is ever benign. It is not. Ever.

The stupid Federal Reserve, on the other hand, actually hopes that the new money is being borrowed and used to buy stocks and bonds, making their prices go up, proving that the Fed DOES know that monetary inflation causes price inflation, even though they

think it is a good thing! At least in stocks and bonds.

But now they are desperately hoping and praying that those two major lynchpins of the economy are nice and healthy, and then the banks will be healthy, too, even though the banks have been acting like corrupt skunks for years, which is what banks naturally do, and that is why government is supposed to ride herd on those banker weenies every freaking minute of every freaking day, like my wife does me, as I am just as irresponsible, although even she admits I only ruined her life and the lives of the kids, and not everybody in the country, and arguably the world, like the Federal Reserve has.

But notice how only I get the blame I deserve! And then people want to know why I wallow in self-pity; because it's the only kind I ever get!