

An Edifice of Pure Economic Crapola

By [The Mogambo Guru](#)

02/16/09 Tampa, Florida Benn Steil, who is on the Council of Foreign Relations and an editor of an economics journal, is writing in the Financial Times, see, and his essay has the catchy headline “Keynes and the Triumph of Hope over Economics”, which is so terrifically profound and funny at the same time that I laughed out loud, which was unfortunate, as I had just taken a big bite of a yummy chilidog and it sprayed all over the place as a result of my mighty guffaw.

This messy kind of accident has happened to me before, and which is why I now cleverly use somebody else’s desk and computer whenever I eat something while “working” or downloading porn on the computer.

Anyway, I instantly liked the guy! He seems to be, like I always am, bemoaning the fact that we economists are getting a really bad rap because of all the idiots in the world who also call themselves “economists”, with the important distinction between us and them that that they have taken over the schools, the governments and the media to spread their stinking, lunatic, neo-Keynesian econometric bastard offspring “theory of economics”, full of one ridiculous assumption after another, upon which they built an enormous, glittering edifice of Pure Economic Crapola (PEC).

Like what? Well, like “the consumption function” which is at the root of the whole theory, which is that when you get a dollar of income, you spend some and you save some.

I know what you are thinking; you are thinking, “These guys get paid for knowing THAT? Hahaha!”

Well, there is more, as the mysterious, necromantic arts of economics comes in to determine, as a constant – with an astonishing precision out to three decimal places! – exactly HOW much you spend and how much you save of each dollar! Hahaha!

And then they say, “That’s not complicated enough! Let’s adjust it for, ummm, the ‘wealth effect’, which is the phenomenon that when you make a lot of money or you have a lot of money, you spend a little more and save a little less!”

If it stopped there, it would be mildly interesting and make for good fodder for a barroom argument with other drunken sots, but these moronic Modern Economist Establishment weenies thought that they had finally found a computer program, full of equations and countless variables, that could reliably guide monetary policy to maintain the value of the dollar and prevent the business cycle while creating excess money and credit to maintain a boom of governmental deficit-spending and rampant indebtedness! Hahahaha! Morons!

And yet, trust me when I tell you that it will get you nowhere to stand outside the Federal Reserve Building in Washington, D.C. and helpfully yell out, “Hey! In case you ain’t heard, you

Fed guys and all your stupid incestuous friends are morons if you think that your stupid econometric equations can possibly, possibly, possibly work, which can be easily proved if you just get up off of your fat, worthless butts and look at the ruinous, Depression-like conditions you produced! The purchasing power of the dollar is now crapola, while the top two industries in America are government spending and trading financial securities back forth between ourselves!”

If you have any time left before the security guards arrive and make you go away, try telling them, “Now the sheer suffocating size and expense of the federal, state and local governments in America are truly gargantuan, thanks to your stupid incompetence and sheer stupidity in actually believing such a ridiculous theory of benign consequences from such enormous expansion of money and credit!!!”

The three exclamation points are an indication that your voice should be at maximum volume at this point for optimal impact, as I can hear police sirens approaching.

Mr. Steil is not amused at our antics, and continues, “on the other hand, we call for trillion dollar stimulus plan on the basis of little more than citing John Maynard Keynes” which “gives us special license to talk economics without knowing any.” Hahaha! Exactly right! Well put!

And like the guy who wears a T-shirt that proudly proclaims “I am not a gynecologist, but I’ll take a look” the results of having economic poseurs and idiots at the Federal Reserve inflict their idiotic econometric theories upon us have been Disastrously, Ruinously Bad (DARB).

Which brings up, as you knew it would, a Powerful Mogambo Suggestion (PMS) to buy gold, silver and oil to protect yourself from insane monetary policies of the Federal Reserve and the insane fiscal policies of Congress, and maybe make a pile of devalued dollars in the process, too!

Whee! This investing stuff is easy!