

Death By Free Lunch

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08/19/09 Tampa Bay, Florida

July's 0.1% fall in sales at US retailers has been termed "unexpected" for some reason that I don't understand since wages are not rising, unemployment is rising, consumer price inflation is rising, consumer debt is not rising and equity withdrawals are not increasing. So if retail sales had increased, where would the consumer have gotten the money?

The question is a good one, and in fact it caused the Big, Beautiful Mogambo Economic News Service (BBMENS) – the only inter-stellar news service in this quadrant of the galaxy – to set a new precedent in their latest news broadcast when they surprisingly changed their format from the usual overemphasis on reviews of new pornography and their popular "What in the hell is it?" sidebar where one guesses at the possible uses of various mysterious adult-themed novelties and devices.

Instead, the BBMENS began their latest newscast with the sound of ravenous wolves snarling and snapping as they ate people alive, who were themselves screaming in terror and pain, a terrifying soundtrack which then segued to "Dateline: Earth. The recent, unsettling fall in retail sales is perfectly 'expected' now that consumer debt is at record highs, new consumer debt is not increasing, overvalued leveraged asset prices are falling (wiping out any chance for borrowing against equity) and high unemployment is still going up at terrifying rates while consumer prices continue to rise as a function of the fall in the value of the rotting dollar, meaning that inflation in prices will soon be eating Earth people alive, as alluded to at the top of this broadcast when you heard the sound of wolves eating people alive."

That is where the broadcast abruptly ended, I am sorry to say, immediately switching to some late-breaking news story about a possible remake of Debbie Does Dallas, this time in 3-D, which is interesting and all that, but the part of the newscast that was necessarily deleted was the most poetic part, which was, "All of these are but signposts to greater and greater catastrophes in this same sorry vein as the Earth is propelled merrily along to what The Mambo Mogambo (TMM) calls Death By Free Lunch (DBFL), a fatal condition where idiotic governments in the thrall of mindless 'gimme gimme' democracy and 'gimme gimme' fascism and 'gimme gimme' socialism and 'gimme gimme' communism obediently borrow and deficit-spend a fiat money, which is created to monstrous excess by their central banks expressly for this very purpose, to benefit their friends and themselves in the short run, but to the horrible detriment of everybody in the longer run as all this new money percolates through the economy to cause horrendous inflation in consumer prices and in the size of government, and people start screaming in outrage and anger and rioting, not because wolves are literally eating them alive, but because inflation in prices and a bankrupt, ruined economy means that they can't feed their crying children, and all of that incessant wailing is drilling into my head like an ice-pick jammed through my ear and into my freaking brain, all because of the loathsome Federal Reserve!"

The horror of such a thing makes adrenaline squirt into my bloodstream by the seeming quart, making my thousand-horsepower brain click and whirr, causing me to suddenly remember, in vivid detail, every insult, insinuation and back-stabbing lie that anybody ever said to me, or said about me, or called my mom and told her what I did, or wrote in a letter, attached it to a brick and hurled through my window.

Hastily making a note to myself to update Mogambo Plans Of Revenge (MPOR) against all these suddenly-remembered people, my stimulated brain suddenly recoils in horror at the realization of the economic terror of the derivatives market, where so much, much, much global money is obligated in leveraged bets that the total clot of it appears to be variously estimated to be between \$600 trillion and \$2.5 quadrillion, an amount which makes my stomach churn into a knot, either from that weird-smelling 29-cent burrito I bought at the gas station or because of the notion that most leveraged things must be “underwater” right now since the market values of the assets, from whence the derivatives sprang, are down in value, although nobody knows it yet because there is no market or sales of these derivative things and so nobody knows what they are really worth, except in the broad sense, as in “mostly squat”, although, theoretically, they should (since they are essentially bets) sum to zero! Hahahaha!

But we were talking about sales falling, not macroeconomic stupidity on a colossal scale, and on that topic you will note that the percentage inflation in prices is actually higher than the percentage decline in sales, which means that although the consumer got less, they paid more. Gaaahhh!

And it is the concept of getting less but paying more that is so disastrous that this, then, is the perfect place to tell you that if you do NOT want to pay more to get less for all of your tomorrows, then buy gold, silver and oil right with all of your todays, including today so that the rise in their values matches the rise in the prices of everything else, and which is such an easy way to invest that you can't help but exclaiming, “Whee! This investing stuff is easy!”