

Debt for Dividends

By [The Mogambo Guru](#)

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In another episode where the comics page eerily mirrors real life, a recent “Garfield” cartoon has Garfield confronting a resident rat who has been taking cheese, but leaving IOUs, from the “cheese drawer” of the refrigerator. Garfield threateningly says to the rat “Stop with the IOUs” and the rat calmly holds up his hand in protest and says, with a look of utter sincerity on his face, “No, no...I’m good for it”!

Perhaps it is my Refined Mogambo Sense Of Humor (RMSOH), or perhaps it is my equally-refined Mogambo Sense Of Scorn (MSOS), but either way, using a diseased, lying, filthy, corrupt, thieving rat as a metaphor for Congress is the funny-because-it’s-true part! Hahaha!

I remember it because I was reading the comic strip before I fell asleep on the couch, snoring and snorting and having a wonderful time while taking a well-deserved nap after spending the busy morning writing hate mail to the Federal Reserve (“Dear Morons, I hate your guts because you are the weenies who have so little intelligence that you let the foul Alan Greenspan, chairman of the Federal Reserve 1987-2006, create So Damned Much Money (SDMM) and with So Damned Little Oversight (SDLO) that it allowed massive, MASSIVE bubbles in debt that produced bubbles in stocks, bubbles in bonds, bubbles in houses, bubbles in consumer spending, bubbles in derivatives, and huge, backbreaking bubbles in size and cost of government, and now we’re freaking doomed! Sincerely, Anonymous in Florida and fed up with you clowns!”).

I was just in that delicious part of my nap where I usually begin dreaming of wonderful things that might have been, had I only been prescient enough to say, “Marry you? What? Are you freaking crazy or something?” or “Have some kids? What? Are you freaking crazy or something?” but still buying lots of gold, silver and oil with which to get Fabulously, Fabulously Rich (FFR) so that I could tell lots and lots of other beautiful women, “Marry you? What? Are you freaking crazy or something?”

Let’s just say that fantastical things were getting dreamed up pretty good, if you catch my drift, when the kids come running in with a copy of Barron’s in their hands, yelling, “Wake up, daddy! Wake up! You can raise our allowances even if your income is down! There’s a way to do it! Wake up!”

I was lazily rubbing the sleep from my eyes and carefully watching to see if any of them came close enough that I could reach out and smack them for so rudely waking me up, which I feel empowered to do because that is what my wife did to me for doing the same thing just the other day.

I mean, there I was, early in the morning before the sun was even up, nervously looking at our finances and coming to the only conclusion I could; “The kids have got to go!” Before I knew

what I was doing, I went running into their rooms, honking an air horn and anxiously yelling, “Get up! Fire! Get up and get out of the house! Emergency! Get out! Get out of the house!” whereupon they all went rushing outside in their pajamas and I locked all the doors so they couldn’t get back in.

It was, I admit, probably my most pathetic, desperate attempt to clutch at the only straw I had left, a move that led to the aforesaid incident of my wife hitting me, and the police watching her do it, yet doing nothing about it, and the kids wailing, “We’re so traumatized! He’s a horrible person who doesn’t give us enough money in our allowances! Boo hoo hoo!”

But they were right about the S&P 500 “paying more while making less”! The companies in the S&P 500 have been paying out \$21.45 in dividends, which is whole multiples of the \$7.90 that they have been actually earning, probably explaining why the index sells at a price so high (over \$1,000), that the price-to-earnings ratio is 128! Hahaha! Unbelievable! Hahaha!

So, as the kids rightfully pointed out, the companies in the S&P 500 are paying more than they are making, and so there must be a way for me to pay them more than I make, too, and the only reason that I don’t give them more money to offset their rising costs is that I am stingy and hateful, which is true but not breaking any new ground, just as it is also true that buying these stocks at the price of the index would take an investor 128 years of getting everything the companies earn just to break even! Hahahaha!

It gets weirder when you realize that the companies would go broke long before that, because they are always paying out more than they make!

So I look at them and say, “And what kind of Stupid Moron Crap (SMC) is that?”

It was heartbreaking to see the disappointment in their eyes and hear it in their tender, young voices as they were telling me how monstrously cruel I am and how much they hate me, but I am still buying gold, silver and oil with every dime I can manage to keep out of the greedy, grubby hands of the kids, wife, family members and bill collectors, and soon they will understand why, and, if they are good, like not ever again waking me up from a nap, grow fabulously wealthy, insanely wealthy, preposterously wealthy along with me and all the other people who are buying gold, silver and oil as a defense against unbelievable government deficit-spending and monstrous amounts of money creation by the Federal Reserve, which is so ridiculously easy that you hear yourself saying, “Whee!”