

# SOS: Suffocating On Spending

By [The Mogambo Guru](#)

02/12/09 Tampa Bay, Florida Voluminous police reports through the years chronicle my wailing and screaming in fear, often far into the night, as neighbors and family complain until the police come by the house in their squad cars to investigate, like I am so stupid that I don't know enough to shut up when I see them coming! Morons!

But my distress is because of the same thing that has been haunting me for years: inflation in the money supply always portends inflation in the price of something, and then inflation in the prices of some things, and then inflation in the prices of all things as all that new money and credit is injected in to the economy, going round and round, bidding up the prices of a fixed-in-the-short run supply of goods and services, higher and higher until people cannot afford to buy food, which is such a Bad, Bad Thing (BBT) that all I can do is hole up in the Big Beautiful Mogambo Bunker (BBMB) and whimper in fear, tapping out "SOS" on my Mogambo Interstellar Emergency Transmitter (MIET) so that intelligent beings passing through this quadrant of the galaxy will come and please, please, please rescue me from this godforsaken planet of morons, governed as it is by the worst of the worst, who have predictably produced the worst of the worst results by allowing cancerous growth of government and government debt, made worse by a cancerous growth in suffocating debt in every sector of the economy, by the simpleminded expedient of monstrous deficit-spending, bought and paid for by the loathsome Federal Reserve creating the requisite money and credit to finance it all! SOS! SOS!

The Really Bad News (RBN) is that this is not working anymore – a fact made manifest by Howard Silverblatt, a senior index analyst at Standard & Poor's, who says that in the last quarter of 2008, the earnings of the S&P 500 index were a NEGATIVE \$7.56 a share! Wowsy wow wow! We're freaking doomed!

So I run to my messy desk and, after a short search, manage to turn up both an unread issue of Hot Shameless Naked Babes magazine and the chart of the earnings of the S&P 500, where I see that Miss January says that she has "done it all and loved every depraved moment" meaning that she is now on the decline, which I notice is surprisingly reflected in the fact that the earnings of the S&P 500 are similarly in decline.

To prove it, in September 2007, the companies in the S&P 500 index earned a cumulative \$85 a share. Earnings are now at \$46 a share (back to where they were in 2004!) and still heading down with a vengeance.

As are the dividends (if you really want something to worry about!) which did not top out until the end of 2008 when they hit \$28 a share, and which are still amazingly paying a big, juicy dividend of \$25 a share, which seems high when one is looking at outright losses of \$7.56 a share in the last quarter of last year! Hahaha!

I had a feeling that this was somehow significant, as in the old “the stock market is doomed because it is so freaking overpriced” kind of way, but I did not know HOW significant until Mr. Silverblatt went on to say, “There has never been an as-reported index level in the red.” Never! In history!

Now you know part of the reason that Congress has officially gone into Panic Mode, which was unofficially announced by Bloomberg.com reporting that “The stimulus package the U.S. Congress is completing would raise the government’s commitment to solving the financial crisis to \$9.7 trillion.”

Now, I think you will agree that that is a lot of money, and Bloomberg notes that “the \$9.7 trillion in pledges would be enough to send a \$1,430 check to every man, woman and child alive in the world,” and is “enough to pay off more than 90 percent of the nation’s home mortgages.”

The reality is that only about \$200 billion is actually slated to be spent before September, and the other \$9.5 trillion of future “stimulus spending” is in the form of commitments that are “lending programs and guarantees, almost all under the authority of the Fed and the FDIC”, which I take to mean, “When our scumbag friends need to be saved from taking a loss on their stupid bets, we will print up the money they need, up to an estimated \$9.5 trillion”! Hahahaha!

Bloomberg.com adds, as if we had to be reminded what a bunch of lying, thieving scumbags these people are, “The recipients’ names have not been disclosed.”

And speaking of lying, thieving scumbags... For some reason, the NYSE Member’s Report – showing what the stock market insiders and specialists are selling and buying and shorting – is no longer available in Barron’s because, as [online.barrons.com](http://online.barrons.com) phrases it, “The NYSE is no longer compiling this data for us on a weekly basis.”

It’s all too, too weird, leading me to summarize, with trembling voice, that if this is not the perfect time to be buying gold, silver and oil to protect yourself, then when is? Hahaha! Whee! This investing stuff is easy!