

The Mysterious and Elusive “Extra Money”

By [The Mogambo Guru](#)

09/16/09 Tampa Bay, Florida

I always get a kick out of people – like the author of this week’s “Buttonwood” column in The Economist magazine – who say that tax revenues to government are suffering because they spent all the inflated tax revenues they got all these years, and now the revenues are gone, gone, gone but all the programs and government-paid employment remains! Hahaha! Another downside of acting like idiots.

The revenues, of course, came from the stock market bubble and the bond market bubble and the housing bubble and the consumer spending bubbles, instead of “storing up surpluses in the fat years so as to cushion their finances in the lean ones” which makes me laugh a big ol’ Mogambo Laugh of Scorn (MLOS) – hahaha! – at the idea of a government “storing up tax surpluses”, like money is corn or something! Hahaha!

You can tell he doesn’t want to get into an argument with me, and says that “governments were sorely tempted to spend their inflated revenues” which makes me laugh, too, at the sheer simplistic childishness of the remark because I can’t think of any government or entity of any kind, anywhere in space and time, in any sector of the universe, which was never “tempted” to spend extra money on something!

Even the idea of it makes me laugh in a cruel and sardonic way that could only come from the Cruel And Sardonic Mogambo (CASM), who has been known to enjoy this very “extra money” phenomenon when he “accidentally” lets it slip at dinner that a whole handful of change fell out of my pocket in my car, just to watch them scramble and fight each other for a chance to feel around the driver’s seat, fighting each other off, pulling them away and taking their place, escalating the violence, driven to acts of aggression by their greed and the mere suggestion of “extra money”!

That’s when I yell out, “Hey, kids! Since you are bent over like that and your face is down there, how does the seat smell where I sit on my Fat Mogambo Butt (FMB)? Is it as sweet as I think it is? Hahahaha!” proving that some things are just naturally funny!

If you, too, think that the government can stash away excess tax revenues, then please wait until I have stopped laughing and then tell me how, and where (but mostly how) they could do such a thing, and I will make you famous! The government can “save up” a trillion or so dollars? Hahaha!

Then this Buttonwood guy said, “As countries try to eliminate the shortfall, it is tempting to hope that they will do so purely by cutting waste in public spending” which is another concept that I don’t understand, because whether the spending is wasteful or not, spending is spending and income is income.

And so it is not so much the waste as it is the Sheer Freaking Size (SFS) of government spending that makes me crazy with fear and outrage that such a thing is allowed to happen just because some cowardly Supreme Court weenies ruled in 1933 – and upheld at every challenge since then by every subsequent cowardly, traitorous Supreme Court – that the dollar did not have to be gold, as literally required in the Constitution, but could be made of paper and electronic digits backing up IOUs and just about any silly crap the government wanted, and now we are going to pay the price for being such idiots as to have let that happen.

Of course, he did not get into this kind of pessimism, where I figure people are this close (hold up thumb and forefinger almost touching to indicate “almost”) to digging up and eating the dead, the FDA has to establish new dietary guidelines on recommended maximum daily intake of formaldehyde and embalming fluid, and where necrophiliacs are alarmed and pushing for “protected minority” status and all those attendant luscious government benefits.

However, and perhaps thankfully, he does not go quite that far, but ominously adds that, in all honesty, cutting government spending is going to be hard because “they won’t (and probably can’t). So they will find other things to tax.” Yikes!

I say “Yikes” because if there is one thing you can say about a tax, it makes prices go up for the final consumer by at least 100% of the tax, which is inflation in consumer prices, which is The One Freaking Thing (TOFT) that you DON’T want! TOFT!

But we got it anyway, and in a recent study by Florida International University Center for Labor Research and Studies, they found that the cost of living, in Florida, is up 25% in six years! Unforgivable!

But you will be surprised (as in the top of your head blowing off and you begin to bellow, like The Mogambo, “We’re freaking doomed!”) to know that this compounds out to what sounds like a piddly 3.8% inflation a year, but which obviously isn’t piddly, or I would not get so upset, and then people (like me) would not start yelling in fear and panic, and there would not be a big commotion, and things would not be said, like, “Buy gold, silver and oil right now because your government is acting like monetary and fiscal idiots, or else you are an idiot and you are as stupid as you look!”, and then you try to, you know, calm the guy down by complimenting him by telling him that his wife has a nice butt and I have the hots for his teenage daughter, and then he gets all upset about THAT for some reason, and then threats are made and blah blah blah. You know... The same old thing.

But this is not a question of ancient animosities originally involving, as far as anyone remembers, a barbecue grill, or even the continued heated argument about the definition of “warning shot”, but that 3.8% annual inflation is a horrible, terrible thing, as it compounds to a 25% increase in prices in six short years, which is just about what the horrible Ben Bernanke (with his “targeted inflation” crackpot idea) actually wants: To inflate away the burden of debt by, astonishingly, everyone going farther into debt so as to increase demand to make prices rise! Gaaahhhh!

I know that you, because you are a Junior Mogambo Ranger (JMR), have a brain that hurts in trying to comprehend the economic enormity of what the Federal Reserve, with the blasphemous blessing of Congress, is doing, and what Ben Bernanke proposes to do which is to purposely cause inflation in prices of about 3.8%, and your fevered brain that recoils in horror at such an idea is cooled only by knowing that you own gold, silver and oil, and so whatever happens, you are going to be OK, and will make money on these chumps... Maybe (and probably) a lot of money without doing any thinking whatsoever, which is why I say, "Whee! This investing stuff is easy!"