

Borrow and Spend Economics to Pay for Borrowing and Spending

By [The Mogambo Guru](#)

03/04/10 Tampa Bay, Florida – Okay, I will admit that we had a little accidental gunfire around here recently, but nobody was hurt, and all that really happened is that I wasted a lot of very expensive ammunition and scared the hell out of a lot of people, including myself, a commotion which instantly activated my Amazing Mogambo Reflexes (AMR), making me drop the delicious Hostess Cupcake that I was noisily eating and take cover on the floor, falling, as I did, on top of the aforesaid cupcake, smashing it all over myself, and all over the floor, which made it taste terrible after that.

But the surprising gunfire was not my fault, as I had just read that the Federal Reserve is being as dangerously incompetent as ever by continuing to massively increase the money supply (which is so horrible because it causes inflation in prices) so that they can buy up (monetize) at least a part of the massive, monstrous, mega-moolah Treasury debt issuance that will be necessary to fund the unbelievable sum of, as I understand it, \$1.9 trillion in government deficit-spending in the upcoming One Freaking Year (OFY) as a result of the massive spending of the terrible, awful, worse-than-I-had-feared, demon-from-hell Obama administration, plus trillions more for the needs of the private sector, and a trillion or so in Congressional “supplemental appropriations” throughout the year as Congress periodically, almost ritually in a Satanic kind of way, “discovers” that their original estimate of their borrowing needs was inadequate, and – surprise! – that these slimy, lying bastards need LOTS and lots more money!

I can see by rereading that paragraph that I was so wrapped up in heaping Massive Mogambo Scorn (MMS) on the arrogant, radical-Left Obama, on every sniveling Democrat in the place, most of the Republicans, and on the despicable, guilty-as-charged, incompetent Federal Reserve that I never actually got around to telling you how much money and credit the Fed created last week, which was the original point I was going to make for some reason other than decrying such irresponsible expansions of the money supply that will guarantee horrific, economy-destroying, dollar-destroying, soul-destroying inflation in prices, but I forgot what I was planning to say about it, to tell you the truth, but with or without it, the increase in Fed Credit last week was another \$5.2 billion, which (although terrifying), is less than his usual increase, and at \$5.2 billion, is merely twice the usual weekly rate of money and credit creation by the monster Alan Greenspan, former chairman of the Federal Reserve, who – single-handedly! – created all the economic mess of the world by merely creating \$10 billion-or-so per month of new Federal Reserve money and credit!

Now, Fed chairman Ben Bernanke, a clueless academic, still stubbornly hews to that same, tired, insipid-yet-stupid neo-Keynesian econometric theory that has now been shown to be not only wrong, wrong, wrong, but also stupidly and catastrophically wrong, which doesn't say anything at all about the morons, like Ben Bernanke and Alan Blinder, who are themselves mere representative examples of the neo-Keynesian econometric bozos rampant in the world today, all

of whom believe in such imbecilities as their precious economic theories in the face of, literally, overwhelming evidence to the contrary! It is absurd on its face! Ya gotta laugh! Hahahaha!

Interestingly, a crucial part of the stupid Keynesian nonsense holds that the government can, by virtue of borrowing the money, replace any perceived lost “consumer demand”, in any economic downturn, by merely borrowing and spending money, even if borrowing and spending money was the cause of the original downturn, and that there are no repercussions that cannot be solved by more borrowing and spending, and that inflation in prices has nothing to do with the money supply but with irrational exuberance! Which doesn’t even make any sense! Hahahah! It doesn’t even freaking make sense!!

Sharp-eyed Junior Mogambo Rangers (JMRs) will recognize the two exclamation points as indicators of something, usually the preceding sentence (as in this case), as being very important, as, now that I notice, it is, in this case, in that it is Beyond Freaking Crazy (BFC)!!!

Horrors! The punctuation using the rare triple exclamation point! You can tell I am on a roll here! I suggest you go to someplace safe in your house where your enemies would have to attempt a painful frontal assault against you, and as you wait, you think to yourself, “Obviously, this is extremely important! As indeed it is, now that I think about it after it has been drawn to my attention, thanks to the Magnificent Mogambo (MM), because you do not get anything except total, unmitigated disaster from inept management by people who cannot be controlled and who are Beyond Freaking Crazy (BFC)!”

I am very proud of you for thinking this, as it shows that it has all become clear: The preponderance of people on this planet, and in our universities, and in our media, and in our governments, and in our central banks are BFC lunatics if they think that borrowing (racking up debt) and spending money will “cure” the bust of the boom produced by borrowing (racking up debt) and spending the money! Hahahaha!

I immediately think of the joke, “Doctor! I’ve been gorging myself, but I never lose any weight!” but it doesn’t seem to fit the conversation, somehow, and it doesn’t really seem to have anything to do with anything I was talking about, which makes me think that maybe my subconscious is telling me that I SHOULD have been talking about it, which doesn’t make any sense, either, because I don’t think anyone needs advice on how to gorge themselves, and in fact, people seem quite disgusted when I do it, although it makes their kids laugh, meaning that the kids like me better than they like their own parents, which is a small victory for me and, although small, is a victory.

So I say to the kids, who just showed how much they love me, “Hey, kids! Tell your parents that they are idiots unless they buy gold, silver and oil right now, because unless they do, they are going to be poor when excessive government deficit-spending and excessive Federal Reserve over-creation of money and credit make prices soar as the buying power of the dollar falls, which means that you will be poor, and you tell them how you don’t want to be poor, and how you have been thinking about, in an idle sort of economic self-defense way, the many, many advantages of being too young to be charged with a capital crime should they fail to acquire the aforesaid gold, silver and oil!”

This is where the parents turned around and gave me this “dirty look”, which I interpreted to mean, “I surrender, under protest, to your magnificent, powerful presentation of the case for gold, silver and oil, enhanced by the paranoid notion that my own children are threatening to kill me in some bizarre extortion racket involving gold, silver and oil that you have planted in my head, which I realize is all for my own good because I now see that only an idiot would not buy gold, silver and oil when the government and the banks are acting so despicably! Thank you, handsome stranger!”

The name’s Mogambo, ma’am. It’s my job.