

False Hope in Financial Free Lunch

By [The Mogambo Guru](#)

01/27/10 Tampa Bay, Florida – Last week’s winner of the Mogambo Most Stupid Quote Of The Week (MMSQOTW) goes to that arch-idiot, Barack Obama – after the contest judge (me) was found (my wife tracked me down) in a local tavern (low-rent girlie bar), and was hurriedly sobered up (to no avail) with some hot coffee (too weak) and a lot of screaming from my wife (loud), mostly centered about what a lowlife bastard I am (with examples).

After being driven home with her “loud snotty harangue” as musical accompaniment, I ran across this startling *AP* news item entry, which was so shocking that it sobered me up pretty quick!

The most recent staggering stupidity (our contest winner!) is from the White House, where “President Barack Obama said Thursday he wants to tax banks to recoup the public bailout of foundering firms at the height of the financial crisis.”! Hahaha!

I am sure that you, being the astute Junior Mogambo Ranger (JMR) that you are, are laughing merrily with along with me – Hahahahaha! – because this is so, so, so Theater-of-the-Absurd funny on so many, many, many levels, once you get beyond the horrifying, un-funny realization that it is abysmally, shockingly, alarmingly stupid on just the one level: it is a known fact that a tax on a business is just another expense to the business, like labor and raw materials, that is added to the prices that they must charge their customers in order to make a profit, which makes prices go up as the businesses raise prices to maintain their profit margins by recouping the tax they had to pay by, in case you haven’t been paying attention, raising prices, which is inflation, which is the one thing a country does NOT want, making a tax on business the most stupid thing you can do.

In this case, the banks will charge higher fees for their “banking” services and charge higher interest rates to their customers, neither of which is a good thing for the people who have to pay the higher prices! Hahaha!

And now that idiot Obama wants to raise banking prices and interest rates (which affects all other prices, as interest rates are also an expense that must be recouped through the prices they charge) so that the government can have more money to spend on itself and its greedy, grasping little friends?

And so how much money are we talking about? Agora Financial’s [5-Minute Forecast](#) finds that “Details are still shady, but we hear the measure is supposed to raise \$90 billion over the next 10 years.”

Of course, my Initial Mogambo Reaction (IMR) is to laugh out loud at \$9 billion a year, as it means a lot of hassle for a lot of people so that the government will get another measly \$9 billion a year to spend, which, in the case of us profligate United Dumbheads of America, means that

the idiotic Congress we elect will authorize the Treasury to borrow another \$9 billion, plus postage and handling, so that the money supply will expand just a little, teeny bit more in a laughable attempt to keep interest rates low, low, low, even though the idiotic government is borrowing huge, huge, huge freaking huge amounts of money to spend in some bizarre attempt to repeal the Laws of Economic Nature, the most basic of which is that (and you may want to write this down, especially if you are a Democrat or – dare I hope? – Obama himself) there is no such thing as a free lunch.

In fact, when I become emperor and have awesome powers and complete lack of liability, anybody who even suggests that there is such a thing as a “free lunch” will have the phrase “There is no such thing as a free lunch” tattooed on their foreheads, so that the next time they say something stupid like, “let’s expand low-income housing” or, “let’s give free healthcare to illegal immigrants and everybody else who shows up asking for it,” the listener can say, “How in the hell can we do that, when there is no such thing as a free lunch, as you have already had tattooed on your forehead, you idiot?”

Now that I am completely sobered up, let me tell you, without slurring my words or accidentally peeing in my pants, that there is no painless “solution” to the problems caused by excessive creation of money and credit to the point of unbelievable national and personal bankruptcies, AND there never has been one, AND there never will be one, AND that is why it is so important that you not create money and credit in the first place.

So if you are not personally bankrupt yet, then use all your money to buy as much gold, silver and oil that you can get your greedy, grubby mitts on, because such insane inflation in the money supply is going to result in terrifying, horrifying inflation in prices so that the recent travails of Zimbabwe (which tried this Same Stupid Stunt (SSS)), whose currency went to literally zero value after annual inflation in prices soared past the trillion percent mark, will seem starkly familiar while making every day of the rest of your life into a living hell, while the prices of gold, silver and oil will soar right along with them, meaning that people who buy them do not get clobbered!

And that is why I always say, “Whee! This investing stuff is easy!”

And look! I just said it again! Hahaha!