

The Iron Law Of Investing (ILOI)

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By: The Mogambo Guru

The whole distressing thing is a big stink about nothing. It started because of The Economist magazine, which unfortunately tends towards that whole ridiculous Keynesian crapola, but which nevertheless, and, I might add, quite paradoxically, had a very interesting article buried on page 75 titled "New Model army," with the subheads "Economics after the crisis" and "Efforts are under way to improve macroeconomic models."

First off, I immediately involuntarily laughed the famous Mogambo Laughter of Scorn And Contempt (MLOSAC) at this stupidity of "improving macroeconomic models," my voice dripping with undisguised scorn and contempt, as is implied in the title, which was, in case you forgot, Mogambo Laughter of Scorn And Contempt (MLOSAC).

Continuing with this seemingly pointless narrative, I laughed and laughed and laughed beyond the point where I was still actually amused at the idea of the government allowing changing the Keynesian strangle-hold on the economy, until I was finally reduced to loudly dyspeptic chortling, and with an additional angry, sarcastic, altogether snotty tone to my voice, going "Guffaw, guffaw, guffaw!"

This guffawing, for some reason, was upsetting to everyone at the office, and they were saying hurtful things like "Shut up! I'm on the phone here!" and even my own boss was yelling "Die, you Irritating Mogambo Bastard (IMB)!"

Apparently (and this is the crux of the matter) there are threats of lawsuits over alleged flecks of flying spittle, referred to by the Plaintiffs as Icky Mogambo Cooties (IMC), all according to entirely baseless allegations where evidence is sketchy -- at best! -- beyond the dozen eye-witnesses and those pesky video recordings which have CLEARLY been altered, by a person or persons unknown, to discredit me.

I cannot wait to argue my case in court, where my razor-like, legal-eagle razzle-dazzle will skewer the flimsy case of the whiny Plaintiffs, and expose them for the ridiculous, libelous and litigious morons that they are, which I will easily prove by dragging them to the witness stand, by the hair if necessary or if opportunity arises, and asking each of them, under oath, "Have you been smart enough to have been buying gold and silver bullion as part of your investment strategy to protect yourself against the terrifying, ruinous inflation in prices that will inevitably result from the insane levels of inflation in the money supply created by the Federal Reserve so as to feed the gulping, all-devouring gullet of the enormous, bloated, twisted, sick federal government?"

They will, of course, all tearfully admit under the relentless pummeling of my pointed questioning that no, they did not buy gold and silver bullion, and they are ashamed.

As an aside, this is to be expected because they are members of "the majority of people," and there is an Iron Law Of Investing (ILOI), as in "inescapable mathematical imperative," that dictates that the majority of investors MUST be wrong most of the time, making them sure losers over the long term.

Otherwise, you would have the mathematical near-impossibility of a small minority of investors losing enough money most of the time to make winners of the vast majority of investors over the long term! Think about it and say "Whoa! Ain't nobody that stupid!"

Pounding home the point, I would angrily bang my fist against the table, and ask the terrified witnesses "If the majority of investors were actually right, from where could their profits come, except from the small minority of investors who, boggling the mind, were monumentally wrong most of the time over the long haul? And to also pay the enormous fees, charges, and expenses of the legions of middlemen and the relentless taxes of a ravenous government? Huh? Where? From where do you think the money could possibly come? Answer me, puny Earthling! Resistance is futile!"

At about this time in my brilliant legal defense, the way I figure it, is when the judge is screaming for the Bailiff to haul me away and put me in jail where I never again get to eat delicious beef tacos, with their crunchy corn tortillas proving the perfect wrapping for a full layer of crisp, cool lettuce and delicious sour cream, plus a sweet salsa, whereupon I will wake up in a cold sweat, and then realize with a note of relief that I was dreaming the whole time, I am not really a lawyer, and the only things I know about law are from watching old episodes of Perry Mason on TV ("Objection, your Honor! This testimony is incompetent, irrelevant and immaterial!" "Objection sustained!" says the judge).

Anyway, the reason for my laughing so uproariously in the first place is that any "improvement" in the current Keynesian econometric stupidities will only be "allowed" if the "New! Improved!" models show a gnawing need for even MORE insane creations of money and credit, and a bigger and bigger government to regulate more people and businesses, and an even bigger and bigger government to help more and more people! Hahahaha!

Look! I'm laughing again! Hahahaha!

The Economist magazine blithely ignores my cruel taunting and disrespectful jibes, and continues merrily along, as if I don't even exist, gliding over the fact that Keynesianism is a complete, total failure, and merely noting that it is a real dud because it does not reflect "the financial system accurately, nor allow for the booms and busts observed in the real world."

The big problem is that the whole basis of Keynesian theory rests on the idea that economies and economic actors seek equilibrium, when any idiot knows that systems inexorably tend towards disequilibrium and chaos, as in obeying the laws of entropy, and it takes energy to keep that collapse from happening, which is, of course, the opportunity for successful capitalism.

The first job of these patch-'em and fix-'em guys is to, surprisingly then, "put banks into the models"! Hahaha! I thought they were already in there! Who knew, huh? Hahaha!

The reason, The Economist magazine explains, that banks are NOT already in the stupid neo-Keynesian econometric models is because "macroeconomists thought of them as a simple 'veil' between savers and borrowers, rather than profit-seeking firms that make loans opportunistically and may themselves affect the economy." They did? Where have they been for the couple of last decades? Hahaha! Dorks!

And because I desperately want to know, exactly how DOES one mathematically describe the variable functions of banks making loans variously opportunistically, and variously in response to new and various governmental regulations and/or tax law, variously affecting the economy, especially when the foul Federal Reserve (a bank!) is permanently at the heart of it, purposely creating variously monstrous amounts of excess money and credit to satisfy the always-insatiable, gluttonous, ravenous appetite of the federal government for deficit-spending nigh unto bankruptcy and inflationary economic collapse?

Thus we learn that, if life was fair, this is where The Economist magazine would have put in a quote from me, perhaps along the lines of "The Marvelous And Wonderful Mogambo (TMAWM) is quoted as saying 'People who believe this preposterous neo-Keynesian econometric crap are morons, and I say this without fear of contradiction because it is blatantly obvious that it is not remotely possible to create such a monstrous huge clot of equations and their bastard derived-and-substituted offspring -- with the laughable precision of three decimal places, for crying out loud! -- about something as grossly inexact as human behavior that didn't have so incredibly much error built into every tiny piece of it that any real information -- if any! - - is immediately drowned out by the deafening statistical noise in such a bizarre, error-multiplying, iterative system, especially one that is That Freaking Big (TFB).'"

On the other hand, one can dispense with the dismal failure of all of that silly Keynesian hocus-focus, and the expensive computers needed to run it, by just making the dollar be gold so that the money supply is fixed, let the government die and take its onerous, crippling tonnage of regulatory burden to hell with it, let the free market and sound money take care of business, and everything will be fine, to which I say "Hahahaha!" and let go with a hearty guffaw or two if you think that the government is going to allow that! Hahaha! Guffaw! Guffaw!

Since that is NOT going to happen by a long shot, to protect oneself from the coming financial disaster, one need merely do the One Smart Thing (OST), which is to buy gold and silver bullion, as is proved by thousands of years of history, replete as it is with governments containing the selfsame traitorous treacheries as the horrid Nancy Pelosi ("Let's all hurry up and vote for the Obamacare bill so that we can find out what's it!"), which is the horrifying history of governments and peoples doing these same, sad, silly, suicidal stupidities that have now killed us today, as in "We're Freaking Doomed (WFD)."

And with One Smart Thing (OST) having a fabulous 100% successful track record like that, how can one NOT buy gold and silver bullion, and oil stocks, too, and then chortle with a gleeful, gloating self-satisfaction while doing so?

The while the use of the phrase "Whee! This investing stuff is easy!" whilst doing so is, of course, entirely optional, you take it from me, and from Junior Mogambo Rangers (JMRs) around the world and in this whole quadrant of the galaxy, that it feels so wonderfully good, to finally be a guaranteed winner for a change, that the words just seem to come tumbling out.

Whee, indeed! Whee!