

DICE HAVE NO MEMORY

*Big Bets and Bad Economics
from Paris to the Pampas*

WILLIAM BONNER



WILEY

John Wiley & Sons, Inc.

□ Contents □

INTRODUCTION	1
CHAPTER 1 THE INCOMPETENCE OF ECONOMISTS	9
Fight the Fed?	11
<i>May 17, 2001</i>	
The 17-Year Itch	14
<i>August 30, 2001</i>	
From Funeral to Funeral	17
<i>November 21, 2003</i>	
The Whacky World of Modern Economists	20
<i>October 8, 2004</i>	
Disappearing on the Pampas	24
<i>October 31, 2008</i>	
Inevitable and Disgraceful, But Still Unpredictable	27
<i>November 28, 2008</i>	
Gonoism!	30
<i>December 5, 2008</i>	
100 Years of Mismanagement	33
<i>January 8, 2010—Baltimore, Maryland</i>	
Three Out of Four Economists Are Wrong	36
<i>July 30, 2010—Paris, France</i>	

The Patsy Revolt of 2010 <i>March 12, 2010—Mumbai, India</i>	39
Junk Science <i>November 15, 2010</i>	42
CHAPTER 2 THE MAESTRO'S LAST HELIPAD: THE CONSPIRACY OF GREENSPAN AND BERNANKE	45
Greenspan's Put Is Shot <i>December 8, 2000</i>	47
God, Man, and Alan Greenspan <i>June 8, 2001—Paris, France</i>	50
Houses without Moats <i>September 20, 2002</i>	52
Can Do Money <i>April 25, 2003</i>	55
The World He Lives In <i>May 2, 2003</i>	59
Poor House II: The Miracle of No-Sweat Equity . . . <i>October 10, 2003—Paris, France</i>	63
Take It Away, Maestro <i>January 26, 2006—London, England</i>	69
Incredible Threat <i>August 6, 2010—Ouzilly, France</i>	73
Plumbers Crack <i>November 5, 2010—Delray Beach, Florida</i>	76
CHAPTER 3 NO CLAIRVOYANTS NEED APPLY	79
More Perfect Unions <i>April 4, 2001</i>	81
Bad Bets <i>January 3, 2003</i>	85
Misleading Knowledge, Part I <i>November 24, 2006</i>	89

Little Big Bubbles <i>December 1, 2006</i>	92
The Best Kind of Wealth <i>June 11, 2007</i>	97
Our <i>New Trade</i> of the Decade! <i>January 4, 2010—Bethesda, Maryland</i>	100
The Great Correction . . . Still Pending <i>April 6, 2010—Baltimore, Maryland</i>	104
CHAPTER 4 WAR AND WASTE	109
All Quiet on the Western Front <i>November 11, 1999</i>	111
In Praise of Group Thinking <i>September 25, 2000</i>	114
The Dark Years <i>September 12, 2001</i>	117
Tsar of Arabia <i>October 29, 2001</i>	120
Pearl Harbor <i>December 7, 2001</i>	123
Too Big to Succeed <i>March 21, 2002—Paris, France</i>	127
Imperial Over-Stretch Marks <i>March 5, 2004</i>	131
The Stain of Democracy <i>February 4, 2005—Paris, France</i>	135
The Good War <i>January 30, 2009—London, England</i>	139
CHAPTER 5 BORROWING AGAINST THE AMERICAN DREAM	143
Honor Insolvency <i>October 1, 2001</i>	145

Playing the Game	148
<i>December 27, 2001</i>	
Even More Unexplanatory	151
<i>June 7, 2002—Paris, France</i>	
Land of the Free	154
<i>July 4, 2003</i>	
Fantasies	157
<i>December 19, 2003—Paris, France</i>	
Lost in Space	161
<i>January 23, 2004</i>	
Hoorah for Capitalism!	166
<i>February 27, 2009—San Jose de los Perros, Nicaragua</i>	
Ready for the Shovels	169
<i>February 20, 2009—San Jose de los Perros, Nicaragua</i>	
Aughts Ruined by Wall Street	172
<i>January 4, 2010—Bethesda, Maryland</i>	
U.S. Economy in a Self-Made Vise	175
<i>June 16, 2010—Delray Beach, Florida</i>	
Why Debt Does Matter	178
<i>July 6, 2010—Baltimore, Maryland</i>	
CHAPTER 6 THE ZOMBIE STATE: WHEN GOVERNMENT FAILS	181
Wealth, Poverty, and Blithering Idiots	183
<i>September 9, 2005</i>	
Said the Joker to the Thief	187
<i>January 9, 2009</i>	
In Gono We Trust	190
<i>February 3, 2009—London, England</i>	
Welcome to Zombieland	195
<i>October 5, 2009—London, England</i>	
When Zombies Attack	199
<i>July 3, 2009—London, England</i>	

Central Planning and the Parasites It Creates <i>February 24, 2010—Baltimore, Maryland</i>	202
Government Growth Does Not Equal Economic Growth <i>February 24, 2010—Baltimore, Maryland</i>	204
The Zombie Economy <i>March 1, 2010—New York, New York</i>	207
Zombieland <i>March 5, 2010—Baltimore, Maryland</i>	209
Economic Zombies Shuffle Toward Bankruptcy <i>March 23, 2010—Paris, France</i>	211
Tony Hayward Before Congress: No Sympathy for the Oil Man <i>June 21, 2010—Baltimore, Maryland</i>	213
CHAPTER 7 BACK IT WITH BULLION	217
The Dow in Gold Terms . . . Where to from Here . . . <i>August 6, 1999</i>	219
Under the Big Top, Part Deux <i>July 19, 2000—Baltimore, Maryland</i>	221
The Revenge of Gold <i>April 19, 2002—London, England</i>	224
A Goldbug's Life <i>December 2004</i>	228
Faith in Faith <i>June 16, 2006—London, England</i>	231
Gold Says "I Told You So" <i>January 17, 2008</i>	236
A Look Forward at the Final Stage of the Gold Bull Market <i>November 9, 2010—Baltimore, Maryland</i>	239
CHAPTER 8 THE GAUCHO'S GUIDE TO INVESTING IN ARGENTINA	243
Earth's Bright Side <i>September 27, 2002</i>	245

The Gaucho's Union	248
<i>April 26, 2006</i>	
Hot Water	252
<i>April 21, 2007—Gualfin, Argentina</i>	
Sowing the Wind, We Reap the Whirlwind	255
<i>April 11, 2008—Buenos Aires, Argentina</i>	
The Happiest Day in a Man's Life	261
<i>April 23, 2010—Gualfin, Argentina</i>	
CHAPTER 9 THE EXPATRIATE'S EXPERIMENT ABROAD	267
The Accidental Investor	269
<i>February 19, 2001—Ouzilly, France</i>	
Planting Trees	272
<i>August 27, 2001</i>	
The Episcopalian's Guide to Airport Security	276
<i>June 3, 2002—Paris, France</i>	
Reformation	280
<i>May 13, 2002—Paris, France</i>	
All Saints' Day	283
<i>October 31, 2003—France</i>	
The Money Pit	286
<i>January 14, 2005—Paris, France</i>	
Exiles Eternal	289
<i>July 7, 2006</i>	
CHAPTER 10 THE ONE APPOINTMENT WE MUST ALL KEEP	295
Memento Mori	297
<i>January 26, 2000—Paris, France</i>	
Thom Hickling, R.I.P.	301
<i>December 28, 2005—Rancho San Jose de los Perros, Nicaragua</i>	

Requiem for an Economist <i>September 12, 2007</i>	303
Frank Laarman, R.I.P. <i>December 1, 2009</i>	304
Remembrance of Fanny <i>September 8, 2010</i>	307
Life Goes On <i>April 23, 2010—Gualfin, Argentina</i>	308
ACKNOWLEDGMENTS	317
ABOUT THE AUTHOR	319
INDEX	321