

# A Novel Approach to Debt Management

By [The Mogambo Guru](#)

12/22/08 Upon hearing the news that three-month T-Bills actually have negative rates for the first time in history, the Mogambo figures he simply must be dreaming. And as such, he decides to shift the dream in his erotic favor, involving some of his cuter co-workers. It really is too bad that he's not dreaming. Read on...

I thought I was dreaming when I read on Bloomberg.com that short-term Treasuries rose in market value as buyers rushed to buy them, thus "pushing rates on the three-month bill negative for the first time, as investors gravitate toward the safety of U.S. government debt amid the worst financial crisis since the Great Depression."

More specifically, "The Treasury sold \$27 billion of three-month bills yesterday at a discount rate of 0.005 percent, the lowest since it starting auctioning the securities in 1929. The U.S. also sold \$30 billion of four-week bills today at zero percent for the first time since it began selling the debt in 2001."

Since I was dreaming, I figured that I would somehow involve some of the cuter employees in some erotic fantasies, which I quickly discovered did not turn out as I had planned and made me question the whole "I must be dreaming" thing, even though according to Stephen Meyerhardt, "a spokesman for the Bureau of Public Debt in Washington", he "wasn't aware of the three-month bill ever trading at a negative rate before", indicating that this MUST be a dream!

In fact, I thought those bad old days were all gone, all the demons exorcized, and that I had come to grips with insanely low interest rates and scumbag Wall Street and governmental sharpies, when suddenly I am again waking up in the middle of the night, bathed in sweat and screaming my guts out in fear, and again instinctively grabbing for some kind of weapon to unleash a maelstrom of hot, flying lead against unseen attackers and miscellaneous bric-a-brac.

Imagine my further disorientation when I suddenly find out that I cannot move, and am restrained to the bed by a profusion of straps and belts, and all I can do is struggle heroically against my shackles while I listen to my wife laughing and saying, "Try to get out of THAT, you Homicidal Mogambo Moron (HMM)!"

The reason for my relapse in symptoms is that Bloomberg.com reported that Treasury Assistant Secretary Karthik Ramanathan, "the department's chief debt manager," said that the United States faces "as much as \$2 trillion in borrowing needs this year," and warns us that they "may introduce new financing methods to sell a record amount of government debt", requiring them to use "novel approaches to debt management." Yikes!

I remember when I tried this "novel approach to debt management" scam one time early in my career when my natural incompetence and general lack of interest in a career started to manifest themselves, which predictably ended badly, although it looked so good on paper.

My "novel approach to debt management" was to loan the employee pension fund to me as my "seed money" for a big run at the Vegas casinos using some stupid new gambling "system" I developed back when I believed in the bell curve over the long-term, and which has, thanks to the phenomenon of catastrophic Black Swan events, now been shown to be a Big, Big Mistake (BBM), as if my subsequent experience in Vegas was not enough proof! Hahaha!

But apparently nobody wants to hear about how I lost so much of the employee's money, or how a "novel approach to debt management" did not work out, or how I was personally embarrassed to have lost all their money while risking none of my own.

But perhaps people will be interested to know that the federal government is going to make sure that we are all losers, as inflation in consumer prices destroys us, which I cleverly deduce when Bloomberg said, "Ramanathan cited private analysts' estimates of borrowing needs that may reach \$1.5 trillion to \$2 trillion in the financial year that ends in September 2009."

What? A \$2 trillion federal budget deficit? In a \$13 trillion national economy? Gaaahhhh! When the trade deficit is running at almost \$900 billion a year? Double gaaahhhhh!

If you disregard my loud, terrified screaming as just a pathetic "cry for help", you will realize that my underlying message is sound, and that it's too, too weird, it's too, too unprecedented, it's too, too everything-bad-from-an-economic-perspective, and it is so all-around terrifying that even holding gold in one hand, and laying down some suppressive fire with a 0.45 caliber semiautomatic in the other to send a little "message" to the neighbors, provides but little solace.

A hell of a lot of noise, yes, but little solace! Hahaha! On the other hand, without the safety of gold, absolutely none of the latter!

Until next time,

The Mogambo Guru