

The Incredible Two-Day Jump in US Treasure Debt

By [The Mogambo Guru](#)

10/06/10 Tampa, Florida – Things are getting so, so, so weird that I was locked inside the Mogambo Bunker Of Panic (MBOP), looking through the periscope to keep a vigilant watch for the social explosion outside that was coming, I figured, so, so soon, with my finger on the trigger of something fully loaded and reassuringly .45 caliber, and a slice of yummy pizza in my one free hand to keep my energy level up via the universal Magic Of The Pepperoni (MOTP).

To show you that I am not over-reacting like the hyper-excitabile, gun-nut, gold-bug, Austrian school of economics kind of weird guy that I actually am, here is an example of the corrupt, game-playing crap going on with the Federal Reserve and the Treasury: On Wednesday, 9/29/10, the national debt was \$13.466 trillion. The next day, 9/30, it goes to \$13.561 trillion. Again, “the next day,” 10/1, the start of the new federal fiscal year, it rises to \$13.610 trillion!

This \$144 billion is a staggering lot of borrowing that, somehow, happened in Two Freaking Days (TFD)! This is \$72 billion per day! This is the government borrowing – per day! – almost \$240 for every man, woman and child in the Whole Freaking Country (WFC)! Gaaaahhhh!

The scream at the end of the previous paragraph is Secret Mogambo Code (SMC) to alert all Junior Mogambo Rangers (JMRs) to buy more gold, silver and oil as fast as they can, because of this kind of monstrous liquidity injection by governmental deficit-spending, made possible by a crazily irresponsible Federal Reserve literally creating the money necessary, and then, committing a central-banking sin known as “monetizing the debt,” the Fed used the money to buy the debt that the government wanted to sell!! Gaaaahhhh!

As many have deciphered by now, the concluding “Gaaaahhh!” of the previous paragraph, combined with the double exclamation points of the previous sentence, is surely more Secret Mogambo Code (SMC), available only to Junior Mogambo Rangers (JMRs), although you can probably figure out what is Freaking Me Out (FMO), which is always the same thing FMO, making that whole Secret Mogambo Code (SMC) thing just another piece of Stupid Mogambo Crap (SMC), as implied by their identical acronyms.

Anyway, this \$144 billion in additional federal debt, accumulated in Two Freaking Days (TFD), is, annualized at this astounding rate for each of the government’s roughly 250 working days per year, an outrageous \$18 trillion a year! This incomprehensible sum is about \$5 trillion more than the entire GDP of America! And more than half of GDP is already composed of government spending right now! We’re Freaking Doomed (WFD)!

We are doomed for allowing the Federal Reserve to create so much more fiat money, which creates inflation in prices, which is why I probably noticed, in Barron’s, that the new Gross

Domestic Product Deflator for the second quarter of 2010 is a laughably-low 1.9%, which is almost double the previous quarter's also-laughably-low 1.0% inflation!

By this rude disrespect and outright loathing I mean inflation – by the most conservative of estimates of inflation that can be cooked up – is still growing by 90% in one quarter! Inflation is growing at 1,303% a year, compounded? Yikes! Yikes! Yikes!

Okay, I admit I am being stupidly simplistic, overly dramatic and acting irresponsibly in every sense of the word, in that I am writing this Stupid Mogambo Crap (SMC) at my desk when I should be working, but I am surely going to get fired anyway, so what's the point, ya know what I mean?

Obviously I am wasting my time, and your time, in being silly, especially in light of everyone else thinking that 2% inflation is OK, it certainly seems OK with Congress and with most egghead academic economists, while I am the only guy who is freaked out by it.

And I haven't heard much of a gasp from any of them about Ben Bernanke, chairman of the Federal Reserve, now "targeting" monetary policy to achieve a suicidal 5% inflation in prices! Insane!

So, here at the end, here at the "bust" part of the boom-bust cycle, it looks like it will be a race! How exciting!

So which will it be? Will the price of gold go so high so quickly that I can tell my boss that I quit, and how I am thrilled to wash my hands of this stupid company, its stupid employees and stupid customers always calling me hurtful names like "incompetent bonehead," with which I totally disagree, and "lazy, gold-bug moron," which is a little nearer the truth.

And as a lazy, gold-bug moron, all I do is simply buy gold, silver and oil when the Federal Reserve is acting so insanely irresponsible, especially so that the federal government can desperately deficit-spend, and doubly-especially when the money concerned is around 10% of GDP!

With horrifying facts like that screaming at you, "We're freaking doomed!" buying gold, silver and oil is, "Whee! This investing stuff is easy!" in all its glorious action! Whee!