

US National Debt: The Missing Years

By [The Mogambo Guru](#)

01/12/11 Tampa, Florida – If you are one of those people whose eyes are bugging out in disbelief at the bullish action in the stock market and are wondering who in their right mind would be buying common equities at the same time as inflation is rising, bond yields are rising, food riots are breaking out, unemployment is rising to 22% (according to shadowstats.com), and 43 million people are on food stamps, I have the answer: The Federal Reserve, which created a huge \$100 billion pile of new credit in December, and is promising another \$100 billion per month for the next six months!!

I will dispense with my usual loud and disrespectful denunciation of the Federal Reserve and all those half-witted “economists” who subscribe to their laughable neo-Keynesian econometric stupidity, which, as I recall, they refer to as Dynamic Stochastic General Equilibrium theory.

Or maybe it’s Stochastic Dynamic General Equilibrium theory. Or maybe it’s General Dynamic Stochastic Equilibrium theory. Or maybe it’s Dynamic Equilibrium General Stochastic theory, a confusion incandescently emblematic of its pure arrogance, its idiot-savant trappings and its complete, dismal failure, as you can witness first-hand by merely putting down that delicious bagful of cookies and looking around at the economy, or look at the first paragraph above, which will tell you the same thing.

This rise in the stock market is, I figure, just the spillover from the federal government borrowing and immediately spending so much money (on track for \$2 trillion this year), now that tax revenues are falling at the same time as the Social Security surplus has dried up, which is Especially Bad News (EBN) since the despicable Congresses have always treated Social Security payments as general revenue, mostly because the same despicable Congresses mandated that Social Security not be a “pay as you go” endeavor, but instead tax away much more money than was “needed” so that there money would “be there” in the future when the Baby Boomers started collecting Social Security! Hahaha! What a scam!

So, Congress spent the excess SS money because there was nothing else they could do with the money. Nevertheless, ergo, now, general revenue is down!

To be fair, the Social Security surplus has been declining for years as it approached this “zero point,” which explains why the national debt has been rising so that the Congress can continually spend more and more money, despite declining Social Security money at hand, so that now, although not surprisingly (although alarmingly), the national debt is comfortably over a massive, titanic \$14 trillion, and it has, since 2008, been increasing at the, again unsurprisingly, and again alarmingly, consistent rate of \$1 trillion every 7 months!

By contrast, from 2002 to 2008, it consistently took about 20 months to add a trillion dollars to the national debt.

From 1995 to 2000, it took the entire 5 years to add another trillion dollars to the national debt.

The more astute Junior Mogambo Ranger (JMR) has noticed that there is a 2-year period of time suspiciously missing, namely 2000 to 2002, sort of like that “missing time” last Wednesday night between when I “should” have been home versus when I actually “was” home, and about which my wife seems especially vexed and about which I don’t remember a thing, which explains why I came home in a taxi and crawled unsteadily into the house, reeking of alcohol, cigarettes and, apparently, urine, and I have no idea where my freaking car is, either, so leave me alone already, for crying out loud!

Well, this is where it gets interesting, because while we do not know what happened Wednesday, if anything, we know exactly what happened to the national debt. From 2000 until mid-2001, the national debt was actually in a go-nowhere, yet volatile, slight downtrend, which handily explains why the stock market collapsed in early 2000 and did not stop until 2003, after losing almost half its value.

Of course, there are many other factors involved, and the strict relationship between national debt and the stock market seems a little stretched to those who are not firmly in the camp of the Suspicious And Cynical Mogambo (SACM), who sees this all as just a part of a vast Chaos Theory web of things and people interconnected to all things and people, with less than 6 Degrees of Separation, as indeed are all things connected to all other things, such as all this new money, which also explains why inflation over that time has been running at a terrifying rate of almost 7%!!! Yikes!!!

The double set of triple exclamation points is Secret Mogambo Code (SMC) for “Buy gold, silver and armaments with ceaseless abandon, because otherwise We’re Freaking Doomed (WFD)!”

And with that kind of simplicity, what can you say but, “Whee! This investing stuff is easy!”?