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401-Keg Plan Matures in Britain

by The Mogambo Guru

"Then I recall that the average retirement plan in America, like a 401(k), has somewhere between \$25,000 and \$60,000 in it, and I wonder how long that would last if one lousy chicken cost \$15 million. Hahahaha!"

Junior Mogambo Ranger (JMR) K.O.B. asks, "Why wasn't it a big deal early last month when gold went over 100,000 yen per ounce for the first time ever, or platinum going over \$2,000 per ounce?"

Well, there are many answers to that question, including mind-control rays from the CIA, but the most important thing is that it actually WAS important, but only if you comprehend what in the hell is going on in the world of economics. And if you do understand what is going on, then you are correctly terrified out of your freaking mind and you immediately took refuge in the bliss of alcoholic beverages, perhaps with the weird mind-warping properties of various medications consumed in various proportions, and then you don't talk about gold over 100,000 yen or platinum over \$2,000 an ounce, either, because you missed the news since your eyes refuse to even focus, and even lifting your head up off the floor, or even wiping the drool from your chin, is too, too much work, but any lesser level of anesthesia makes you want to scream and scream and scream in fear, and you do.

But if you still have a tenuous hold on reality and want an update on what happens to an idiot country that continually tries to print up enough money to buy its way out of inflationary trouble, JMR Ed S. sends a link to Guardian.co.tt, where we get the report that, "The official rate of inflation in Zimbabwe tripled in the space of one month to 66,212 per cent in December 2007, by far the highest in the world, but less than half the rate calculated by independent analysts." This "official rate" is up from "only" 24,470% in November.

Now, you know it must be bad if this incredibly bad news comes from a government that is always lying to conceal its mistakes, like this one is doing, which was to create money and credit like the Federal Reserve, only more so. And it is this, "only more so" that is the only economic difference between hyperinflationary Zimbabwe and the merely inflationary USA!

Indeed, the facts are worse yet, as "Independent analysts estimate the real annual rate of inflation is closer to 150,000 per cent. They cite supermarket receipts showing the price of chicken rose more than 236,000 per cent to \$15 million Zimbabwe, or about US\$2.15 a kilogram between January 2007 and January 2008. The price of eggs rose by 153,000 per cent in the same period. One of the lowest increases, of about 64,000 per cent, was for sugar, bringing independent estimates for overall food inflation to about 164,000 per cent."

Then I recall that the average retirement plan in America, like a 401(k), has somewhere between \$25,000 and \$60,000 in it, and I wonder how long that would last if one lousy chicken cost \$15 million. Hahahaha! Nice investing there, dude! And this does not count all the people who have literally nothing in any stupid retirement plan, savings account,

checking account or secret stash of cash that the spouse doesn't know anything about, and which you start to think of as your secret "ejection seat" money, which will be there to save you, at the last minute, from the burning wreck of your miserable life by shooting you safely out of the current hellish environment of family and career, letting you parachute gently down into a friendly little country where you can start over, and life will be perfect from now on.

Then I got this in the email, which has been around a long time, but the message is the same even today, only with different names: "If you had purchased \$1000.00 of Nortel stock one year ago, it would now be worth \$49.00. With Enron, you would have \$16.50 left of the original \$1000. With WorldCom, you would have less than \$5.00 left. If you had purchased \$1000.00 of Delta Air Lines stock you would have \$49.00 left. If you had purchased United Airlines, you would have nothing left. But, if you had purchased \$1000.00 worth of beer one year ago, drank all the beer, then turned in the cans for the aluminum recycling refund, you would have \$214.00. Based on the above, the best current investment advice is to drink heavily and recycle. This is called the 401-Keg Plan."

Well, as funny as that is, and as absolutely correct as that is, especially being as old as that is, this must be what is happening in Britain, which is popularly seen as having a big thirst for beer, as Jack Crooks at MoneyandMarkets.com reports that, "the U.K. savings ratio dropped below zero for the first time in roughly 20 years". Yikes! Not only saving no money, but borrowing to spend more than they make!

And please notice that he suspiciously does not even mention anything about empty beer cans! Hahahaha! The "dog that didn't bark"! Hahaha! Getting drunk and coming out better than if you had used the money to invest in equities! Hahaha! What a world!