

July 22, 2008

## **Economy Forces Strippers to Jockey for Pole Position**

by The Mogambo Guru

*"An adult-club owner named Joe Redner says that although business is down 25%, 'the economy does have one upside for the business - it's bringing out more women willing to give pole dancing a try.' Hahaha!"*

The inflation in the prices of stuff has now affected Americans to a material new degree for the first times in our lives; we are gambling less, we are driving less, we are eating in restaurants less, and we are (in general) suffering a falling standard of living because we can't buy as much stuff, and especially can't afford to buy as much pleasurable stuff, anymore, and believe me when I tell you that nobody is more grumpy about it than I.

One reason is made manifest when one notes that this includes, according to the AP, the Association of Club Executives, which is "a group that represents adult entertainment clubs" and whose spokesperson Angelina Spencer says she, "fields calls every day from strip club owners feeling the pinch of a bad economy."

An adult-club owner named Joe Redner says that although business is down 25%, "the economy does have one upside for the business - it's bringing out more women willing to give pole dancing a try." Hahaha!

If you are a man, I know what you are thinking. You are saying to yourself, "Hey! I could use some extra money, too! I'm willing to give pole dancing a try!"

To that I say, "Hold it right there, my darling impetuous one." I can save you a lot of trouble and heartache when I reveal to you that even if you finally, finally, finally succeed in convincing the club owner to let you give pole dancing a try, your dreams will inevitably turn to ashes as the audience always turns out to be a bunch of no-class jerks who have nothing but hooting and criticism for my (in the original Italian) prima ballerina a la pole, disdain for my tiara ("He's covering his bald spot with it!"), my performance (tip: don't try pole dancing while eating a burrito!), ridiculing my darling pink ballerina outfit, my moustache and every damned little picky, picky little detail, like, "At least shave your legs and your chest, for crying out loud! Jeez! Gross!" and you will run home, crying, to lock yourself in your backyard bunker where you arm yourself to the teeth with large-caliber weapons and vow to kill the first person who asks, "How did it go?"

But inflation is ugly, and it is getting ugly all around the world, and to cite one example to support that contention, I heard a Chinese newscast the other day, and although I do not speak Chinese, I instinctively knew by the tone of their voices that they were talking about the roaring inflation in consumer prices and how they are pretty cheesed off about the whole thing.

The bored look on the face of Adrian Ash of BullionVault.com tells me that he denies ever hearing anything about such a Chinese broadcast, and he obviously doesn't believe me when I tell him about it just because I lie about everything to try to make myself look important and smart, and says only that he believes Stephen Platt at Archer Financial Services when he says, "There really is no other place to hide. [Gold's about the](#)

only real currency out there that might hold value."

"Might" hold value? Hahahaha! Mr. Platt is this week's winner of the Mogambo Award For Understatement (MAFU)! Hahaha!

I could tell that Mr. Ash is suddenly envious of Mr. Platt getting the coveted MAFU, and decides to go for the Mogambo Award For Surprising Statistics (MAFSS) using (obviously, to get on my good side and try and influence the judge giving out the award, namely me), gold as the example.

So how high can gold go? My usual answer is to first demand an estimate of, "How low can the dollar can go?", which is the same as asking "How low WILL the dollar go?", which is the easiest question on the whole mid-term exam; the answer is that it can, and will, go to zero.

How do I know that the dollar will go to zero value? Because it is a fiat currency, and all of the other thousands of fiat currencies tried by different countries over the millennia have ALL gone to zero! All!

So the height to which gold can go, in dollars, is infinity! And "infinity" is the answer to another question on the mid-term exam, namely, "How much is the market price of gold in dollars if the dollar is worth zero?"

Mr. Ash shows no interest in my stupid mid-term exam, but seemingly agrees with me when he says, "Even after trebling in price from the low of eight years ago, there may be plenty of room for gold to rise from here."

I was pretty unimpressed at such an unsubstantiated estimate until he quoted Peter Bernstein in his classic book, *The Power of Gold*, who wrote, "In 1959, the amount invested in gold was about one-fifth of the market value of all US common stocks. In 1980, the \$1.6 trillion invested in gold exceeded the market value of \$1.4 trillion in US stocks." Wow! The fact that gold went from 20% to more than 100% of market value of financial assets is a very interesting precedent, reached when gold reached the pinnacle of its previous high of \$850 per ounce!

In fact, it's all even MORE unbalanced today, as they go on, "The sum total of gold investment lags far behind the value of stock and bond markets today. Indeed, a 2005 study from Tocqueville Asset Management noted that, if taken altogether, 'the market cap of all above-ground gold - including central bank reserves - [now] equals about 1.4% of global financial assets.'"

Once gold held for investment was worth more than the U.S. stock market, and now total gold in less than 1.4% of financial assets? Wow! The inescapable conclusion is that there is a lot of room for gold to go higher and higher and higher, just like history predicts it will! Whee!

The historical record of monetary policies as regards fiat money sure makes investing easy, as it does not even involve using a calculator, working, or even thinking! Buy gold, silver and oil! Whee!