

Spooky Stats from the U.S. Mint

By [The Mogambo Guru](#)

09/15/08 This week, we find the Mogambo sitting at home, waiting impatiently for the arrival of his newly purchased silver. After a month, he gets suspicious, and begins his investigation. We think you'll be surprised at what he's discovered.

I had just gotten off the phone to find out why the silver I ordered last month has not arrived, and I get some runaround about how there is no silver to be had to fill my order. Naturally, being familiar with how the supply/demand dynamic works, I call the little clerk a lying piece of thieving garbage, because it is impossible that the market price of silver is going down in an environment of zero supply and obviously rising demand!

Well, the phone mysteriously went dead right after that, and before I could call him back and REALLY tell him off, I see where this is common right now, as Theodore Butler says that "Premiums are up and delivery delays are longer. This is something we are all witnessing for the first time."

And James Turk at Free Market Gold & Money Report notes that it is the same thing in the gold market, too!

He says that a normal person would assume that the size of the working stock of gold held by the United State's Mint to make the popular Gold Eagle coins and miscellaneous trinkets would vary "from month to month, just like inventory varies from month to month in any business as a result of changes in production and the ebbs and flows in sales."

It gets spooky when he goes on to note that "indeed, the Mint's inventory did vary monthly, up until March 2006. But according to the Treasury's reports, the Mint's working stock has remained exactly 2,783,218.656 ounces since April 2006. How is it possible that the Mint's working stock has remained unchanged for 28 months?"

Instantly I was on my feet, shouting, "Because they are all a bunch of lying, corrupt scumbags exploiting a fiat currency and insane levels of fractional-reserve banking, which is the very reason why you should be buying gold and silver in the first place!"

I thought, you know, that this witty interruption of mine would impress Mr. Turk, and so I sat back down with a big smile on my face and crossed my arms in smug self-satisfaction as I waited for him to shower me with praise, and maybe offer to buy me a drink, or a pizza, or let me use his car for a couple of hours or days.

Sure enough, he immediately said, "There are an infinite number of possible answers. Maybe the Treasury does not want to part with its remaining gold at these current low prices. Maybe the Treasury does not want Americans to exchange their fiat dollars for the safe haven of gold as the central banking fiat money scheme implodes. Maybe the Mint doesn't have any gold because the

2,783,218.656 ounces were loaned out. Maybe the Treasury doesn't have any gold either. Of course, no one really knows because the Treasury isn't talking."

So, realizing that I am going to have to do more to impress Mr. Turk, I stand up and say, "I think it is all of these, and more! So much more! Maybe even involving creatures from outer space, probably in the form of spores; and these spores, see, have infected the brains of everybody except smart people like you and me, so that they could control the behaviors of members of Congress, the Federal Reserve, the media, the schools and most of the general moronic populace to cause the collapse of the world's economy, whereupon flying saucers containing the Main Invasion Force (MIF) will appear and take over the world, whereupon everybody will cry out, 'Save us, oh, Mighty, Mighty Mogambo (MMM)!' and I will laugh – 'hahahaha!' – rudely in their faces and say, 'It's too late for that now! You should have listened to me years and years ago when I told you to either stop electing socialist/collectivist morons who will bankrupt us with allowing, and then spending, a fiat currency multiplied to ridiculous extremes by a ludicrous fractional-reserve banking system, or start buying gold and silver, but preferably both! So shut the hell up, you morons, because you are getting exactly what halfwits like you so Richly, Richly Deserve (RRD)!'"

Apparently, Mr. Turk was not impressed by my insights, and has not been around many paranoid, schizoid, raving gold-bug lunatics like me, either. Obviously visibly shaken, he cleverly diverts my attention by appealing to my greed, and notes that the gold-mining XAU Index shows that "The XAU Index has fallen back to the bottom line of its long-term uptrend channel."

If you have ever worked with technical analysis, you know that the price of something that "has fallen back to the bottom line of its long-term uptrend channel" that has been in effect since October 2000 is one of those rare Holy Grail occurrences that make you salivate with sheer greed and all you can think of is, "Who can I borrow some money from with which to buy this asset at an interim low?" and "How much money am I going to make when the price of gold goes 'boing!' back up to the top of the channel and will it be enough to quit my stupid job?"

On the other hand, the same XAU Index measured not in dollars but in grams of gold reveals that "It now takes only 5.0 goldgrams to purchase the XAU Index, just a whisker above the all-time historic low of 4.9 goldgrams reached in November 2000."

Such a paradox will obviously be resolved somehow, and Mr. Turk figures that "we will not see the prices of the mining stocks this dirt cheap again for years to come – if ever."

I'm betting he is right. You should, too, as that is the One Real Lesson (ORL) to be gleaned from the long, sad, sordid history of fiat currencies in the hands of governments; go gold!

Until next time,

The Mogambo Guru