

Demand for Gold is in Mint Condition

By [The Mogambo Guru](#)

04/20/09 Tampa Bay, Florida MoneyNews.Newsmax.com had the interesting headline “Mints Rush to Meet Gold Coin Demand.” It starts off with a blockbuster statement, namely that the world is in “crisis mode”. In fact, a report by The Independent in the United Kingdom notes, “With the world economy now in crisis mode, gold coin production is rising” all over the place, with the result that, “As investor appetite for gold increases worldwide, nations which mint coins of the precious metal have hiked production to satisfy the growing demand.”

In fact, demand for gold is so high that “Sales in the United States of the one-ounce gold American Eagle coin, minted from gold bullion, soared more than 400 percent in 2008 over previous sales to 710,000 ounces” which seems like a lot until you remember that the gold mines of the world produce about 80 million ounces of new gold per year, and so 710,000 ounces ain’t really squat, in the Big Scheme Of Things (BSOT).

Even so, a spokesperson for the U.S. Mint said, “Demand for gold and silver has been unprecedented”, although you would hardly know it from my field research, where I randomly accost people on the street and ask them, “Hey! You! Are you buying and/or holding large quantities of gold as a defense against the ruinous inflation in prices that your own stupid government is causing by deficit-spending almost \$2 trillion this year alone, when the GDP of the Whole Freaking Country (WFC) is only about \$14 trillion, or are you some kind of moron that can’t even answer a simple question?”

The results of my research are pretty dismal, which explains why there are over 300 million people in the USA and, although demand for gold is up 400 percent in the last year to 710,000 ounces, this is still only accumulating 0.00237 ounces each! A fifth of one percent of an ounce of gold per capita! Hahaha!

An interesting sidelight is that when people write and ask me, “Dear Mogambo, Probably because I am gullible and I take a lot of medications, I believe you when you say that I should buy gold in some kind of tangible form that I can hold in my hand, instead of being suckered into that whole ‘paper gold’ scam, but tell me; which specific gold should I buy? (signed) Listening in New York”.

My impulse is to reply “Dear Listening in New York, Why in the hell are you asking me? How the hell should I know? By actually doing some more work and finding out? Ha! Don’t make me laugh! I work plenty hard around here already, regardless of what a bunch of backstabbing coworkers say behind my back and write on the wall in the bathroom! And anyway, 24 karat gold is 24 karat gold, you moron! (signed) Mogambo.”

Now, instead, I can quote this newsmax.com article, and save a lot of time by just telling them that the best-selling gold coin in the world is the Austrian Philharmonic (which is named after the Vienna Philharmonic Orchestra) 24K coin.

And in fact, sales of “the world’s best-selling gold coin, climbed 544 percent this year to the end of February” which means that its sales growth is higher than the American Eagle!

And speaking of gold, Bill Bonner here at The Daily Reckoning quotes Stewart Dougherty, of “Theft of a Nation”, as saying, “The United States of America, or, more precisely, the American people, are said to own 261 million ounces of gold, supposedly stored in the same Fort Knox vault that Goldfinger found so appealing. At \$1,000 per ounce, the people’s gold has a value of \$261 billion dollars. TARP 1 alone has cost 270% of the entire value of that singular, tangible American asset. The total \$13 trillion bailout cost thus far is 4,980% of the value of America’s gold asset. Fort Knox has been robbed.”

Bill Bonner himself does some quick figuring and finds that, put another way, “They’re squandering \$13 trillion...or nearly 49 times the U.S. gold supply”! Astonishing!

This is where I stand up, look around, and make crude and rude farting sounds to express my complete disbelief that people are not buying gold, silver and oil against this kind of monstrous expansion of the money supply; a behavior which I have promised to no longer do at the dinner table, either at home or someplace else, ever again.

But the good news is that you can buy gold, silver and oil and save yourself that kind of embarrassment!

Whee! This investing stuff is easy!