

The Comedic Value of Naked-Short Paper Gold

By [The Mogambo Guru](#)

09/30/10 Tampa, Florida – I tend to get all obsessed with my own problems, mostly about how I never have enough money to do any of the things I want to do because my family is draining me dry with their incessant demands, and my boss won't give me any more money because she says I am already making "a lot more than I am worth," to which she acidly adds, "which is not much to start with," which seemed kind of rudely gratuitous, if you ask me, especially when she said it with that nasty little sneer of hers, and then coming to the coda of the piece by yelling at me, "get out of my office before I have you thrown out!"

Then I think that maybe things aren't so bad, and how things could be worse, such as how things must be getting crazy in the world of naked-short paper gold and naked-short paper silver on the commodity exchanges, as the recent rises in the prices of gold and silver must have caused every one of these slimy naked-short crooks to lose money.

And how does this "naked-short paper gold" thing work? Perhaps best explained by example, imagine Apu, famously of the Kwik-E-Mart of *The Simpsons* TV show. The scene opens with the doors of the convenience mart opening, and in walks some nice, trusting guy, to whom Apu says, "Hello, sir! How may I be of service today, valued customer? A Double-Blast Raspberry Squishee, perhaps?"

The customer says, "I want to buy an ounce of gold." Apu cheerfully replies, "Excellent! Here is a piece of paper that says it is worth one ounce of gold. That will be \$1,000. Thank you! Come again!"

As the scene unfolds, The Mogambo Guru – appearing on *The Simpsons* in the role of Sgt. Joe Friday – is acting in a terrific scene that is a parody of the old *Dragnet* TV show. The script continues that Sgt. Friday enters and asks:

Sgt. Friday: Do you have an ounce of gold to back up that paper gold that you just sold that man?

Apu: No, sir, I do not.

Sgt Friday: So you are naked-short gold?

Apu: What is this naked-short gold of which you speak, inquisitive customer?

Sgt. Friday: It's when you can't back up your contractual promise of delivery-on-demand of a tangible item with the tangible item already in inventory.

Apu: In that case, yes, I am naked-short, sir! And I am naked under my apron, too!

Sgt Friday: Just the facts, sir.

Apu (brightly): That IS a fact, sir!

Well, the question is not about how the quality of comedic dialog found in Simpsons episodes has suddenly declined, but, “How much money has Apu potentially lost by having a liability of one ounce of gold, for which he “sold” for \$1,000, now that gold is worth \$1,300?”

Since this seems to be a matter of simple subtraction, I quickly ascertain that Apu has a bookkeeping loss of \$300, and a real \$300 loss if that guy wants to redeem his piece of paper for the ounce of gold it represents!

Things are different in real life, of course, in that the numbers are all bigger, and nobody refers to me as “valued customer” but as “That crazy old guy is back!” and who see me as, apparently, a goose to be plucked, like the gold and silver naked-shorts of the commodity exchanges are getting plucked, although they are more like vipers than geese.

I wonder aloud, “How much money has been plucked from them?”

Since I am alone here in the Mogambo Bunker Of Bunkers (MBOB), I get no answer, but I seem to remember that Ted Butler, silver futures guru, estimated that naked-short sellers/insiders on the commodity exchange gold and silver exchanges, whom I refer to as “slimy, manipulating crooks,” have lost \$3 billion in the last month! Wow!

And the worse news for these treacherous lying vipers is that they are surely going to lose a lot more, and apparently very soon, as I infer from Ed Steer’s *Gold & Silver Daily*, where we read that James Turk of GoldMoney.com says that “In the next few weeks, as gold and silver rise, it will be from a short squeeze the likes of which hasn’t been seen since Cornelius Vanderbilt took on Daniel Drew in the legendary Erie Railroad short squeeze.”

Of course, none of this Vanderbilt stuff means anything to me because I am both ignorant and too lazy to look it up, but it sounds like some kind of humongous 19th century scandal, which is significant in that this new scandal will be the biggest short squeeze in over a hundred years? Wow! And in “the next few weeks,” too! Weeks! Wow!

And at MineSet.com, Jim Sinclair is sticking by his prediction that gold will hit \$1,650 by the middle of January, 2011, too.

Now, you may be asking, “This is interesting as all get-out, but what does it mean to guys like me who are just in it for the money, and the sooner the better?”

Well, that is the age-old question of “When, and how much?” which I, the Fab-Tab-U-Lous Mogambo (FTULM) will now, for the first time in history, right before your very eyes, answer that question! Applause, applause!

Apparently, the “when” is Very, Very Soon (VVS), and as for “How much” as in the “How high will the prices go?” part of the question, a good place to begin would be John Williams at shadowstats.com, who says, “if you use real-world inflation numbers [rather than the ones provided by the U.S. government]... gold should be around \$7,500/ounce.” Wow! It should be almost 600% higher than right now! What an investment!

On the other hand, the rise in the prices of gold and silver may be affected by other things, too, such as when Julian Phillips of GoldForecaster.com says, “It is the relentless Asian demand that is pushing the large institutional buyers, buying with ‘limit’ orders, to up their limits.” Limit up! Wow!

In short, with outrageous government inflationary fiscal idiocy, plus terrifying Federal Reserve inflationary monetary idiocy and growing world-wide demand for gold and silver, if you are not buying gold, silver and oil with a frantic, foolish frenzy, then I can safely say that you are some kind of ignoramus or congenital idiot who will, either way, get smart only after it is too late to make the kind of gains enjoyed by those who buy them so cheaply and easily now, causing them to absolutely titter with delight, “Whee! This investing stuff is easy!”