

Retail Sales Gobbledy-Gook

By [The Mogambo Guru](#)

02/02/09 Tampa Bay, Florida From census.gov we get the news that retail and food services sales were down a huge 2.7% in December compared with sales in November, and sales were down “9.8 percent below December 2007.”

In fact, “Total sales for the October through December 2008 period were down 7.7 percent from the same period a year ago”, and “Retail trade sales were down 10.8 percent below last year.”

Of course, by this time my hands are shaking in fear, leaving me with a sense of dread, a nameless horror not minutely attenuated when the census people hedge themselves by admitting that “The advance estimates are based on a subsample of the Census Bureau’s full retail and food services sample” where “a stratified random sampling method is used” to find those businesses whose “sales are then weighted and benchmarked to represent the complete universe of over three million retail and food services firms.”

Being a really stupid guy like I am, I cannot understand what in the hell a “benchmarked stratified randomly sampled subsample” is supposed to mean, and I dismissed this as mere gobbledy-gook government crapola that means “A method to get the positive results we want which show that everything is fine”, but the phrase “benchmarked stratified randomly sampled subsample” kept echoing in my head, over and over. I didn’t know why.

Later on, at about the same time as I hit the third or fourth Southern Comfort, neat, water-back, I was starting to numb the area of my brain that was responsible for the repetitious phrase “benchmarked stratified randomly sampled subsample” which kept hammering, hammering, hammering at me, when, suddenly, I realized the golden opportunity I had in my hand!

Instantly, the plan became clear as crystal! My job is saved! To celebrate, I seem to faintly remember something about celebrating far into the night, but I am not sure, although I was quite sure that when I gained consciousness it was morning, my watch was gone, my money was all gone, and somebody had apparently peed all over me, probably me.

Nevertheless, I was at the office as soon as I could get there and, while bravely nursing a killer of a hangover, I took the last of the petty cash and, pawning some of the office computers and the contents of the “honor system” coffee jar, hurriedly contracted with a research firm to conduct a survey of a “benchmarked stratified randomly sampled subsample” of departments that are losing more money than my little department, so as to compile a list of businesses exemplifying the absolute dregs of managerial incompetence.

My idea is to use this statistical wizardry to evolve a mathematical proof that I am not, contrary to the evidence, incompetent, and should not be fired since I look so good in comparison to a few random weenies selected from the top of the list who are, as a subsample, the worst of the worst!

And the best part is that it's all legit!

But although this kind of statistical sleight-of-hand may, hopefully, solve my problem, the economy will not be so lucky with the government doing it. Even Bloomberg.com writes, "The index of leading U.S. economic indicators unexpectedly increased in December as the money supply expanded, masking signs of a worsening recession."

The figures are that the Conference Board's Leading Economic Indicator rose 0.3%, the Coincident Indicator (a gauge of current economic activity) fell 0.5%, and the Lagging Indicator (which I interpret to mean future inflation) surprisingly declined 0.4%.

In other news, even worse, the Labor Department reported that the number of Americans filing first-time claims for unemployment benefits increased by 62,000 to 589,000, "matching the highest level in 26 years."

What a world! What a mess! What a time to buy more gold, silver and oil!

And speaking of silver, Ted Butler, regular contributor to InvestmentRarities.com and expert on the slimy goings-on at the Commodities Exchange, says that the manipulation of the silver market has gone ballistic as "4 traders hold two-thirds of all the true short positions on the COMEX."

On the other hand, he says, "The short position of the next 4 largest traders (the 5 thru 8 largest traders) has shrunk to its lowest level in more than a decade, both on a percentage and actual contract basis. Since the raptors (the 9+ commercial traders) have held a long position for many months, now that the 5 thru 8 largest traders are abandoning the short side, the big 4 must dig in to keep the price from exploding."

Buy silver! Whee! This investing stuff is easy!