

Complimentary Cash in a Fantasy Casino

By [The Mogambo Guru](#)

The Daily Reckoning PRESENTS: Right now, price of just about everything is going up – especially prices of food and oil. This week, the Mogambo guru explains why this increase in prices, when coupled with increasingly crushing debt, can have serious consequences with regard to your weekly diet – unless you're on Atkins. Read on...

BEING FED BIGGER BREAD PRICES

Peter Schiff of Euro Pacific Capital writes, “In current theory, the excess cash piling up around the world is like manna from heaven. Don't believe the hype. Liquidity is merely a euphemism for inflation. Asset prices, including stocks, are simply rising to reflect the diminished value of the currencies in which they are traded. Wealth is not being created, merely re-priced.”

Well, I don't know where Mr. Schiff lives, but around here, it's not wealth that is being re-priced, but poverty. As the inflation in the prices of everything continues to outstrip “income after taxes and deductions”, standards of living are being eroded because people can't buy as much stuff as they used to; their relatively static stream of discretionary income has lost buying power against rapidly rising prices.

For example, from the Financial Times we read that inflation is finally affecting food, and that Hovis bread said it was “preparing to raise bread prices for the second time in six months. The pending increase – which the company attributed to rising wheat costs – is merely the latest in a series of price increases food and drink companies have been trying to pass on to consumers this year. The series has seen costs of making bread, beer, yoghurt and chocolate as well as dozens of others packaged food products become increasingly expensive.”

I know what you are thinking. You are thinking, “Who cares about bread? I don't need no stinkin' bread! I can eat pizza!”, which is wrong, whereas you would have been correct if you had instead thought “I don't need no stinkin' bread! I can eat the bodies of dead animals that I find alongside the highway!”

And indeed you could, as the current market price of road kill is still a very economical zero, which may explain why it is not included in the Lehman Brothers' ingredients cost index, which “covers cocoa, coffee, oats, tea, soyabeans and milk, among other commodities and which is based on spot rates.” This index, in case you were wondering, “rose 14.9% in the first half of the year”, which “follows a 16.5% increase in the second half of 2006.” Yikes! Prices of foodstuffs are up over 30% in twelve months? Yow!

And what is the biggest gainer? “The biggest increase has occurred in powdered milk prices. These have nearly doubled compared with the same period a year ago. Barley prices have also shot up 53%, while corn prices are up 68%.”

So it is no wonder that people are complaining about prices! And you may be interested to learn the surprising fact that these afflicted people are, paradoxically, not the least bit interested in, or appreciative of, being educated that their inflation problems are all self-inflicted, as they are the same drooling morons that elected the Congressional morons that have spent us into the Hell Of Crushing Debt (HOCD) and allowed the Federal Reserve to create wildly excessive amounts of money and credit to make that grotesque orgy of spending possible!

To prove it to yourself, the next time somebody says that prices are going up and that they are having a hard time making ends meet, carefully observe their reaction when you politely and respectfully go up to them and, by way of education for their benefit, say, “Shut your damned stupid mouth, you ugly little troll! Your problems are all self-inflicted, as you are the same drooling ‘I Love Big Government Creating Perpetual Entitlements’ moron that elected the Congressional morons that have spent us into the Hell Of Crushing Debt (HOCD) and who conveniently looked the other way while the damnable Federal Reserve created the money and credit to make that stupid, bankrupting spending possible! It’s your own fault, you ignorant little commie creep! You committed economic suicide, and in doing so have economically murdered the rest of us, you filthy piece of stupid, greedy, Leftist crap!”

And it is going to get worse as more people get more desperate, and things get more weird, like John Stepek at MoneyWeek.com mysteriously using the exact same words as were used in a copyrighted report from a Mogambo Economic Truth And News Service (METANS) broadcast, which bravely reported, “The Mogambo Economic Forecast Institute (MEFI) reckons that the world will face a dollar supply overload within the next five years that could send prices soaring, and coupled with an oil demand overload against an oil supply deficit, the price of oil will soar, and the prices of all other things will soar right along with it, and especially all things imported, and doubly-especially the aforementioned imported oil, in case you weren’t paying attention the first time I said it.”

The report ended with, “And with oil being a prime ingredient of making and/or moving damned near everything these days, if you don’t think that paying a couple of hundred bucks for a lousy barrel of oil is going to have a hugely inflationary effect on all prices, then congratulations, as you have passed the test! You are officially stupid enough to send \$50,000 in cash to me, addressed to ‘Occupant’, in return for which I will pray that your children do not end up being as stupid as you are. And remember; cash only!”

Until next week,

The Mogambo Guru
for The Daily Reckoning
July 30, 2007

Mogambo sez: I suggest that you take the time to buy some gold bullion, silver bullion and some oil stocks, and when I get back you can tell me all about how much money you made, and all the silly, selfish crap you want to buy with the gains, which always seems to put people in a really, really good mood!