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Officially Screwed by the Real Inflation Rate

by The Mogambo Guru

"Screw the 'official' inflation rate! But let's not dwell on an inflation rate of 20 percent, which means that prices will double in about three and a half years, because that kind of inflationary mayhem is the stuff of which revolutions, economic ruination and Embarrassing Mogambo Episodes (EME) are made! Yikes!"

Pittsburghlive.com posted the headline "Queen Elizabeth's Question Answered" atop an article by John Browne, which delighted me, as I naively assumed that her question was along the lines of, "Who in the hell suggested that we make a knight out of the odious Alan Greenspan, the biggest piece of central banking crap that the world has ever known and who had the Federal Reserve create all the stinking money and credit to create the bubbles that are now financially killing all of us as they collapse in what The Mogambo calls a Big Stinking Heap (BSH)?"

Well, I should have known that this was not her real question, and it wasn't, but "Her Majesty Queen Elizabeth II this month asked a simple but fundamental question posed by many millions of Americans and people around the world. Visiting the London School of Economics, the queen asked why it was, if the looming economic crisis was so large, that no one saw it coming."

If I had been there, you can bet your sweet butt that I would have said, "Hey, Queenie! I saw it coming, and everybody who is even passingly familiar with the Austrian school of economics saw it coming, and everybody with any familiarity with math or history saw it coming, too, and in fact the only people who did NOT see it coming were lowlife poseurs like these London School of Economics halfwits and most university professors of economics around the world, all of whom share an economic theory made of some bizarre mishmash of unbounded equations based on neo-Keynesian gibberish! Hahaha!"

Of course, nobody at the LSE mentioned this embarrassing fact, but instead gave her the old blah blah blah, but Mr. Browne says that the reality is that we are "facing a crisis born out of deception at the highest level", with such stunts as off-balance sheet accounting and deception, and the "falsity of the U.S. government inflation figures", which I figure he brings up because he knows that inflation in prices is the thing that scares the hell out of me.

In fact, I can feel the marrow chill in my bones when he said, "The real inflation rate for families - who ate food, drove cars, heated their homes and used medical services - was about 20 percent. The 'official' inflation rate? About 3 percent."

Naturally, I think to myself, "Screw the 'official' inflation rate! But let's not dwell on an inflation rate of 20 percent, which means that prices will double in about three and a half years, because that kind of inflationary mayhem is the stuff of which revolutions, economic ruination and Embarrassing Mogambo Episodes (EME) are made! Yikes!"

So I forced myself to keep reading, and I am glad that I did because one of the interesting things that I did not know was that it was possible to (as they say) "put every dollar of equity to work" using a trick used by Fannie Mae, which was to "Include tax credits as equity", which he thinks was "effectively a fraud", but one that "allowed Fannie to engage in 100 times leverage while reporting leverage of only 50 times." Hahahaha! He's right! What a scam!

But this is the kind of mindless, greedy, misshapen, corruption and economic distortion that you get at the end of long booms, and we are coming off of one that began a long, long 40 years ago, in the mid '60s,

which is one of the main reasons why there is so much pressure on government to keep providing lots and lots of money!

And with so much money being created, prices will rise; and so there I was, arguing with this stupid woman in the checkout line at the grocery store, and I am saying that the prices of food will rise as all of this immense creation of money, and all the future creations of money to come, diffuses through the economy.

She is arguing right back, her main point being that she doesn't understand anything I am saying and she just wants me to be quiet so that she can read the scandalous headlines of the tabloids in peace while she waits to get her groceries checked out, and all the other hateful people around us are cheering for her.

Usually, of course, I would politely inform them, "You people are morons!" and launch into how they are stupid to let their stupid government get in cahoots with the Federal Reserve to create, and then spend, so much money that bubble after bubble and misbegotten distortion in the economy after misbegotten distortion in the economy grew and festered, mostly the enormous growth of government, until everything is so bloated and cancerous that it's all now infected, oozing green and yellow pus tinged with streaks of blood, to be just as graphically horrific and disgusting as I can manage because that is The True Mogambo Way (TTMW), especially when it comes to this monetary crap.

But I could have saved my breath, because a report by Bloomberg.com is that "Food Prices Will Rise, Causing Export Bans, Riots." The article starts right out with scaring the living hell out of me by saying, "Food prices will rise next year, prompting a revival of protectionism from food-growing nations and risking a renewed bout of rioting, according to Jochen Hitzfeld, an analyst at UniCredit SpA in Munich".

When I saw that he was in Munich, I knew I would have to take this with a grain of salt, because I've been to a couple of Oktoberfests in Munich, and with so much polka music, sausages and beer around, I was not thinking too clearly by the end, either, I can tell you! Hahaha!

But if this "food prices causing riots" is even partially true, then things are REALLY going to get bad, as already the Washington Post is reporting that "Fueled by rising unemployment and food prices, the number of Americans on food stamps is poised to exceed 30 million for the first time this month", which will be "the most food stamps recipients in the history of our country."

So, it all just keeps getting worse, and it just keeps getting more and more imperative to get more gold and silver, but like most people, the need comes at just the wrong time; I don't have any money to buy any gold and silver since prices have risen so much and I am about to lose my job and they raised the greens fees at the golf course and I am hitting a lot of golf balls into the water and those damned balls are expensive! Damn!