

New World Order: Food Price Inflation; House Price Deflation

By [The Mogambo Guru](#)

01/25/11 Tampa, Florida – You can tell by my bleary, bloodshot eyes, my rumped appearance, my musky aromas and my overtly hostile attitude that I have been holed up in the Mogambo Armageddon Bunker (MAB), scared out of my mind about the inflation in prices that is surely going to consume us, thanks to the unholy Federal Reserve creating so incredibly much, so stupendously much, so astoundingly much, So Freaking Much Money (SFMM).

Naturally, as a lunatic-fringe Austrian Business Cycle Theory kind of guy, and one who has also seen the terrifying 4,500-year historical record of fiat currencies, and being an ordinary guy who is also paranoid and scared enough as it is without the added terror of this inflation thing, I am furiously buying gold, silver and guns, the latter item to protect the two former items, which will be so valuable in the collapse that I can buy anything I want, any time I want, anywhere I want, which you have to agree is a really nice way to get through a hyperinflationary collapse!

Of course, it won't be inflation in the prices of all things, but more inflation in things that foreigners want, too (food, energy, pornography), but deflation in things that foreigners do not want (your house, your car, your job).

Since there is no word for that, we turn to George Ure at UrbanSurvival.com, who calls it LifeFlation, and defines it as when, “Things you need – like food – go through the roof. Things you don't need, like a fourth car, an airplane, a motor home, and so on, collapse.”

And so with a smug look of self-satisfaction on my face to finally have someone on my side instead of the usual “me against everyone,” I now point to the roaring inflation in the cost of food around the world (which people need), as evidenced when Ed Steer's *Gold & Silver Daily* gleaned that “Food inflation is alive and well in India,” which he learned from the *Times of India* headline “Inflation up to 18.32% on veggie prices”, which seems bad enough without continuing on that “Among the individual items, onions became dearer by 82.47 per cent on annual basis, while eggs, meat and fish became costlier by 20.83 per cent, fruits by 19.99 per cent and milk by 19.59 per cent.”

This is a dismal list that, thankfully, did not mention any price rises for yummy pizza, or delicious tacos, or any price rises for those crispy little Spring rolls that taste so good with that gooey red sauce, so that is at least something to be thankful for, I guess!

Anyway, contrast this harrowing inflation in the prices of food with actual deflation in assets, as Zillow.com reports that home prices went down for the 53rd month in a row, which is (if my math is correct) more than four years, which is the worst slump since the 25% fall in housing prices during the Great Depression!

And yet the Federal Reserve, which created all the money necessary to finance this insane bubble in housing that has been deflating for 53 months in a row and has caused almost 3 million foreclosure actions in 2010 with 1 million actual foreclosures, is still there, operating business-as-usual! A total, catastrophic failure, and yet the Federal Reserve remains totally untouched!

“Outrage and a call to action” is one thing, but it was just too cold and snowy to consider rising up in open rebellion, marching upon the Federal Reserve as an angry mob, with photogenic flaming torches and pitchforks being brandished in a menacing manner, intent upon casting out an evil and re-installing the gold standard to the USA

So, since I was snowed in, I had a lot of time on my hands to think about, you know, things.

One of them was the realization that this is the year I turn 64, which reminded me of the Beatles tune that had the line “Will you still need me, will you still feed me, when I’m 64?”

For a moment, everything seeming so warm and cozy, and the thought crossed my mind to do some of that touchy-feely “bonding” crap that families “do” these days, based on, as far as I can tell, some whacko academic theorists and self-promoting hucksters I never heard of, based loosely on statistics that actually prove my point: Mean-spirited, hateful children are obviously spawn of the devil who deliberately make their fathers so crazy that the continual familial dysfunction finally results in barely-controlled rage and a secret thirst for revenge. QED, damn it! QED!

I mean, it’s always something with kids! Always wanting me to go bankrupt by giving them money, instead of my using all of our money to buy as much gold, silver and oil as we can, as protection against the inevitable roaring inflation in prices that is guaranteed by the Federal Reserve creating so much excess money so that the federal government can borrow it and spend it to sustain an idiotic, bankrupted, suicidally-dysfunctional, cancerous, government-centric economy financed by the triple evils of a massively over-produced fiat currency, insane levels of fractional-reserve banking, and a federal government continually deficit-spending.

And if it is not “the money thing” with these kids, then it is them whining for me to drive them somewhere so that they can visit their stupid friends, or take them to some stupid after-school function, or to the mall, or go to some expensive emergency room complaining of some ailment that probably would have gone away in a few days or weeks by itself anyway, or maybe they would have just gotten used to it after a few months.

I say to them, in my defense, “I mean, consider that our incomes are not going up, but prices are, so something has to give!”

In practical experience, this means that it is no wonder that so few people buy gold and silver, although they know they should, and would if they could, but if they did, they would find it so easy that they would, too, spontaneously shout, “Whee! This investing stuff is easy!”