

Inflation Meter Soars Over the Red Line

By [The Mogambo Guru](#)

04/05/10 Tampa, Florida – There has been a lot of discussion around here lately about inflation, mostly about who is divided up into the “We’re freaking doomed!” camp (me), and who isn’t in that camp, but instead are over in the other camp, which is, apparently, mostly everybody else, all of whom I consider to be morons who think that because the government, which has every reason to lie and whose entire history is the deplorable story of one government lie and corruption after another, says that prices are only going up 2% or 3%, which is classically horrifying, when in reality prices are inflating by even more than that!

And even if they weren’t, the Ugly Economic Fact (UEF) is that 3% inflation in prices is, judging by all the rest of economic history, the actual “dividing line” between “intolerable inflation in prices” and “we’re freaking doomed!” At least, that is the way it has almost always worked out.

That is why the Mogambo Inflation Meter (MIF) has the red-line at precisely 3% inflation in prices, which is a terrifying inflation rate that, despite its qualities of terror, is but a dim memory now, as the reality is that the indicator needle is quivering at about 7%, and inching almost-imperceptibly higher.

If you have any idea of the horror of 7% inflation in prices over the course of a few years, or if you comprehend the idea of things getting evermore expensive (which they will because the Federal Reserve is creating the money necessary) at the rate that prices actually double in a short 10 years, and then to know that it will get worse and worse should send you screaming, screaming, screaming, frantically loading up on gold, silver and oil and constructing some kind of bunker in the back yard where you can lay down an unrestricted hail of raw firepower, but you first have to fight, fight, fight with the Building and Zoning people at City Hall about getting the required construction permits but spending most of your time arguing, arguing, arguing about minutia, like about how “gun port” is not in the building code and blah blah blah.

I say this not because I am a paranoid, hateful little nut job, but as a guy who pays bills and who thus sees, first-hand, the way prices are rising, and as a guy who thus says that the government is lying about inflation, and not only that, but that everybody actually working in government, the schools and the media are lying about inflation, as I extrapolate from the few people I know who work in government, the schools and the media, who all deny any existence of inflation, and instead tell me that I am a loud, obnoxious idiot and that they regret the day they moved into a house that is so close to mine.

But real, in-your-face inflation is already reflected in the commodities index compiled by *The Economist* magazine, which is showing double-digit inflation in the dollar-prices of everything.

And then there is, if that is not enough for you, Javier Blas, in his “Short View” column in *The Financial Times*, who says that “the commodities market is screaming inflation” which seems

about right the instant he says, “The price of crude is up 115 per cent since January 2009” and “spot iron ore prices have surged to more than \$140 a tonne, up 95 per cent since January 2009.”

Then he quotes Julien Garran of UBS, who uses the Commodity Research Bureau Rind index, which tracks lesser-followed prices such as metal scrap, burlap, hides, tallow, gum rosin and wool tops, “for signs of raw materials inflation, free of the interference of speculative activity” because these commodities are not traded in the futures markets, and this index has, so he says, “risen more than 50 per cent since January 2009”.

About this time, as part of my Official Mogambo Duties (OMD) here on this planet you call Earth to improve the species by weeding out the unfit, I usually take the time to gently tell you that unless you prove your intelligence by buying gold, silver and oil to protect yourself against the massive, unstoppable, terrifying, bankrupting inflation in prices that is coming as a result of the massive, unstoppable, terrifying, bankrupting inflation in the money supply that is coming as a result of the loathsome Federal Reserve creating so much massive, unstoppable, terrifying, bankrupting money (so as to fund Obama’s massive, unstoppable, terrifying, bankrupting \$1.6 trillion budget-deficit, with trillions more to come), then there is something very, very wrong with you and you should not have any children.