

## **Food Inflation is Here**

Buried in a recent Department of Labor announcement were the details of the stunning rise in food prices this year. Food prices, in March, rose 2.4%, the largest increase in more than 25 years, while gas prices rose by 2.1%.

Of course, the Labor Department didn't lead with this information. Instead, they mentioned that wholesale prices rose by 0.7% for the month, "when excluding food and energy costs." They did this because 0.7% looks a lot better than 2%, even though Americans are most concerned about food and energy costs.

To put it in perspective, the March increases would represent an annual inflation rate of about 25%, double the worst that was seen in 1980, and worse than anything we've experienced since the Revolutionary War, when our debt exploded and prices soared under the British blockade and the shortage caused by so many men being at war rather than in their shops or on the farm.

Two hundred and thirty years later, taxes, rather than an embargo, are strangling the population.

There's not much humor to find in the irony though. We can look to Greece to see what the future holds for us, as the state continues to expand into the private sector, and, increasingly, into our private lives. The only reason we're not there yet is the rest of the world has more faith in the U.S. government's ability to tax their citizens than other nations. Meanwhile, the government is doing everything possible to distract and deflect attention from the real problem.

The recent SEC charges against Goldman Sachs are a great example; Goldman Sachs is no choir boy but to claim that the firm's structuring of a 100 million dollar mortgage product involving wealthy, sophisticated institutional investors (both the buyer and seller) as the cause of our crisis is absurd.

Most Americans, even with their government educations and general lack of economics, understand the problem is decades of out-of-control government spending. Inflation, caused by runaway spending, is caused by the government printing press, not a bet between billionaires. This is why the Ron Paul and Tea Party movements have gained in popularity.

But the government is desperate for any opportunity to change the subject because of what it would mean for politicians from both parties. Last year in this newsletter we mentioned how the government is covering up the food shortage by manipulating the numbers. In January of this year, food prices in India began to reach new highs and shortly thereafter other nations started to report huge price increases. Meanwhile the U.S. government is showing falling commodities supplies, increased consumption, rising losses to disease and

inclement weather, while promising rosy conditions for the foreseeable future.

This strategy has been explained to the public before in doomsday movies, where the ruling elite know that devastation is coming, and also that there is little-to-nothing they can do about it. Instead, they make plans to protect the privileged few while leaving the masses ignorant, unable even to make modest attempts to survive the coming apocalypse. They see us as their slaves, or worse, as their livestock; why bother to tell us of the approaching catastrophe?

The Internet has changed all that, and now we all know (or should) what the future holds for us. It's not pleasant, but neither are we left with no options, like the people in the asteroid thrillers who can do nothing but wait for impact. We don't know exactly what will happen and how it will unfold, but we do know where the likely shortages are going to show up. We can take steps now, before it's too late, to provide for our loved ones.

### **Garden Prep for the Beginner Gardener**

First-time gardeners - it's time to prepare that plot of dirt for your garden if you haven't already! Of course it depends upon where you live as well. In the South, you're behind already if you haven't started working the soil. In the colder, more northern climates you need to wait until things are thawed out and the dirt can be worked easily. Below are a few things to look for when planting your garden:

**1) Choose a sunny location. Most vegetables require full sun to grow.** A few leafy plants may do okay in the shade, but for the most part, they need full sun to produce.

**2) Open ground or raised beds?** I put in my first raised beds this year, and I absolutely love them! They're much easier to work and the plants seem to be doing a lot better than when I planted long rows of vegetables.

**3) Prepare the soil.** You might want to take a soil sample to your county extension agent and let him tell you what kind of nutrients you need for your first garden. After that, look into composting and adding nutrients naturally to the soil. Remember, too much fertilizer on tender plants can burn them up. With fertilizer, more is NOT better!

**4) Plan your crop layout.** Plant your crops with the position of the sun in mind. You don't want to overshadow low growing plants with taller ones. Choose the types of vegetables you want to grow that fare well in your climate.

**5) You have to walk before you can run.** Don't try to immediately start a commercial operation if you've never planted a pea in your life! Not only does each type of vegetable have its own little idiosyncrasy that you have to learn, but gardening is hard work (although well worth it!). Choose five or six vegetables to start out with, and then grow from there.

Don't forget to take advantage of others' experience if you can. Contact your county agent. Pick up literature from your extension service office about vegetable gardens and preserving food. Talk with other gardeners and see if they won't share their secrets with you. Pretty soon you'll be gardening like a pro!

### **Gold, Silver and Need to Know**

I recently overheard a conversation that reminded me of several mistakes many "preppers" or "survivalists" make.

First, each guy was loudly telling the other one about all of his specific preparations and how they were better than the other fellow. It reminded me of how most everyone is more concerned about having their own beliefs affirmed than in doing whatever the very best thing happens to be. It so happens that one guy was arguing for the value of gold in a crisis where the other guy was arguing for silver.

The owner of all the silver argued that the smaller denominations of silver coins would make for much easier bartering and that gold had already seen a huge price appreciation, and thus silver was "cheap". Now, I don't have the space in this column to fully evaluate those assertions. Furthermore, while I think each person should own some silver, gold has historically proven to be the ideal commodity with which to both hedge disaster and use as a medium for exchange.

However, the silver lover was also explaining how he kept all of his silver in a safety deposit box. I wondered what value that would give him if the bank were to close (long term or short), be destroyed in a natural disaster, or if it were inaccessible for one reason or another, (such as a complete infrastructure collapse or a plague or virus that prevented traveling). In my mind he had compounded one mistake (relying on silver rather than gold) with another by storing it in a place that was vulnerable and potentially inaccessible.

Of course, in this conversation the gold lover wasn't much better. He gloated about how much gold he had purchased, where he had stored it in his house, and even how he had buried some in his yard and the particular tree he buried it next to as a reminder. Had I been inclined, I could easily have visited his home, learned his habits, and entered his home when he was away and collected tens of thousands of dollars of gold. In a crisis, many people will not hesitate to violate your rights if it will benefit them, and the prospect of a bunch of gold to a starving person will represent an enormous temptation.

Whether the issue is gold or silver, heirloom seeds or genetically modified, you shouldn't make it a habit to engage in debate over these matters, even with friends or family. First, they are not likely to change their mind or alter their preparations simply because you tell them to. We have a tendency to judge (or discount) what our acquaintances tell us because

we don't see them as an expert in much of anything, and if we do, it's not likely to be this particular topic of conversation. Secondly, if your theory proves to be the more accurate, they're going to resent you. Finally, they, and anyone else who was a party to the conversation (directly or after it is related to them), will know what your preparations have been. Then you'll be a target.

It may sound cheesy but it's a very serious lesson you should embrace - "need to know". In the military and in government, "need to know" is an important and respected method to protect important information. Every additional person in on the "secret" represents a geometrically greater probability of the information falling into the hands of those who you most want to keep it from. In this case, it's not in your best interest for your brother-in-law, neighbor, coworker, or anyone beyond your immediate family to know of your preparations or your mindset. At best you'll show up on a list, and at worst you become a target. This is a lesson for you, your spouse, children, or anyone else you have decided to let in on your preparations for living off the grid, and you must emphasize with them that it is a life and death matter.