

Highest Inflation in 40 Years Sticks a Knife in the Heart of US Economy

Did anyone out there actually expect things to turn out differently? When the federal government kept borrowing and spending trillions upon trillions of dollars that we did not have, we were warned that this day was coming. And when the Federal Reserve kept pumping trillions upon trillions of fresh dollars into our financial system, we were warned that this day was coming. So why is anybody surprised by what is happening at this point? On Wednesday, it was being reported that in December, the U.S. consumer price index rose at the fastest pace in nearly 40 years.

Inflation rose at the fastest pace in nearly four decades in December, as rapid price gains fueled consumer fears about the economy and sent President Biden's approval rating tumbling.

The consumer price index rose 7% in December from a year ago, according to a new Labor Department report released Wednesday, marking the fastest increase since June 1982, when inflation hit 7.1%. The CPI—which measures a bevy of goods ranging from gasoline and health care to groceries and rents—jumped 0.5% in the one-month period from November.

They keep telling us that the consumer price index was actually increasing at a faster rate back in 1982, but whenever the corporate media makes such a claim, they are not being honest.

The way that the consumer price index is calculated has been changed more than two dozen times since 1980 and every single time it has been changed, the goal was to make the rate of inflation look smaller.

According to John Williams of , if the consumer price index was still calculated the way it was back in 1990, the official rate of inflation would be above 10 percent right now.

And if the consumer price index was still calculated the way it was back in 1980, the official rate of inflation would be above 15 percent right now.

But 7 percent sounds a whole lot better than 15 percent, doesn't it?

We can get a better picture of what is really going on out there when we start looking at individual categories. The following category numbers were posted earlier today by Citizen Free Press:

- Gasoline up 56%
- Heating oil up 42%
- Used cars: 37.3%
- Car rental: 36%
- Natural gas up 31%
- Hotels: 27.6%
- Beef: 18.6%
- Pork: 15.1%
- Furniture: 13.8%
- New cars: 12%

In fact, Reuters is telling us that some analysts are projecting that the price of oil could soon exceed 100 dollars a barrel.

Oil prices that rallied 50% in 2021 will power further ahead this year, some analysts predict, saying a lack of production capacity and limited investment in the sector could lift crude to \$90 or even above \$100 a barrel.

It takes energy to transport virtually all of the goods that we purchase on a regular basis, and so a higher price for gasoline will cause inflationary pressure throughout our

entire economy.

Some companies are responding to this crisis by giving their customers less for the same price that they were charging before.

For example, if you order chicken wings from Domino's Pizza, you will only get a package of eight from now on.

Domino's Pizza customers ordering chicken wings will soon get fewer of them for the same price.

The pizza chain said it's cutting the number of wings in its \$ carry-out offer from 10 pieces to just eight because of rising food and labor costs. Wings will also become an online exclusive, meaning customers can no longer order them via phone.

All around us, there is evidence that our standard of living is rapidly going down.

The cost of living is increasing much, much faster than paychecks are and that is an extremely alarming trend. According to Zero Hedge, real average hourly earnings have now declined for 9 months in a row.

Finally, and perhaps most importantly for Main Street, real average hourly earnings fell (down 2.4% YoY) for the 9th straight month.

So the next time a politician tries to tell you to be grateful that your wages are going up or you can move to a new higher paying job, just remind him that the surge in the cost of living is outpacing wage gains, thanks to the Fed's money-largesse and Congress' lockdown policies and helicopter money have crushed the quality of life for millions.

In other words, most Americans are getting poorer.

Meanwhile, the appalling nationwide shortages that have

erupted continue to make headlines all over the nation.

According to USA Today, the following are some of the most severe shortages that we are witnessing right now:

- Baby formula shortage
- Cream cheese shortage
- Aluminum shortage
- Cat food, dog food shortages
- Chicken tender shortage
- Lunchables shortage
- Toilet paper shortage
- Beer shortage

And it turns out that fear of Omicron has also sparked a really bad shortage of cold medicine.

Stores in the Dallas-Fort Worth area are facing cold medicine shortages as flu season picks up and the omicron variant of the coronavirus continues.

"The new toilet paper shortage," an employee at an East Dallas pharmacy told Fox 4 of the empty shelves.

One pharmacist at a CVS location in East Dallas said that customers with symptoms appearing to be the coronavirus or flu have been buying up cold medicine and cough syrup, while others are coming in to just stock up.

So if you were thinking of stocking up on Benadryl for some reason, I would go out and grab some while you still can.

The corporate media seems absolutely stunned that our politicians in Washington and the magicians at the Federal Reserve have lost control of our economy.

But we were warned for years that what they were doing would kill the U.S. dollar and the death spiral that we have now entered is going to become exceedingly painful.

What we are experiencing now is not just another short-term economic crisis.

This truly is the beginning of the end for the U.S. economy, and I would recommend that you prepare accordingly. {eoa}

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