

The Fiat Standard – Lecture 8 (Fiat Food) • Study Notes

*Fiat money did not make food scarce – it made **nutrients scarce**. Industrial farming, subsidies, and dietary guidelines shifted diets from nutrient-dense traditional foods to cheap, addictive, nutrient-poor substitutes. The result: depleted soil, degraded health, and an epidemic of chronic disease.*

1) Big Picture

- **Inflation + government intervention** shape modern diets.
- Fiat reduces food *quality* while keeping calories abundant.
- Health crisis: obesity, diabetes, chronic disease are **symptoms of malnutrition**, not affluence.

Two main mechanisms:

1. **Government financing and central planning** (subsidies, guidelines).
 2. **Time preference distortion** (short-termist farming and eating).
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2) Inflation, Farming, and Industrialization

- **1971 (Nixon ends gold redemption)**: unleashed credit expansion → sharp rise in food and fuel prices.
- Government response:
- Use fiat-financed subsidies to mask inflation.
- Tell farmers: **“Get big or get out”** (Earl Butz, Agriculture Secretary).
- Small farms collapsed; industrial monocrop megafarms rose.
- Results:
- Mass calorie production, low costs.

- Soil depleted; nutritional density plummeted.
- High time preference: extract soil fertility now, ignore future.

Key distinction:

- Industrialization made **calories cheap** but **nutrients scarce**.
 - CPI showed “stable prices,” but only because people substituted ribeye → soy burgers.
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3) CPI and the Illusion of Cheap Food

- CPI measures “basket of goods” — but basket composition changes with money value.
 - As money devalues, people **trade down** to cheaper substitutes.
 - Example:
 - Ribeye \$10 → \$100 after inflation.
 - Consumer switches to soy burger for \$10.
 - CPI = 0% inflation (basket still \$10).
 - Outcome:
 - **Hidden inflation = nutritional loss.**
 - Statistics show “stable food prices”; reality shows worse food, worse health.
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4) Central Planning of Diets

- **Government dietary guidelines = central planning for nutrition.**
- Same flaws as Soviet-style planning: ignores individual calculation, serves planners and special interests.

Three drivers:

1. **Keep CPI basket cheap** → promote grains, discourage expensive meat.
2. **Religious anti-meat ideology** (19th c. roots in American vegetarian reformers).
3. **Agribusiness lobbying** → profits from cheap, subsidized crops.

Bootleggers and Baptists effect:

- *Baptists*: anti-meat ideologues and “health” reformers.
 - *Bootleggers*: agribusiness profiting from cheap grain/oil subsidies.
 - Both push the same policies: more processed plants, less animal food.
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5) The Food Pyramid (Fiat Nutrition)

- Base: **6–11 servings grains** (bread, cereal, rice, pasta).
- Mid: fruits & vegetables (carbs, low protein).
- Meat, eggs, nuts, dairy: **small, optional portions.**
- Fats lumped with sugar: “avoid.”

Message: Replace nutrient-dense fats and animal foods with cheap, profitable, processed plant calories.

Result: Global adoption of grain-heavy, low-fat, high-carb diets → chronic disease explosion.

6) The Five Pillars of Fiat Food

1. **Vegetable/seed oils** (toxic industrial byproducts, misnamed “vegetable oil”).
2. **Processed corn** (ubiquitous in syrup, feed, fillers).
3. **Soy** (cheap protein substitute for meat).
4. **Low-fat products** (sugar replaces fat, leading to metabolic collapse).
5. **Refined flour and sugar** (empty calories, addictive, nutrient-poor).

These five subsidized foods displaced traditional nutrient-dense staples (red meat, eggs, butter, whole milk).

7) Health Outcomes: Fiat Nutrition → Fiat Disease

- Animal foods ↓ ~20% (1970–2015).
- Plant foods ↑ ~14%.
- Poultry ↑ (cheap substitute); red meat ↓ (nutrient loss).
- Vegetable oils ↑ massively.
- Butter, whole milk, eggs ↓.
- Obesity and diabetes curves skyrocket in 1980s, tracking adoption of guidelines.

Key insight:

- Obesity ≠ overnutrition.
 - Obesity = **malnutrition + metabolic dysfunction**.
 - The body stores fat because it lacks proteins, fats, vitamins, and minerals.
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8) Weston Price vs. Fiat Science

- **Weston A. Price (1930s)**: traveled globally, studied isolated traditional diets.
- Findings:
- Traditional diets (meat, organs, dairy, seafood) → strong teeth, robust health, no chronic disease.
- Populations that adopted sugar/flour → rapid tooth decay, deformities, disease.
- No culture subsisted on plants alone.
- Ignored by fiat universities, just as Mises was in economics.
- Lesson: nutrient-dense animal foods are essential; industrial “fiat foods” destroy health.

9) Soil as Capital

- Soil = **civilizational capital stock**.
 - High time preference farming:
 - Max yields today → deplete topsoil, compensate with chemical fertilizers.
 - Low time preference farming:
 - Rotational cropping + grazing → replenish soil, sustainable fertility.
 - Fiat's high time preference encourages **soil mining**, destroying future food security.
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10) Civilizational Decline Through Food

- Fiat man eats: addictive industrial sludge, soy, corn syrup.
 - Governments subsidize malnutrition while medical systems profit from disease.
 - Statistics show “growth” while bodies, minds, and soils deteriorate.
 - As with architecture, art, family, and culture, **food too collapses under fiat**.
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11) Study Prompts

1. Why does CPI understate food inflation, and how does substitution mask nutritional loss?
2. Explain the “bootleggers and Baptists” dynamic in dietary guidelines.
3. What are the **five pillars of fiat food**?
4. Why is obesity better understood as **malnutrition** than overnutrition?
5. Summarize Weston Price's findings and their implications for nutrition science.
6. How does fiat-driven high time preference affect soil management and farming practices?

12) Quotable Ideas

“Fiat inflation shows up in food not as scarcity of calories, but as scarcity of nutrients.”

“The ribeye became the soy burger – CPI called it stable prices.”

“Central planning of diets serves governments and corporations, not individuals.”

“Obesity is not affluence – it is malnutrition in disguise.”

“Soil is capital. Fiat farming liquidates it for short-term gain, leaving barren land for the future.”