

Milton Friedman: Only Government Creates Inflation



Milton Friedman, July 31, 1912 – November 16, 2006) was an American economist and statistician who received the 1976 Nobel Memorial Prize in Economic Sciences for his research on consumption analysis, monetary history and theory and the complexity of stabilization policy. (Source: Wikipedia)

President Biden is giving all kinds of false reasons why prices are rising. He's blaming greedy meatpackers, greedy oil companies, greedy Americans, and of course, he's blaming Putin and Putin's invasion of Ukraine. Biden says inflation is his "top domestic priority." Maybe by that he means it's his top priority to create *more* inflation to bring the Middle Class to its knees to create yet more tyrannical government for his globalist friends!

"Biden tells Congress to 'immediately' pass \$40 billion Ukrainian aid bill." Where is that \$40 billion going to come from? From Washington DC's printing presses! It may help Ukraine but it will hurt America. More money printed by the Federal Reserve bank is what causes inflation, nothing else! Don't believe it? Please listen to what the noted economist, Milton Friedman has to say. The video I transcribed the text from is below.

Transcription

Question from a man in the audience: In a recent (between 1977-79) interview of US News and World Report, Secretary of the Treasury (Werner Michael) Blumenthal blamed our current rising inflation, in large part on our foreign trade and unions. He did, however, say that the government was little to blame. Would you like to comment on that?

Milton Friedman: Yes. (Laughter from the audience.) Unfortunately, it is one of the defects of our political system that we always put a Secretary of the Treasury and other high government officials into a position in which when they make public statements, they are almost driven – well, what's the word I want to use? I want to use a polite word "equivocate" (lie). Secretary Blumenthal knows as well as you and I do that inflation does not come from trade unions. That doesn't mean the trade unions aren't grasping. Of course

they are. But they don't produce inflation for one simple reason. **They do not own a printing press on which you can turn out green pieces of paper.**

The only such printing presses are in Washington. I say printing press. Of course, in the modern age, we do it in a more sophisticated way. We use bookkeepers and accountants and computers. But it comes down to the same thing. **Inflation is made in Washington because only Washington can create money.** And any other attribution of two other groups of inflation is *wrong*. Consumers don't produce it. Producers don't produce it. The trade unions don't produce it. Foreign sheiks don't produce it. Oil imports don't produce it. What produces it is **too much government spending and too much government creation of money and nothing else.** (Applause)

Before you clap, let me point out that the reason why we have too much printing spending and too much printing of money is because you people want it. You and I. We're citizens, we run this country. If Congress has been voting for higher and higher spending. Why? Because it has been politically profitable for them to do it. If they have been voting for higher spending and not voting the higher taxes to pay for it. Why? Because it's been politically profitable to do it. We would all like to get something for nothing. And so the political process has been leading to Congress, increasing spending, not increasing taxes, and financing the difference by the hidden tax of inflation. I think we are unwise, but let's not blame the others. The problem, you know that famous statement of the cartoonist, we have met the enemy, and they is us. (Laughter)