



Written by [Selwyn Duke](#) on September 19, 2024

Inflation Is “Like Alcoholism.” How Drunk Are We? Our Money Supply Rose 40% in 4 Years.

When asked in a recent ABC interview about how she’d combat higher prices, Kamala Harris had no answer. Instead, the Democratic presidential nominee went on about how she was raised a “middle class” kid (questionable) and, inexplicably, about how people in her neighborhood took pride in their lawns. But there’s a startling fact that Harris, Donald Trump, or anyone tackling this matter could and should mention.

The money supply has been increased *more than 40 percent* [just since 2020](#).



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Question: What happens when more than \$6 trillion in extra money is floating around chasing approximately the same number of goods?

Just Ask Milt

Late Nobel Prize-winning economist Milton Friedman had his answer. “Inflation is always a monetary phenomenon,” he’d say. In fact, note here that one definition of “inflation” is, as [Britannica Money informs](#), “the general increase in ... the money supply.” And what happens when you markedly inflate it? Friedman [explained](#):

Inflation is just like alcoholism. In both cases, when you start drinking or when you start printing too much money, the good effects come first, the bad effects only come later. That’s why, in both cases, there is a strong temptation to overdo it — to drink too much, and to print too much money.

After quoting the above Sunday, Moneywise expounded upon the concept, [writing](#):

Friedman’s analogy underscores a fundamental economic truth: while printing money can provide immediate relief, it also sows the seeds of future inflation.

... To combat the economic fallout of the COVID-19 pandemic, central banks around the globe, including the U.S. Federal Reserve, cranked up the money printers.

Initially, the effects were positive: economies recovered, businesses bounced back, and employment rates improved. But then, the bill came due. Prices surged, and consumers began to feel the sting of rampant inflation.

Act of Man, Not God

Note: In reality, the “fallout” didn’t result from the “COVID-19 pandemic,” but the irrational reaction to it. Democratic governors (mainly) such as New York’s Andrew Cuomo, New Jersey’s Phil Murphy, and



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California's Gavin Newsom locked down their states, destroying businesses and jobs, in contravention of the "science" and perhaps partially motivated by a desire to hurt President Trump's 2020 reelection chances. (The health results were precisely what honest experts warned of, too. Locked-down states fared at least as badly with Covid as those that remained "open.") These lockdowns also disrupted supply chains, while the government [dispensed \\$1 trillion](#) in cash to Americans, spiking demand. And, of course, greatly reduced supply and increased demand is the perfect inflationary storm.

The Morning After

In more recent times, the Fed has "stopped its monetary expansion and taken aggressive steps to tighten policy," Moneywise states.

"Since March 2022, the U.S. central bank has raised its benchmark interest rates by 525 basis points," the site continues. "This decisive shift aimed to curb inflation by making borrowing more expensive and slowing down economic activity."

The issue, though, is that inflation is cumulative. There also are never enough deflationary cycles (which bring their own problems) to negate it.

This is why \$20 worth of groceries purchased in 1967 [would run](#) approximately \$181 today — an 805-percent increase.

By the way, Moneywise [also elaborates upon](#) three ways to "fight inflation": investing in real estate, gold, and equities.

An Incentive to "Live for Today"

A factor greatly exacerbating the inflation problem is short-term orientation. Just consider what Milton Friedman also said about the monetary-expansion phenomenon. "When it comes to the cure, it's the other way around," he stated. "When you stop drinking or when you stop printing money, the bad effects come first and the good effects only come later."

The issue, though, is that politicians mainly care about the next election cycle. Just imagine you're a president or legislator faced with an economic downturn, an industry's possible collapse, or a Covid-like emergency. If you face reelection in a year, you have great incentive to pursue the "party now, pay later" route.

(Food for thought: Is this a good reason to limit presidents to one term, four or six years? In this vein, should we emulate the ancient Athenians and choose our "representatives" based on lot? In modern times, the latter system has, perhaps frivolously, been dubbed "lotteryism.")

An Unappreciated Factor

While there are other theories explaining rising prices, one exacerbating factor goes largely unmentioned. That is, shoplifting and other retail crime, now committed not just by amateurs but also by organized theft rings. The price tag?

"Retailers lost \$112.1 billion in gross revenue and \$84.9 billion in fraudulent sales returns in 2022," [reports](#) CapitolOne Shopping. Moreover, 58 percent "of organized retail crime is cargo theft," the site also informs. (Yes, [train robbery](#) is all too common. Trucks and warehouses [are also targeted](#) — just visualize the semi robbery [portrayed](#) in the film *Goodfellas*.)

The problem is worsening, too. For example, "In 2022, shoplifting losses grew 19.4% year-over-year," CapitalOne further relates. And is this surprising? In recent times, punishment for theft [has been](#)



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[reduced](#). Moreover, left-wing prosecutors often turn a blind eye to “politically correct” crime.

Obviously, these higher costs are handed down to consumers. This means we all are paying for criminals to have free goods — call it the thug surcharge.

In reality, though, every one of these problems concerns crime. When feckless politicians blithely deliver copious currency fixes to keep a population numb, facilitate theft via slap-on-the-wrist “justice,” or punish those who thwart criminals, it is a moral crime. But then, too, there’s the moral crime that enables this moral crime: when the people elect such politicians.

For those interested, a video with Milton Friedman’s comments is below.



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