



Written by [Bob Adelman](#) on April 14, 2021

White House: No Inflation Threat, Yet

To address increasing concerns that the \$5 trillion-plus in new money being poured into the economy by the government will raise prices, the White House called together a group of Keynesian [read: interventionist] economists to sort things out. Their conclusion? [Nothing to worry about here; move along.](#)

Specifically, they created various models based upon different assumptions in an attempt to discover any “hint” of inflation. “It never appeared,” said the *New York Times*. Added the establishment mouthpiece:



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Mr. Biden’s advisors believe [that] any price spike is likely to be temporary and not harmful, essentially a one-time event....

[This] view mirrors the posture of [Fed] chairman Jerome Powell, whose mandate includes maintaining price stability in the economy.

Mr. Powell has said that the Fed expects any short-term price pops to be temporary, not sustained: “What we see [said Powell] is relatively modest increases in inflation. But those are not permanent things.”

That was on Tuesday.

The “hint” showed up later that same day: The Bureau of Labor Statistics reported that its Consumer Price Index (CPI) jumped by 0.6 percent in March after rising an unsettling 0.4 percent in February. The BLS said the March number was the biggest increase since August 2012, nearly a decade ago. If inflation merely remains at that level, consumers will see prices increase by more than six percent over the next 12 months. Over time, such a level of inflation will cut the purchasing power of the dollar in half in less than 12 years. Put another way: Salaries will have to double over the next decade or so just to keep up with those price increases.

And inflation remaining at the six-percent level is a big assumption. The Fed itself reports that its measure of the supply of money in the economy, M2, jumped from \$15.5 trillion last March to \$19.7 trillion at the end of March this year, a 27-percent increase in just 12 months. And Biden is bidding for more: another \$2.5 trillion in “infrastructure spending.”

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Consumer price increases are already showing up in grocery stores and at the gas pump, and further increases are coming. The National Federation of Independent Business (NFIB) reported on Wednesday “that the largest percentage of small businesses in more than 12 years raised [their] selling prices in March.”

Naturally COVID is to blame, due to “supply-chain disruptions persisting,” according to a senior



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economist at BMO Capital Markets.

There are a few who aren't buying the COVID coverup, including Florida Republican Senator Rick Scott, who said:

It's time for Biden to wake up from his liberal dream and realize that reckless spending has consequences, [that] inflation is real and America's debt crisis is growing.

Inflation is rising and Americans deserve answers from Biden now.

It's highly unlikely that Scott will hear from Biden. After all, Biden's board of advisors have announced that any increase in consumer prices is going to be "temporary."

The economy, in other words, is only "slightly pregnant" with inflation and therefore there's nothing to worry about.



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