Janet Yellin and "*Bidenomics*"

by Earl P. Holt III

It is unfortunate that there are so few ***REAL*** "*economists*" in the world today, and far too many imposters dabbling in politics who misleadingly call themselves "*economists*." An example would be Treasury Secretary Janet Yellin, who is nearly always wrong when pontificating about the health of the Biden economy. She is more politician than economist, no matter what her credentials may be.

Throughout 2021, Yellin consistently underestimated the Biden inflation we are currently enduring by describing it as "*transitory*" when it reached 4.2% in April of 2021. Since then, it has climbed aggressively to an official annual rate of 8.6%, but in reality it is much higher. Her misreading of inflation results primarily from her willful refusal to acknowledge what inflation really is and what generates it.

Leftist "*economists*" and politicians wrongly define inflation as a general rise in price levels, but those increases are actually the ***RESULT*** of inflation and not inflation, itself. **Inflation is really an increase in the money supply that is not offset by increases in an economy's output of goods and services.** A healthy economy normally requires money-supply increases to accommodate growth, but if they exceed growth, it generates inflation and rising prices as a consequence. ***(It's the money-supply that is being "inflated," hence the term.)***

Since the 1960s, most "*economists*" have been miseducated on the subject of inflation, and Yellin is a prime example. They measure inflation by determining the general rise in prices among items found in a "***basket***" of consumer goods, such as **food, clothing, pharmaceuticals, rent, utilities, gasoline, etc.** But they often alter the contents of that *basket* by substituting cheap, imported Chinese goods whose prices have remained relatively stable. This is done solely to deceive the public.

The Biden Administration's official measure of our current inflation level in May was 8.6% over the previous 12 months. However, its true measure is probably TWICE that level, and higher than the Carter Administration's 13.3% inflation in 1979. Economists have achieved this sleight-of-hand by substituting items in the official *basket* of goods that have not increased much in price. ***That's like placing ice cubes on your thermostat in the summer to deceive your family into thinking they are cooler than they feel...***

Janet Yellin's solution for the alarming rise in price levels has been to parrot her boss and promote Biden's ***Build Back Bolshevik*** plan (BBB.) She disingenuously claims that its ultimate price tag of $5 Trillion would help reduce inflation, just as her senile boss claims. Yellin's promotion of BBB is not based on any known economic principle, however: it is merely a bald-faced lie spun by "*Democrat*" Party flacks that would further accelerate inflation to double-digit levels. She knows this as well as I do.

The BBB would add $5 Trillion to America's ***National Debt***, most of which would have to be "*monetized*" by the Federal Reserve. It's the *monetizing* of large amounts of debt that produces inflation, because the process involves generating new money *out of thin air*, with no corresponding growth in the quantity of goods or services to offset the increase. That's how we got into our current predicament.

With all that inflation and the rising costs of food, fuel, building materials, housing and **EVEN USED CARS**, the U.S. economy shrunk by 1.4% in the first quarter of 2022. We are clearly going into a recession, but Yellin and all the other pathological liars in the so-called "*Democrat*" Party have valiantly denied this impending inevitability. The "*smart money*" knows better, however, because the ***Dow Jones Industrial Average*** declined about 6,500 points between the middle of June and its end.

When the federal government began to grow dramatically in the mid-1960s following LBJ's "*Great Society*," it became readily apparent to many in the profession that the prospects for **REAL** economists -- those who sincerely practice their discipline -- were rapidly fading. This turn of events came about because REAL economists have a habit of telling unpleasant truths to politicians who don't want to hear them.

Few politicians get elected to office by preaching austerity or opposing new spending initiatives. Nor do they get re-elected by refusing to intervene in the economy in order to benefit a powerful constituency such as organized labor. Thus, to ensure demand for their services, **most economists routinely engage in what the discipline euphemistically calls "*NORMATIVE*" economics, or economics based on ideological and political advocacy. *Normative* economics is often described as focusing on what "*should be*" rather than "*what is*."**

Increasingly, many are demonstrably socialistic in ideology, since a growing federal government needs a lot of economists to serve as its commissars and technocrats. In this sense they've become the equivalent of *hired guns* who advocate for policy and legislation, much as our legal system is plagued by "*expert witnesses*" who will testify to the *Sun-rising-in-the-West* if their professional fees are met.

One cause of this dilemma is that graduate economics programs indoctrinate students with the absurd notion that macro and micro economic phenomena can be reduced to a series of complex mathematical equations. When one considers the fact that at any given second, U.S. consumers make trillions of economic decisions regarding price, quality, quantity, nation-of-origin and a host of other criteria, it is clear that such rigid formulae are merely a tribute to the arrogance of would-be central planners.

Those formulae allow the false prophets of economics to speak with a veneer of authority that is often convincing to economic illiterates. Those who have actually run their own businesses, or those who are familiar with the works of Nobel Laureates Milton Friedman, George Stigler or

Friedrich von Hayek are far less susceptible. Nevertheless, the dubious authority of false prophets definitely increases their demand among government agencies and leftist *think tanks*. As might be imagined, Marxist-economists are often the beneficiaries of such demand.

The very expression "*Marxist-economist*" must be the oxymoron of all time, because Marxism and the discipline of economics are about as mutually exclusive as any two terms could possibly be. In fact, Marxism is the *REPUDIATION OF ECONOMICS*, and the substitution of central government commands -- backed by force -- for decisions that REAL economists routinely demonstrate are far more efficiently made by markets and individuals acting in their own self-interests. Biden's current war on oil and gas illustrates this principle neatly.

This substitution of Marxist ideology for hard evidence has real-world consequences, and any society foolish enough to allow Marxism to "*trump*" real-world evidence must inevitably pay a high price for doing so. Here in the U.S., we are paying that price right now, and it is quite steep.