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Cancel Milton Friedman, and Inflation Is What You Get

The word 'money' doesn't even appear in President Biden's plan to whip inflation.

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President Biden speaks about the economy in Rehoboth Beach, Del., June 3.

PHOTO: MANDEL NGAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

The lead paragraph of President Biden's op-ed "[My Plan for Fighting Inflation](#)" (May 31) asserts that the global economy faces an inflation problem exacerbated by [Vladimir Putin](#)'s war in Ukraine, high oil prices and supply-chain problems. This line of argument shows why the president's team and the experts at the Federal Reserve were unable to anticipate the inflation conundrum that their economic missteps have forced us into. It also shows why the president's plan will likely fail to allow us to exit inflation with a smooth landing.

We don't have a global inflation problem. Inflation is always and everywhere a monetary phenomenon spawned by the creation of excess money by local central banks. China, Japan and Switzerland also face elevated oil prices, supply-chain problems and fallout from the war in Ukraine, but their annual inflation rates are 2.1%, 2.5% and 2.5%, respectively. They have avoided the ravages of inflation because their central banks haven't produced excessive quantities of money.

Adherence to the tenets of monetarism is nowhere to be found in the Biden White House or the Fed. Chairman Jerome Powell has stressed that we had to "unlearn" monetarism. It

looks like Mr. Biden was an attentive student. The word “money” doesn’t even appear in his plan to whip inflation. As he said in 2020, “Milton Friedman isn’t running the show anymore.” As long as Friedman and monetarism remain canceled, the White House and the Fed will be grasping for straws.

Prof. Steve Hanke and John Greenwood

Johns Hopkins University

Baltimore and London

If the president were serious about inflation, he would green-light the Keystone pipeline, fast-track any stalled oil leases and permits and work with Big Oil rather than kneecap it at every opportunity.

Stuart J. Zais

Lakewood Ranch, Fla.

Is it naive of me to think that Mr. Biden or any other politician would ever admit to his mistakes and change course? Bill Clinton did this successfully as president, but it’s hard to remember other examples in recent times.

The president and those on the left need to admit that their policies in part caused the current inflation. Gifting gobs of “free” money to the general populace and being on record as wanting higher fuel prices makes it hard to take Mr. Biden seriously. You can’t spend your way to prosperity and there is no such thing as a free lunch. Both of those lessons seem apropos right about now. November can’t come soon enough.

Jonathan Teune

Lake Geneva, Wis.

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