Let’s call it the Ben Bernanke tax

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Published: Saturday, July 27, 2013, 9:00 p.m.
Updated: Saturday, July 27, 2013

In a 2009 “60 Minutes” interview, Federal Reserve Chairman Ben Bernanke insisted that the Fed does not spend taxpayer money. “It's not tax money,” he said. “It's much more akin to printing money than it is to borrowing.”

So don't worry, the Fed is simply printing money.

But just a year and a half later, on the same program, Bernanke changed his tune, this time saying, “One myth that's out there is that what we're doing is printing money. We're not printing money.”

So which is it? Are we printing more money, as Bernanke said in 2009, or not printing more money, as he said in 2010?

Lucky for us, the chairman is back in 2013 with a clarification. This month, when Congressman Keith Rothfus directly asked, “Are you printing money?” Bernanke helpfully answered, “Not literally.”

This is the kind of doublespeak that is possible only in Washington. The Federal Reserve is very clearly printing money — lots of it — and what Bernanke doesn't want to tell you is that printing money comes at an incredible price.

As usual, it is the politicians' favorite kind of price — one that will be paid later. But it will be paid and you'll be paying.

To understand how the Fed's money printing will cost you, you must wrap your head around a fundamental truth: Money has no intrinsic value. Money has worth only because we all agree that it does. Money itself is merely a representation of something that does have intrinsic value — purchasing power.

Dollars are simply the tool we use to exchange goods and services and dollars buy far less now than they once did. For example, in 1980 a dollar and change would buy you a gallon of gas. Today, that exact same dollar and change will buy you a third of a gallon. In 2002, you could buy a gallon of milk for $2.75. Today, it will cost you $3.50.

The purchasing power of a dollar has declined almost 90 percent since 1950. We call this inflation. We have lived with inflation for so long that we seem to think it is somehow natural. But it isn't. It is caused by the Fed's printing money.

Dollars are merely the container that holds our purchasing power. Purchasing power *comes from* the goods and services people are willing to give you in exchange for them. The more goods and services people are willing to give you, the more purchasing power your dollar contains.

When Ben Bernanke says that the Fed is printing money, you should be incensed. Every new dollar the Fed prints gets its purchasing power by taking purchasing power away from the dollars in your pocket and in your bank account. The Fed hides behind words like “quantitative easing” and “expansionary monetary policy” and “lowered interest rates.” But what the Fed is really doing is imposing taxes on your purchasing power.

And these taxes are levied by unelected people running an independent and unaccountable banking authority, people who do everything in their power to keep you from noticing.

Everyone knows that stealing is wrong and that taxation is miserable. But the Fed has managed to do both right under our noses. We never voted to allow the Fed to do much of anything. Congress simply gave the Fed this authority and now Congress needs to take it away.

If the Fed keeps printing money indiscriminately, very soon the dollar won't be worth the paper it's printed on.

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