

## Twitter Thread by [Brian Wesbury](#)



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### **Inflation Is Coming!**

**Some say: Inflation didn't rise after 2008-2015 Fed QE, so it won't rise this time. Here are the problems with that argument.**

**1) From 2008-2015 regulators hammered the banks, so while the Fed's balance sheet expanded, M2 did not accelerate.**

2) In 2020, we used the banks to push out money, the opposite of the first round of QE. PPP loans were financed through banks and unemployment checks were direct-deposited.

3) The M2 measure of money is up more than 25% in the past 12 months.

4) That alone, 25%+ M2 growth, is enough, but we are compounding the problems.

5) Regulating fossil fuel production drives energy prices up.

6) Ag, industrial & transportation are energy intensive, and many claim they are bad for the environment. Result: higher prices.

7) Federal government borrowing and deficit spending encourages more Fed money printing, and artificially lifts demand.

8) Higher tax rates, rising minimum wage, and big government crowd out the private sector; reducing supply.

9) Demand up; Supply down! Inflation is coming.