

# Price Inflation Comes from Government, not from “Excuseflation” or “Greedflation”

**Tags:** [Big Government](#), [The Fed](#), [Inflation](#), [Monetary Policy](#)

03/29/2024 • Mises Wire • Douglas French

Followers of the Austrian school of economics know that the term inflation refers to increasing the quantity of money or money substitutes. The result being a rise in the price of goods and services or a fall in the value of money. But, in the modern era, this rise in prices is called inflation and as Ludwig von Mises wrote, “This semantic innovation is by no means harmless.” The semantic change has people looking everywhere but where they should to blame for higher prices.

Bloomberg’s Enda Curran [writes](#), “A prolonged period of elevated inflation has left consumers cranky and eager to cast blame.” With the term inflation evidently getting tiresome, Curran lists some new price increase buzzwords and phrases.

**“Shrinkflation”** This is the President’s favorite. He even mentioned it in his State of the Union speech. The White House posted on X, “President Biden is calling on companies to put a stop to shrinkflation.” In other words, put more cookies back in the bag or make Snickers bars the same size they used to be. Even *Sesame Street’s* Cookie Monster has complained his cookies were getting smaller.

**“Drip Pricing”** These are fees which are added for your luggage when you fly or resort fees added on to your hotel bill. Processing and service fees were called junk fees by President Biden in last year’s State of the Union speech and he vowed to fight “those hidden surcharges too many companies use to make you pay more.” As if the hotel clerk puts a gun to your head at checkout time.

**“Greedflation”** Ms. Curran says “It’s a modern take on [profiteering](#) — “making an unreasonable profit on the sale of essential goods especially during times of emergency.” Of course, price is how goods are distributed during a shortage or any other time as opposed to, as the Economist magazine wrote, “something worse, such as rationing or queues.”

**“Excuseflation”** This one sounds a lot like the above-mentioned “greedflation.” Curran cites a paper by UBS AG chief global economist Paul Donovan, who claims developed economies are in a period “when some companies spin a story that convinces customers that price increases are ‘fair,’ when in fact they disguise

profit margin expansion." A baker in Chicago said on an *Bloomberg Odd Lots* podcast that global news events allow him to raise prices "without getting a whole bunch of complaining from the customers."

**"Sellers' Inflation"** This term is credited to [Isabella Weber, an assistant](#) professor of economics at the University of Massachusetts who claims large corporations have market power and "have used supply problems as an opportunity to increase prices and scoop windfall profits." Her solution is price controls, which would lead to long lines and rationing.

**"Disinflation"** Prices are rising but at a lower rate of change.

**Immaculate disinflation.** Curren says this is the "optimistic notion" that Jerome Powell and the economists at the Eccles Building can bring prices under control without putting a bunch of people out of work. The Federal Reserve can either create money fast or create money slow. That's all it has. Jerome Powell is not the economy's Geppetto.

Murray [Rothbard explained](#) where inflation comes from everywhere and always:

The fault of inflation is not in business "monopoly," or in union agitation, or in the hunches of speculators, or in the "greediness" of consumers; the fault is in the legalized counterfeiting operations of the government itself. For the government is the only institution in society with the power to counterfeit — to create new money. So long as it continues to use that power, we will continue to suffer from inflation, even unto a runaway inflation that will utterly destroy the currency.

Inflation, or whatever you want to call it, is nothing more than government taxation in stealth form. Only the government can conjure up new money from nothing, using it to bid away resources from private individuals.