Federal Reserve Boss Ben Bernanke Promises Record High Gas Prices Through Summer

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Ben Bernanke told ABC's Diane Swayer on Tuesday that gas prices will continue to skyrocket through the summer.

Bernanke told Sawyer gas prices "are a major problem" and he admitted they are "a hardship for lots of people."

During the interview, he tried to pawn off the fallacy that gas prices are responsible for inflation, which he said will escalate over the next few months.

By inflation Bernanke means price increases. As Ron Paul notes, blame for this can be placed at the doorstep of the Federal Reserve.

"Most economists fail to understand that inflation is at its root a monetary phenomenon," Paul wrote last March. "There may be other factors that contribute to price increases, such as famine, flooding, or global unrest, but those effects are transient. Consistently citing only these factors, while never acknowledging the effects of monetary policy, is a cop-out."

Bernanke also claimed the rise in gas prices can be attributed to Iran and troubles in the Middle East. "The Middle East is very unpredictable – lots of things happening with respect to Iran and so on, so you know, we obviously – need to be – very attentive to that," he told Sawyer.
Bernanke did not bother to explain how the Federal Reserve creates monetary inflation. It is really quite simple. More money equals less value.

The Federal Reserve is currently doing this through quantitative easing – increasing the money supply and flooding financial institutions with capital. Economists note that the problem with this is that although there is more money in the economic system, there is still a fixed amount of goods for sale.

Bernanke "admits he doesn't understand why the economy is the way it is. Reality doesn't fit his theory," writes Zero Hedge. "So, what do you do when you are the head of the world's biggest printing press, and don't know what else to do? Why QE3 of course."

On Tuesday, Bernanke hinted that QE3 may be right around the corner. He said more dilution of the money supply will be required due to vexatious unemployment.

High unemployment is directly related the the Federal Reserve and its engineering of boom and bust cycles through monetary policy. The Fed – as Bernanke has sheepishly admitted – was responsible for the so-called Great Depression and its staggering unemployment. It's the same today.

Ben Bernanke is simply reading his bankster script, as instructed. If he was sincere, he would admit that rising oil prices do not create inflation. Oil prices are a reflection of a devalued dollar.

In an interview last year, ShadowStats editor John Williams said "the dollar's weakness is doubly inflationary. It is the biggest factor behind the ongoing rise in oil prices."

It's not greedy oil barons in the Middle East or Iran threatening to close down the Strait of Hormuz in response to an attack.

It's the Federal Reserve and the central banks.

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