

## Ben Bernanke Translated Into English

On February 7 Federal Reserve Board Chairman Ben Bernanke testified before the Senate Budget Committee. Inasmuch as he does not speak English—at least the English most of us learned in school back in the old days—I have taken the liberty of translating some of the more important points made by Bernanke:

Bernanke said, “It is very important to look not just at the unemployment rate, which reflects only people who are actively seeking work. There are also a lot of people who are either out of the labor force because they don’t think they can find work [or in part-time jobs]. The 8.3 percent [unemployment rate] no doubt understates the weakness of the labor market in some broad sense.”

*Translation: The Bureau of Labor Statistics (BLS) has been cooking the books. Don't believe the phony 8.3 percent unemployment rate. That number was possible only because the BLS has stopped counting millions of Americans as unemployed. Those who have given up looking for work are no longer considered part of the "workforce," and that is why the ratio of employed person to total population is lower than it has been in over 30 years.*

Bernanke: “Particularly troubling is the unusually high level of long-term unemployment: More than 40 percent of the unemployed have been jobless for more than six months, roughly double the fraction during the economic expansion of the previous decade.”

*We are not experiencing an economic recovery, despite what Obama and his media sycophants are telling the voters.*

In the understatement of the year, Bernanke also states, “Having a large and increasing level of government debt relative to national income runs the risk of serious economic consequences.”

*The government cannot keep spending money it does not have and that it cannot reasonably expect to collect through taxes. (It is unclear why it has taken Bernanke years to come to that conclusion.)*

Bernanke continues, “Even the prospect of unsustainable deficits has costs, including an increased possibility of a sudden fiscal crisis.”

*If we keep spending money we don't have, incredibly bad things can happen.*

“As we have seen in a number of countries recently, interest rates can soar quickly if investors lose confidence in the ability of a government to manage its fiscal policy.”

*Americans are starting to figure out that U.S. Treasury notes, bonds, and bills are terrible investments and will soon demand higher rates of interest.*

“Although historical experience and economic theory do not indicate the exact threshold at which the perceived risks associated with the U.S. public debt would increase markedly, we can be sure that, without corrective action, our fiscal trajectory will move the nation ever closer to that point.”

*We're screwed, but I can't predict the exact date everything will collapse. But I'm doing my best to print money in order to stall the disaster until after election day.*

“Of even greater concern is that longer-run projections, based on plausible assumptions about the evolution of the economy and budget under current policies, show the structural budget gap increasing significantly further over time and the ratio of outstanding federal debt to GDP rising rapidly.”

*The situation is getting worse, there are trillion dollar deficits as far as the eye can see, and the national debt is going up, up, up.*

“This dynamic is clearly unsustainable.”

*The U.S. government cannot keep borrowing and spending.*

“Over the longer term, the current trajectory of federal debt threatens to crowd out private capital formation and thus reduce productivity growth.”

*The government is sucking so much money out of the economy that there will soon be nothing left for anything else. No money will be available to start or expand businesses because it will all be going to Uncle Sam.*

“To achieve economic and financial stability, U.S. fiscal policy must be placed on a sustainable path that ensures that debt relative to national income is at least stable or, preferably, declining over time. Attaining this goal should be a top priority.”

*It's the spending, stupid!*

*Don Fredrick  
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