



## “More Money In Your Pocket” – Newsom To Helicopter Drop \$17 Billion In “Inflation Relief” Stimmy Checks

### Description

**USA:** As the Federal Reserve attempts to crush aggregate demand through the most aggressive monetary tightening policies in decades to cool red-hot inflation, California Governor Gavin Newsom has come up with the brilliant idea to stoke even more demand through a new round of stimulus checks.

*“**Millions of Californians will be receiving up to \$1,050 as part of a NEW middle-class tax rebate.**”*

*“That’s **more money in your pocket** to help you fill your gas tank and put food on the table,” Newsom tweeted Sunday night.*

NEW: Millions of Californians will be receiving up to \$1,050 as part of a NEW middle class tax rebate.

That’s more money in your pocket to help you fill your gas tank and put food on the table.

— Gavin Newsom (@GavinNewsom) [June 27, 2022](#)

The “inflation relief package” is a staggering \$17 billion and will provide relief payments on an income-based system. [Bloomberg](#) Law provides more details on how the stimulus scheme works for households:

*Individuals making as much as \$75,000 a year, or joint filers making up to \$150,000, would get \$350 each plus \$350 for one dependent for a maximum of \$1,050. Those with income up to \$125,000, or \$250,000 filing jointly, would get \$250 each plus another \$250 for one dependent for a maximum of \$750. Those earning more than \$250,000, or \$500,000 filing jointly, would get \$200 each plus \$200 for one dependent for maximum of \$600.*

Newsom's move to tackle high inflation by helicopter dropping billions of dollars in stimulus checks is utter nonsense and will only work counter to what the Fed is ultimately trying to achieve: recession by aggressively hiking interest rates and winding down the balance sheet to reduce aggregate demand, so consumer prices fall.

Newsom's stimulus checks could temporarily fuel inflation in the state as households would instantly spend the free money on whatever they please. Solving inflation with more government will only worsen the situation. This is also something the Biden administration fails to see (read: *Biden Economic Adviser Asserts That More Government Spending Will Solve Inflation Crisis*).

How long until California Democrats beg for price controls as their policies could incite even more inflation? They can't keep blaming 'Putin Price Hike' if their policies spike inflation.

As no lesser authority than The Wall Street Journal Editorial board succinctly concluded:

***“Too bad this bribe, er, incentive to vote Democratic won't offset the state's fast-rising cost of living, high taxes or the premium Californians pay for energy, water and housing, among other things, due to progressive policies.”***

The Newsom manifesto appears to be from taxpayers according to their ability to the politicians according to their needs.

by Tyler Durden

### Category

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### Date Created

06/30/2022