

Mergers, monopolies and inflation: Unemployment and wage cuts won't lower prices

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April 3, 2023



Photo: Peoples Power
Assembly

How many people have to lose their jobs before Federal Reserve Bank system chair Jerome Powell is satisfied? High-tech firms including Alphabet (Google), Amazon and Meta (Facebook) have [shed 118,000 jobs](#) so far this year. They fired 140,000 in 2022.

Speaking at the Economic Club in Washington, D.C., on Feb. 7, [Powell claimed](#) that January's 3.4% unemployment rate may be beyond "maximum employment." He hinted the jobless rate needed to rise before the rate of inflation would fall.

Powell and the Federal Reserve Bank governors actually want a "small" recession to weaken the multinational working class and wipe out any wage gains and union victories. They're glad that February's unemployment rate rose to 3.6%.

Pro-capitalist economists consider that to be "low" unemployment. It still represents 5.9 million people desperately looking for a job.

The official unemployment rate hides misery. It always undercounts millions of jobless people

Not mentioned are the armies of street merchants who would rather have a steady job than stand for 10 or 12 hours a day in rain or snow. Nor does it include those not considered to be actively searching for work because of child care responsibilities. Also ignored are many disabled people.

According to the Bureau of Labor Statistics, there are 5.1 million "persons not in the labor force who currently want a job." Another 1.4 million persons are "marginally attached to the labor force."

So in February there were [at least 12.4 million people](#) in the United States without a job. That's nearly as many people who live in Illinois.

Yet that's still not enough unemployment for the Federal Reserve banks and the

capitalist class it serves.

Never counted are 2.2 million prisoners who are members of the working class, too. Their slave labor annually [produces \\$11 billion](#) in goods and services.

Black workers are still “last hired, first fired.” Their 5.7% unemployment rate is [78% higher](#) than the 3.2% jobless rate for whites.

Profits up, food stamps cut

Neither a rise in wages or lower rates of joblessness cause inflation. It’s monopolies that are jacking up prices. Even the [White House admitted this](#) in a Jan. 3, 2022, statement:

“Four large meat-packing companies control 85% of the beef market. In poultry, the top four processing firms control 54% of the market. And in pork, the top four processing firms control about 70% of the market.”

These dead animal capitalists were able to raise chicken prices by 16.4%, beef prices by 14.5% and pork prices by 13.7% [between 2021 and 2022](#). Tyson Foods more than [doubled its profits](#).

Meanwhile, egg prices have gone through the roof and the price of white bread rose by 21% over the last two years. The average price of all food rose by 11.4% last year, the sharpest increase since 1974.

The response of the U.S. government to these skyrocketing food prices was to slash SNAP (food stamp) benefits on March 1. Millions of families are seeing an [average \\$95 monthly cut](#) in their food stamps.

The 81 million people who cast a ballot for Joe Biden didn’t vote for this forced hunger program. The president and Congress can spend over \$100 billion on a war

against the Russian Federation but they can't feed the people.

Antitrust laws have become a dead letter. The [Surface Transportation Board approved](#) the Canadian Pacific Railway taking over the Kansas City Southern in a \$31 billion deal. That leaves only six companies owning 90% of the railroad tracks in the United States.

Housing in the United States is one of the worst monopolies. Landlords have been raising rents at will. [In New York City](#), 54% of low income tenants saw their rents rise in 2021. The average increase was 15%.

Behind the greedy landlords are the banks and insurance companies that own their mortgages.

A massive program to build more affordable public housing would force the landlords and the banksters to lower the rents. So would taking over the apartments that are deliberately kept empty.

Roll back prices! A job is a right!

None of the judges on the U.S. Supreme Court or governors of the Federal Reserve banking system are elected.

Supreme Court judges stole the right to abortion. They routinely give the green light to executions. The Federal Reserve destroys jobs and deepens poverty.

The Fed and the central banks in other capitalist countries have been furiously raising interest rates. The result has been a series of bank failures, including Silicon Valley Bank and the second biggest Swiss bank, Credit Suisse.

Ever since the first worldwide capitalist economic crisis in 1825, there has been a business collapse every decade or so. Because capitalist competition prevents an overall economic plan, production outstrips consumption.

That doesn't mean people don't need the items that are left unsold. [Eighteen million people](#) in the U.S. can't afford needed medical prescriptions.

Fed chairperson Jerome Powell's role model is the late Paul Volcker, who as Fed chair in the 1980s presided over double-digit unemployment rates. Decades of stagnant wages and the loss of millions of union jobs followed.

The proposed merger of the Kroger and Albertsons supermarket chains guarantees more price increases. We need to fight for rolling back prices.

People forced President Reagan—an earlier version of Trump—to distribute free cheese. Over a billion pounds had been kept in warehouses to keep prices high.

The Federal Reserve banksters need to be told that a job is a right. Only the people can stop the billionaires from destroying jobs and making more millions poor.

