

# The Anatomy of Inflation

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[Jack Rasmus](#) 21 May 2022

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*In my latest Alternative Visions radio show I break down the **various causes of US inflation and its evolution from the summer of 2021** when it emerged to the present (and coming months). False narratives by US politicians—inflation due to too much government relief spending in March 2021, due to ‘Putin’s war, or due to US households’ flush with savings and cash—are exposed for the economic ideology they represent.*

*Why inflation will continue at high levels and even escalate this summer are explained. And why Fed rate hike policies now underway, designed to destroy Demand, won’t dampen inflation; nor lead to a ‘soft landing’ of the US and global economies.*

Dr. Rasmus dissects the various causes of inflation in the US over the past year, explaining it is mostly Supply side driven and not consumer Demand.

Following last spring 2021 reopening of the US economy, some price increases followed due to more wage in come as workers went back to work. That was a moderately rise, however.

The big escalation of inflation began last September **due to global and US domestic Supply chain problems which was followed by price gouging by monopolistic US corporations** many of which had no supply issues (ex: bakery-cereal and meat packing companies, oil companies, etc.).

In 2021 Supply was responsible for at least 3/4s of the inflation. Overlaid on these forces in 2022 were three additional causes: first, commodity inflation due to Ukraine war and Biden sanctions depressing supply of oil, gas, industrial metals, certain agricultural goods; second, rising unit labor costs by US businesses due mostly to collapsing US productivity (worst since 1947) passed through to prices; third, emerging inflationary expectations (the latter a Demand factor). To address this anatomy of inflation, the Fed is raising interest rates at a record pace, addressing Demand but unable to address Supply causes. Recession will follow (as in 19981-82). Rasmus further explains how the US exports both its inflation and recession to emerging market economies via a currency crisis now underway.

Listen below.

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**Jack Rasmus** blogs at <http://jackrasmus.com> and hosts the weekly radio show, *Alternative Visions*, on the Progressive Radio Network every Friday at 2pm eastern time. Join him at twitter for daily updates at [@drjackrasmus](#).

*He is a regular contributor to Global Research.*

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