Ukraine tensions

Stocks on Wall Street shed early gains and closed broadly lower Monday as the U.S. moved to close its embassy in Ukraine amid heightened tensions over the thousands of Russian troops that have been amassing on the border.

The S&P 500 fell 0.4% after having been down as much as 1.2% shortly after the U.S. said it is closing its embassy in Ukraine and moving all remaining staffers there to a city near the Polish border.

The move comes as diplomatic efforts continued Monday in a bid to head off what U.S. officials have warned could be an imminent Russian attack on Ukraine.

Bond yields rose broadly, as did energy futures and the price of gold.

The Dow Jones Industrial Average fell 0.5% and the Nasdaq composite ended essentially flat after having been up 1% in the early going. The three major stock indexes were coming off a weekly loss.

The market slide adds to losses from a late-afternoon sell-off on Friday after the White House told Americans to leave Ukraine within 48 hours over concerns that Russia could invade that country soon. Other governments including Russia pulled diplomats and their citizens out of the country.

BizWest and wire reports

BRIEFCASE

Philip Tobias, a Boulder technical and marketing communicator, is again volunteering for the Boulder Writers Alliance, which serves Boulder County area communicators and employers. This year he will serve as the nonprofit's email lists manager.

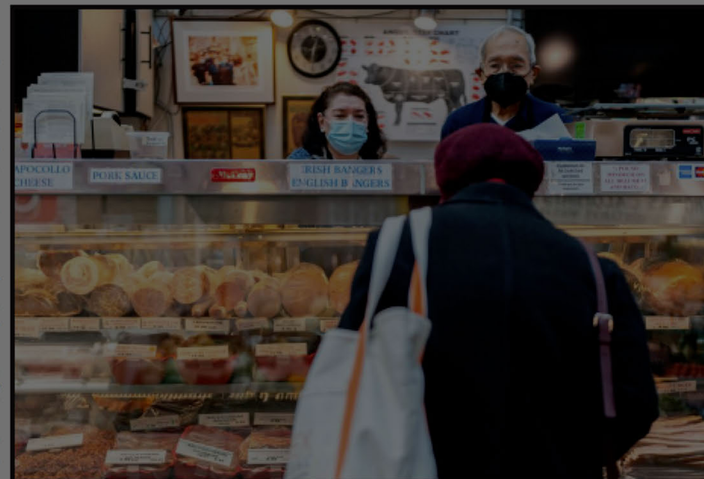
Voter patience wearing thin on inflation

By Josh Boak
Associated Press

WASHINGTON — President Joe Biden came into office with a plan to fix inflation — just not the particular inflationary problem that the country now faces.

His belief is that a cluster of companies control too many industries, which reduces competition for both customers and workers. That leads to higher prices and lower wages in what the White House says is an average cost of $5,000 annually for U.S. families. Biden is now trying to remedy the situation with 72 distinct initiatives — everything from new rules for cell phone repairs to regulations on meatpacking to more merger reviews.

"The dynamics of the modern American economy — the increased consolidation and lack of competition — has distorted market incentives in important ways," said Brian Deese, director of the White House National Economic Council. "The president gave us the direction that he wanted us to come back and say what could we do to address this issue of consolidation across industries in a way that would be durable."



Stefani Reynolds / Getty Images

In this file photo taken on Feb. 9, employees assist a customer at Canales Quality Meats in Eastern Market in Washington.

But even administration officials acknowledge that the initiatives outlined by the president's seven-month-old competition council aren't designed to quickly stop the 7.5% inflation that's frustrating Americans and damaging Biden's popularity. Furthermore, business groups dispute the fundamental premise that competition has faded within the U.S. economy and they are prepared to challenge the administration's new initiatives in court.

"It will strangle economic growth," said Neil Bradley, executive vice president and chief policy officer of the U.S. Chamber of Commerce. "Ironically, what this will do is actually lead to more inflation."

Part of Biden's dilemma is that reorienting a bureaucracy to promote competition takes time, and voters want to see inflation — running at a 40-year peak— start dropping now. Voters feel the bite of inflation with every trip they make to the grocery store or the gas station, yet the president is traveling the country to discuss solutions such as competition and new infrastructure that predate the current predicament and would have a much more gradual impact.

America's current inflation woes stem from the pandemic. Supply chains for computer chips, clothes, furniture and other goods are under stress. At the same time, consumer demand has surged after a historical amount of government aid flowed into the economy. Despite efforts to get the kinks out of the supply chain, price increases have stayed high in recent months instead of fading as many initial forecasts suggested. That has the Federal Reserve ready to increase interest rates to lower inflation.

In a January survey by the University of Chicago, two-thirds of leading economists said that the concentrated power of companies does not explain the current rash of inflation.

New York University economist Thomas Philippon has welcomed the administration's approach — while allowing it would do little to bring down prices. As the author of the 2019 book, "The Great Reversal: How America Gave Up on Free Markets," Philippon is the source of the administration's statement that market concentration places a $5,000 drag on an average family.

What Philippon observed was that other nations had embraced a level of antitrust enforcement and competition that no longer exists in America, resulting in lower costs for cell phone service, internet and airline tickets in Europe relative to the U.S.

"As a way to fight current inflation, it is unlikely to have a big impact in the short term, but it can still be useful," Philippon said. "I think of it more as a positive side effect of something that should be done in any case."

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BY THE WAY

From the desk of Jill Stravolemos, Daily Camera Vice President of Marketing and Advertising

Summer Camps edition reaches local families with kids

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