

Return to State of the Union Report

Consumer Price Index and Inflation Rate

Information Retrieved from AI - To Be Verified

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Section 1: Top 35 Countries with Lowest Inflation Rates

Top 35 Countries with Lowest Inflation Rates (Source: Gallup Global Economic Survey 2025)

Rank	Country	Annual Inflation Rate
1	Suisse or Schweiz (Switzerland)	1.2%
2	日本 Nippon (Japan)	1.3%
3	Singapore	1.4%
4	台灣 (Taiwan)	1.5%
5	السعودية Al-Su'ūdiyya (Saudi Arabia)	1.6%
6	中国 Zhongguo (China)	1.7%
7	ประเทศไทย Prathet Thai (Thailand)	1.7%
8	Malaysia	1.8%
9	Indonesia	1.9%
10	한국 Hanguk (South Korea)	2.0%
11	ישראל Yisra'el (Israel)	2.0%
12	الإمارات العربية المتحدة Al-Imārāt al-'Arabiyya al-Muttaḥida (United Arab Emirates)	2.1%
13	قطر (Qatar)	2.1%
14	Norge (Norway)	2.2%
15	Sverige (Sweden)	2.2%
16	Danmark (Denmark)	2.3%
17	Suomi (Finland)	2.3%
18	Österreich (Austria)	2.4%
19	Nederland (Netherlands)	2.4%
20	Belgique (Belgium)	2.5%
21	République française (France)	2.5%
22	Deutschland (Germany)	2.6%
23	España (Spain)	2.6%
24	Italia (Italy)	2.7%

Rank	Country	Annual Inflation Rate
25	Portugal	2.7%
26	Éire (Ireland)	2.8%
27	Polska (Poland)	2.8%
28	Česko (Czech Republic)	2.9%
29	Magyarország (Hungary)	2.9%
30	Slovensko (Slovakia)	2.9%
31	Chile	3.0%
32	Perú	3.0%
33	Colombia	3.1%
34	Australia	3.1%
35	New Zealand	3.2%

Source: Gallup Global Economic Survey 2025

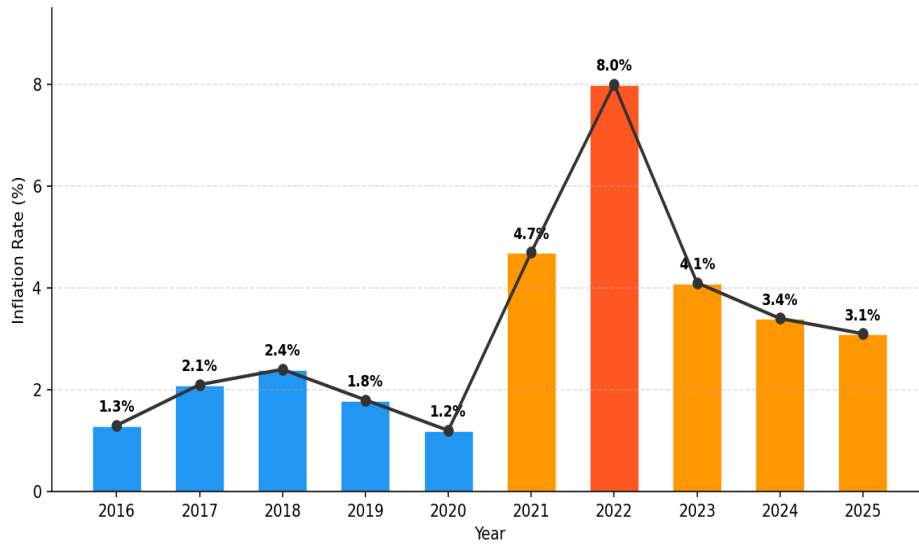
The United States does not appear among the top 35 countries with the lowest inflation rates because the United States experienced higher price pressures in housing, energy, and consumer demand compared with many smaller or more regulated economies. **The most recent annual inflation rate in the United States is approximately 3.1 percent.**

United States Annual Inflation Rate (Past 10 Years)

Year	Inflation Rate
2016	1.3%
2017	2.1%
2018	2.4%
2019	1.8%
2020	1.2%
2021	4.7%
2022	8.0%
2023	4.1%
2024	3.4%
2025	3.1%

United States Annual Inflation Rate — Visual Overview (2016–2025)

United States Annual Inflation Rate (2016-2025)

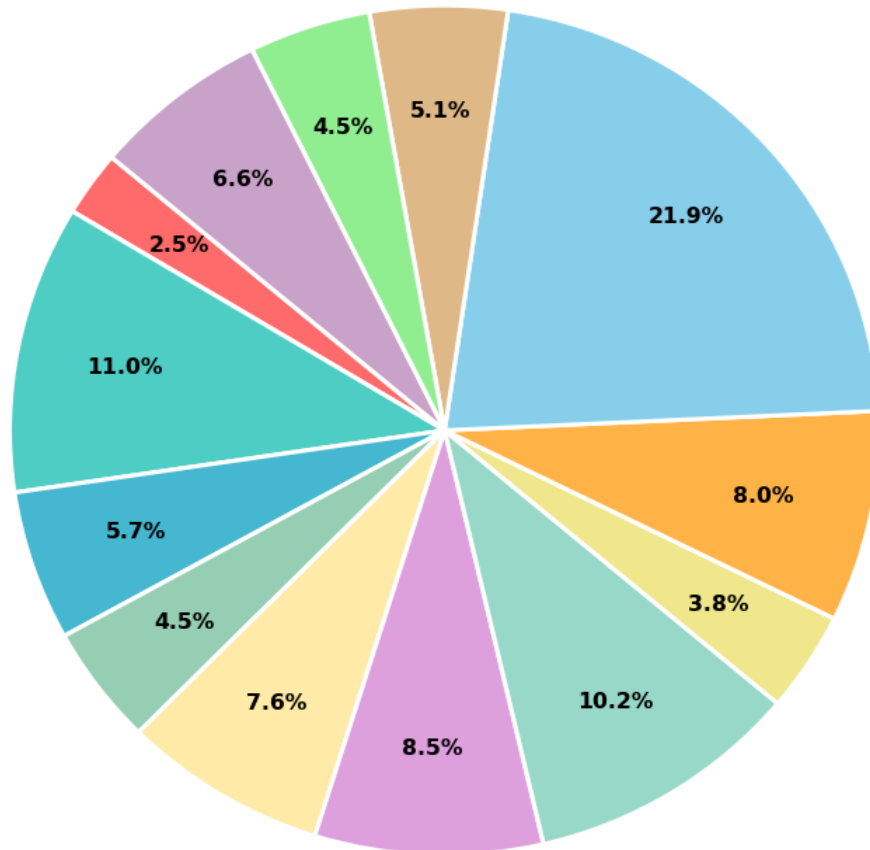


United States Monthly Inflation Rate: January 2025 to February 2026

Month and Year	Monthly Inflation Rate
Jan 2025	0.3%
Feb 2025	0.4%
Mar 2025	0.3%
Apr 2025	0.2%
May 2025	0.2%
Jun 2025	0.3%
Jul 2025	0.2%
Aug 2025	0.2%
Sep 2025	0.3%
Oct 2025	0.2%
Nov 2025	0.2%
Dec 2025	0.3%
Jan 2026	0.3%
Feb 2026	0.3%

References: Gallup <https://www.gallup.com> U.S. Bureau of Labor Statistics <https://www.bls.gov>
Federal Reserve <https://www.federalreserve.gov>

Average Inflation Rate by World Region (Estimated Annual Averages)



Region — Average Inflation Rate	
China — 1.7%	Western Europe (Excl. Russia) — 2.6%
Russia — 7.5%	Middle East — 5.5%
Canada — 3.9%	Africa — 15.0%
United States — 3.1%	Asia (Excl. China) — 3.5%
Mexico — 5.2%	Australia — 3.1%
Central America — 5.8%	Other — 4.5%
South America — 7.0%	

Section 2: What Other Countries Have Done to Lower the Inflation Rate

Schweiz (Switzerland)

Schweiz has maintained low inflation through a combination of strong monetary policy, competitive markets, and stable supply chains. The Schweiz National Bank <https://www.snb.ch> increases or decreases interest rates to stabilize inflation and maintain a strong currency that keeps import prices low.

The Schweiz Competition Commission <https://www.weko.admin.ch> strictly enforces antitrust laws to prevent collusion, monopolistic behavior, or price fixing among corporations. Schweiz also maintains relatively open international trade policies, allowing imports of food, consumer goods, and manufactured products which increases supply and lowers domestic prices.

The Schweiz government also encourages entrepreneurship through innovation funding programs managed by Innosuisse <https://www.innosuisse.ch> which provides grants, research funding, and startup support to new companies. Increasing the number of firms in markets creates additional competition which helps lower prices. Schweiz does not typically impose price controls but instead relies on competitive markets, high productivity industries, and strong supply systems to maintain price stability.

Nippon (Japan)

Nippon uses a mix of monetary policy, subsidies, and industrial policy to control inflation. The Bank of Nippon <https://www.boj.or.jp> stabilizes financial markets and manages interest rates to prevent excessive inflation while supporting economic growth.

The Ministry of Economy Trade and Industry <https://www.meti.go.jp> promotes domestic manufacturing capacity through incentives for semiconductor production, automotive manufacturing, and electronics industries. Increasing production capacity increases supply and prevents shortages that could cause price increases.

Nippon has also implemented targeted energy subsidies to households and businesses during periods of rising global energy prices.

The Nippon Fair Trade Commission <https://www.jftc.go.jp> enforces competition law preventing price fixing and cartel behavior.

Nippon supports entrepreneurs and small businesses through the Small and Medium Enterprise Agency <https://www.chusho.meti.go.jp> which provides financing, training programs, and regulatory assistance to startups and growing companies.

Singapore

Singapore controls inflation primarily through exchange rate management, strong supply chains, and housing supply policies. The Monetary Authority of Singapore <https://www.mas.gov.sg> manages the value of the Singapore dollar which affects import prices. Because Singapore imports most consumer goods, stabilizing the currency helps prevent imported inflation.

The Competition and Consumer Commission of Singapore <https://www.cccs.gov.sg> enforces strict antitrust regulations that prevent price collusion among companies.

Singapore also increases housing supply through government construction programs managed by the Housing and Development Board <https://www.hdb.gov.sg> which builds large numbers of apartments. Increasing housing supply helps prevent rapid increases in rent and housing prices.

Singapore also encourages entrepreneurship through business friendly regulations and startup grants provided by Enterprise Singapore <https://www.enterprisesg.gov.sg> which helps create new firms and competition in retail, technology, and service industries.

Al-Su‘ūdiyya (Saudi Arabia)

Al-Su‘ūdiyya has maintained relatively low inflation by using subsidies and economic diversification policies.

The Al-Su‘ūdiyya Central Bank <https://www.sama.gov.sa> monitors financial conditions and stabilizes monetary policy.

The government provides subsidies for fuel, electricity, and some food products to reduce the impact of global price increases on consumers.

Competition policy is enforced by the General Authority for Competition <https://gac.gov.sa> which investigates anticompetitive practices and price manipulation.

Al-Su‘ūdiyya's Vision 2030 economic program encourages investment in manufacturing, tourism, and technology sectors which increases domestic production capacity. Increasing domestic production reduces dependence on imports and improves supply stability.

Zhongguo (China)

Zhongguo uses large scale supply expansion and price monitoring systems to control inflation. The National Development and Reform Commission <https://www.ndrc.gov.cn> monitors commodity prices and coordinates economic policy.

Zhongguo maintains very large manufacturing sectors producing consumer goods, electronics, clothing, and appliances. High production capacity increases supply and keeps prices relatively stable.

The State Administration for Market Regulation <https://www.samr.gov.cn> enforces antitrust laws and investigates price gouging or cartel behavior.

Zhongguo also maintains government monitoring of prices for essential goods such as grain, fuel, and transportation services. When necessary the government can temporarily intervene to stabilize prices through administrative price guidance or strategic reserves.

Prathet Thai (Thailand)

Prathet Thai uses a combination of monetary policy, agricultural supply expansion, and energy subsidies to control inflation. The Bank of Prathet Thai <https://www.bot.or.th> adjusts interest rates to control inflation and stabilize the financial system.

The Ministry of Commerce <https://www.moc.go.th> monitors retail prices and can implement temporary price controls for certain essential goods.

Prathet Thai also increases agricultural production and food supply which stabilizes food prices.

The Trade Competition Commission of Prathet Thai <https://www.tect.go.th> enforces antitrust regulations preventing price collusion between companies.

Government programs supporting small businesses and entrepreneurs increase market competition and expand supply of consumer goods and services.

Malaysia

Malaysia controls inflation through targeted subsidies, price monitoring, and competition policy. Bank Negara Malaysia <https://www.bnm.gov.my> manages interest rates and financial stability.

The Ministry of Domestic Trade and Cost of Living <https://www.kpdn.gov.my> monitors prices of essential goods such as cooking oil, rice, and fuel.

Malaysia occasionally imposes temporary price caps on essential goods to protect consumers during periods of rapid price increases.

The Malaysia Competition Commission <https://www.mycc.gov.my> enforces antitrust regulations preventing monopolies and cartel pricing. Government programs provide financing and training for entrepreneurs which increases business formation and competition.

Indonesia

Indonesia reduces inflation through coordinated supply management and monetary policy. Bank Indonesia <https://www.bi.go.id> controls interest rates and currency stability.

The Ministry of Trade <https://www.kemendag.go.id> monitors commodity prices and organizes programs to increase domestic supply of staple foods such as rice and cooking oil.

Indonesia has invested heavily in transportation infrastructure including highways, seaports, and rail systems which reduce logistics costs and improve distribution of goods across the country. Lower transportation costs reduce final consumer prices.

The Business Competition Supervisory Commission <https://www.kppu.go.id> enforces antitrust laws to prevent cartel behavior and price manipulation.

Section 3: How to Reduce the Inflation Rate in a Country : General Overview

Inflation can be reduced through several economic policies. Central banks can raise interest rates to reduce excessive borrowing and spending.

Governments can expand supply of goods by encouraging domestic manufacturing, agriculture, and energy production. Competition policies and antitrust enforcement prevent monopolies from raising prices.

Infrastructure investment such as transportation networks reduces logistics costs and improves efficiency.

Governments may also temporarily subsidize essential goods such as food or energy during periods of price shocks. Encouraging entrepreneurship and reducing regulatory barriers allows new businesses to enter markets which increases competition and lowers prices.

Maintaining stable fiscal policy and limiting excessive government deficits also helps maintain price stability.

Section 3A: What the U.S. Can Do to Decrease Its Inflation Rates

The United States has the tools, institutions, and legal authority to meaningfully reduce its inflation rate. Achieving lasting price stability requires coordinated action across multiple levels of government, the private sector, and individual economic actors. No single policy instrument is sufficient on its own. Instead, a sustained and comprehensive strategy must combine monetary discipline, supply-side expansion, robust antitrust enforcement, competitive market reforms, targeted import liberalization, and accountability at every level of the economy.

I. General Overview: How Inflation Is Reduced

Inflation occurs when the supply of goods and services grows more slowly than the demand for them, or when excessive money supply increases the purchasing power available in an economy beyond what production can satisfy.

To reduce inflation, policymakers must either reduce demand, increase supply, or both simultaneously. Reducing demand is typically accomplished through monetary tightening, meaning higher interest rates that make borrowing more expensive and slow consumer and business spending. Increasing supply is accomplished by removing barriers to production,

encouraging investment in capacity, supporting competition, reducing the cost of inputs such as energy and raw materials, and allowing imports to supplement domestic shortages. The most durable reductions in inflation combine both approaches and address the structural causes of price rigidity in specific sectors such as housing, health care, food, and energy.

II. Role of Government Agencies

Federal Reserve System. The Federal Reserve is the primary institution responsible for controlling inflation in the United States through monetary policy. Its principal tool is the federal funds rate, which is the interest rate at which banks lend to one another overnight. When the Federal Reserve raises this rate, borrowing costs across the economy increase, slowing consumer spending and business investment, which in turn reduces demand and cools price increases.

The Federal Reserve must act with discipline, transparency, and credibility. It should publish clear inflation targets, communicate its policy intentions clearly to financial markets and the public, and avoid premature rate reductions that allow inflation to re-accelerate. The Federal Reserve should also coordinate with the Treasury and other executive agencies to ensure that fiscal and monetary policies are not working at cross purposes.

Department of Justice, Antitrust Division. The Antitrust Division of the Department of Justice must aggressively investigate and prosecute price-fixing agreements, bid-rigging conspiracies, market allocation schemes, and other anticompetitive conduct in industries that affect everyday consumer prices. When corporations in concentrated industries coordinate pricing — whether formally or through informal signaling — consumers pay above-competitive prices that contribute directly to inflation. T

he Antitrust Division should increase the frequency and speed of investigations, seek stronger civil and criminal penalties for price-fixing conspirators, and challenge mergers in industries where consolidation has already reduced price competition. Priority sectors should include food processing and distribution, pharmaceutical manufacturing, hospital and health insurance markets, energy production and distribution, and commercial real estate and rental housing markets.

Federal Trade Commission. The Federal Trade Commission has broad authority to prevent unfair methods of competition and unfair or deceptive acts or practices in commerce. It should use this authority to investigate industries where pricing appears disproportionate to cost increases, where algorithmic pricing tools used by competing firms produce suspiciously similar price movements, and where dominant firms use exclusionary practices to prevent new competitors from entering markets.

The FTC should block or conditionally approve mergers and acquisitions in markets for essential goods — including groceries, pharmaceuticals, hospital services, and housing — where consolidation has reduced the number of competitive suppliers and given existing firms pricing power over consumers. The FTC should also require greater transparency in pharmaceutical

pricing, particularly with respect to the role of pharmacy benefit managers and rebate arrangements that obscure actual drug prices.

Department of Commerce. The Department of Commerce should identify sectors of the economy where supply constraints are driving inflation and coordinate federal incentives, grants, and permitting approvals to expand domestic productive capacity. This includes supporting investment in domestic semiconductor manufacturing, food processing infrastructure, residential construction, pharmaceutical manufacturing, and renewable energy production.

The Department should streamline export controls and trade regulations that inadvertently increase input costs for domestic manufacturers, and it should work with industry to identify and resolve supply chain bottlenecks that cause cost increases to flow through to final consumer prices.

Food and Drug Administration. The Food and Drug Administration should take specific and aggressive steps to reduce pharmaceutical prices in the United States. The FDA should accelerate the review and approval of generic drug applications, particularly for drugs where a single manufacturer or a small group of manufacturers has achieved near-monopoly pricing.

The FDA should reduce regulatory barriers for the importation of FDA-approved drugs from countries with comparable safety standards, including Canada, the United Kingdom, Deutschland, and Nippon. When domestic drug shortages occur due to manufacturing concentration or market withdrawal, the FDA should facilitate emergency importation from foreign sources rather than allowing shortages to persist and prices to rise. The FDA should also increase manufacturing facility approvals for foreign generic drug producers to increase the number of suppliers competing in the U.S. market.

Department of Agriculture. The Department of Agriculture should expand programs that support small and mid-sized farms, which are essential to maintaining a competitive and resilient food supply chain. The USDA should investigate and report on concentration in the meatpacking, poultry processing, dairy, and grain trading industries, where a small number of large corporations control an enormous share of production and have the ability to manipulate supply and pricing.

The USDA should strengthen enforcement of the Packers and Stockyards Act, which prohibits anticompetitive and deceptive practices in meat and poultry markets. It should also reduce regulatory burdens that prevent regional food processing facilities from operating, which would improve competition in local and regional food markets and reduce reliance on long, concentrated national supply chains.

Department of Housing and Urban Development and State and Local Governments. Housing costs are one of the largest components of the Consumer Price Index and have

contributed substantially to elevated inflation over the past several years. To reduce housing-driven inflation, HUD and state and local governments must take coordinated steps to increase the supply of housing. This means reforming restrictive zoning laws that prohibit higher-density residential construction near employment centers, streamlining permitting processes that delay housing construction by years, funding workforce training programs for the construction trades to address labor shortages, reducing regulatory barriers to the use of modular and prefabricated construction methods, and incentivizing the conversion of underutilized commercial real estate into residential units. Federal housing assistance programs should be reformed to reduce incentives for land speculation and vacancy, and HUD should support the development of affordable housing in areas with tight rental markets.

Department of Energy. Energy prices have a pervasive effect on inflation because energy is an input cost for nearly every sector of the economy, from food production and transportation to manufacturing and retail. The Department of Energy should accelerate permitting for domestic energy production across all sources, including natural gas, wind, solar, nuclear, and geothermal power. It should reduce transmission bottlenecks that prevent cheap renewable electricity from reaching consumers in high-cost regions.

The Department should also invest in and support the strategic petroleum reserve as a tool to stabilize energy prices during supply shocks, and it should work with the Environmental Protection Agency and the Council on Environmental Quality to streamline environmental review processes that delay energy infrastructure construction for years without commensurate environmental benefit.

Small Business Administration. The Small Business Administration should expand access to capital for entrepreneurs seeking to enter markets where concentration and limited competition have allowed existing firms to maintain elevated prices.

This includes low-interest loan programs, grant programs for businesses entering underserved or concentrated markets, and technical assistance for small businesses competing against large national chains. The SBA should also partner with the FTC to identify industries where entry barriers are artificially high due to regulatory capture, incumbent lobbying, or predatory pricing by dominant firms, and should recommend regulatory and legislative reforms to reduce those barriers.

Office of the United States Trade Representative. The USTR should evaluate and where possible reduce tariffs and import barriers on goods that are subject to domestic shortages or where domestic prices have risen substantially above international market prices. When a domestic industry is dominated by a small number of firms that use their market position to maintain prices well above competitive levels, importing competing goods from abroad can be an effective tool for disciplining that pricing power.

The USTR should work with Congress to authorize temporary tariff reductions on specific essential goods — including prescription drugs, medical devices, food commodities, and consumer electronics — where domestic supply is insufficient to meet demand at reasonable prices.

III. Role of Government Officials

The President of the United States. The President sets the tone and direction for the entire executive branch’s approach to inflation. The President should declare price stability a top economic priority, coordinate the activities of all relevant cabinet departments and independent agencies, and publicly hold officials accountable for progress. The President should issue executive orders directing agency heads to identify and remove regulatory barriers that suppress domestic supply and increase costs for producers.

The President should resist political pressure to impose broad price controls, which historically distort markets, create shortages, and worsen inflation over the medium and long term, while using available emergency authorities narrowly and with clearly defined limits when temporary intervention is genuinely warranted.

Members of Congress. Congress has substantial legislative authority to reduce structural causes of inflation. Congress should pass legislation that authorizes the importation of prescription drugs from countries with equivalent safety standards, strengthens antitrust laws to increase penalties and improve enforcement tools, reforms occupational licensing laws that prevent workers from competing in labor markets, increases investment in transportation and logistics infrastructure that reduces the cost of moving goods, and creates fiscal frameworks that reduce federal deficits during periods of economic growth so that government borrowing does not add to demand-driven inflationary pressure.

Congressional oversight committees should hold regular hearings examining pricing practices in concentrated industries and should require government accountability on the effectiveness of anti-inflation measures.

State Governors and Legislatures. State governments have direct control over some of the most significant sources of consumer price inflation, including zoning and land use regulations, occupational licensing requirements, utility regulation, and insurance markets. Governors and state legislators should undertake comprehensive reviews of state-level regulations that increase the cost of housing, health care, childcare, and education.

States should reform or eliminate unnecessary occupational licensing requirements that serve primarily to protect incumbents from competition rather than to protect public health or safety. State attorneys general should coordinate with federal authorities in antitrust investigations of industries operating within their borders and should use state consumer protection laws to address price gouging during emergencies.

IV. Role of Corporations and the Private Sector

Prohibition of Price-Fixing and Anticompetitive Coordination. Corporations operating in the United States are legally prohibited from entering into agreements with competitors to fix prices, allocate markets, or coordinate bids. These prohibitions exist under federal antitrust law, particularly the Sherman Antitrust Act, and violations are subject to both criminal prosecution and civil liability. Despite these prohibitions, price-fixing has occurred in numerous industries, including pharmaceuticals, chemicals, construction, automotive parts, and financial services. Corporate boards, chief executives, and general counsel must ensure that their companies have robust antitrust compliance programs, that employees are trained on the prohibition on competitor communications about pricing, and that internal reporting mechanisms exist for employees who become aware of potential violations.

Corporations that engage in algorithmic pricing systems that mimic or facilitate coordinated pricing must scrutinize those systems carefully to ensure they do not produce outcomes equivalent to illegal price coordination.

Increasing Production and Capacity. Corporations should invest in increasing their production capacity, particularly in sectors where demand consistently exceeds supply and where supply shortfalls are a primary driver of price increases.

This includes investment in new manufacturing facilities, agricultural processing capacity, residential construction, pharmaceutical production, and energy infrastructure. Corporate executives should resist the temptation to restrict supply in order to maintain elevated prices or protect profit margins in ways that are inconsistent with competitive market behavior. Shareholders and boards of directors should hold management accountable for decisions that prioritize short-term stock price appreciation over long-term investment in capacity and competition.

Pharmaceutical Companies and Drug Pricing. Pharmaceutical manufacturers have in many cases charged prices in the United States that are two to ten times higher than prices for the same drugs in comparable developed countries. This disparity is driven in part by a lack of competitive alternatives due to patent protections and FDA exclusivity periods, the absence of government negotiating power for Medicare drug purchases until recently, and complex rebate arrangements involving pharmacy benefit managers that obscure actual transaction prices. Pharmaceutical corporations should bring drug prices in the United States into greater alignment with international market prices.

They should reduce barriers to generic competition by not entering into anticompetitive “pay for delay” agreements with generic manufacturers, which delay the entry of cheaper alternatives into the market. They should also publish transparent pricing information that allows consumers, insurers, and government purchasers to make meaningful comparisons.

Grocery, Food Processing, and Retail Corporations. The U.S. food industry has experienced significant consolidation at every level of the supply chain, from farm inputs and agricultural commodities to meatpacking, grain processing, grocery distribution, and retail. This concentration has reduced the competitive pressure that historically kept food prices aligned with production costs. Major food retailers and processors should refrain from using their market power to impose unjustified price increases beyond cost pass-through, should increase transparency in their pricing and supply chain practices, and should avoid acquisitions that further reduce competition in already concentrated markets. Where corporations control both upstream production and downstream distribution — as is common in poultry, pork, and beef — they should ensure that their contracting practices with farmers and suppliers are competitive and fair, and should not use market dominance to suppress grower payments while maintaining elevated retail prices.

Energy Companies. Energy corporations should invest their profits in increased domestic production capacity, grid infrastructure, and refining capacity rather than exclusively in shareholder buybacks during periods of elevated energy prices.

Refinery owners should not artificially restrict refining capacity as a means of maintaining elevated gasoline and diesel prices. Utilities should work cooperatively with state regulators to reduce transmission bottlenecks that prevent low-cost electricity from reaching consumers, and should accelerate the deployment of clean energy at scale in order to reduce long-run energy costs.

Health Insurance and Hospital Companies. Health care costs are one of the most persistent and significant contributors to inflation in the United States and represent a disproportionate share of household budgets. Hospital consolidation has in many markets eliminated meaningful competition for inpatient care, allowing dominant systems to charge prices far above competitive levels. Health insurance companies should not use market power to impose excessive administrative costs, reduce coverage options, or engage in anticompetitive practices that limit access to lower-cost providers.

Hospital systems should publish transparent pricing information as required by law, should refrain from anticompetitive acquisition of physician practices and competing facilities, and should cooperate with government oversight to identify and reduce wasteful billing practices.

V. Antitrust Enforcement: Specific Actions Required

Antitrust enforcement is among the most powerful tools available to the United States government for reducing prices in concentrated markets. The Sherman Antitrust Act, the Clayton Act, and the Federal Trade Commission Act together provide broad authority to prohibit and remedy anticompetitive conduct. To use these tools effectively in addressing inflation, the following specific actions are required.

The Department of Justice and FTC should substantially increase investigative resources dedicated to price-fixing in essential goods industries. Price-fixing conspiracies often persist for years before detection. Increasing the number of investigators, economists, and attorneys dedicated to cartel enforcement will shorten detection times and increase deterrence. Both agencies should expand their use of leniency programs that reward the first conspirator to self-report a price-fixing scheme, as these programs have historically been the most effective tool for uncovering hidden cartels.

The FTC should investigate the use of algorithmic pricing software that allows competitors to achieve coordinated pricing outcomes without explicit communication. Several major landlords, for example, have used revenue management software that some researchers and officials have argued produces rent increases consistent with coordinated behavior. The FTC should assess whether such software constitutes an unlawful mechanism of price coordination and, if so, prohibit its use or require structural modifications.

Congress should increase criminal penalties for price-fixing violations and should extend the statute of limitations for antitrust offenses to ensure that long-running conspiracies do not escape prosecution simply due to the passage of time. The current maximum criminal penalty for individuals convicted of price-fixing under federal law is ten years imprisonment and \$1 million in fines, but given the enormous profits that price-fixing conspiracies can generate, these penalties may be insufficient to deter conduct in industries with very large profit margins.

VI. Allowing Imports to Reduce Prices: Drugs and Overpriced Essential Goods

One of the most direct and immediately effective tools for reducing prices in markets where domestic supply is insufficient or where monopoly or oligopoly pricing prevails is to allow imports of competitively priced foreign products. The United States currently imposes significant barriers — legal, regulatory, and tariff-based — to the importation of many goods for which domestic prices exceed international market prices by substantial margins. These barriers protect incumbent domestic suppliers at the direct expense of consumers.

Prescription Drug Importation. The United States pays substantially more for prescription drugs than any other developed country. Insulin, for example, costs several times more in the U.S. than in Canada or Deutschland for identical products manufactured in the same facilities. The same disparity exists for cancer drugs, HIV medications, cholesterol medications, and virtually every major pharmaceutical product class. The Food, Drug, and Cosmetic Act currently restricts the importation of prescription drugs, but Congress has provided the Secretary of Health and Human Services with authority to certify programs that allow importation from Canada when it is determined to pose no additional risk to public health or safety and to result in cost savings to consumers.

The FDA and HHS should broadly exercise this authority and should work with states that have established importation programs to facilitate their implementation. Congress should go further

and authorize the FDA to approve importation from any country with a drug safety regulatory system equivalent to that of the United States.

Medical Devices and Equipment. The U.S. medical device market is highly concentrated in many product categories, and prices for devices such as orthopedic implants, cardiac stents, diagnostic equipment, and surgical instruments are substantially higher in the United States than in Europe and other markets.

The FDA should streamline its approval process for devices already approved by the European Medicines Agency or equivalent foreign regulatory bodies, reducing the time and cost of market entry for competitive foreign products. Congress should also consider eliminating or reducing tariffs on medical devices not manufactured domestically in sufficient quantities to meet demand.

Food Imports. The United States maintains tariffs and import restrictions on a wide range of food products that protect domestic agricultural producers but increase consumer food costs. Sugar tariffs, for example, have historically kept U.S. sugar prices at roughly twice the world market price, increasing costs for food manufacturers and consumers. Tariffs on imported dairy, beef, poultry, and produce from countries with comparable food safety standards similarly increase domestic food prices.

The USTR and Congress should evaluate these tariffs with consumer welfare and inflation control as explicit criteria, and should reduce or eliminate those that cause domestic prices to substantially exceed world market prices without corresponding public health or environmental justification.

VII. Role of Private Individuals and Consumers

While most of the tools for reducing inflation lie with government and large institutional actors, private individuals also have meaningful roles to play. Informed consumers who compare prices, use generic drugs instead of brand-name equivalents when available, resist unnecessary purchases during periods of elevated prices, and patronize competitive suppliers rather than dominant incumbents exercise market discipline that contributes to competitive pricing. Employees and workers who participate in labor markets with reasonable expectations about wage growth help prevent wage-price spiral dynamics that can make inflation self-perpetuating.

Citizens also play a democratic role. Voters who demand accountability from elected officials on consumer prices, who support candidates and policies that prioritize antitrust enforcement and competitive markets, and who engage with regulatory comment processes when agencies propose rules affecting competition send important signals to policymakers about the political priority of price stability.

Entrepreneurs who identify markets where prices are excessive and consumer needs are unmet, and who have the initiative to start new businesses in those markets, are essential to the competitive process that restrains pricing power. Small investors who direct capital toward

competitive new entrants rather than exclusively toward dominant incumbents also contribute to market dynamism.

VIII. Conclusion

Reducing inflation in the United States is not a task that can be accomplished by any single institution, policy, or actor. It requires the Federal Reserve to maintain monetary discipline, Congress to legislate structural reforms, executive agencies to enforce antitrust laws vigorously and reduce regulatory barriers to supply, corporations to compete honestly and invest in productive capacity, and consumers and entrepreneurs to exercise the economic agency available to them. The most stubborn contributors to U.S. inflation — housing costs, pharmaceutical prices, health care expenses, and food industry concentration — require targeted structural action that goes beyond interest rate adjustments. Addressing these structural causes through antitrust enforcement, import liberalization, supply expansion, and competitive market reform offers the most durable path to sustained price stability for American consumers and households.

Section 4: References

Swiss National Bank <https://www.snb.ch>

Bank of Nippon <https://www.boj.or.jp>

Monetary Authority of Singapore <https://www.mas.gov.sg>

Saudi Central Bank <https://www.sama.gov.sa>

National Development and Reform Commission Zhongguo <https://www.ndrc.gov.cn>

Bank of Prathet Thai <https://www.bot.or.th>

Bank Negara Malaysia <https://www.bnm.gov.my>

Bank Indonesia <https://www.bi.go.id>

U.S. Bureau of Labor Statistics <https://www.bls.gov>

Federal Reserve <https://www.federalreserve.gov>

Section 5: Draft of a House Bill

119TH CONGRESS
1ST SESSION

H.R. 1000

IN THE HOUSE OF REPRESENTATIVES

[DATE]

Mr./Ms. [SPONSOR] (for himself/herself and [CO-SPONSORS]) introduced the following bill; which was referred to the Committee on [COMMITTEE NAME]

A BILL

To stabilize consumer prices, reduce the rate of inflation in the United States, strengthen antitrust and competition enforcement with respect to essential goods and services, promote domestic production and supply chain resilience, incentivize entrepreneurship and market competition, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Inflation Reduction and Price Stability Act".

(b) Table of Contents.—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purpose.
- Sec. 3. Definitions.
- Sec. 4. Federal Reserve monetary policy mandate.
- Sec. 5. Department of Commerce domestic production initiative.
- Sec. 6. Antitrust and competition enforcement for essential goods.
- Sec. 7. Price transparency requirements for corporations.
- Sec. 8. Infrastructure investment for supply chain resilience.
- Sec. 9. Entrepreneurship and new market entry incentives.
- Sec. 10. Temporary essential goods price stabilization authority.
- Sec. 11. Interagency Price Stability Coordination Council.

- Sec. 12. Consumer and reporting compliance.
- Sec. 13. Enforcement and penalties.
- Sec. 14. Appropriations.
- Sec. 15. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds the following:

- (1) The United States annual inflation rate has exceeded two percent for multiple consecutive years, reaching 8.0 percent in 2022 and remaining at approximately 3.1 percent as of 2025, resulting in reduced purchasing power for American households.
- (2) Countries with sustained low inflation rates, including Schweiz, Nippon, and Singapore, have employed coordinated monetary policy, robust antitrust enforcement, supply expansion strategies, and entrepreneurship incentives to stabilize prices.
- (3) Concentration in markets for essential goods, including food, energy, housing, and healthcare, has contributed to price rigidity and reduced consumer benefit from supply-side improvements.
- (4) Federal investment in transportation, logistics, and energy infrastructure reduces the cost of delivering goods to consumers and strengthens domestic supply chains.
- (5) Increasing the number of firms operating in essential goods markets through entrepreneurship support and regulatory streamlining promotes competition and exerts downward pressure on prices.
- (6) Coordinated action among Federal agencies, guided by clear statutory objectives, is necessary to achieve durable price stability for American consumers.

(b) Purpose.—The purpose of this Act is to reduce and stabilize consumer price inflation in the United States by—

- (1) strengthening the Federal Reserve's price stability mandate and interagency coordination;
- (2) expanding domestic production capacity in key sectors;
- (3) enhancing antitrust enforcement and pricing transparency for essential goods;
- (4) investing in supply chain and logistics infrastructure;
- (5) removing regulatory barriers to entrepreneurship and market entry; and
- (6) establishing a temporary price stabilization authority for essential goods during declared inflationary emergencies.

SEC. 3. DEFINITIONS.

For purposes of this Act:

- (1) **Consumer Price Index.**— The term "Consumer Price Index" means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.
- (2) **Essential goods.**— The term "essential goods" means food, prescription drugs, housing, residential energy, motor fuel, and such other goods and services as the Secretary of Commerce may designate by regulation.
- (3) **Inflation rate.**— The term "inflation rate" means the annual percentage change in the Consumer Price Index.
- (4) **Price stability target.**— The term "price stability target" means an annual inflation rate of two percent as measured by the Consumer Price Index.
- (5) **Covered corporation.**— The term "covered corporation" means any person engaged in interstate commerce that derives gross revenue exceeding \$500,000,000 annually from the production, distribution, or sale of essential goods.
- (6) **Council.**— The term "Council" means the Interagency Price Stability Coordination Council established under section 11.

SEC. 4. FEDERAL RESERVE MONETARY POLICY MANDATE.

(a) **Enhanced Reporting Requirement.**—Not later than 90 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a written plan describing—

- (1) the specific monetary policy tools the Board intends to deploy to achieve the price stability target;
- (2) projected timelines for returning the inflation rate to the price stability target; and
- (3) benchmarks by which Congress may evaluate the Board's progress.

(b) **Semiannual Reporting.**—The Board shall include in each semiannual report to Congress required under section 2B of the Federal Reserve Act (12 U.S.C. § 225b) a dedicated section assessing the Board's progress toward the price stability target and any corrective actions planned if the inflation rate deviates from that target by more than one percentage point.

(c) **Coordination.**—The Board shall participate in the Council established under section 11 and shall coordinate monetary policy communications with fiscal, trade, and regulatory actions undertaken by other Federal agencies to promote complementary price stabilization efforts. Nothing in this section shall be construed to limit the independence of the Board in the conduct of monetary policy.

SEC. 5. DEPARTMENT OF COMMERCE DOMESTIC PRODUCTION INITIATIVE.

(a) *Supply Expansion Program.*—The Secretary of Commerce shall establish a Domestic Supply Expansion Program to identify sectors experiencing supply constraints that contribute to inflationary pressure and to coordinate Federal incentives, grants, and technical assistance to increase domestic productive capacity in such sectors.

(b) *Priority Sectors.*—In implementing subsection (a), the Secretary shall give priority to domestic production capacity in—

- (1) food production, processing, and distribution;
- (2) domestic energy production, including renewable and conventional sources;
- (3) residential housing construction;
- (4) pharmaceutical and medical supply manufacturing; and
- (5) semiconductor and advanced manufacturing industries.

(c) *Annual Report.*—Not later than one year after the date of enactment of this Act and annually thereafter, the Secretary of Commerce shall submit to Congress a report describing the status of supply constraints identified, actions taken, and measurable outcomes achieved under this section.

SEC. 6. ANTITRUST AND COMPETITION ENFORCEMENT FOR ESSENTIAL GOODS.

(a) *Enhanced Enforcement Priority.*—The Attorney General and the Federal Trade Commission shall each designate essential goods and services as a priority enforcement area for purposes of sections 1 and 2 of the Sherman Antitrust Act (15 U.S.C. §§ 1, 2) and section 5 of the Federal Trade Commission Act (15 U.S.C. § 45). Each agency shall dedicate not less than 15 percent of its annual antitrust enforcement resources to investigating potential collusion, price fixing, market allocation, and monopolistic conduct in markets for essential goods.

(b) *Joint Investigation Task Force.*—Not later than 180 days after the date of enactment of this Act, the Attorney General and the Chair of the Federal Trade Commission shall establish a joint Price Competition Task Force to investigate and prosecute anticompetitive conduct in essential goods markets. The Task Force shall publish an annual public report of its activities, consistent with law and ongoing investigation confidentiality.

(c) *Merger Review Standards.*—In reviewing proposed mergers and acquisitions under the Clayton Act (15 U.S.C. § 18) in markets for essential goods, the Federal Trade Commission and the Department of Justice shall give substantial weight to whether the transaction is likely to reduce competition in a manner that contributes to price increases for consumers.

SEC. 7. PRICE TRANSPARENCY REQUIREMENTS FOR COVERED CORPORATIONS.

(a) *Annual Cost and Pricing Disclosure.*—Each covered corporation shall submit to the Federal Trade Commission, on an annual basis, a report disclosing—

- (1) the primary cost components contributing to price changes in essential goods the corporation produces or distributes;
- (2) the corporation's net profit margin attributable to essential goods; and
- (3) any industry pricing agreements, benchmarking practices, or algorithmic pricing systems used in setting prices for essential goods.

(b) *Public Disclosure.*—The Federal Trade Commission shall make summary data submitted under subsection (a) available to the public in a searchable, machine-readable format, subject to redaction of information that constitutes a trade secret under applicable law.

(c) *Prohibition on Collusive Pricing Practices.*—No covered corporation shall engage in any agreement, understanding, or concerted practice with any competitor to fix, stabilize, raise, or coordinate prices for essential goods. A violation of this subsection shall be deemed an unfair method of competition under section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. § 45(a)(1)).

SEC. 8. INFRASTRUCTURE INVESTMENT FOR SUPPLY CHAIN RESILIENCE.

(a) *Supply Chain Infrastructure Grant Program.*—The Secretary of Transportation, in coordination with the Secretary of Commerce, shall establish a Supply Chain Infrastructure Grant Program to provide competitive grants to States, localities, and eligible private entities for projects that reduce logistics costs and improve the distribution of essential goods, including—

- (1) highway and freight corridor improvements;
- (2) port and intermodal facility upgrades;
- (3) rail freight infrastructure; and
- (4) last-mile distribution networks serving rural and underserved communities.

(b) *Consumer Price Impact Assessment.*—The Secretary of Transportation shall, in evaluating grant applications under subsection (a), include as a criterion the projected reduction in transportation and logistics costs for essential goods and the estimated consumer price benefit of the proposed project.

SEC. 9. ENTREPRENEURSHIP AND NEW MARKET ENTRY INCENTIVES.

(a) *Small Business Entry Grants.*—The Administrator of the Small Business Administration shall establish a Price Competition Small Business Grant Program to provide grants of not more than \$500,000 to eligible small business concerns entering markets for essential goods where the Administrator, in consultation with the Federal Trade Commission, determines that market concentration is contributing to elevated consumer prices.

(b) *Regulatory Barrier Review.*—Not later than one year after the date of enactment of this Act, the Director of the Office of Management and Budget, working through the Office of Information and Regulatory Affairs, shall identify Federal regulations that present unnecessary barriers to the entry of new firms into markets for essential goods and recommend to Congress modifications to reduce such barriers consistent with public health, safety, and environmental protection.

(c) *Innovation and Research Funding.*—The Director of the National Science Foundation and the Director of the National Institute of Standards and Technology shall jointly establish a grant program to fund research and development in technologies that demonstrably reduce the cost of producing essential goods or increase the productive efficiency of supply chains.

SEC. 10. TEMPORARY ESSENTIAL GOODS PRICE STABILIZATION AUTHORITY.

(a) *Inflationary Emergency Declaration.*—The President may declare an Inflationary Emergency with respect to one or more categories of essential goods if the President determines, based on data provided by the Bureau of Labor Statistics, that prices for such goods have increased by more than 10 percent in any rolling 12-month period and that such increase threatens the economic security of American households.

(b) *Authorized Actions.*—During a declared Inflationary Emergency, the President may, for a period not to exceed 180 days, direct the Secretary of Commerce to—

- (1) release quantities of essential goods from Federal strategic reserves;
- (2) negotiate voluntary price moderation agreements with covered corporations;
- (3) prioritize the distribution of Federal supply expansion grants to address the specific supply constraints driving the emergency; and
- (4) suspend or reduce import duties on designated essential goods on a temporary basis, subject to Congressional notification under subsection (d).

(c) *Limitations.*—Nothing in this section shall be construed to authorize mandatory price controls on private market transactions. Voluntary price moderation agreements under subsection (b)(2) shall not constitute agreements in restraint of trade for purposes of the Sherman Antitrust Act when made pursuant to this section.

(d) *Congressional Notification.*—The President shall notify Congress within 48 hours of issuing an Inflationary Emergency declaration and shall provide a written justification including the economic data relied upon. The declaration shall expire after 180 days unless Congress enacts a joint resolution authorizing an extension.

SEC. 11. INTERAGENCY PRICE STABILITY COORDINATION COUNCIL.

(a) *Establishment.*—There is established an Interagency Price Stability Coordination Council (in this section referred to as the "Council").

(b) *Membership.*—The Council shall be chaired by the Secretary of the Treasury and shall include the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Energy, the Secretary of Transportation, the Secretary of Housing and Urban Development, the Administrator of the Small Business Administration, the Chair of the

Federal Trade Commission, the Chair of the Board of Governors of the Federal Reserve System (in a nonvoting advisory capacity), and such other officials as the President may designate.

(c) Duties.—The Council shall—

- (1) coordinate Federal fiscal, monetary, regulatory, and trade policies to promote price stability;
- (2) identify cross-agency barriers to achieving the price stability target and recommend legislative and administrative remedies;
- (3) publish a semiannual Price Stability Report to Congress and the public evaluating the state of consumer prices and the effectiveness of actions taken under this Act; and
- (4) advise the President on the declaration and termination of Inflationary Emergencies under section 10.

SEC. 12. CONSUMER AND REPORTING COMPLIANCE.

(a) Individual Compliance Requirements.—Any individual who participates in a Federal subsidy, tax credit, or rebate program established pursuant to this Act shall—

- (1) certify to the administering agency, under penalty of perjury, that all information submitted in connection with such program is true and accurate;
- (2) retain supporting documentation for a period of not less than three years; and
- (3) cooperate with any audit or review conducted by the applicable Federal agency or the Inspector General thereof.

(b) Whistleblower Protection.—Any individual who reports in good faith a violation of this Act to the Federal Trade Commission, the Department of Justice, or the Council shall be protected from retaliation in employment under the procedures established by section 1057 of the Consumer Financial Protection Act of 2010 (12 U.S.C. § 5567), applied to this Act by analogy.

SEC. 13. ENFORCEMENT AND PENALTIES.

(a) Civil Penalties for Covered Corporations.—Any covered corporation that violates section 7(a) or section 7(c) of this Act shall be subject to a civil penalty of not more than \$10,000,000 per violation, or, in the case of a continuing violation, not more than \$1,000,000 per day during which the violation continues. The Federal Trade Commission shall have authority to assess and enforce such penalties pursuant to its procedures under section 5 of the Federal Trade Commission Act (15 U.S.C. § 45).

(b) False Reporting Penalties.—Any person who knowingly submits false or fraudulent information in any report, certification, or disclosure required under this Act shall be subject to the criminal and civil penalties applicable under 18 U.S.C. § 1001 and under the False Claims Act (31 U.S.C. § 3729 et seq.), as applicable.

(c) Agency Enforcement Authority.—Each Federal agency responsible for administering a program or requirement under this Act is authorized to promulgate regulations, conduct

investigations, issue subpoenas, hold hearings, and take such other enforcement actions as are necessary to carry out the purposes of this Act, consistent with applicable law.

(d) *Private Right of Action.*—Nothing in this Act shall be construed to create a private right of action against any covered corporation or Federal agency, except as otherwise expressly provided herein or as exists under applicable Federal antitrust law.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) *In General.*—There are authorized to be appropriated such sums as may be necessary to carry out this Act for each of the fiscal years 2026 through 2031.

(b) *Specific Authorizations.*—Of the amounts authorized to be appropriated under subsection (a)—

- (1) \$2,000,000,000 per fiscal year is authorized for the Supply Chain Infrastructure Grant Program established under section 8;
- (2) \$500,000,000 per fiscal year is authorized for the Price Competition Small Business Grant Program established under section 9;
- (3) \$250,000,000 per fiscal year is authorized for the Price Competition Task Force established under section 6; and
- (4) \$100,000,000 per fiscal year is authorized for the administration of the Council established under section 11 and the reporting requirements of this Act.

(c) *Budgetary Offsets.*—The Director of the Office of Management and Budget shall identify, and the President shall include in each annual budget submission, offsets or revenue measures sufficient to ensure that the spending authorized by this section does not increase the Federal deficit over the 10-year budget window.

SEC. 15. EFFECTIVE DATE.

(a) *General Effective Date.*—Except as otherwise provided in this section, this Act shall take effect on the date that is 180 days after the date of enactment of this Act.

(b) *Immediate Provisions.*—The following provisions of this Act shall take effect on the date of enactment—

- (1) section 4(a) (Federal Reserve reporting plan);
- (2) section 6(b) (establishment of the Joint Price Competition Task Force); and
- (3) section 11 (establishment of the Council).

(c) *Rulemaking Deadline.*—Each Federal agency required to promulgate regulations under this Act shall issue a final rule not later than 270 days after the date of enactment of this Act, except that upon a determination by the Director of the Office of Management and Budget that additional time is necessary to ensure regulatory quality, any such deadline may be extended by not more than 90 additional days.