

# **Inflation and Major League Baseball**

**by Phillip W. Weiss**

**As you know, we are living in an era of escalating inflation. This inflation was triggered by the wild fluctuations in the price of oil that occurred during the COVID-19 pandemic coupled with politically-driven energy policies announcing the intent of the United States to reduce the consumption of fossil fuels, including through cuts in United States' production of oil.**

**However, another huge driver of inflation is professional sports entertainment, especially major league baseball. Major league baseball is a cartel comprised of a number of franchises that operate in unison to deliver a product, namely, baseball games, to a select market that is comprised of consumers, known as baseball fans, who want to watch people, known as baseball players, play what originally was a game played by school boys and later by working class men.**

**While the Federal Reserve is raising interest rates to reduce inflation, Major League Baseball, instead of taking the lead to cooperate in efforts to reduce inflation, is doing everything it can to hike prices on EVERYTHING it sells at ballparks.**

**The disconnect between the policy of the Federal Reserve and Major League Baseball could not be more glaring. For example, at one Major League Baseball stadium, a Giant Craft Can of beer costs \$15.99 (plus tax); a box of Cracker Jack costs \$6.49 (plus tax), a frozen strawberry daiquiri costs \$29.99 (plus tax), a Giant Can of Bud Light beer costs \$14.79 (plus tax), a hamburger costs \$8.29 (plus tax), a hot dog costs \$7.99 (plus tax), a regular coffee costs \$4.29 (plus tax), and a Unicorn Shake costs \$16.99 (plus tax). It is as if Major League Baseball is operating in a different economic universe.**

**It could be argued that Major League Baseball is hiking prices to offset higher costs incurred by the sharp increase in players' salaries, many of which are now in the tens of millions of dollars. However, that is a problem that was created by Major League Baseball itself when it decided to scrap the reserve clause, which the US Supreme Court, in the case of *Flood v Kuhn (407 U.S. 258 (1972))*, found was constitutional, in favor of free agency which opened the flood gates for escalating salaries.**

**Accordingly, the time is now for the United States to take control of Major League Baseball, or at least place it under the supervision of a public commission that will ensure that Major League Baseball exercises restraint in its pricing policies.**

Today Major League Baseball is a major industry. It owns and operates tens of billions of dollars of assets, and what Major League Baseball does directly impacts on the economy of the United States. This makes Major League Baseball operations a matter of public interest and concern.

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