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U.S. SENATE



603 Way

MAKE *OUR* ECONOMY

GREAT AGAIN

Inflation is at a 40-year high with no end in sight. Personal consumption expenditure prices rose 5.2% in March, while our national GDP contracted 1.4% in the first quarter of 2022. A gallon of gas is up 33% on average since last year. Grocery prices rose 8.6% in March alone. Across the board, everything costs more. Retirement savings are suddenly worth less than they were a year ago. For Granite State families and families across the country, this has become the number one biggest concern.

High inflation is essentially a tax on every American, and for lower income families who spend most of their income on basic needs, its effects are devastating.

Meanwhile, President Biden and Maggie Hassan continue to try to make excuses for inflation. They've attempted to blame everything from COVID-19 to Putin's invasion of the Ukraine, but the truth is that inflation is the result of unchecked government spending and a complete lack of fiscal discipline at the federal level.

And it isn't just individuals that are hurt by inflation. Inflation affects small businesses by shrinking the value of the money they spend to make investments into their companies. Small business owners now see inflation as the biggest issue to their success, even greater than the worker shortage.

We need real solutions that will both fight the long term causes of inflation and help everyday Americans immediately, by relieving some of the effects of the inflation problems that we already are experiencing.

RETURN FISCAL RESPONSIBILITY TO WASHINGTON

Inflation, at its most basic, is the result of government debt increasing beyond the perception of the ability to repay. The massive debt we've incurred over the past couple of years is fueling the current round of inflation and the Biden Administration just keeps adding fuel to the inflation fire by proposing more and more new spending. In fact, President Biden's proposed FY2023 budget increases spending from \$5.8 trillion dollars to nearly \$9 trillion dollars!

The first thing that we need to do to combat inflation is to get our fiscal house in order. The cycle of borrowing and spending at the federal level needs to end. Our national debt is now over \$30.4 trillion dollars. That works out to \$91,000 per citizen and \$242,500 per tax payer. To make it worse, much of this debt is held by foreign countries, including \$1.1 trillion dollars held by China. The spending needs to end. The borrowing needs to end.

In New Hampshire, we do fiscal discipline better than any other state in our nation. We have balanced budgets and spend taxpayers' money frugally while helping those who need it most. We need to encourage solid, sustainable economic growth and a long-term predictable governmental policy of balanced budgets – just like we do in New Hampshire.

RESTORE ENERGY INDEPENDENCE

When President Trump was in office, the US was back on the path to energy independence. Unfortunately, the Biden Administration, with the help of Maggie Hassan, has returned us to days of relying on unstable foreign governments, like Russia and the Middle Eastern nations, for our energy. This has caused major problems in all facets of our economy.

In New Hampshire, gas prices are \$2.00 more today than they were in September of 2021. Home heating oil prices skyrocketed this winter as well. We cannot afford another winter of the Biden/Hassan energy experiment.

We need to super-charge our energy production and reverse the most destructive of Biden's policies like the ban on new oil and gas leases on federal lands. We need to restart construction on the Keystone XL pipeline immediately. We need to cut the red tape slowing federal approval processes for oil exploration and drilling, such as required environmental analysis done under NEPA (National Environmental Policy Act) which take years to complete. The Department of Energy and FERC should approve and fast track any pending liquid natural gas terminal permits. And finally, we must prevent the frivolous litigation being filed by extremist environmental groups that simply want to make new oil exploration too cost prohibitive to continue.

CUT REGULATIONS THAT ARTIFICIALLY KEEP PRICES HIGH AND THAT HARM AMERICAN PRODUCTION

Unnecessary federal regulations are far too often the cause of artificially high prices for everyday commodities. For example, federal laws related to ethanol and other biofuels incentivize farmers to grow crops that are artificially more profitable. 40% of all corn grown in the United States is used to produce ethanol. This lowers the crop output for food products, and in turn, food prices rise. We should undertake a thorough review of federal regulations to cut the unnecessary red tape and waste.

Recently, there has been a push by President Biden to use the Defense Production Act to authorize the domestic mining of metals and minerals, such as those for the production of electric vehicle batteries. Biden has blamed the supply chain for our inability to import these minerals from Russia and China, but in reality, it is the overly burdensome federal regulations that have halted domestic production.

RESOLVE SUPPLY CHAIN ISSUES

We've all seen the videos of cargo ships lined up miles out to sea, waiting to unload. We've also all seen the barren aisles at the grocery store. The failure of our supply chain has left us with high demand and low supply on everyday items and has caused major strain on all of our wallets and a rise in inflation.

The broken supply chain is the result of years of bad policy making, government interference and the never-ending regulations that slow down business. One of the main culprits has been the union chokehold on many of our nation's ports, especially on the west coast. Unions have fought to halt technological innovation and automation to protect outdated, high salary positions. Additionally, the recent dock worker strike at the Long Beach, California port could not have come at a worse time. When combined with onerous and ever-changing COVID-19 restrictions, "green" initiatives and other arbitrary rules, the supply chain was bound to break at the smallest bump in the road.

We need major reform on the way that our supply chain is regulated and we need to get the unions and environmentalists out of the way so that they will stop holding up progress so that we can get our economy back on track.

REVERSE POLICIES THAT MAKE AMERICAN COMPANIES LESS COMPETITIVE INTERNATIONALLY.

Greater capacity for domestic manufacturing will work to relieve some of the strain that has been caused by our broken supply chain. Currently, our 21% corporate tax rate puts us at competitive disadvantage with foreign nations. Our average combined corporate tax rate is 25.8 percent, which is higher than the international standard average of 25.4 percent. By lowering our taxes on our businesses, we will encourage more investment and incentivize manufacturing here at home.

There is no quick, easy fix for the inflation problems we are facing. However, it is crucial that we stop the disastrous policies of Maggie Hassan and President Biden that have only fanned the flames of high inflation before it's too late. We need balanced spending, not overregulation. We need to do things the 603 way - not the DC way.

- Chuck Morse