



Pennsylvania lawmakers look for ways to curb inflation

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HARRISBURG, Pa. (WHTM) – Pennsylvanians are experiencing inflation first-hand with gas hitting \$5 a gallon and prices at the grocery store not letting up.

The Republican-led State House Policy Committee held the first of four hearings on Wednesday seeking relief for Pennsylvanians.

Committee Chair Rep. Martin Causer (R-Cameron) says the hearings are a step toward finding the cause of inflation and “dive into the details.”

Causer said recommendations made during the hearing such as curbing spending and regulations are more than just Republican talking points.

“I think you would find Republicans and Democrats out there who would say that we as state government need to curb spending and also the over-regulation issue,” said Causer.

Matthew Knittel with the Independent Fiscal Office estimates inflation will be at 4% next year, about half of what it is now, but says higher prices are here to stay.

“The example I give for that is higher car prices new cars and used cars,” said Knittel. “They’ve increased dramatically. I don’t think they come back down, I think they are permanently higher going forward.”

Testimony from Christopher Hansford of the Cato Institute included recommendations that included cutting regulations and state spending on things such as public welfare operations, as well as employee retirement benefits that are “inordinately high by national standards.”

Pennsylvania lawmakers protest proposed changes to PennDOT bridge tolling

Republican lawmakers suggested President Joe Biden's energy policies are spiking gas prices as Pennsylvania hits a record \$5 a gallon. Mark Zandi of Moody's Analytics says the Russian invasion of Ukraine has played a large role in the spike.

"Before the Russian invasion oil prices were headed south we were at 80 bucks headed to \$70, gasoline prices were falling."

One analyst said there's a 40% chance of a recession in the next year, however, another put the chance at 30%.

United States Treasury Secretary Janet Yellen acknowledged Tuesday that she and Federal Reserve Chair Jerome Powell "could have used a better word" than "transitory" when describing the expected run of inflation in the U.S. economy. She added that she was hopeful it would soon be on the decline.

"I do expect inflation to remain high although I very much hope that it will be coming down now," Yellen told the Senate Finance Committee during a hearing on the agency's latest budget request. "I think that bringing inflation down should be our number one priority."

The Federal Reserve and Treasury Department have been increasingly blamed by legislators and the public for allowing inflation to reach record highs — notably an 8.3% leap in consumer prices over the past year.