



## MEMO

**To:** Republican Study Committee members

**From:** Chairman Jim Banks

**Date:** May 24, 2021

**Subject:** Tie Biden Agenda to Inflation

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Democrats in the White House are clearly **worried** about the political fallout from inflation. Just take a look at a few of these headlines from the last week.

- [Washington Post](#)—White House grapples with reports of labor shortage, inflation as recovery picks up steam
- [New York Times](#)—Inflation Fears Abound as Gas and Lumber Shortages Bite. Should the Fed Worry?
- [Axios](#)—Fear grows Biden is doing too much, too fast and risking inflation
- [The Hill](#)—Inflation fears grow for White House
- [Reuters](#)—Job fears, price spikes mean heartburn for Biden White House as economy revs up

Of course, they're trying to spin the media and explain that ***it has nothing to do with their big-spending policies.*** Which, we know, is simply false. That's why ***we need to tie inflation to the Biden economic agenda*** and explain to voters how ***inflation is Democrats' hidden tax on the Middle Class.***

There's no doubt inflation is tied to the reckless spending bills Democrats have pushed for during the last year. Increasing the money supply to fund things like stimulus cash and generous unemployment benefits will always devalue our currency, which means your dollar won't go as far.

It's not just conservative economists that recognize that fact. **Larry Summers**, President Clinton's Treasury Secretary and the former director of the National Economic Council for President Obama, warned in a Washington Post op-ed that President Biden's \$1.9 trillion so-called "COVID-19 relief" plan could ***set off inflationary pressures of a kind we have not seen in a generation, with consequences for the value of the dollar and financial stability.***

And yet, Democrats did not heed Summers' loud warning and in March passed the biggest stimulus package in the history of the United States anyway. Then, in April, we saw the Consumer Price Index (CPI) jump by 0.8%, which was the biggest jump in the CPI since 1981. January's CPI was 0.3%, February's was 0.4% and March's was 0.6%. If you extrapolate the monthly trend we've seen in 2021 so far, we would see a ***20% year-over-year rise in consumer prices in the United States.*** That's what they call runaway inflation.

But the Biden White House is sticking its head in the sand and fingers in ears. ***Their treatment for an economy that's been overheated by their \$2 trillion package is to spend another \$5 trillion.*** Their "infrastructure" plan would be reckless under normal circumstances—but ***passing a bill this bloated right now is downright insane.***

Please find a table below that shows the difference in prices of consumer goods and commodities between May 2020 and May 2021. You can find inflation data for your state [here](#).

Commodity	May 2020	May 2021	% change
Gas	\$1.77/gallon	\$3.04/gallon	↑ 71.8%
Lumber	\$332/ mfbm	\$1390/mfbm	↑ 318.6%
Home Sales	\$283,500	\$320,000	↑ 12.8%
Coffee	\$1.07/pound	\$1.45/pound	↑ 35.5%
Cotton	\$0.58/pound	\$0.83/ pound	↑ 43.1%
Sugar	\$0.11/pound	\$0.17/ pound	↑ 54.5%
Propane	\$1.90/gal	\$2.29/gal	↑ 20.5%

Good or Service	% change 1Y
Energy prices	↑ 25%
Used car and truck prices	↑ 21%
Cost of household groceries	↑ 4.1%
Cost of beef	↑ 8.3%

Not only does inflation affect the price of consumer goods, *it is an insidious government tax on your income and wealth.* And the American people deserve to know who's doing to it them.