

U.S. Sen. Johnson: We are seeing key ingredients for a new round of stagflation

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WASHINGTON — On Monday, *The Wall Street Journal* published an op-ed by U.S. Sen. Ron Johnson (R-Wis.) detailing the consequences of President Biden and the Democrats' harmful economic policies that have led to worker shortages across the country and inflation. Both of which could lead to stagflation if new entitlement programs and deficit spending continue at the current rates.

The full op-ed can be found [here](#) and excerpts are below:

Eventually President Reagan and Federal Reserve Chairman Paul Volcker broke the inflationary cycle. Prices stabilized, and for the remainder of my 30 years in manufacturing, getting customers to agree to a price increase was like pulling teeth. Every hike had to be fully justified and robustly negotiated. Now I'm hearing from businesses across Wisconsin and the U.S. that inflationary expectations have returned, and price and wage increases are becoming routine.

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Imported products languish offshore, waiting to be unloaded because there aren't

enough longshoremen and truck drivers. A shortage of microchips limits the production of automobiles and many other products. Manufacturers have to shut down shifts and limit production because of worker shortages and supply-chain dislocations. Consumer and producer price index increases are hitting levels not seen in decades.

I am describing the key ingredients for a new round of stagflation. As alarming as the prospect of prolonged higher inflation is, I am most concerned about a long-term shortage of workers throughout the economy. It is a shortage caused by the disparagement of blue-collar work, low birthrates, the retirement of baby boomers, a growing welfare state that pays and thereby encourages people not to work, and a broken immigration system.

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My suggestion would be to stop creating new entitlements, fix the entitlements we have, reduce deficit spending, stop adding to our national debt, secure our border and fix our legal immigration system to allow enough workers in to satisfy labor growth without depressing wages. Unfortunately, these are not the policy proposals of the current administration.