

Untitled document

By Gail Scott

The Berlin Daily Sun, August 18, 2011

GORHAM—Rep. Charles Bass (R-NH) toured the newly painted Cascade Mill, spoke with Berlin Mayor Paul Grenier and Don Noyes of Auto North, and met with a small group of area businessmen at the Town and Country Inn in Shelburne Tuesday.

He was impressed with the revival at the mill, hopeful that the proposed biomass plant will come into being in Berlin, and impressed with AutoNorth's progress in its few years in existence, particularly the fact that the company now employs 33 despite its relatively recent founding. He noted with approval the efforts that the Androscoggin Valley Hospital is making to improve its services to the community, in cooperation with Catholic Medical—a trend in hospital service, he said.

Bass pointed out to the group gathered at the T & C that if the special committee, appointed by Congress fails to come up with a budget agreement, on Nov. 23, "there will be an across-the-board cut. The only exemptions will be Social Security and Medicaid," he said. "Medicare is on the table."

"It's too bad the debate on entitlements descends so soon into demagoguery," he said.

He said he hoped that the federal prison in Berlin, now empty, would be funded for operation. He said that was a top priority for himself and for New Hampshire's two senators, Sen. Jeanne Shaheen and Kelly Ayotte. But he noted that if the Congress fails to sign a formal appropriations bill into law by the end of the federal fiscal year (Sept. 30) and government is funded by a continuing resolution, no new funds would be allocated for the prison this year.

He said that Americans will have to readjust their expectations "to the extent that government can solve our problems. We have to reassess the appropriate response, given the resources (which have been strained beyond historical precedent)."

He said that the U.S. debt to revenue ratio had grown greatly with the financial crash, growth in healthcare costs, stimulus program, and the me-attitude among "the crowd on Wall Street."

According to Wikipedia, as of August 3, the U.S. gross debt is 96 percent of the gross domestic product (GDP), although these numbers are subject to many variations of interpretation.

Bass said that spending is up by 40 percent in the last four years.

"This is a problem," he said, pointing out that the country has a governmental system that he hopes will "creak around to what is acceptable."

"Hard decisions have to be made," he said. "People will not be able to get the kind of benefits they have been used to."

He said he was not against tax reform, but "show me the money on the spending side first. Our country must be prepared to make these reforms. Otherwise our country will not survive," he said.

He said that the country has tried stimulus funding. Now it needs to reduce the cost of doing business, make it easier to export goods and services, and make the corporate tax code competitive. He said the U.S. has the second highest business tax in the world.

He said that although he expected the Administration "will come up with another extension of unemployment, I don't see that at all," noting that "I can't walk into the Androscoggin Valley with a big earmark."

"The Administration can't have four or five stimulus programs. We don't have the money," he said.

He noted that regulations are hampering business in the U.S. For example, he said, the pellet business he was in before running for Congress had to go through the regulations of "52 different state and local agencies to be in business."

Randy Labnon, one of those attending the lunch, agreed that regulations are onerous. Among other things, T&C, for instance, has to have the approval of N.H. Fish and Game for its lobster tank.

As far as allowing the Bush tax cuts to sunset and thus bringing revenue into the federal budget, Bass said that he believes that 70 percent of the Bush tax cut affects the middle class.

"The issue is tax relief for those who earn \$250,000 or more," he said, saying that it is the Sub S corporation (S corporations do not pay any federal income tax. Instead, the corporation's income or losses are divided among the shareholders to be reported on their own individual income tax returns). These people go into business (and they create jobs)."

He recommended that one of the reforms to the tax regulations would be to allow U.S. companies operating overseas to return their profits to the U.S., tax free, if they have already been taxed in the host country.

Bass noted that despite the flat economy, there are businesses going strong and working innovatively in the North Country. He cited Wayne Presby's bio diesel plant in N. Haverhall, which creates biodiesel from discarded restaurant cooking oil. He said he was very excited about the tour of the Cascade Mill, to see the old machines looking like new with new paint and the workers back at the machines with great pride, not to mention the expected installation of a new 296-foot tissue machine in the near future.

Bass learned that the hospital is looking into heating with bio mass and that hot water from the biomass plant in Berlin (if it comes into being), could be used at the Cascade mill, two more innovative business measures in the Berlin area.

He noted that as far as getting credit from U.S. banks, that the banks are in a state of uncertainty because of the Dodd-Frank bill, intended to regulate banks. The same, he said, is true of businesses in regard to the effect the new health care law will have.

"In general there is uncertainty because of the Dodd-Frank and the healthcare law," he said. He did think that existing financial regulations were not followed in the days leading up to the recent financial crash. "They should have made what we have work better," he said.