

Ranking Member Tim Scott (R-S.C.)  
Opening Statement  
Full Committee Hearing  
July 9, 2024 at 10:00 AM

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Thank you, Mr. Chairman. Thank you, Chair Powell, for being with us this morning. Welcome – welcome back.

Joe Biden broke this economy and it's been very difficult to fix it. That's the bottom line. I want to start with the end in mind. Joe Biden broke our economy and it is very difficult for anyone to fix it.

Everyday families are struggling to put food on the table. Real wage growth is being eaten away by rising prices and runaway inflation.

Think about the fact that for 52 consecutive weeks in the Joe Biden [administration] wages were eclipsed by inflation for 52 consecutive paychecks. I remember back in December of 2020, in South Carolina, gas was a dollar and 99 cents per gallon. Today, it's still \$3.19 per gallon. A 50% increase in just a few years.

So, it's devastating to the average American family, particularly families like the one I grew up in – a single parent household mired in poverty. When you see your gas prices up 50%, your food up 30%, your cost of keeping your house cool or warm up 25%. It's not a challenge. It's not unfortunate. It's an absolute crisis.

And too many households in America today are living paycheck to paycheck, and they fear the challenges that are coming our way – the headwinds brought to us by the Biden administration.

The headwind, of course, is seen through the prism of inflation. Inflation hasn't been this size since the Jimmy Carter years, and that devastation is being felt in measured households by too much [money] at the end of the [month]. And that devastation is real for the vast majority of Americans.

And the pointing finger – I tell you what, whether it's the Biden administration throwing the Fed under the bus or any other way they can deflect from the real problem. I've seen it in committee hearing after

committee hearing after committee hearing. My friends on the left want to point their fingers at anyone other than the real culprits at 1600 Pennsylvania Avenue.

The progressive wish list, spending projects, and out of control regulations of this administration continues to eat away at American paychecks. And they continue to blame – whether it's 'shrinkflation,' 'greedflation,' and 'skimplation.' They're looking for someone to blame except for Bideninflation.

The devastation of Joe Biden's economic policy continues to impact everyday Americans. The American people see through the facades, and they want real solutions. It doesn't take a PhD economist to understand what the average American is experiencing under this administration. When President Biden and my Democratic colleagues pumped trillions of dollars into our economy, those dollars increase the demand and pushes prices higher.

It's that simple. The American people see and feel it every single time, and they see it, as I said earlier, the grocery stores, the gas stations, at the doctor's office. It's just undeniable the impact is happening.

Just last week, we celebrated the birth of our country, the birth of this nation of freedom and liberty. But American families got slapped with the most expensive July 4th on record, with a cookout this year costing on average 30% more than it did just a few years ago. I call that hogwash.

What's worse is that this administration doesn't want to learn a lesson in economics. Instead of reducing the push for more spending and more regulations, they only simply double down.

Let's take, for example, the tens of billions of dollars of student loan forgiveness – constant new plans to forgive more money regardless of the constitutionality of their decisions.

So it's important to ask, who are these billions of dollars of forgiveness actually benefiting? Well, the answer simple. This forgiveness scheme will result in debt relief for 750,000 individuals from households with an average income of \$300,000 or more.

And just don't forget the fact that the average American family has a household income around \$74,000. So, what we're doing with this unconstitutional student loan forgiveness is actually asking the median household of \$74,000 per household to bear the burden of forgiving debt for students who live in households of over \$300,000. And the actual cost of this? Somewhere between \$870 billion to \$1.4 trillion dollars.

Why do I have to even ask the question? Why do we continue to punish American families struggling paycheck to paycheck with the new scheme to relieve households over \$300,000 of student loan debt? Well, the answer is pretty simple. Politics. It's one way to buy vote after vote after vote for November's election. It's just hard to imagine.

So while I appreciate your measured words outlining the Fed's work to cool inflation, I think it's past time we all recognize what is truly going on. Political pandering from the left. I strongly believe that our economy cannot handle any more of this wasteful spending. And if you disagree, I would love to hear your thoughts on that. But it's not just spending policies that stifle growth, it's also overregulation.

And I can't think of a better example of overregulation than parking more capital on the sidelines through Basel III Endgame. That proposal itself would cost millions of Americans their chance to own a home, start a small business, and have access to the credit and the capital necessary to make their American Dreams come true.

For those who are actually watching this hearing today on C-SPAN, Basel III capital requirements are like taking your star quarterback Dak Prescott and telling him to sit on the sidelines because he just might get injured during the season.

It's just plain ridiculous. But these proposed capital requirements would just do that. Forcing more money to the sidelines of the greatest economy on the planet and out of the hands of first-time homebuyers, business owners, and folks trying to achieve the American Dream. The stakes are high, and that is why we have to get this right.

You've heard me say this a number of times, but it bears repeating, we need transparency in your rulemaking process, as this enormous proposal lacks any form of clear justification.

Chairman Powell, it is essential that you and your fellow governors, and the other agencies join in this rulemaking, follow the law, do the homework, and then let the public check the work.

That's why I believe that it is absolutely necessary to put to have a complete re-proposal of Basel III Endgame.

Give the stakeholders an opportunity to take a look at it and then recalibrate what is necessary going forward.

Any increases in capital that are not quantitatively justified harmed the American people who need it most. Our farmers, homebuyers, small business owners need and deserve access to credit.

Therefore, I'll repeat it one more time. You need to restore confidence in this rulemaking process. Pull the existing proposal and have a complete restart. And then when the data has been analyzed and is available for the public scrutiny, reissue an appropriate proposed rule following the requirements of the APA.

I look forward to your opening statement and having a chance to have a conversation afterwards.