

Ranking Member Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
March 7, 2024 at 9:40 AM

Chair Powell, thank you for coming this morning. Good morning – appreciate you being here.

In three days, on March 10, it will be the one-year anniversary of the failure of the Silicon Valley Bank.

SVB marked the third largest bank failure in U.S. history and certainly, the largest since the 2007-2008 financial crisis.

I've said it many times before, and I'll say it again today, there were three major components to SVB's failure: first, the bank was rife with mismanagement; second, there was a clear supervisory failure and our regulators were certainly asleep at the wheel; and third, President Biden's reckless spending caused record high inflation, which resulted in drastic interest rate hikes and tremendous loss.

When you print and spend trillions of dollars at the end of COVID, we should not be surprised that we have record-high inflation. Record-high inflation translates into today, still, forty percent higher for gas for your car, thirty percent higher for your food, twenty percent higher for your energy costs.

The devastation the average American is facing because of Bidenomics is undeniable, but certainly measurable.

So I'm glad to spend some time talking about the state of our economy - an economy that has been ravaged – as I've just spoken about – by inflation, suffering under the weight of an open border and millions of illegal immigrants, and drowning in disastrous regulations.

I hear from my constituents all the time that inflation and an unsustainable cost of living continue to impact their families. For far too many, the American Dream seems further and further out of reach than ever before.

And frankly, the past 3 years of this administration's failed policies have landed us right in that spot.

In fact, last month, Treasury Secretary Yellen sat before this committee and attempted to spin a narrative of how strong the economy is, how well-off consumers are, and how much people have in the bank, thanks to Bidenomics.

But, in the midst of this, she also admitted that many prices are not going down.

In fact, she said, "we don't have to get these prices down."

Tell that to the mechanic working in South Carolina, tell that to teacher trying to put gas in the tank.

It is simply unacceptable.

Because the truth is that Americans are now spending more of their income on food than they have in 30 years.

The truth is that housing affordability remains at its lowest level in 40 years.

But, inflation isn't the only concern I'd like to raise. I'd also like to address the economic impacts of illegal immigration.

During your recent interview on 60 Minutes, you stated that "over time... the U.S. economy has benefited from immigration."

Let's be clear, America is a nation of immigrants – no doubt.

But when we talk about illegal immigration today, we must also face the dire reality that our towns and our cities are suffering from the adverse impacts of illegal immigration facilitated by the Biden administration's open, unsecure, and unsafe southern border.

Because of President Biden's policies, we've seen over seven million illegal immigrants cross our borders in just three years. By the time this election happens this year, in November, the numbers suggest it could be as high as ten million illegal immigrants coming into our country.

So, we cannot have an honest conversation about the benefits of legal immigration in our labor force without also addressing the elephant in the room—our country is strained, our economy is strained, under the weight of illegal immigration.

In fact, recent reporting has highlighted that cities and states across our country are struggling to keep pace, and some have been forced to cut public services to Americans in order to fund the costs of feeding and housing illegal immigrants.

One clear example we saw in New York City, where the poorest kids in the city, minority kids in the city, were stuck at home because the city was using the schools to house illegal immigrants.

Another example - the city of Denver recently announced that some of its employees may have their hours cut in order to reallocate funds toward the city's migrant crisis. How in the world is that fair to Americans? It's not.

We must get the illegal immigration crisis under control because if we don't, our local economies will continue to be crushed and opportunities will continue to be stripped from our citizens and their families.

Finally, as if inflation and the negative impacts of illegal immigration were not enough, the tsunami of regulatory-red tape coming from our financial regulators further threatens economic opportunity across the board.

For months we have heard bipartisan criticism of the Fed's Basel III Endgame proposal, which will restrict lending and access to credit for those who need it most.

I was certainly, pleasantly surprised to hear your comments about Basel III and your thoughts on its future. When 97% of the comments that you receive are negative that's good news. Good news for the American consumer, good news for entrepreneurs who want to start a business but do not have access to capital, perhaps even good news for millennials who would love to become a first-time homebuyer.

The opposition to Basel III comes from a diverse array of interests – from community leaders, to farmers, to housing groups. We've even heard

opposition in this very room, on this very committee, from Democratic senators.

I look forward to your testimony and looking forward to asking some questions as well.