

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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WASHINGTON, DC 20515-6143

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<https://oversight.house.gov>

September 22, 2022

Mr. Brian Deese  
Director  
National Economic Council  
1600 Pennsylvania Ave. N.W.  
Washington, DC 20500

Dear Director Deese:

We write to you again to request information about the Biden Administration's plans to address the ongoing economic crisis. The exponential rise in inflation since President Biden took office shows the dramatic consequences of massive deficit spending and the fallout from funding an extreme left-wing agenda. We wrote to you last summer and to President Biden last month and received no response. It is unacceptable for this Administration to skirt oversight while failing to recognize and adequately respond to the worst economic crisis in decades.

On September 13, 2022, the stock market had its worst day since June 2020, which was near the beginning of the COVID-19 pandemic.<sup>1</sup> As President Biden celebrated the passage of his spending bill, the ironically-named "Inflation Reduction Act," with musician James Taylor, the inflation numbers for August were released.<sup>2</sup> After months of growing inflation, the trend continued to reveal higher than expected numbers.<sup>3</sup> And yet, the Biden Administration has prioritized spending taxpayer dollars recklessly pushing out more money into an inflationary economy. The Biden Administration has spent nearly \$4 trillion on its leftist policies—not including the illegal student loan bailout which could cost taxpayers an additional \$230 billion.<sup>4</sup>

For the past 17 months, the American people have faced rising inflation.<sup>5</sup> In August 2022, consumer prices were up 8.3 percent compared to August of last year and up 0.1 percent from July 2022.<sup>6</sup> The average price of gas is 25.6 percent higher than last year.<sup>7</sup> The price of groceries continues to rise, hitting the lowest income Americans the hardest. Eggs are up nearly

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<sup>1</sup> Michelle Toh & Julia Horowitz, *Markets steady after worst day for US stocks since June 2020*, CNN BUSN. (Sept. 14, 2022).

<sup>2</sup> Jim Tankersley, *Sobering Inflation Report Dampens Biden's Claims of Economic Progress*, THE N.Y. TIMES (Sept. 14, 2022).

<sup>3</sup> Michelle Toh & Julia Horowitz, *Markets steady after worst day for US stocks since June 2020*, CNN BUSN. (Sept. 14, 2022).

<sup>4</sup> Tyler Olsen, *Biden and congressional Democrats have spent about \$3.8 trillion on their agenda since Inauguration Day*, FOX NEWS (Aug. 17, 2022); *Cancelling Student Debt Would Undermine Inflation Reduction Act*, CMTE. FOR A RESPONSIBLE FED. BUDGET (Aug. 16, 2022).

<sup>5</sup> *Current US Inflation Rates: 2000-2022*, U.S. INFLATION CALCULATOR (last visited Sept. 18, 2022).

<sup>6</sup> *Inflation Tracker*, INDEP. WOMEN'S FORUM, CTR. FOR ECON. OPPORTUNITY (last visited Sept. 14, 2022).

<sup>7</sup> *Id.*

40 percent compared to August 2021, milk is up 17 percent, chicken is up 16.6 percent, and bread is up 16.2 percent.<sup>8</sup> Home electricity bills are up nearly 16 percent, home gas bills are up 33 percent, and rent is up 6.2 percent.<sup>9</sup> Further, real average weekly earnings are down 3.4 percent, meaning the average American has less buying power as prices continue to rise.<sup>10</sup>

This Administration has refused to heed the warnings from economists about the consequences of overspending as the economy recovers from a pandemic. On February 4, 2021, Harvard Professor Larry Summers, top economic advisor to both President Clinton and President Obama, warned that President Biden's almost \$2 trillion "stimulus" plan was three times as large as the output shortfall, and that, "policymakers need to ensure that they have plans in place to address [the] possible, and quite serious, problem" of inflation.<sup>11</sup> On May 18, 2022, he reiterated his concern that policy-makers are "taking very substantial risks on the inflation side."<sup>12</sup> Then on September 13, 2022, when the new Consumer Price Index (CPI) numbers came out, he warned "[t]oday's CPI report confirms that the U.S. has a serious inflation problem."<sup>13</sup> In June 2022, another Harvard Economist and President Obama's former chair of the Council of Economic Advisers, Jason Furman, warned that the country faces the "biggest risk of stagflation we've had in a long time."<sup>14</sup>

As the American people continue to struggle to afford groceries, energy, and rent, President Biden and his Administration deny there is a problem. On June 5, 2021, Treasury Secretary Janet Yellen said inflation could hit as high as 3 percent but that it was "transitory."<sup>15</sup> On July 19, 2021, President Biden downplayed the risk of inflation, telling reporters that price hikes "are expected to be temporary."<sup>16</sup> When the July 2022 inflation numbers were released, President Biden claimed "our economy had zero percent inflation," even though it was clear that the cost of groceries and rent continue to rise.<sup>17</sup> When the August 2022 numbers were released, President Biden hosted a party to celebrate his additional half-trillion "Inflation Reduction Act," which, economists agree, will have little to no impact on actual inflation that is crushing everyday Americans.<sup>18</sup>

When the August inflation numbers were released, you said in an interview, "[w]hat is most notable about where we are right now is...the resilience of American consumers and

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> News Release, Bureau of Labor & Statistics, Real Earnings Summary (Sept. 13, 2022).

<sup>11</sup> Larry Summers, *The Biden stimulus is admirably ambitious. But it brings some big risks, too*, THE WASH. POST (Feb. 4, 2021).

<sup>12</sup> Matt Egan, *Larry Summers sends stark inflation warning to Joe Biden*, CNN BUSN. (May 27, 2021).

<sup>13</sup> Lawrence H. Summers (@LHSummers), Twitter (Sept. 13, 2022, 12:34 PM).

<sup>14</sup> Megan Henney & Suzanne O'Halloran, *Former Obama economist warns stagflation threat level is 'highest in a long time'*, FOX BUSN. (Jun. 24, 2022).

<sup>15</sup> Mike Madden & Rachel Siegel, *U.S. policymakers misjudged inflation threat until it was too late*, THE WASH. POST (Jun. 18, 2022).

<sup>16</sup> *Id.*

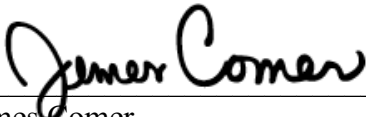
<sup>17</sup> Jordan Boyd, *Media Parrot Biden's Absurd Claim That July's 8.5 Percent Inflation Increase Is Actually 'Zero'*, THE FEDERALIST (Aug. 10, 2022).

<sup>18</sup> Christopher Rugaber & Josh Boak, *Inflation Reduction Act may have little impact on inflation*, ASSOC. PRESS (Aug. 16, 2022).

households.”<sup>19</sup> Those are hollow words coming from an administration that has contributed to—not alleviated—the growing inflation. For too long, Americans have been forced to be resilient as Democrats kept schools closed and now, the Biden Administration continues to pump trillions more dollars into an economy suffering under the weight of inflation. They should be hearing solutions from the Biden Administration. To that end, we request you provide a staff level briefing about these solutions to address the economic crisis as soon as possible but no later than September 29, 2022.

The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer  
Ranking Member  
Committee on Oversight and Reform



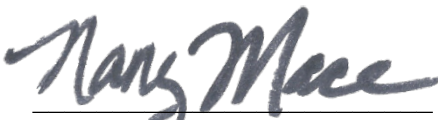
Michael Cloud  
Ranking Member  
Subcommittee on Economic and  
Consumer Policy



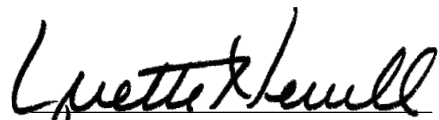
Glenn S. Grothman  
Ranking Member  
Subcommittee on National Security



Jody Hice  
Ranking Member  
Subcommittee on Government  
Operations

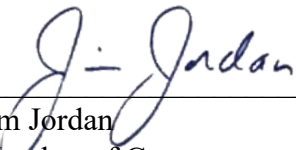


Nancy Mace  
Ranking Member  
Subcommittee on Civil Rights and  
Civil Liberties



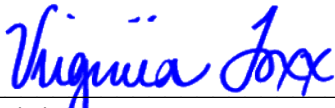
Yvette Herrell  
Ranking Member  
Subcommittee on Environment

<sup>19</sup> Jim Tankersley, *Sobering Inflation Report Dampens Biden’s Claims of Economic Progress*, THE N.Y. TIMES (Sept. 14, 2022).




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Jim Jordan  
Member of Congress



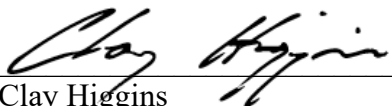
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Virginia A. Foxx  
Member of Congress



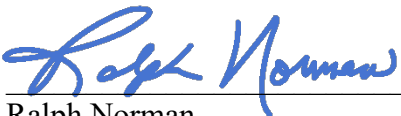
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Bob Gibbs  
Member of Congress



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Clay Higgins  
Member of Congress




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Ralph Norman  
Member of Congress



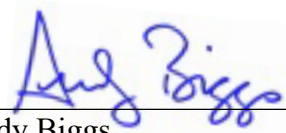
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Pete Sessions  
Member of Congress



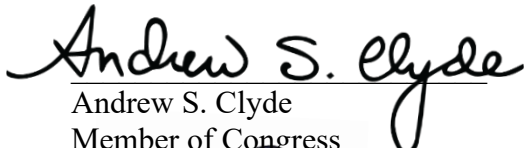
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Fred Keller  
Member of Congress



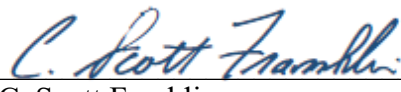
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Andy Biggs  
Member of Congress



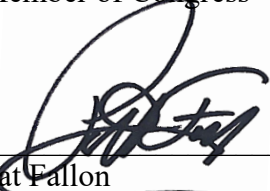
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Andrew S. Clyde  
Member of Congress




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C. Scott Franklin  
Member of Congress



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Pat Fallon  
Member of Congress



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Byron Donalds  
Member of Congress



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Mike Flood  
Member of Congress

Mr. Brian Deese  
September 22, 2022  
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cc: The Honorable Carolyn Maloney, Chairwoman  
Committee on Oversight and Reform

The Honorable Raja Krishnamoorthi, Chairman  
Subcommittee on Economic and Consumer Policy

The Honorable Gerald E. Connolly, Chairman  
Subcommittee on Government Operations

The Honorable Stephen F. Lynch, Chairman  
Subcommittee on National Security

The Honorable Ro Khanna, Chairman  
Subcommittee on Environment

The Honorable Jamie Raskin, Chairman  
Subcommittee on Civil Rights and Civil Liberties