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Wyden Statement at Finance Committee Hearing on Nomination of Janet Yellen to Treasury Secretary

As Prepared for Delivery

Let me just say I share your views on the importance of cooperation between the Treasury Department and members of this Committee on both sides of the aisle. But the fact is, the Treasury's record on this matter over the past four years was beyond dismal. Requests from my office were routinely met with useless, perfunctory responses, and in many cases my requests were outright rejected for flimsy reasons. In fact, I believe Secretary Mnuchin's responsiveness to requests from Democrats, particularly in regard to requests for FinCEN information, merits continued oversight. At the same time FinCEN was stonewalling my and other Democratic colleagues' requests, the agency was fast tracking Republican requests.

I believe that under Chair Yellen's leadership, there will be a return to the productive relationship we expect between Treasury and the bipartisan members of this Committee.

This is the second time in 12 years that a Republican president will leave office with the economy in ruins. Today there's also a surging pandemic and armed troops guarding the Capitol from far-right insurrectionist attack. The Biden administration won't begin with inaugural balls; it'll begin with all-out triage.

My top economic priority going forward is avoiding the mistake Congress made in the last recession – taking a foot off the gas pedal before recovery took hold. Congress didn't do enough in 2009 to help the unemployed and struggling homeowners. If stepping off the gas wasn't bad enough, two years later House Republicans passed policies that yanked out the spark plugs and let the air out of the tires, too. In Oregon, it took seven and a half years for unemployment to return to its pre-recession level. That cannot happen again, or else millions and millions of people will go through years of needless hardship. Some will never recover the lives they had prior to the pandemic.

Unemployment is once again rising. Federal Reserve data shows that workers of modest incomes are facing Great Depression-level joblessness. One in five are out of work. The president pushed a false choice between public health and economic recovery, and now the country has neither.

The good news is, Chair Yellen is exactly the right person to lead the Treasury Department through these big economic challenges. Nobody could be better qualified for this job. Nobody deserves more credit than Chair Yellen for the longest economic expansion in our history, which lasted until the pandemic hit.

At the Federal Reserve, Chair Yellen challenged decades of conventional economic wisdom that put too much focus on inflation and deficits. She was correct that policymakers needed to focus more on wages, employment and inequality – and that the economy safely could run a little hotter.

Republicans criticized her at the time, and later they tried to attribute her success to the outgoing administration. But the numbers show the successes of Chair Yellen’s approach. Unemployment went down, wages went up, and a lot of working Americans were better off than they were before. Who better to lead the Treasury Department and help kick-start the next economic expansion than the person who was so integral to the last one?

Right out of the gate, the Biden administration and Congress need to send major relief to America’s working families. Increasing relief checks to \$2,000 is key. So is extending enhanced unemployment benefits. At Leader McConnell’s insistence, the December package reduced unemployment benefits from the CARES Act and extended them only until the middle of March. There are groceries in my refrigerator that will last longer.

This is a common story in Washington. Key economic lifelines – expired, extended, expired, extended. Congress cannot go on with this “snooze button legislating.” Our workers and our economy need a government that’s reliable and predictable. That means the Congress needs to tether the extension of unemployment benefits to economic conditions on the ground with automatic triggers.

The tattered patchwork of state unemployment insurance systems also needs fixing. States including Oregon were overwhelmed when the COVID crash hit. In other cases it was because Republican lawmakers have intentionally hobbled their UI programs. Workers suffer because of it, particularly Black and Hispanic workers. Congress needs to increase base benefits, bring all workers into the system, and ensure it can hold up in a crisis.

Congress also needs to fix our broken tax code, starting with the proposition that corporations, millionaires and billionaires must pay a fair share. I’m developing a proposal to reform the taxation of capital gains for the top three tenths of one percent of taxpayers. My plan would equalize tax rates for wage and capital income and minimize the benefit of deferring taxes.

If you’re a nurse taking care of COVID patients, you can’t defer your taxes – they come straight out of every paycheck. But if you’re a billionaire, you can defer, defer, defer – and then never pay any tax at all. My plan would put a stop to that unfairness. The revenue would preserve the Social Security guarantee for decades to come, with additional funding for other priorities.

The outgoing administration was big on corporate tax giveaways, and it increased incentives to ship jobs overseas instead of eliminating them. I want to fix those mistakes.

The Treasury Department will have a key role to play on climate. Much of America’s energy policy is tax policy. There are currently 44 energy tax breaks on the books. I have a bill to replace them with three focused incentives: clean electricity, clean transportation and energy conservation. I’m also developing legislation that would make polluters pay for the costs of climate change, with a substantial portion of the revenue returned directly to the American people through annual cash payments.

The Treasury Department also plays a big role in trade. Over the last four years, the American people heard a lot of tough talk about trade, but the administration failed to deliver on most of its big promises. It drove away our economic allies, isolating us in the fight against trade cheats in China and elsewhere. Members of this committee are also concerned about currency manipulation and other tactics used to rip off American jobs.

I'm looking forward to working with Chair Yellen on all these issues and more. With the country facing the worst economic crisis in a century, it's critical that the Senate approves her nomination on day one. Everybody's got a constitutional right to foolishness, but nobody can honestly question Chair Yellen's qualifications. It's a shame that this country has never had a woman Treasury Secretary. Anybody who doubts Chair Yellen's commitment to policies that give everybody a chance to get ahead just hasn't been paying attention.

Chair Yellen, thank you for your willingness to return to public service. President-Elect Biden couldn't have made a better choice.

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