

1 OPEN EXECUTIVE SESSION TO CONSIDER FAVORABLY REPORTING  
2 THE NOMINATION OF JANET YELLEN TO BE SECRETARY,  
3 DEPARTMENT OF THE TREASURY  
4 FRIDAY, JANUARY 22, 2021  
5 U.S. Senate,  
6 Committee on Finance,  
7 Washington, DC.

8  
9 The meeting was convened, pursuant to notice, at 10  
10 a.m., in Room 106, Dirksen Senate Office Building, Hon.  
11 Chuck Grassley (chairman of the committee) presiding.

12 Present: Senators Crapo, Cornyn, Thune, Portman,  
13 Toomey, Scott, Cassidy, Lankford, Daines, Young, Sasse,  
14 Wyden, Stabenow, Cantwell, Menendez, Carper, Brown,  
15 Bennet, Casey, Whitehouse, Hassan, and Cortez Masto.

16 Also present: Republican staff: Kolan Davis, Staff  
17 Director and Chief Counsel; Jeffrey Wrase, Deputy Staff  
18 Director and Chief Economist; and Nicholas Wyatt, Tax,  
19 Infrastructure, and Nominations Policy Advisor.

20 Democratic staff: Michael Evans, Deputy Staff Director  
21 and Chief Counsel; Ian Nicholson, Investigator; and  
22 Joshua Sheinkman, Staff Director.

1           OPENING STATEMENT OF HON. CHUCK GRASSLEY, A U.S. SENATOR  
2           FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE

3

4           The Chairman.    The committee will come to order.  
5           Before I and Senator Wyden make our opening statements,  
6           I would like to set it up this way, if everybody can  
7           cooperate and get here early.  I would like to have,  
8           just as soon as a quorum I present, I would like to vote  
9           on the nominee.  And since we have a vote at 10:30, I  
10          would hope that we could have people make their  
11          statements after the vote.  And I will be present for  
12          that purpose, so we can keep everything open.

13          If you -- I will not ask for comment on what I just  
14          said.  I hope we can work that out.  So I will go ahead  
15          with what I have to say in opening this meeting in  
16          executive session today to consider the nomination of --  
17          we are meeting today in executive session to consider  
18          the nomination of the Honorable Janet Yellen to be the  
19          first woman Secretary of the Treasury.

20          I and my Republican colleagues have acted to process  
21          Dr. Yellen's nomination before the committee  
22          expeditiously.  We have done that in the interest of  
23          bipartisanship, and to help ensure that the President's  
24          cabinet can get up and running to help respond to the  
25          needs of the American people, particularly in the midst

1 of our virus pandemic.

2 I will vote "yes" on Dr. Yellen's nomination, given  
3 her qualifications, and believe that the President is  
4 entitled to pick his own Cabinet members, as long as  
5 they are qualified and reasonable, and there is no doubt  
6 about the qualifications of Dr. Yellen. That is not to  
7 say, however, that I do not have concerns, but they are  
8 policy concerns. I do not support some of what I  
9 believe will be Dr. Yellen's political agenda, but I do  
10 hope that she maintains a view that she needs to work  
11 with members of the committee on both sides of the aisle  
12 in developing these policies.

13 I also believe that Dr. Yellen was not entirely  
14 responsive to some of the questions we asked of her  
15 following her hearing on Tuesday. We will continue to  
16 ask questions, and I continue to expect timely, thorough  
17 responses.

18 If confirmed as Treasury Secretary, Dr. Yellen will  
19 serve as part of the Biden administration. It will be  
20 important for her to keep in mind, though, that as  
21 Treasury Secretary she will be serving the interests of  
22 all Americans and not simply those of the liberal  
23 agenda.

24 I will also note that in considering Dr. Yellen's  
25 nomination, we have not organized any resistance

1 campaign, vote boycott, or personalized attacks on her  
2 character. We have not created any false claims or  
3 unfounded accusations about her. Unfortunately, I  
4 cannot say that like treatment was afforded to nominees  
5 of the prior administration.

6 I hope that President Biden realizes that the  
7 treatment of Dr. Yellen's nomination in this committee  
8 signals an interest by me, and I know by all of my  
9 Republican colleagues, in working cooperatively and in a  
10 bipartisan way. We want to work on policies used to  
11 help all Americans, and we are not interested in the  
12 cancerous culture of war that serves only to divide the  
13 Nation.

14 If confirmed, Dr. Yellen will be, as I have already  
15 said, the first woman to serve as Treasury Secretary in  
16 the Nation's history, which is a welcome development.  
17 And if confirmed, I look forward to beginning to work  
18 with her for all Americans.

19 I congratulate Dr. Yellen on her nomination, and I  
20 will say a second time that I will support it.

21 Senator Wyden?

1       OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM  
2       OREGON

3

4             Senator Wyden. Thank you very much, Mr. Chairman  
5       and colleagues. We do now have a quorum, so I am going  
6       to set a land speed record here and do this in just a  
7       couple of quick minutes.

8             First, colleagues, I believe that members of the  
9       committee would agree that Chair Yellen had a successful  
10      nomination hearing on Tuesday. This was no surprise to  
11      any of us, because she has actually been cleared for key  
12      economic posts four times by the United States Senate.  
13      She is, in effect, an NBA all-star when it comes to  
14      clearing the Senate nomination process.

15            Third, we are all going to appreciate her commitment  
16      to working with all of us on transparency, and coming  
17      here when it is necessary. She backed this up with  
18      substantial answers to hundreds of written questions.

19            Finally, this is an urgent nomination. If you look  
20      at yesterday's unemployment numbers, it is still right  
21      at the top of an all-time record. And it is my hope  
22      that when Janet Yellen is in place that she will work  
23      with us to come up with a firm economic package, and  
24      that this nomination can be on the floor of the United  
25      States Senate this afternoon. This is an urgent

1 appointment, and anybody who questions it can look at  
2 the unemployment numbers yesterday.

3 Thank you, Mr. Chairman.

4 The Chairman. Will the Chief Clerk call the roll?

5 The Clerk. Mr. Crapo?

6 Senator Crapo. Aye.

7 The Clerk. Mr. Crapo, aye. Mr. Cornyn?

8 Senator Cornyn. Aye.

9 The Clerk. Mr. Cornyn, aye. Mr. Thune?

10 [No response.]

11 The Chairman. We will continue calling. He is on  
12 his way.

13 The Clerk. Mr. Burr?

14 [No response.]

15 The Clerk. Mr. Portman?

16 Senator Portman. Aye.

17 The Clerk. Mr. Portman, aye. Mr. Toomey?

18 Senator Toomey. Aye.

19 The Clerk. Mr. Toomey, aye. Mr. Scott?

20 Senator Scott. Aye.

21 The Clerk. Mr. Scott, aye. Mr. Cassidy?

22 Senator Cassidy. Aye.

23 The Clerk. Mr. Cassidy, aye. Mr. Lankford?

24 Senator Lankford. Aye.

25 The Clerk. Mr. Lankford, aye. Mr. Daines?

1 Senator Daines. Aye.

2 The Clerk. Mr. Daines, aye. Mr. Young?

3 Senator Young. Aye.

4 The Clerk. Mr. Young, aye. Mr. Sasse?

5 Senator Sasse. Aye.

6 The Clerk. Mr. Sasse, aye. Mr. Wyden?

7 Senator Wyden. Aye.

8 The Clerk. Mr. Wyden, aye. Ms. Stabenow?

9 Senator Stabenow. Aye.

10 The Clerk. Ms. Stabenow, aye. Ms. Cantwell?

11 Senator Cantwell. Aye.

12 The Clerk. Ms. Cantwell, aye. Mr. Menendez?

13 Senator Wyden. Mr. Menendez, aye by proxy.

14 The Clerk. Mr. Menendez, aye by proxy. Mr. Carper?

15 Senator Carper. Aye.

16 The Clerk. Mr. Carper, aye. Mr. Cardin?

17 Senator Wyden. Aye by proxy.

18 The Clerk. Mr. Cardin, aye by proxy. Mr. Brown?

19 Senator Brown. Aye.

20 The Clerk. Mr. Brown, aye. Mr. Bennet?

21 Senator Bennet. Aye.

22 The Clerk. Mr. Bennet, aye. Mr. Casey?

23 Senator Wyden. Aye, by proxy.

24 The Clerk. Mr. Casey, aye by proxy. Mr. Warner?

25 Senator Wyden. Aye by proxy.

1           The Clerk. Mr. Warner, aye by proxy. Mr.  
2 Whitehouse?

3           Senator Wyden. Aye by proxy.

4           The Clerk. Mr. Whitehouse, aye by proxy. Ms.  
5 Hassan?

6           Senator Hassan. Aye.

7           The Clerk. Ms. Hassan, aye. Ms. Cortez Masto?

8           Senator Cortez Masto. Aye.

9           The Clerk. Ms. Cortez Masto, aye. Mr. Chairman?

10          The Chairman. Before I vote, I can vote Thune aye  
11 by proxy, and I vote aye.

12          The Clerk. And Mr. Burr?

13          The Chairman. Burr, by proxy.

14          The Clerk. Mr. Burr?

15          The Chairman. Yes, aye by proxy. I did not say  
16 "aye."

17          The Clerk. Mr. Chairman, the vote tally is 26 ayes  
18 and 0 nays.

19          The Chairman. Okay, the nomination will be reported  
20 unanimously from the committee. Are you done, Senator  
21 Wyden?

22          Senator Wyden. Yes.

23          The Chairman. Okay, who wants the floor now to  
24 speak? Oh, I am sorry. Senator Cantwell?

25          Senator Cantwell. Well, Mr. Chairman, I just -- I

1       thank you and the committee for moving this nomination  
2       so quickly. We are proud that we have now the first  
3       woman to be the Treasury Secretary of the United States.

4             I think that in her testimony before this committee  
5       she really focused on how she was going to focus on main  
6       street instead of wall street, or at least -- and there  
7       are a lot of policy issues she has to continue focus on  
8       in making sure that shadow banking is not a key aspect  
9       of the challenges we face in making sure the depositors'  
10      interests are looked after.

11            But I do hope that she can lead a new day at  
12      Treasury to focus on the main street issues of the  
13      workforce, workforce training, and the important aspect  
14      of getting American's economy and getting people back to  
15      work.

16            Thank you, Mr. Chairman.

17            The Chairman. Okay, I will call according to the--

18            Senator Crapo. Mr. Chairman, Senator Menendez would  
19      like to be recorded in person.

20            Senator Menendez. Mr. Chairman, if I could be  
21      recorded as aye, in person.

22            The Chairman. Yes, you surely may. Yes.

23            Now I will go according to the order that the Clerk  
24      has given me. Senator Crapo?

25            Senator Crapo. Thank you, Mr. Chairman. I will be

1 very brief. I first want to associate myself very  
2 strongly with your remarks. I believe you very well  
3 stated the fact that we want to try to work closely  
4 together, and we want an era of collaboration and  
5 partnership in developing the tax policy and the other  
6 policies that this committee will work on as this new  
7 administration stands up.

8 I have very strong disagreements with Dr. Yellen on  
9 a number of her positions, particularly in the tax  
10 policy arena, but she has committed to us that she will  
11 work with us on these issues and the concerns that we  
12 have. And I think the strong vote on our side to  
13 support her today is an indication that we want to  
14 engage.

15 And I simply want to ask my colleagues to engage  
16 with us, and to Dr. Yellen to engage with us as we  
17 develop the new policies as we move forward.

18 The Chairman. Senator Stabenow?

19 Senator Stabenow. Well thank you, Mr. Chairman. I  
20 also want to just thank you, and Senators Wyden and  
21 Crapo as well, and the whole committee. I think this is  
22 a great way to start the new year, with a unanimous  
23 vote.

24 On behalf of someone who I believe may in fact be  
25 the most competent, qualified Secretary of the Treasury

1 we have ever had, and certainly her perspective is one  
2 that will fight and move forward to build the country  
3 back better for Americans. And I look forward to  
4 working with her. Thank you.

5 The Chairman. Senator Scott?

6 Senator Scott. Thank you, Mr. Chairman. I  
7 certainly see the wisdom of her serving as Secretary of  
8 the Treasury. She is certainly a qualified candidate,  
9 one that philosophically cannot imagine agreeing with  
10 often, and certainly my comments during the Finance  
11 hearing on Tuesday reflected my concerns about things,  
12 like the \$15 minimum wage -- \$15 an hour minimum wage,  
13 and eliminating tips as a way of misunderstanding how to  
14 put America back on the right track.

15 However, she is not my Secretary of Treasury, she is  
16 the choice of President Biden. And so I think he  
17 deserves an opportunity to put his Treasury team in  
18 place.

19 The Chairman. Senator Cantwell has spoken, so now  
20 Senator Lankford.

21 Senator Lankford. Mr. Chairman, thank you for the  
22 conversation today on this for just a moment. I did  
23 struggle with this nomination, because there is no  
24 question she is qualified for this role, so I had to  
25 strike a balance between my advice and my consent. If I

1 am going to give my advice to President Biden, it would  
2 not be to pick someone who I philosophically disagree  
3 with so much. If I am going to give my consent, I would  
4 give my consent because she is definitely qualified and  
5 has been through the training and the preparation to be  
6 able to do it.

7 So I do hope that she maintains her word, where she  
8 said she was going to work with Congress and not try to  
9 go around Congress, and not try to implement policies to  
10 be able to implement something that is clearly something  
11 that should come through this committee.

12 Multiple times she answered questions and said, "I  
13 will do things differently, and will actually come to  
14 the Finance Committee to be able to work this out." And  
15 I look forward to holding her to account to that in the  
16 days ahead.

17 Thank you.

18 The Chairman. Okay, here is where we are, before I  
19 call for another speaker. Senator Thune first, and then  
20 Senator Casey for unanimous consent to have your votes  
21 in person.

22 Senator Thune. Mr. Chairman, I thank you. I  
23 understand I am recorded by proxy, and would ask  
24 unanimous consent that I be recorded in support of her  
25 nomination as here lies.

1           The Chairman. So ordered. Senator Casey?

2           Senator Casey. Same as Senator Thune. I would ask  
3 consent as if my vote be recorded in person.

4           The Chairman. So ordered. Senator Whitehouse, for  
5 the same reason?

6           Senator Whitehouse. Yes.

7           The Chairman. Okay, so ordered. Now, Senator  
8 Portman, I was going to call on Senator Hassan. Or did  
9 you have something else?

10          Senator Portman. I finished my talk.

11          The Chairman. Okay. Is -- Senator Hassan is not  
12 here. Is she on video? Okay, then we will go to  
13 Senator Daines. Senator Daines is not here? Then we go  
14 to Senator Cortez Masto.

15          Senator Wyden. She is not here, Mr. Chairman.

16          The Chairman. Okay, then Senator Young? I guess he  
17 is not here. Senator Portman?

18          Senator Portman. Thank you, Mr. Chairman, and I  
19 vote "yes" today. I believe Janet Yellen is highly  
20 qualified, as we said earlier, maybe one of the most  
21 qualified to serve. And I am encouraged by my  
22 conversation with her about fiscal sanity, where she  
23 said that she would be a voice for fiscal sanity within  
24 the administration at a time when we have unprecedented  
25 levels of deficit, and the largest debt in fact as a

1 percent of our economy, which is I think the most  
2 important way to measure it. We are approaching a  
3 record level, which is frightening.

4 With regard to tax policy, though, I do want to make  
5 the point that we had something going really good going  
6 into the pandemic. We had 19 straight months of wage  
7 growth of over 3 percent on an annualized basis, mostly  
8 going to middle income workers.

9 We had 22 straight months where we had job openings  
10 nationally that outnumbered the number of unemployed  
11 individuals. Those two are related, by the way. And I  
12 worry about her proposals on tax increases. As was said  
13 earlier, she is going to be a Secretary for the main  
14 street? Well, a lot of Main Street businesses are going  
15 to be impacted if the taxes go up, particularly on pass-  
16 through entities, which is most of the companies in our  
17 states. And a lot of these small businesses are going  
18 to be hurt, and therefore not be able to hire the people  
19 that we want them to be able to hire as the economy  
20 starts to improve, as the coronavirus becomes addressed,  
21 as we get more vaccines out there.

22 In terms of the business side, remember we used to  
23 be able to, in America, say that even though we had the  
24 highest taxes of any industrialized country for our  
25 businesses, people could defer those taxes. And now we

1 do not allow them to defer them anymore, which I think  
2 is a good thing. But instead, we say they have to be  
3 taxed at a certain amount for their foreign earnings.  
4 There is effectively a minimum tax in place. That is  
5 what is called "the guilty tax." It is complicated, but  
6 the bottom line is, apparently he wants to increase that  
7 substantially, double it.

8 And that would be really bad. Because one thing  
9 that has happened in the past two years is companies  
10 have started to invest in America rather than investing  
11 overseas. So I think we need to be very careful, and  
12 that is my concern. So I hope we will have some honest  
13 debate on these issues and, at the end of the day, we  
14 will really look at the economic impact of these issues  
15 of taxation, and not in a knee-jerk way be raising taxes  
16 on American workers.

17 Thank you, Mr. Chairman.

18 The Chairman. Senator Cassidy is next, if he wants  
19 the floor.

20 [No response.]

21 The Chairman. Okay, then Senator Brown.

22 Senator Brown. Thank you, Mr. Chairman. I agree  
23 with Senator Stabenow, and my friend from Ohio, Senator  
24 Portman, that soon-to-be, I hope, Secretary Yellen is  
25 the most qualified Treasury Secretary probably in

1 American history.

2 I appreciate so much her gravitas and her depth.  
3 She understands what William Sprague said to the Senate  
4 Banking and Housing Committee that Senator Crapo  
5 chaired, that we did not think before D-Day that we have  
6 to figure out how much it costs to win World War II; we  
7 did what we needed to do.

8 And I think that Janet Yellen understands that,  
9 understands how important tax policy is. I did not  
10 really hear my colleagues talking much about the debt  
11 when we passed the tax giveaway in 2017 that was a big  
12 giveaway to the wealthy and the middle class really did  
13 not benefit.

14 I appreciate particularly the work that Senator  
15 Bennet and Senator Casey and numbers of us have done on  
16 the Earned Income Tax Credit, the Child Tax Credit  
17 expansion, and for refundability that Secretary -- Ms.  
18 Yellen -- supports and will fight for.

19 So it is an easy vote to vote in support of her.  
20 Thanks, Mr. Chairman.

21 The Chairman. Senator Carper?

22 Senator Carper. To our Republican colleagues, thank  
23 you for joining us and voting affirmatively for Janet  
24 Yellen. I think she will do a terrific job. And,  
25 frankly, I was delightfully surprised with the good work

1 that Steve Mnuchin did in the last Congress. I know we  
2 did not agree on everything, but I still give him an A  
3 for effort.

4 I would say, I am a recovering State Treasurer. I  
5 was elected state treasurer when I was 29. We had the  
6 worst credit rating in the country. We were tied for  
7 dead last with Puerto Rico. The folks in Puerto Rico  
8 were embarrassed to be in the same category with us. We  
9 could not balance the budgets for nothing.

10 We had no pension fund. We had no catch mantras.  
11 We were like dog meat. We had the lowest rate of start-  
12 ups, for instance, in the country. And we had the  
13 highest marginal personal income tax rate in the  
14 country, 19.6 percent is our state marginal personal  
15 income tax rate.

16 And we worked very hard, Republicans and Democrats  
17 worked hard together. We had a great Governor, Pete Du  
18 Pont, and I tried to help a little bit in my role. So  
19 if we can come from where we were there to six years  
20 later with a AA credit rating, then AAA, you know, we  
21 can get through this as well. There was extraordinary  
22 cooperation across party lines at the state level that  
23 helped to make that possible.

24 When I first got -- I knew some of the people in the  
25 Senate, and some of the folks I did not know. And the

1 folks I did not know, I asked if I could go have a cup  
2 of coffee with them. One of the people I did not really  
3 know was Ted Kennedy. He said, no, no, we will have  
4 lunch. Come have lunch in my hideaway with me. And so  
5 we did. And one of the things I said to him over lunch  
6 -- by the way, he had an incredible hideaway; it was  
7 like a Kennedy museum -- but over lunch, I asked him, I  
8 said: Why is it that you, Ted Kennedy, the most  
9 liberal Democrat in the Senate, and you have all these  
10 Republicans wanting you to be the lead Democrat on the  
11 big bills, why is that?

12 And I will never forget what he said. He said: "I  
13 am always willing to compromise on policy; I am never  
14 willing to compromise on principle."

15 That is what he said. "Always willing to compromise  
16 on policy, never willing to compromise on principle."  
17 And I think there are a bunch of principles we could  
18 agree on. One is we have got to get the lead out and  
19 get people vaccinated in this country.

20 President Biden has set a goal of 100 million people  
21 in the first 100 days. We need to do that, and more, as  
22 you know. We have kids who need to go back in school.  
23 We have got unemployed workers that are laid off, they  
24 do not have the skills that are needed to fill up the  
25 jobs.

1           We have got to get them retrained and retooled. We  
2           just have a whole bunch of stuff. And we agree on the  
3           principles that those are things we need to get done.  
4           We are not always going to agree on how to get them  
5           done, but at least we can agree on the principles, and  
6           then we will figure out the policies that would make  
7           that happen.

8           So I look forward to doing that, and I look forward  
9           to working with all of you. And I want to say to my  
10          friend, Chuck Grassley, it has been a privilege serving  
11          with you these last 20 years in your various leadership  
12          roles. I look forward to Ron being our majority leader  
13          on our committee, and I look forward to being with all  
14          of you. It is a privilege. Thank you.

15          The Chairman. Senator Bennet?

16          Senator Bennet. Thank you, Mr. Chairman. I will  
17          just say that it is a new day in Washington, and I think  
18          that the unanimous vote that you have helped generate  
19          this morning I hope is a sign of things to come. Thank  
20          you.

21          The Chairman. Senator Cornyn, do you want to pass?

22          Senator Cornyn. I want to pass.

23          The Chairman. Okay, Senator Sasse, are you in the  
24          room? I cannot see way back there.

25          Senator Sasse. I do not have anything right now.

1 Thank you.

2 The Chairman. Okay then, Senator Menendez was here  
3 and has left. Senator Thune? Okay, Senator Whitehouse?

4 Senator Whitehouse. I am right here, making sure  
5 that I -- I guess my microphone works, even if the light  
6 does not.

7 The Chairman. We can hear you.

8 Senator Whitehouse. Great. Thank you.

9 First let me join with Senator ----

10 The Chairman. Listen to Senator Whitehouse.

11 Senator Whitehouse. Let me just join Senator Bennet  
12 in thanking all of my colleagues for the way this vote  
13 turned out. I think this is a very good start. And I  
14 think this committee can be very significant as we go  
15 forward to solve a whole variety of problems. One that,  
16 as I think people know, I am pretty strong-minded about  
17 is the problem of climate change, about which both the  
18 scientific warnings and the economic warnings -- and the  
19 economic warnings -- are becoming really dire.

20 And I was gratified to hear Secretary-to-be Yellen  
21 describe her views of the subject. And she clarified  
22 even further in her QFRs how important putting a price  
23 on carbon is to getting this problem solved.

24 As many people here have heard me say, the industry  
25 floats on an annual subsidy that the International

1 Monetary Fund has quantified at \$600 billion per year.  
2 And it is very hard to fix the climate problem around a  
3 massive subsidy like that. And the strength of her  
4 response on carbon pricing gives me a really strong  
5 signal that we can work together on this.

6 And as I have noted, many of our Republican  
7 colleagues, former Secretaries, former members of  
8 Congress, former economic advisors to Presidents, all on  
9 the Republican side, and a considerable number of  
10 Republican and conservative-leaning think tanks, have  
11 all come to that as the solution. In fact, pretty much  
12 every Republican-leaning group that has thought through  
13 climate change and proposed a solution has come there.

14 So it not only opens an effective pathway to solving  
15 this problem before it really damages the farms of Iowa  
16 and the coasts of Rhode Island, but it also gives us, I  
17 think, an opening to do it in a bipartisan way.

18 So congratulations, again, to all. And  
19 particularly, thank you to my Republican colleagues for  
20 today's vote.

21 The Chairman. Senator Casey, I am sorry.

22 [Pause.]

23 [No response.]

24 The Chairman. Meeting adjourned.

25 [Whereupon, at 10:25 a.m., the meeting was

1      concluded.]

	STATEMENT OF:	PAGE
1		
2	Hon. Chuck Grassley,	2
3	a U.S. Senator from Iowa,	
4	chairman, Committee on Finance	
5		
6	Hon. Ron Wyden,	5
7	a U.S. Senator from Oregon	