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

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


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

Democratic staff: Michael Evans, Deputy Staff Director and Chief Counsel; Ian Nicholson, Investigator; and Joshua Sheinkman, Staff Director.
The Chairman. The committee will come to order.

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

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

I and my Republican colleagues have acted to process Dr. Yellen’s nomination before the committee expeditiously. We have done that in the interest of bipartisanship, and to help ensure that the President’s cabinet can get up and running to help respond to the needs of the American people, particularly in the midst
of our virus pandemic.

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

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

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

I will also note that in considering Dr. Yellen’s nomination, we have not organized any resistance
campaign, vote boycott, or personalized attacks on her character. We have not created any false claims or unfounded accusations about her. Unfortunately, I cannot say that like treatment was afforded to nominees of the prior administration.

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

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

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

Senator Wyden?
OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM OREGON

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

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

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

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

Thank you, Mr. Chairman.

The Chairman. Will the Chief Clerk call the roll?

The Clerk. Mr. Crapo?

Senator Crapo. Aye.

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

Senator Cornyn. Aye.

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

[No response.]

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

The Clerk. Mr. Burr?

[No response.]

The Clerk. Mr. Portman?

Senator Portman. Aye.

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

Senator Toomey. Aye.

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

Senator Scott. Aye.

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

Senator Cassidy. Aye.

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

Senator Lankford. Aye.

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

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

Senator Young. Aye.

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

Senator Sasse. Aye.

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

Senator Wyden. Aye.

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

Senator Stabenow. Aye.

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

Senator Cantwell. Aye.

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

Senator Wyden. Mr. Menendez, aye by proxy.

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


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

Senator Wyden. Aye by proxy.

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


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

Senator Bennet. Aye.

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


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

Senator Wyden. Aye by proxy.
The Clerk. Mr. Warner, aye by proxy. Mr. Whitehouse?

Senator Wyden. Aye by proxy.

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

Senator Hassan. Aye.

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

Senator Cortez Masto. Aye.

The Clerk. Ms. Cortex Masto, aye. Mr. Chairman?

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

The Clerk. And Mr. Burr?

The Chairman. Burr, by proxy.

The Clerk. Mr. Burr?

The Chairman. Yes, aye by proxy. I did not say “aye.”

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

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

Senator Wyden. Yes.

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

Senator Cantwell. Well, Mr. Chairman, I just -- I
thank you and the committee for moving this nomination so quickly. We are proud that we have now the first woman to be the Treasury Secretary of the United States.

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

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

Thank you, Mr. Chairman.

The Chairman. Okay, I will call according to the-- Senator Crapo. Mr. Chairman, Senator Menendez would like to be recorded in person.

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

The Chairman. Yes, you surely may. Yes.

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

Senator Crapo. Thank you, Mr. Chairman. I will be
very brief. I first want to associate myself very
strongly with your remarks. I believe you very well
stated the fact that we want to try to work closely
together, and we want an era of collaboration and
partnership in developing the tax policy and the other
policies that this committee will work on as this new
administration stands up.

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

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

The Chairman. Senator Stabenow?

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

On behalf of someone who I believe may in fact be
the most competent, qualified Secretary of the Treasury
we have ever had, and certainly her perspective is one
that will fight and move forward to build the country
back better for Americans. And I look forward to
working with her. Thank you.

The Chairman. Senator Scott?

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

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

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

Senator Lankford. Mr. Chairman, thank you for the
conversation today on this for just a moment. I did
struggle with this nomination, because there is no
question she is qualified for this role, so I had to
strike a balance between my advice and my consent. If I
am going to give my advice to President Biden, it would not be to pick someone who I philosophically disagree with so much. If I am going to give my consent, I would give my consent because she is definitely qualified and has been through the training and the preparation to be able to do it.

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

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

Thank you.

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

Senator Thune. Mr. Chairman, I thank you. I understand I am recorded by proxy, and would ask unanimous consent that I be recorded in support of her nomination as here lies.
The Chairman. So ordered. Senator Casey?

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

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

Senator Whitehouse. Yes.

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

Senator Portman. I finished my talk.

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

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

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

Senator Portman. Thank you, Mr. Chairman, and I vote “yes” today. I believe Janet Yellen is highly qualified, as we said earlier, maybe one of the most qualified to serve. And I am encouraged by my conversation with her about fiscal sanity, where she said that she would be a voice for fiscal sanity within the administration at a time when we have unprecedented levels of deficit, and the largest debt in fact as a
percent of our economy, which is I think the most important way to measure it. We are approaching a record level, which is frightening.

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

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

In terms of the business side, remember we used to be able to, in America, say that even though we had the highest taxes of any industrialized country for our businesses, people could defer those taxes. And now we
do not allow them to defer them anymore, which I think is a good thing. But instead, we say they have to be taxed at a certain amount for their foreign earnings. There is effectively a minimum tax in place. That is what is called “the guilty tax.” It is complicated, but the bottom line is, apparently he wants to increase that substantially, double it.

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

Thank you, Mr. Chairman.

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

[No response.]

The Chairman. Okay, then Senator Brown.

Senator Brown. Thank you, Mr. Chairman. I agree with Senator Stabenow, and my friend from Ohio, Senator Portman, that soon-to-be, I hope, Secretary Yellen is the most qualified Treasury Secretary probably in
American history.
I appreciate so much her gravitas and her depth.
She understands what William Sprague said to the Senate Banking and Housing Committee that Senator Crapo chaired, that we did not think before D-Day that we have to figure out how much it costs to win World War II; we did what we needed to do.
And I think that Janet Yellen understands that, understands how important tax policy is. I did not really hear my colleagues talking much about the debt when we passed the tax giveaway in 2017 that was a big giveaway to the wealthy and the middle class really did not benefit.
I appreciate particularly the work that Senator Bennet and Senator Casey and numbers of us have done on the Earned Income Tax Credit, the Child Tax Credit expansion, and for refundability that Secretary -- Ms. Yellen -- supports and will fight for.
So it is an easy vote to vote in support of her.
Thanks, Mr. Chairman.
The Chairman. Senator Carper?
Senator Carper. To our Republican colleagues, thank you for joining us and voting affirmatively for Janet Yellen. I think she will do a terrific job. And, frankly, I was delightfully surprised with the good work
that Steve Mnuchin did in the last Congress. I know we did not agree on everything, but I still give him an A for effort.

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

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

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

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

And I will never forget what he said. He said: “I am always willing to compromise on policy; I am never willing to compromise on principle.”

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

President Biden has set a goal of 100 million people in the first 100 days. We need to do that, and more, as you know. We have kids who need to go back in school. We have got unemployed workers that are laid off, they do not have the skills that are needed to fill up the jobs.
We have got to get them retrained and retooled. We just have a whole bunch of stuff. And we agree on the principles that those are things we need to get done. We are not always going to agree on how to get them done, but at least we can agree on the principles, and then we will figure out the policies that would make that happen.

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

The Chairman. Senator Bennet?

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

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

Senator Cornyn. I want to pass.

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

Senator Sasse. I do not have anything right now.
Thank you.

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

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

The Chairman. We can hear you.

Senator Whitehouse. Great. Thank you.

First let me join with Senator ----

The Chairman. Listen to Senator Whitehouse.

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

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

As many people here have heard me say, the industry floats on an annual subsidy that the International
Monetary Fund has quantified at $600 billion per year. And it is very hard to fix the climate problem around a massive subsidy like that. And the strength of her response on carbon pricing gives me a really strong signal that we can work together on this.

And as I have noted, many of our Republican colleagues, former Secretaries, former members of Congress, former economic advisors to Presidents, all on the Republican side, and a considerable number of Republican and conservative-leaning think tanks, have all come to that as the solution. In fact, pretty much every Republican-leaning group that has thought through climate change and proposed a solution has come there. So it not only opens an effective pathway to solving this problem before it really damages the farms of Iowa and the coasts of Rhode Island, but it also gives us, I think, an opening to do it in a bipartisan way.

So congratulations, again, to all. And particularly, thank you to my Republican colleagues for today’s vote.

The Chairman. Senator Casey, I am sorry.

[Pause.]

[No response.]

The Chairman. Meeting adjourned.

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