

**Prepared Statement by Senator Chuck Grassley
Chairman, Senate Finance Committee
Hearing to Consider the Anticipated Nomination of the Honorable Janet L. Yellen to be Secretary of the Treasury
January 19, 2021**

Today, we welcome the Honorable Janet Yellen to consider an anticipated nomination for her to become Secretary of the Treasury.

The role of Treasury Secretary covers responsibilities over a large number of issues, including: taxes; fiscal management including the debt; financial sanctions; and economic policies.

The Treasury Secretary also serves as Chair of the Financial Stability Oversight Council, which has wide-ranging financial oversight and regulatory authorities.

Dr. Yellen has a history in academics, think tanks, the federal government, and at the Federal Reserve.

This hearing takes place in the midst of an ongoing pandemic along with significant divisions in Congress and in the nation.

I hope we can move away from partisan divisiveness and personalized attacks against each other.

Dr. Yellen, if confirmed, you can be instrumental in helping generate an environment for bipartisan efforts and reasoned debate.

You've expressed that you have interest in aggressively pursuing mitigation efforts toward climate change, which you see as a global existential threat.

The incoming administration has also identified interest in raising taxes, coupled with massive spending programs, and working to reduce income inequality. And Senator Schumer has said that he'd like to change America.

I'll be interested in hearing more about those and other things as we continue to consider your nomination.

As I've already indicated to you, I think it would be a big mistake to raise taxes on individuals and businesses as they struggle through an economic recovery and a pandemic.

I know that the incoming administration has said they'd like to pursue a two-pronged strategy, with a massive stimulus followed by tax hikes coupled with even more spending, maybe on infrastructure.

We are already closely examining President-elect Biden's proposal for around \$1.9 trillion of stimulus, which even some prominent Democrat economists have said does not seem to be well targeted.

With the trillions already in the pipeline, and close to \$1 trillion of relief enacted just a few short weeks ago, it is important to focus efforts on pandemic relief. Now is not the time to enact a laundry list of liberal structural economic reforms.

Dr. Yellen, if you are confirmed, I hope that you will work with us on the proposal.

Moving forward, President-elect Biden has stated numerous times that no one making under \$400,000 would see their taxes raised. For example, last year on CNBC, Biden stated what we can think of as the New Biden Rule that: "Nobody making under 400,000 bucks would have their taxes raised, period..."

While I don't think we need to be raising taxes, I will pay close attention to see that the incoming administration abides by that New Biden Rule and doesn't go after taxing small businesses and the middle class.

On my part, let me tell you that I believe in free and fair trade both internationally and domestically.

International trade is important for American business, and especially important to the agricultural sector and farmers across American.

I will make sure that the incoming administration does not overlook the importance of agriculture, or overlook interests of rural America.

I am against foreign countries trying to tap into the U.S. tax base with unilateral digital services taxes, under their self-proclaimed “rights” to invade our tax base. They don’t have that right.

I don’t support socialism or Marxism or so-called Democratic socialism that would end with command-and-control policies.

I also don’t support any rapid or drastic wiping out of industries and their workers based mostly on ideology and often on misleading analyses, with some notion of taking care of the carnage through massive government income and wealth redistribution.

Prior to the pandemic, although there were economic and structural challenges in the economy, we saw:

- historic, 50-year lows in unemployment rate;
- record lows for gaps between minority unemployment and the overall unemployment rate;
- inclusive growth, with real wages growing fastest for low-earners;
- record highs in real median household income;
- stronger median income growth for minorities than others;
- and, reductions in income inequality and poverty.

While those are goals of Democrats, we did not hear much about the accomplishments from them.

Those accomplishments came about in an environment in which tax burdens were lowered and made more progressive, and regulation was made more efficient.

Instead of welcoming the accomplishments, we have heard from the other side that we need to change America.

I would like to see us continue with the accomplishments we saw prior to the pandemic.

Now, let me close with a comment on transparency.

This committee has traditionally expressed bipartisan interest in reminding all nominees that transparency is important to our Members.

That means that I expect that you will respond to inquiries from any Senator on this Committee, no matter which side of the aisle they sit.

Prompt and thorough responses to our inquiries and investigations is what we expect.

With that, I’ll turn to Senator Wyden.