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## **Wyden Hearing Statement on the Treasury Budget Proposal** *As Prepared for Delivery*

This morning the Finance Committee welcomes Treasury Secretary Janet Yellen for a hearing on the president's budget proposal.

Everyone here, regardless of political stripe, understands that the FDIC, the Fed and the Treasury Department are putting in long hours to contain the fallout of the recent bank closures. The process is moving forward under existing law.

Investigations underway at the SEC and Department of Justice. Senator Brown, Chair of the Banking Committee and a valued member of this committee, is determined to get to the bottom of exactly what went wrong.

Nerves are frayed at the moment. One of the most important steps the Congress can take now is make sure there are no questions about the full faith and credit of the United States.

That means paying the bills incurred by presidents of both parties and taking a default off the table.

With respect to the budget debate, after a request from me and Senator Whitehouse, the nonpartisan Congressional Budget Office did the math on the recent fiscal promises we've heard from House Republicans.

Those promises are piling up but their numbers aren't adding up. They want to balance the budget in 10 years, but they've announced a long list of untouchables. No reductions in defense spending. No cuts to Medicare or Social Security. No touching veterans' programs. No asking the wealthy or corporations to pay a penny more in taxes. A couple of those items would get bipartisan support, but certainly not all of them.

Senator Whitehouse and I asked the CBO to run the numbers. Is it even possible for Republicans to stand by all those commitments? Does the math add up?

The short answer is no. Not even close.

What CBO found is that for Republicans to make the math work, they would have to cut every other federal program by 86 percent. Goodbye to Medicaid and the guarantee of nursing home coverage. The

border would be unprotected. Roads and bridges would crumble back into the stone age. And if Republicans also want to extend the Trump tax law, then you'd have to cut everything else. Gone.

Given that, it's not a big mystery why House Republicans haven't yet put a budget on paper to show to the American people. They're living way out in la-la land.

Democrats are following a smarter approach. The President has put out a budget that's based on a simple proposition: helping working families and the middle class get ahead and reducing the deficit at the same time are not mutually exclusive.

A few budget items I want to highlight that are relevant to the Treasury.

First, last week this committee held an excellent hearing on the affordable housing crisis. That's an area where I believe there's a clear opportunity for bipartisan cooperation in this Congress. The budget proposes expanding the Low Income Housing Tax Credit and creating the neighborhood homes tax credit, among other ideas. Senator Cantwell, Senator Cardin and Senator Young are championing our efforts here. I'm going to continue to work with them on these proposals and more. This crisis needs a solution, and there's no substitute for increasing the supply of affordable housing.

Second, the budget calls for expanding two of the most significant sources of support for working people and families, the Child Tax Credit and the Earned Income Tax Credit. When the Congress passed those expansions in 2021, there were huge, almost immediate reductions in poverty. With a little financial relief, Millions of working Americans felt like they could finally breathe for the first time in a long time. I'd like for them to have that feeling of relief once again.

And third, I've talked for a long time about the need to address the basic unfairness of our two-tiered tax system. There's one set of rules for people who work for a living, teachers, nurses and firefighters, who pay taxes straight out of every paycheck. Then there's another set of rules for the uber-wealthy, who can pay what they want, when they want, and potentially nothing at all. Although the president and I have proposed slightly different ideas for addressing this unfairness, it's clear we're rowing in the same direction.

One final issue before I wrap up. I've got serious concerns about the approach the administration has taken to implementing the portion of the Inflation Reduction Act that deals with sourcing critical minerals. Free Trade Agreements cannot be unilaterally decided by the Executive Branch. They require consultation and consent from Congress. That includes any agreements on critical minerals.

I want to thank Secretary Yellen for joining the committee today.

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