

BUSINESS MEETING

TUESDAY, JANUARY 31, 2017

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, Dc.

The Committee met, pursuant to notice, at 10:05 a.m., in Room S-116, Dirksen Senate Office Building, Hon. Bob Corker, chairman of the committee, presiding.

Present: Senators Corker [presiding], Risch, Johnson, Flake, Gardner, Young, Barrasso, Isakson, Portman, Paul, Cardin, Shaheen, Udall, Markey, Merkley, and Booker.

OPENING STATEMENT OF HON. BOB CORKER, U.S. SENATOR FROM TENNESSEE

The CHAIRMAN. This meeting will come to order, and I will go ahead and make my opening comments because I know we have other meetings. Thanks for coming. We will let Senator Cardin speak when he gets here.

This business meeting of the Senate Foreign Relations Committee will come to order. Today we will organize the committee, establish our subcommittees, set the rules, and authorize expenditures for this Congress.

First, we are considering the proposed subcommittee membership and jurisdiction of the 115th Congress. I hope our subcommittees will continue to play a beneficial role in the work that this committee does. I also want to thank each and every one of you for your willingness to serve on these important subcommittees. I look forward to working with the respective chairmen and ranking members.

Next, we are required to consider a resolution authorizing expenditures by this committee during the 115th Congress. Lastly on today's agenda, we will consider the proposed rules of the 115th Congress. These rules have served this committee well in the past. I hope they continue to do so for this Congress.

With that, perfect timing, I would like to recognize the distinguished ranking member for his comments. Senator Cardin.

STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

Senator CARDIN. Well, thank you, Mr. Chairman. Sorry we could not have our meeting last night, but I am glad that we could accommodate and have the meeting before the North Korea meeting.

Let me, if I might, express my support for the agenda we have today. I would urge the support of the subcommittee membership

and jurisdiction for the 115th Congress, the committee rules for the 115th Congress, and the Senate resolution authorizing the expenditures by the Committee on Foreign Relations during the 115th Congress. All those issues have worked out between the Democrats and the Republicans, and we appreciate the cooperation as usual in working these issues out.

So, let me in my opening statement talk about one area——

The CHAIRMAN. Why do we not do that when we come to it, if that is okay.

Senator CARDIN [continuing]. That is fine.

The CHAIRMAN. Okay. First, I would like to consider the subcommittee jurisdiction and membership. Senator Cardin, any comments?

Senator CARDIN. Move that we approve.

The CHAIRMAN. Any objections?

[No response.]

The CHAIRMAN. All in favor, say aye.

[A chorus of ayes.]

The CHAIRMAN. All opposed?

[No response.]

The CHAIRMAN. And the ayes have it and the subcommittees are approved.

[No response.]

The CHAIRMAN. We have done all that. Are we good for the subcommittees? Okay.

Next, we will consider the resolution authorizing expenditures for this committee during the 115th Congress. Senator Cardin, do you have any comments you would like to make on this?

Senator CARDIN. I support it and move its adoption.

Voice: Second.

The CHAIRMAN. Anyone else like to speak to this resolution?

[No response.]

The CHAIRMAN. Is there a motion to approve the committee's expenditures resolution by voice vote?

Voice: So move.

The CHAIRMAN. Is there a second?

Voices: Second.

The CHAIRMAN. Second. The question is on the motion to approve the committee's expenditures resolution for the 115th Congress.

All those in favor, say aye.

[A chorus of ayes.]

The CHAIRMAN. All opposed?

[No response.]

The CHAIRMAN. Ayes have it.

With that, we are going to move to the rules, and I am going to make a statement.

There is, you know, a lot of craziness that has happened and has been since the election, and this committee has been an island of bipartisanship. It has been the place that has continued to conduct itself as adults and try to continue to look at our Nation's issues in a sound way, and I am really proud of that. I am proud to have been on this committee for 10 years.

When I was setting up this meeting for Tillerson, I not only had extensive meetings and conversations with Senator Cardin, but I

also had extensive conversations with Senator Schumer because I knew he was driving much of what was happening. And during that time, Senator Schumer told me that the Democratic base was very upset about the fact that President Trump had not shown his financials, his tax returns, and, therefore, they were going to make an issue of it at the committee level. I talked with him again about it on Saturday. Same thing.

You know, we have been a committee that just has not done things in that manner. I know the amendment that Senator Cardin is getting ready to offer is exactly the amendment that was offered in Banking the other day. So, it has been obviously a coordinated effort, something that, again, is disappointing.

We have the ability on the committee to ask questions of nominees, and Senator Cardin and I joined together and asked some very pertinent questions relative to the financial issues of Rex Tillerson, things about foreign involvements, foreign income, foreign sales, those types of things, and he answered those questions. And I think each of you know the Office of Government Ethics gave him a sterling review for the way that he had handled things.

I think you know that four years ago we convened and approved Senator Kerry in very quickly. This is a person that was a billionaire with his wife, had not turned in tax returns. So, I am a little surprised by the newfound interest in tax returns, especially when we had someone as wealthy and as far flung as that particular candidate. But I know it exists today.

I just want to say one more thing. I strongly opposed the nuclear option. I voted for some really bad people, from my perspective, in order to keep it from happening. But somehow or another we had to go through the nuclear option, and I know my friends on the Democratic side rue that. And I would just say that, look, if we have got changes we need to make, let us let passions quell. Let us continue to work together in the way that we always have. Let us not use this committee as a place to make political points.

So, I hope that—I am sensitive, and I think I know the outcome of this vote. I hope that I do. And, you know, in a couple of years, if there are things that any of us need to look at that we feel like is a better way of vetting folks, I would be more than glad to look at it. I am disappointed that we are where we are today. Numerous questions have been asked and answered. I realize, though, that this will scratch an itch.

And with that, I will turn to Senator Cardin.

Senator CARDIN. Well, thank you, Mr. Chairman. So, let me respond on a—on a couple of points. My first call to you in regards to the tax returns, I had not had any conversations with Senator Schumer before that call. As I am listening to your conversations with Senator Schumer, it seems to me that you may have talked to Senator Schumer more than I talked to Senator Schumer—

The CHAIRMAN. That could be the case. That could be the case.

Senator CARDIN. So, let me go back to the original request that I made in regards to three years of tax returns. And you during a very early conversation said that you thought that that would be inconsistent with the practice of the recent history, and that you were not going to break the current practice, and, therefore, you did not support the release of the tax returns.

We also went over the politics of this, that you thought that this was an extension of the debate on President Trump, and that I expressed that was not the case and my reasons for wanting the tax returns. And then you also expressed that there was a concern by Mr. Tillerson in regards to his personal privacy, and if you recall that first conversation, I agreed with you. I thought that a vetting process should maintain privacy where it can maintain privacy.

And I gave you a commitment at that time that if the appropriate staff could review the tax returns, unless there was something that struck a concern that you and I mutually agreed to—mutually agreed to—all the information would be kept confidential. I used that as a similar circumstance of what the FBI investigations had done.

I thought as a result of that first conversation we made progress, and, quite frankly, I thought we were going to be able to get some accommodations on the tax returns as we went through the process, but that was not to be the case.

I want to talk about the differences here because Senator Young raised a very valid point about public officials releasing tax returns, why should we not as members of the Senate Foreign Relations Committee. And I certainly believe that President Trump as candidate Trump and as President of the United States should release his tax returns publicly. That is my belief. And it may be that members of the United States Senate or Congress should release their tax returns publicly as a matter of transparency.

But that is not the issue I was trying to get at in our responsibility as the committee in dealing with Mr. Tillerson. We have a vetting process in regards to Mr. Tillerson, and it is pretty thorough. Mr. Tillerson has never been vetted before for public office. He is a—has a pretty broad financial interest, and, yes, I was interested specifically in his foreign source income. I was. I told that to staff that I was interested to make sure that he did not have potential problems because of foreign source income.

And we thought that the tax returns would help us in understanding that, and I asked questions for the record concerning foreign source income and did not get answers as to foreign source income. So, it was an area that I thought was appropriate for vetting.

And I come back to the point that what I have requested is not for a public release, but a private vetting issue. The chairman and I are—had the opportunity to take a look at an FBI investigation of Mr. Tillerson. I can assure you the FBI questions are much more personal and much more invasive than a person's tax returns, and I am not aware of any chairman or ranking member violating the confidentiality of an FBI report. So, in that same spirit, I thought it was appropriate for our committee in the vetting process to take a look at the returns.

This clearly has gotten engaged in the broader political issue. Democrats and Republicans see it differently, and I do not—I understand why, and I am disappointed by that because to me vetting and public disclosure are two different things. Totally different things. And I never would suggest that a Cabinet Secretary have public disclosures of tax returns. It is not what I ever intended and never sought. And the amendments that I have brought forward would not require—in fact, they would protect the privacy.

Now, 30 percent of the Cabinet will go through this type of vetting. John Kelly as Homeland Security Secretary, General Mattis, Secretary of Defense, Mr. Mulvaney as OMB director, Tom Price, HHS, Linda McMahon, Small Business, Steve Mnuchin as Treasury Secretary all have gone through process. And I have not seen any significant blowup as a result of their tax returns being part of the vetting process. In fact, there has been nothing written about it that I am aware of, which means it is just part of the normal process. I happen to think, as I know the chairman believes, the Secretary of State is equally important and has equally challenging decisions as the members I just mentioned on the President's potential Cabinet.

So, for all those reasons, it was my hope that we could change the practice of our committee that this would be part of the normal process. And to make it clear, the rules that I have said is not the same as the Banking. It would start with the next Administration so that it would not have a partisan view as to we are starting under a Republican Administration. We do not know whether the next Administration will be a Democratic Administration or Republican Administration.

And the proposed rule change would require confidentiality, would not allow the members of this committee or staff to have access to those tax returns. It would be strictly the chairman, the ranking member, and our staff—appropriate staff, and then no further than unless mutually agreed.

Mr. Chairman, I share your passion for the—this committee and the way we have operated. I have not been successful in convincing you of the merits of the proposal or my sincerity that requesting this has nothing at all to do with the broader politics. This is my first nominee as ranking member that I have been responsible for to a Cabinet position, and I take my responsibility as ranking member on nominations of Cabinet-level positions very seriously. And this had nothing to do with broader politics as far as my passion for this issue.

But I have not been able to convince you, and I agree with you that the reputation of this committee, the record of this committee, on working together on these issues, bipartisan, is critically important. And I am going to continue to try to convince you that this is in the best interest of the work of this committee that Cabinet-level Secretaries make their tax returns available to us. If we ask the question, "will you" and they answer "yes," they have to understand that we may be looking at it.

And for those reasons, I am not going to offer the amendment today, and I will continue to work with you because I do believe rules changes should be done bipartisan. And we will continue to work with you in that regard.

The CHAIRMAN. Well, I appreciate that very much, and appreciate the dialogue that we have had. And I do want to point out that he did answer questions relative to foreign income. Those were joint questions from you and I, and there were numbers of questions relevant to that that he did answer. But I appreciate what you are saying, and I am sorry for our committee that we have gotten all caught up in wrapping around the axle here. But I really appreciate your comments.

So, with that, I guess is there a move the adopted rules as they are.

Senator CARDIN. I move the adoption.

VOICE. Second.

The CHAIRMAN. Second.

All in favor, say aye.

[A chorus of ayes.]

The CHAIRMAN. All opposed?

[No response.]

The CHAIRMAN. Thank you all. Let us go to work. Meeting is adjourned. Thank you.

[Whereupon, at 10:21 a.m., the hearing was adjourned.]
