

**Statement of  
Steven T. Mnuchin  
Secretary  
United States Department of the Treasury  
before the  
Senate Committee on Banking, Housing, & Urban Affairs  
United States Senate  
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Chairman Crapo, Ranking Member Brown, and members of the Committee, it is an honor to appear before you today for the first time as Treasury Secretary. During my confirmation hearing I promised to work with Congress to create and maintain prosperity for all Americans. I want to reaffirm that commitment to you today.

Let me begin by discussing the Treasury's recent report on the foreign exchange policies of our major trading partners. Ensuring that American businesses, consumers, and workers face a level playing field is one of the essential components of this Administration's agenda. When foreign governments engage in currency manipulation, it makes the playing field uneven, which is why we regularly monitor these practices.

After careful study, the Treasury Department has found that no major trading partner met the criteria for currency manipulator during the current reporting period. We will continue to follow this important issue and have established a "Monitoring List" of economies that warrant close attention. This list comprises: China, Germany, Japan, Korea, Switzerland, and Taiwan.

Additionally, we are committed to rethinking our foreign agreements and trading practices to ensure that they are both free and fair to American businesses and workers. In my discussions with the IMF and the finance ministers of the G-20 I have emphasized this goal and will continue to do so.

Turning to our domestic economic agenda, it has been more than 30 years since we have had comprehensive tax reform in this country. Combined with often imprudent regulations crafted in the midst of crisis, the engine of American prosperity has slowed. I believe that a goal of 3% GDP or higher economic growth is achievable if we make historic reforms to both taxes and regulation.

There are about 100 people working at the Treasury on the issue of tax reform. It is our goal to bring meaningful relief to middle income Americans and make American businesses competitive again. We will do this all while simplifying the system.

On regulatory reform, Treasury is preparing its initial report in response to the President's Executive Order on "Core Principles for Regulating the United States Financial System." These Principles provide a roadmap for the Administration's approach to financial services regulation. We have taken a systematic approach in our work by meeting with a variety of stakeholder groups to hear what works, what does not work, and what can be improved. Our initial report will contain recommendations to provide relief for community banks and make regulations more efficient, effective and appropriately tailored.

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Housing finance reform is another priority of mine. This has been an unresolved issue for far too long and one we are committed to fixing. We will ensure that there is both ample credit for housing and that we do not put taxpayers at risk. This Committee has done extensive work on this along with your work on community financial institution regulatory relief. My hope is that we can partner on both of these issues. I look forward to working with the Congress to develop a solution.

Finally, another area that is crucially important to Treasury is our commitment to combatting terrorist activities and financing. We have announced a number of sanction actions against individuals and entities associated with destabilizing regimes like Syria, Iran, and North Korea. This work is essential to the Administration's efforts to continue to keep Americans safe.

The first few months of this Administration have been significant. We have been working hard at the Treasury to develop and implement policy that will allow the economy to grow. This will make the dream of prosperity once again a reality for all Americans.

Thank you and I look forward to answering your questions.