

NATIONAL PRESS CLUB SPEAKERS PRESS CONFERENCE WITH ELIZABETH WARREN

SUBJECT: CORPORATE INTERNATIONAL TAX REFORM

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**MS. GEEWAX:** (Sounds gavel.) Welcome to the Press Club. My name is Marilyn Geewax. I'm one of the business editors at NPR here in Washington, and I'm also on the Board of Governors at the Club. Our guest today is Massachusetts Senator Elizabeth Warren.

But first, I'm going to introduce the folks at the head table. If you'll hold any applause until I've introduced everybody, this is Jerry Zremski, the Chair of the Speakers Committee; and Betsy Fisher Martin, who helped organize this event. Thank you to both of you. And I want to welcome our C-SPAN and Public Radio audiences. You can follow this action on Twitter. Please use the hashtag NPCnewsmaker.

And now our guest speaker. She's been called America's most popular populist, and although you won't be seeing her name on the presidential primary ballot next year, she's very much a force in the 2016 race. And that's because she has been on a mission. Her mission is to hold candidates from both parties accountable for the issues that matter to her, that those include-- it's a long list-- but Wall Street accountability, transparency, college affordability, income and equality in general, and women's equality in particular.

But now as Hillary Clinton moves closer to solidifying support in a Democratic Party, can Senator Warren still serve as the progressive power broker and continue to help that public policy debate?

Senator Warren began serving her first term in the U.S. Senate from Massachusetts. She's a Democrat. She is widely recognized also as the architect of the Consumer Financial Protection Bureau, which I wish had a simpler name, but it's CFPB.

**SENATOR ELIZABETH WARREN:** Now, remember the Republicans who didn't want it to become law. (Laughter)

**MS. GEEWAX:** Okay.

**SENATOR ELIZABETH WARREN:** It's true.

**MS. GEEWAX:** She served as Chair of the Congressional Oversight Panel for-- another great name-- Troubled Asset Relief Program, TARP-- in the aftermath of the 2008 financial crisis before setting up that CFPB. She was elected to the Senate in 2012 and she made a name nationally through her passionate attacks on big banks and financial institutions. She's written extensively on issues relating to economic fairness. She was a professor for nearly 20 years at Harvard Law School. She's published ten books - ten? Wow. And three best sellers, *A Fighting Chance*, *The Two Income Trap*, and *All Your Worth*.

She's a native of Oklahoma. Senator Warren grew up in modest circumstances, which she has called the ragged edge of the middle class. She entered law school after having her first child and practiced law from an office in her living room before becoming a professor. Omnicom Washington, she seems to be everywhere. That I've seen so far today, you've had at least two previous press conferences, and those are just the ones I know about. But one was dealing with women's wages. Another one was dealing with the Transpacific Partnership.

Despite this high visibility, the senator has said many times and on the record that she is not running for President. But while the Ready for Warren super PAC has now thrown its support behind Bernie Sanders, Senator Warren herself has not made an endorsement in the Democratic primary.

She did raise eyebrows a few months ago when she had a "private" lunch with Vice President Biden while he was weighing his decision on whether to enter the race. After much speculation, the potential for a Biden/Warren ticket sort of evaporated when the Vice President said he would not be participating.

So it remains to be seen who the senator will endorse. But for now, we are just going to welcome her to the Press Club where she wants to talk about the international corporate tax reform. And she will take questions from the audience. Welcome. (Applause)

**SENATOR ELIZABETH WARREN:** Thank you very much. Thanks so much, it's good to be here. I appreciate your doing a list because I wanted to come here to expand that list a little bit. Change is in the air in Washington. The lobbyists are

swarming on Capitol Hill. The buzz is everywhere. Congress is going to revise the corporate tax code, and the time is nearly here. So the lobbyists have a pretty strong elevator pitch. It goes like this. U.S. corporations are paying too much in taxes. The top tax corporate rate is 35 percent, which is much higher than the rest of the developed world and it's forcing U.S. corporations to flee abroad. The solution is to slash corporate rates across the board.

So, that's the elevator pitch. The story of over-taxation is everywhere. It is told and retold by lobbyists for giant U.S. corporations, told and retold by their friends in Congress, and promoted by more than one Republican candidate for President. So I put together a sampling of what the Republican candidates have said. Ben Carson: "Our government is driving businesses to other countries because our corporate tax rate is the second highest in the world." Donald Trump: "Our multinational corporations can't compete because we have the worst corporate tax rate in the industrialized world." Marco Rubio: "The U.S. imposes a double tax on the corporate earnings of U.S. multinationals, holding back our nation's potential to compete around the globe."

So only one problem with the over-taxation story: it's not true. There is a problem with the corporate tax code, but that isn't it. So, let's go through some of the numbers. Let's start with the claim that U.S. corporations pay more than their foreign counterparts. Now, it's true, the highest nominal tax rate on paper is 35 percent. But hardly anybody actually pays that rate. Multiple studies have estimated that the average effective federal tax rate for U.S. corporations, the tax rate that corporations actually pay to the U.S. government after they take advantage of all of the deductions, the exceptions, the credits, is only 20 percent. And 20 percent is right in the middle of corporate taxes paid in the rest of the world. Right in the middle.

So the tax rate is about average. What about the trend line? Are corporate taxes getting more burdensome as lobbyists claim? Nope. In fact, there has been a ten point decline in effective tax rates for U.S. corporations between 1998 and 2013. But there is a deeper lie hidden right at the center of the elevator pitch. The tax code is so tangled up with exceptions and with credits that for some of the biggest corporations, the effective federal income tax rate is zero. That's right. Not 35 percent, not 20 percent, zero percent.

For example, over a five year period, Boeing, General Electric and Verizon paid nothing in net federal income taxes. That's across a five year period. These three Fortune 500 companies reported nearly \$80 billion in combined profits and actually got tax rebates from the federal government.

So what's the problem with our corporate tax code? It's not that taxes are far too high for giant corporations, as the lobbyists claim. No, the problem is that revenue generated from corporate taxes is far too low. And the trend line here is unmistakable. Over the past 60 years, corporations have contributed a smaller and smaller and smaller share to the costs of running the government. Back in the 1950s, corporations contributed about three out of every ten dollars in federal revenue. Today, corporations contribute just one out of every ten dollars.

So how does that compare with other countries? Well of all the countries in the OECD, 75 percent of them collected higher corporate tax revenues as a share of GDP than we do here in the United States. That means that three-quarters of all developed countries require corporations to contribute more than the U.S. does. Japan, Canada, the U. K., these are just a few of the countries that collect a bigger share of corporate tax revenue than the United States.

Now, think about this. Fortune 500 companies proudly proclaim that they are making record-breaking profits and then they hire armies of lawyers to make sure they don't pay taxes on those record-breaking profits. I could give you a dozen examples of how different tax dodges work. There's check the box, there's reverse hybrid mismatches, inversions, earnings strippings. But before you all head for the exits because you're afraid that's what I will do, I'm just going to focus on one. I just want to highlight one of these.

And that is attributing corporate income to the subsidiary setup and offshore tax havens. As of last year, nearly three-quarters of all Fortune 500 companies operated subsidiaries in tax havens. Based on filings with the SEC, these 358 companies reported at least 7,622 tax haven subsidiaries. And for the math folks in the room, that's more than 21 tax haven subsidiaries for each Fortune 500 company that's also in the tax dodge business.

How much money can you save by doing that? Well, the savings are huge. The tax dodgers that shift money to these low tax jurisdictions are on average paying effective tax rates of just 3 percent on their tax haven profits. Not the 35 percent of the elevator pitch, but a tidy little 3 percent.

The amount of money tucked away in tax havens is truly staggering. Together, U.S. corporations have \$2.1 trillion in untaxed profits sitting offshore. And once again, just look at the trend line. In just the past 10 years, the amount of untaxed offshore profit has increased nearly fivefold. In other words, one of the hottest investments in America in the past decade hasn't been biotech or big oil, it's been tax lawyers.

The money sheltered overseas is now about the same as the combined total earnings of all U.S. corporations in 2013. But here's the trick. That tax bonus is not shared evenly. Now, the game is rigged and it is rigged for the really big guys. Out of the millions of businesses in the U.S., just 50 corporations hold 75 percent of the \$2.1 trillion in untaxed offshore profits.

And even in that rarified air, there is a tax dodger hall of fame. Just ten American companies hold more than a third of all of those offshore profits. And here's the real kick in the teeth. The average American household pays a federal tax rate of 17.6 percent. The average effective tax rate for an American corporation for fewer than 500 employees is 17.5 percent. Shoot, even Mitt Romney paid 14 percent. But the biggest American companies are paying far, far less. In many cases, nothing at all.

So they enjoy all of the benefits of being an American company, but they leave it to families and small businesses to pick up the bill. For years now, gridlock in Washington has worked in favor of the tax dodgers. Despite the occasional expose in the media, the corporations and their top executives continue to sleep comfortably secure in the knowledge that they could block any real tax reforms.

But now, there is change in the wind. Why? Because the giant tax dodgers themselves are lobbying for change in the tax laws, and they are lobbying hard. They're even signaling that they just might be willing to bring some of that sheltered money back to the United States if we will give them a sweet enough deal to do it.

So what's going on? Why this sudden change? A burst of conscience, of patriotism? Yes, I notice you laugh. No. As always, it's about money. While the United States Congress may be asleep at the switch, other countries are waking up to tax dodgers and they are starting to rewrite their tax laws. Many of our global competitors have started cracking down on the infamous levels of tax avoidance by U.S. companies. They know U.S. corporations are shuffling cash through their borders without paying any taxes, and they want their cut.

The U. K., for example, is developing a new tax to go after profits hidden away by U.S. companies. What's the name of the bill? They're calling it the Google tax. The European Court of Justice is striking down sweetheart deals for U.S. tech companies and for their subsidiaries through Europe. The European Commission has been ramping up its tax investigations and been clawing back tax benefits collected by U.S. corporations. And the G20 just released a sweeping new plan for cracking down on cross-border tax games.

There's a move afoot internationally to shut down tax dodgers. Now, even if you're in the U.S., the Treasury Department is entering into tax information exchange agreements with other countries to uncover hidden cash. And Treasury's also developing new country by country reporting requirements that will shine a light on the scams used by the tax dodgers. In fact, it is so bad that tax advisors have been sending out panicky alerts warning that other countries have tumbled to the tax dodge game and as a result, the days of single digit corporate tax rates are coming to an end.

So these giant corporations have suddenly found religion. They say it is time for tax reform. Of course, they plan to write those tax reforms. And their strategy is simple: tell a story about high U.S. taxes, demand tax cuts from the United States Congress, and threaten to leave the United States for good if they don't get what they want.

I say it's time to call their bluff. Why? First, because I know that tax rates for giant American corporations are far lower than the lobbyists claim. Second, I know that the tax deals available abroad are disappearing fast. But third, and most of all, I know that America is a great place to do business. And that's worth a lot to these multinational corporations.

We have the world's best workforce; smart, skilled, hard working. We have the world's most attractive consumers; hundreds of millions of people who are ready to buy. We have the world's most reliable and transparent legal system. We have the deepest and most liquid capital markets. We have copyright and patent laws that reward innovation.

You want some evidence for why this is a good place or how much people believe this is a good place to do business? Look at where startups are going. Fewer than 3 percent of newly started businesses with physical headquarters in the U.S. chose to incorporate not in a tax shelter. I said it backwards. Fewer than 3 percent chose to incorporate in a tax shelter. Tax shelters didn't build the tech sector in Cambridge and Silicon Valley and tax shelters won't build the next new industry, either.

America is a great place to do business, and our companies know it. So as we think about fixing our broken corporate tax code, we should bet on America and we should focus on the actual problems in the code, not the fake ones pursued by the tax dodgers, by the lobbyists and by the presidential candidates who are hoping to attract big corporate contributions.

It is time to reform the tax code, but let's do it right. How about three principles here? First, tax reform, substantially increase the share of long-term revenues paid by big corporations. Not just over the next five or ten years, but permanently. Our tax system has already been so corrupted by tax dodgers that a revenue neutral rewrite of our corporate tax laws leaves this country with too little money to operate basic services. If America's going to build a 21<sup>st</sup> century infrastructure, operate 21<sup>st</sup> century schools and invest in 21<sup>st</sup> century research, then giant corporations must pay a fair share of the cost.

Second. Tax reform must level the playing field between small businesses and big businesses. Patty's Lunch in Cambridge doesn't stash profits in Luxembourg. And the Lakota Bakery in Arlington doesn't put money in the Cayman Islands. Salvado Electric in North Billerica can't hire an army of lawyers to set up a reverse hybrid mismatch to lower their taxes. These loopholes and gimmicks are available only to giant corporations. And when small businesses have to pick up a disproportionate share of the taxes paid, it makes it that much harder for them to compete.

And third, tax reform should promote investment in jobs here in the U.S. The loopholes that litter our tax code and allow tax dodgers to hide cash overseas also actively encourages multinationals to outsource jobs and invest money abroad. Right now, U.S. companies can pay a lower rate by investing overseas instead of in the U.S. And foreign companies can set up U.S. subsidiaries and strip out profits more easily than local companies. This is nuts. Our tax code should protect jobs and investments at home, period.

These three principles, raise more long-term revenue, level the playing field for small businesses, and invest in jobs here in America seem pretty simple. Most Americans probably agree with these common sense ideas. But Congress doesn't talk to most

Americans. Congress talks to CEOs and their armies of lawyers and lobbyists who are pushing some genuinely terrible ideas.

I want you to consider three tax proposals that are now getting the most attention. First, deemed repatriation. This is a giant wet kiss for the tax dodgers who have already parked \$2.1 trillion overseas. Deemed repatriation says bring home the money, but only pay half of what you owe on it. Or, with the negotiations going on on Capitol Hill right now, if that kiss isn't wet enough, some are suggesting the repayment rate should be even less than half, maybe around 14 percent. Think about what that means. All the small business owners who have been paying their taxes in full can keep right on paying in full. But the tax dodgers will get a special deal. Patty's Lunch gets zip. But Apple would get a tax break of \$27 billion. Lakota Bakery gets nothing, but Microsoft would save \$18 billion. Bobby Salvado gets zero, but Citigroup would save \$7 billion. And what's the total price tag for this juicy smooch? Estimates are in the range of \$300 to 400 billion dollars paid by U.S. taxpayers.

Right at the moment when other countries are starting to get tough and the tax dodgers might finally need to move some of their money back to the United States, Washington's top reform idea is to give the tax dodgers a big tax break.

Now, the second idea is even worse. The idea is to tax overseas income, but to do it at a rate that is lower than U.S. income. So, for example, money earned in the U.S. would have a top tax rate of 35 percent, while the top rate for money held abroad would be 19 percent, or maybe even less. It is like holding up a giant sign to all corporations that says, "Higher taxes if you invest in the U.S. Lower taxes if you invest abroad." The result would be that every small business and every family in America would be subsidizing foreign investments of multinational corporations which would be a great deal for those multinational corporations and for our foreign competitors, but a terrible deal for us.

The third idea is called an innovation box. I think of it as the gift for lazy tax dodgers. To get this loophole, there is no need to move money around or to incorporate subsidiaries in tax havens. No, instead a corporation can just check the innovation box on its tax return and magically pay lower taxes on the earnings it claims came from innovation. For big pharmaceutical companies and giant tech companies, a provision like this just makes paying taxes, or at least a chunk of taxes, optional.

Now look, I strongly support a robust innovation policy, like investing in NSF or NIH. I believe in funding basic research and encouraging companies to invest in research. But the innovation box doesn't do a single thing to encourage new innovation.

Lobbyists and lawyers are really excited about the prospect of tax reform. Tax nerds are abuzz but when I look at the details, I see the same rigged game; a game where Congress hands out billions in benefits to well connected corporations while people who could really use a break, the millions of middle class families and small businesses that have been squeezed for decades are just left holding the bag. And that's what this tax battle is really about.

Who does this country work for? Is it just for the rich and the powerful, those who can hire armies of lobbyists and lawyers? Or can we make this country work for millions of hard working people? This isn't a fair fight. The corporate giants are lined up to make sure that the tax changes all tilt their way. America's working families don't have a zillion dollar PR team to counter the false claim that corporate taxes are too high. Small businesses don't have a zillion dollar lobbying organization to fight back against tax giveaways for giant corporations. Mostly, what they have is you, the people in this room. The people who report on what's going on in Washington. The people who will hear the elevator pitch over and over and decide whether to repeat it or to push back. As tax reform moves forward, I hope that each and every one of you will be paying very close attention. Thank you. (Applause)

**MS. GEEWAX:** Thank you. I've got some questions here, many of which have been handed up by the people participating in the audience here. You've been talking about corporate taxes, but there's a question here about individual taxes as well. A lot of Americans sympathize with the Republican argument that the tax code is too complicated. Is it too complicated, and can it be simplified in a way that is fair? Would you simplify it?

**SENATOR ELIZABETH WARREN:** Yes, it's too complicated. It's hard. You know, I always made it a point of pride, before I ever got into politics, to fill out my own taxes. And it's got lots of moving parts to it, it's complicated. But what worries me the most is what's hidden in the complications. It's that the system overall is tilted. It's not like there's just a bunch of random stuff in here, and sometimes it will help poor people and sometimes it will help middle class wage earners and sometimes it will help this group and sometimes it will help that group.

No, it's that the tax code has been reshaped over time, and particularly over the last decade. And the reshaping has expanded the number of twists and turns that permit billion dollar multinational corporations to say, "Woo hoo, this is great. Invest in tax lawyers because we won't have to pay money if we can exploit enough of these loopholes."

And these things just aren't available to anybody else. Now, I don't think the answer is to try to figure out how we can get middle class Americans to shelter their money in the Cayman Islands. I think the answer is that we have to get a system that's level and that means that giant corporations should not be getting a competitive advantage in this economy simply because they're can exploit tax loopholes that are not available to anybody else. So for me, that's the heart of it.

**MS. GEEWAX:** All right, thank you. Some candidates have also suggested eliminating the IRS all together, just not having an IRS. Is that a practical idea? Is there any formula for that that would make sense?

**SENATOR ELIZABETH WARREN:** No. (Laughter)

**MS. GEEWAX:** All right, thank you. What about the Republicans who want to impeach the IRS commissioner, John Koskinen? Is there any validity to their charges against him, or how do you feel about that issue?

**SENATOR ELIZABETH WARREN:** You know, look. They can make whatever claim they want to make and they can try to do whatever they want to do with the politics. What I want to do is talk about what's really in the tax code. I'm really serious about this. This issue is upon us. The tax lobbyists are swarming Capitol Hill. Everyone is starting to talk tax rewrite, tax rewrite, tax rewrite. We need tax rewrite that's got the voice-- a voice at the table for middle class families, a voice at the table for small businesses, a voice at the table for those who really are left to compete in a tough economy.

Right now, the United States taxpayers are subsidizing some of the largest and most profitable corporations in the entire world. That's where the true scandal is, and that's where we need to be flipping on all the lights and exposing it.

**MS. GEEWAX:** Obviously, one of your main concerns has been income inequality. This morning, you did another press conference about women and equality and wages and all that. Is the best way to get at income inequality, can it be done significantly through the tax code, or is that really more of an issue with things like the minimum age or which way do you get at income inequality more efficiently?

**SENATOR ELIZABETH WARREN:** Okay. So if you let me, I'm going to do a little bit longer answer to this because this is why the whole list you were talking about, all of these pieces are woven together. And let me start it this way. America was a boom and bust economy until we hit the 1930s. And in the 1930s, the real genius of the moment that came out of the Great Depression was our saying we can make this better going forward. We can put some regulations in place to make it safe to put money in banks. We can put a cop on the beat in Wall Street. We can separate high risk gambling from boring banking, that was Glass-Steagall. And, we can do progressive taxation and invest in building a middle class.

And that is exactly what we did. We invested in education, in DEA loans, GI Bill, we invested in infrastructure and interstate highway system and power grid that was upgraded. We invested in basic research and medical research and scientific research and engineering research with the idea that if we made those investments together, we would create the right environment, we would plow the fields so that businesses could grow here at home. They could create great new jobs here in America.

People who worked hard, who played by the rules, could get an education and have real opportunity. And for half a century, it worked. From the 1930s to basically kind of 1980, what you watch happen across that period is that GDP keeps going up and so does median income in the United States. The 90 percent of America, everybody outside

the top 10 percent, the 90 percent of America, got 70 percent of all income growth from 1935 to 1980.

Okay, top 10 percent moved a little faster. But the point is we built America's middle class. And then, just picking 1980 as the point of inflection, obviously the years overlap a bit here and there, but picking 1980 as the point of inflection, a new idea takes hold. And the new idea that comes is trickle down economics. And trickle down economics has basically just two parts to it. One is deregulate, fire the cops. Not the cops on Main Street, the cops on Wall Street. And the second is cut taxes for those at the top. And how can you do that? The only way you can afford to do that is that you cut all of those other investments that helped us build a middle class.

And that is exactly what happened. We can go through all the numbers, but let me just cut to the bottom line. 1980 to 2012, the latest year for which we've got data, how has the 90 percent done? The group that's not in the top 10 percent? Remember they got 70 percent of all income growth from 1935 to 1980? Well, from 1980 to 2012, they got zero percent of income growth in America, none, nothing. A hundred percent of income growth in this country went to the top 10 percent in America. Is it related to taxes? You bet it's related to taxes. It's related to what we didn't spend in investing in education and what we didn't invest in infrastructure, what we didn't invest in jobs here in America, what we didn't invest in research.

It is related to firing the cops on Wall Street and saying, "Have at it. Build an entire industry out of cheating people on mortgages and credit cards." That's the heart of what's gone wrong. And now those people have so many lobbyists in Washington, so many lawyers crawling across Capitol Hill that we're ready to rewrite the tax code and their view is, "You bet." They want to rewrite the tax code to pick up even more benefits for themselves. And that's why I say the fundamental question in America today is who does this government work for? Does it just work for those who can hire an army of lobbyists or lawyers, or are we going to make this country work for the rest of America? That's it for me.

**MS. GEEWAX:** The plans that you've talked about, of changing the corporate tax code, would moderate Democrats in the Congress support you? How much support is there for this idea, reshaping the tax code in the kinds of ways you're talking about?

**SENATOR ELIZABETH WARREN:** Well, we'll find out. I mean, look, part of it starts with how about we push back on the elevator speech? The elevator speech is everywhere. You heard the Republican candidates. Anybody even fact check them on these assertions about how much American corporations are paying in taxes? We got to start by having the conversation. And then, look, my view is anybody who claims to want to rebuild America's middle class, anybody who claims to be there for small businesses, even midsized businesses, anybody who claims to care about jobs in America instead of subsidizing jobs overseas should want to sign up hook, line and sinker, for these tax proposals.

**MS. GEEWAX:** And I'll start moving us towards the lightning round now.

**SENATOR ELIZABETH WARREN:** The lightning round? I thought I was going pretty fast here.

**MS. GEEWAX:** No, you're very good.

**SENATOR ELIZABETH WARREN:** Okay. I know one was long.

**MS. GEEWAX:** I just want to switch to other topics that people have tossed out. The minimum wage you've touched on briefly. There are different proposals out there for \$15 or \$12. Do you support either the 12 or the 15 and would a steep hike have any impact on hurting job creation in low income states? Are there some problems with having a federal minimum wage that's set so high?

**SENATOR ELIZABETH WARREN:** So look, I want to see the minimum wage go up and right now, I'll put wind in the sails for anything that's going to raise the minimum wage. I think it's the right direction for us to go. I'm a data nerd. I mean, if you haven't already figured that out, then you were asleep in the back row.

The data just don't support the claim that when the minimum wage goes up that employment goes down. Just look at study after study, kind of the gold standard of studies, when the minimum wage is put in place across a metropolitan area and because half the city is in one state and half the city is another, or because half the city's in the county and half the city is outside the county, you can actually do comparisons of what happens before and after.

You just don't see a strong measurable impact as the consequence of raising the minimum wage. And there are a couple of reasons for this. One is that it turns out that higher minimum wage means lower turnover. And that people are more stable in their jobs and employers are not having to spend as much training people and so on. And part of it is people who work at minimum wage spend all that money and they spend it locally so that it's a real shot in the arm for a lot of local economies for people to have more money.

I hear from small business owners around Massachusetts who say they are doing the right thing. They get out there and they try to give their workers a living wage. They just like everybody they're competing against to have to do the same. And that's what I think raising the minimum wage is all about. It's about trying to level the playing field.

And I know you wanted a lightning round, but let me say something really quick about the minimum wage. This one is really personal to me. I'll do the very short version of this, but my family had some really tough times. And when I was 12, my dad was out of work for a long time. I had a stay at home mom and we lost our family car, we were right on the edge of losing our house.

When my mother pulled on her best dress, put on her lipstick, put on her high heels and she walked to the Sears Roebuck and got a minimum wage job. That minimum wage job saved our house, and it saved our family. But I grew up in America where a minimum wage job would keep a family of three afloat. Today, a minimum wage job in America will not even keep a mama and a baby out of poverty.

This is about economics, but this is also a fundamentally moral question. No one in America should work full time and still live in poverty. We can do better than that as a country. (Applause) Thank you.

**MS. GEEWAX:** There's another issue that you've been dealing with today; that's the Transpacific Partnership. The information in it has been made public, all 6,000 pages. I know I've leafed through them all. Can you tell us more about your thoughts on why you oppose it and just give us an update on where you see this issue moving forward? Congress would have to approve it, will it move in 2016, that is, to the floor of the Senate and the House and what do you think is likely to happen?

**SENATOR ELIZABETH WARREN:** Okay, lots of questions there. If I don't do them all, you can elbow me on it and I'll try to remember. Let me start on the trade deal with the process for getting to where we are today. And that is that as the negotiations took place, there were cleared advisors. That is, people here in the United States who whispered in the ears of the actual trade negotiators; met with them, talked with them, helped them shape the trade deal. And 85 percent of them were either corporate CEOs or lobbyists.

That builds a tilt into the entire process. And now we've seen the product and the tilt is right there in the product. And let me just give you one example. The administration talks a lot about the great promises in the trade deal on employment, and competition for workers around the world, on human rights, on the environment. And there are some good promises. But promises without enforcement aren't worth the paper they're printed on.

So what's the enforcement? And the answer is it's the same old enforcement of every trade deal that precedes it that hasn't worked. So, I want to be clear on this. Going back years and years now, Democratic administrations and Republican administrations have not enforced the labor provisions, the environmental provisions, the human rights provisions in earlier trade agreements. So the promises can get fancier, but if there's no enforcement, there's nothing there.

On the other side, what about the giant corporations? The ones who want to do trade all around the world and want local countries to follow rules that make it profitable for the corporations? If they don't like how something has gone in what they believe are the promises that they're entitled to, what do they have to do? They just have to go to a private arbitration board, private. And that private arbitration board will then issue a ruling and there is no appeal, there is no court process that comes out of that. The country that loses in that deal has to write a giant check. And that's it.

Now, there are a lot of countries that have already ended up on the short end of the stick in that process. And for some of them, writing a giant check is just not possible. So what's the alternative? They back down and simply change local law. That's the kind of power that this trade agreement magnifies for the giant multinational corporations. And that is a tilt in trade policy that doesn't work for American workers, it doesn't work for the American people.

**MS. GEEWAX:** Just to move on to another topic that's been huge this week is the Republicans suggestions that we stop resettlement of any Syrian refugees to the United States. Can you comment on the situation with Syria?

**SENATOR ELIZABETH WARREN:** I can. And actually, on the refugees in particular, I did a speech on the floor of the Senate yesterday that's available if anybody wants to look at it. So there's the longer answer around this. But, let me just say on the shorter answer. It is our responsibility to protect our country. It is our responsibility to protect our people. But we don't do that by turning our backs on refugees who are fleeing the butchers of ISIS. Right now, to make it as a refugee into the United States from Syria requires a screening process that lasts from 18 to 24 months. And look, we should always look at it, see if there's something else that we should add to it.

But we are screening Syrian refugees, screening them very carefully. If we are concerned, and we should be concerned, about terrorist threats, the much more worrisome problem is across Europe. I recently traveled to Greece and visited refugee centers. Greece is so overwhelmed at this moment by refugees. Last month, 100,000 people came through Turkey and into Greece, that all they can do, basically, is fingerprint them, write down their names, and pass them into the rest of Europe.

But think about what that means. There is no effective screening process on the front end. People are passed into Europe and end up with European passports, which permit them to travel throughout Europe and to travel to the United States. We need to focus our security concerns more carefully on where threats actually exist. If we want to make a real difference in threats to Europe and to the United States, then we need to help the Greek government and the Europeans need to be helping the Greek government. They need the resources to deal with the refugees who come ashore and they need the expertise to do more screening of the refugees that arrive in Greece. We've got to get the focus in the right place here.

You know, and I should say one more thing, I'm sorry. It really was a long speech yesterday, but I do have to say one more thing. This is not who we are. We don't turn our backs on people fleeing from terrorists. We are a nation of immigrants and refugees. We were founded by people who were seeking to escape religious persecution, who were seeking religious freedom. The idea that we would turn back children and babies to the murderers of ISIS because somebody doesn't like their religion? That's just fundamentally un-American. That is not who we have ever been in the past, and that is not who we will be in the future. (Applause)

**MS. GEEWAX:** I want to remind the C-SPAN audience and others that if you hear applause, many of the people in the audience are not journalists--

**SENATOR ELIZABETH WARREN:** Good, because they never applaud.

**MS. GEEWAX:** Because journalists don't applaud. (Laughter) But I want to just quickly turn to the topic of some politics. It seems that when you listen to the Democratic debate and the Republican debates, the topics aren't even the same. I mean, it's almost as if there are two parallel conversations going on, but there's so little ground in the middle. But we have a new House Speaker, there's still one year left in the Obama presidency. Is there time, is there space, is there any opportunity for finding some sort of middle ground for having a productive year in 2016? Can anything still get done in Washington?

**SENATOR ELIZABETH WARREN:** Look, I hope so. No, I do. There are places that we are working. Right now, we're working on an education bill to replace No Child Left Behind. And we're still going over the details, but it's got some really good features in it that both Republicans and Democrats have agreed to and to have hammered out. We talk about medical innovation. This is an area where we should all be able to come together. Who doesn't want more funding for the National Institutes of Health?

Can I just do one little added to the side here, a little commercial here. Last year in America, collectively we spent \$225 billion taking care of people with Alzheimer's. And what could we offer them? We couldn't offer them any help. We couldn't delay the onset by a single day, we couldn't reduce the impact of it by one inch. So what should we be doing as a country? We should be investing in brain science, in Alzheimer's research. Do you know how much we spent last year from the NIH? Less than two-tenths of one percent of that \$225 billion.

The NIH budget over the last dozen years has effectively been cut, their spending power, by 25 percent. We don't build a future by turning away from the medical problems that are bearing down on us. We build a future by investing in medical innovation and investing in that research. So, there's a place I am hopeful that we can get there with the Democrats and the Republicans together. I've got a bill out there, I'll always put in my plug for my bill, right? That would add another \$5 billion to funding NIH. There are some other ways we may do that. I'll take anything as long as we can get more money into NIH.

So I'm hopeful that there might be places that we could do this. Because that should be why we're here. We should be here to try to build a stronger country, and I think there are some places where we should be able to agree on that.

**MS. GEEWAX:** And just to push a little deeper into the political questions, Hillary Clinton's Wall Street contributions have become an issue in her campaign. Are you concerned about her ties to Wall Street?

**SENATOR ELIZABETH WARREN:** I'm concerned about everybody's ties to Wall Street. I mean, look around Washington. I am worried about the influence that Wall Street has on Washington, period. Maybe that's partly because I watched in the aftermath of the great crash in 2008 when Congress was trying to put together a response, the response that ultimately became Dodd-Frank. I assumed when they started this process of we've got to have a response, just like they did back in the 1930s, that these giant financial institutions that had been permitted to load up on risk and then had crashed the economy, and then had been bailed out by the U.S. taxpayer, would at least be humbled enough to stay out of the political process.

Boy, does that show you how naïve I was about it. Wall Street was spending more than a million dollars a day for over a year to lobby against financial reform. And they haven't let up. In fact, when Dodd-Frank passed, one of the lobbyists is quoted as having said, "We didn't lose, it's just half time." And that's the case. They've come back and they're there day after day after day. They want to punch this hole in Dodd-Frank, they want to punch that hole in Dodd-Frank, they want to get an exception. They want to treat it like they do the tax code. They want to make it work for the biggest financial institutions in the country. And so this is the fight and this is the one I'm deep in.

**MS. GEEWAX:** looking at how surprisingly well Bernie Sanders has done, do you look back on it and wish that you had gone ahead and run?

**SENATOR ELIZABETH WARREN:** No.

**MS. GEEWAX:** Okay. Before I ask you the last question, I have a little bit of housekeeping to take care of. First, I just want to remind everybody that the Senator is going to have to depart immediately.

**SENATOR ELIZABETH WARREN:** I'm sorry.

**MS. GEEWAX:** So please stay seated until she's left the room. Thank you for that consideration. And the Press Club is the world's leading professional organization for journalists, and we fight for a free press worldwide. For more information about our club, please visit the website, [Press.org](http://Press.org). To donate to our nonprofit-- it's the Journalism Institute-- and that's at [Press.org/institute](http://Press.org/institute).

I'd also like to remind you about a couple of programs we have coming up. The 23<sup>rd</sup> Secretary of the Air Force, Deborah Lee James, is going to come and join us to discuss budget cuts, sexual assaults and other issues that are facing the Air Force. She'll be at a Press Club luncheon on Wednesday, December 2<sup>nd</sup>. And on Tuesday, December 8<sup>th</sup>, the Club will have David Skorton, the new Secretary of the Smithsonian Institution. At that luncheon, he'll discuss his plans for the 169 year old institution.

And now I'd like to present our guest with the famous traditional Press Club--

**SENATOR ELIZABETH WARREN:** The famous club, here it is, I'm ready.

**MS. GEEWAX:** Press Club mug.

**SENATOR ELIZABETH WARREN:** Thank you.

**MS. GEEWAX:** And I will now ask you our last question, which this is just kind of a yes or no.

**SENATOR ELIZABETH WARREN:** One more question after I already have the mug?

**MS. GEEWAX:** Yeah, after you get the mug.

**SENATOR ELIZABETH WARREN:** I could run now because I've got the mug.

**MS. GEEWAX:** If Hillary Clinton asked you to be her Vice President, could we have an all-woman ticket? Would you do it?

**SENATOR ELIZABETH WARREN:** Let me put it this way: if Hillary Clinton were running for President and I were running for her Vice President, I'm pretty sure it would be an all-woman ticket, so I'll just leave it at that. (Laughter)

**MS. GEEWAX:** She outsmarted me. All right. For those who are free to applaud, can we have a round of applause for our speaker?

**SENATOR ELIZABETH WARREN:** Thank you.

**MS. GEEWAX:** And I'd also like to thank the National Press Club staff including its Journalism Institute and the Broadcast Center for organizing today's event. And if you'd like to know more about the Club, again, Press.org. We are adjourned. Wait, I get to hit this. (Sounds gavel.)

**SENATOR ELIZABETH WARREN:** Yeah, all right. Thanks very much.

**MS. GEEWAX:** Thank you, that was terrific.

**SENATOR ELIZABETH WARREN:** That was fun. Thank you very much, thank you all. Thank you very much.

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