

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring The Honorable Jacob J. Lew, Secretary of the
U.S. Department of the Treasury**

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“China is fascinating. China went through a long period of double-digit growth and there’s going to be a decline to a more sustainable rate of growth. They’ve got to make some tough decisions internally in order to make sure that they level off at a level of growth that works for China’s economy and China’s social stability.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“Elected leaders have a responsibility to make our economy stronger, not to create manufactured crises that inflict damage. The very last thing we need now is a fight over whether we raise the debt ceiling. Not when we face serious challenges both domestically and internationally that require our full attention, and not when we know the kind of damage a financial and economic crisis can cause.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“Since 2009, our economy has been expanding. Private employers have added 7 1/2 million jobs over the past 42 months; businesses have added more than 2 million jobs over the last year. Manufacturing is expanding while the housing market continues to improve, posting gains in sales, prices, and residential construction. Because of the policies that we’ve put in place, our deficit has fallen faster than at any point since the demobilization after World War II, and it should continue to decline relative to GDP over the 10-year budget forecast. Because of the resiliency of our people, our businesses, and our economy, we’re in a much stronger position today than many imagined just a few years ago. But we’re not yet where we want to be. Too many Americans cannot find work. Growth is not fast enough. And the very definition of what it means to be middle class is being undercut by trends in our economy that must be addressed.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“One of the challenges with the American people right now is that they’re looking at the damage that the economic crisis caused, and a lot of that damage hasn’t been healed. You still have a lot of people who can’t find jobs, you still have businesses that are nervous, and we still have work to do not just to get repaid for the investments we made to save the financial system, but to deal with some of the core problems in our economy.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“You cannot let 50 to 100 Members of one body introduce the idea that the United States cannot pay its bills. You can’t even entertain that as a notion. Future Presidents, Democrat or Republican, cannot be in the position where they’re compelled to accept unacceptable policy year after year because there’s a faction that thinks default is an option. Congress just needs to act.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“...we will soon be unable to finance the government if Congress fails to raise the debt ceiling. Raising the debt limit is Congress's responsibility because Congress, and Congress alone, is empowered to set the maximum amount the government can borrow to meet its financial obligations. ... the debt limit has nothing to do with new spending. It has to do with spending that Congress has already approved and bills that have already been incurred. Failing to raise the debt limit would not make these bills disappear. ... Make no mistake: If Congress does not act and the U.S. suddenly cannot pay its bills, the repercussions could be serious. The impact on families and businesses could be significant. Investors losing confidence in the full faith and credit of the United States could cause damage to our economy. Failure to raise the debt limit, or even an extended debate on the merits of doing so like we experienced in 2011, is a self-inflicted

wound that can do harm to our economy right at a moment when the recovery is strengthening. No credible economist or business leader thinks that defaulting on the full faith and credit of the United States is good for job creation or economic growth. They understand that Congress choosing not to pay the government's bills is unacceptable ...” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“The President has made clear through his conversations over the years with the Speaker, through the conversations he’s had with a wide group of senators and congressmen, that he, on fiscal policy, is anxious to find the sensible middle ground. The problem is, we’ve yet to find Republicans who are willing to sit down and have the conversation about a balanced package with revenue reform, which raises revenue, and entitlement reform.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*

“The President has always been open to finding the sensible middle ground and negotiating or finding a path to an agreement on fiscal policy. It was not popular in the Democratic caucus when he put a budget out at the beginning of this year that essentially reiterated the offer he made to Speaker Boehner last December. It had entitlement savings; it had a tax reform plan that had additional revenue, not all of which is popular even on the Democratic side of the aisle. It was meant as a basis to form a conversation and an ultimate agreement with a balanced approach. Across-the-board cuts of sequestration were never meant to be policy. They were put in place to, as you recall, to have a supercommittee fear sequestration so that it could reach some difficult decisions. It didn’t work, so we now have these across-the-board cuts in place.” ~ *The Honorable Jacob J. Lew, Secretary of the Treasury*