

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Remarks of Secretary Timothy F. Geithner**

9/13/2010

TG-849

**Congressional Hispanic Caucus Institute Conference*****As Prepared for Delivery***

As everyone here knows, the President came into the office facing the worst economy since the Great Depression. We were losing nearly 800,000 jobs a month. Small businesses were closing their doors. Home prices were in free fall.

The President took action to break the back of the financial crisis, stabilize the housing market, and restart economic growth.

He then worked to put in place reforms essential to future economic security, reforms of education to give our children a better future, reforms to extend health care coverage to millions of American and to reduce future growth in health care costs, and reforms to fix our broken financial system.

These were tough fights. They took a lot of work and a lot of courage. They would not have happened without the support of the Congressional Hispanic Caucus.

We fought together for financial reform to protect the financial security of Americans. Latino leaders have called this a "Major Victory for Latino Families" by protecting them against abusive financial products and services, and creating greater access to safe and affordable bank accounts and credit.

And, for the first time, thanks to the leadership of Congressman Gutierrez and other members of the caucus, the Wall Street Reform Act will establish a federal watchdog over companies that provide remittance services.

Every year, Hispanics in the United States send billions of dollars to their relatives in Latin America and the Caribbean, and now when someone sends money outside this country, they will be less vulnerable to deceptive practices.

Now we have a lot more work ahead of us.

Even though the economy is healing and businesses are starting to hire again, millions and millions of Americans are still suffering from the damage caused by the crisis. We are climbing out of this hole, but not as fast as we need to.

Far too many families in America--especially in the Hispanic community--are still out of work. The unemployment rate for Hispanics is at 12 percent, far above the national average. Many in the community were devastated by the damage to the housing and construction industries. Small businesses in many parts of the country are still finding it hard to get credit.

Washington needs to do more, and the first order of business is to pass the Small Business Jobs Bill.

This bill will accomplish two big things--it will cut taxes for small businesses and make loans more available. And it provides this boost for job creation without adding to our deficits.

If we want to keep America moving forward and if we want to get more men and women back to work--we must keep investing in our small businesses. The fact is two out of every three new jobs are created by small business owners. Hispanic workers are much more likely to be employed by small businesses than non-Hispanics are.

Once this bill becomes law, it will provide substantial financial benefits for small businesses and entrepreneurs. It will extend immediate tax write-offs for most new investments, making it easier for small businesses to make upgrades and buy new equipment. It will completely eliminate capital gains taxes on key small business investments.

The bill will seek to open access to credit to small businesses and entrepreneurs through two new lending funds that both passed originally out of the House of Representatives. It provides new resources to expand state small business programs that support private

sector lending to entrepreneurs. And it establishes a Small Business Lending Fund to provide \$30 billion dollars in capital exclusively to small community banks with incentives going only to those that increase their lending.

So we are very hopeful that this week, we will see positive movement towards passage of the bill in the Senate.

And needless to say, small business owners and entrepreneurs across the country have benefitted enormously from the tenacious, inspired leadership of the Chairwoman of the Small Business Committee Nydia Velazquez, and we look forward to continue to work together even beyond this bill to find more ways to help small businesses expand, grow and hire.

With progress on small business, Congress should move quickly to extend the middle class tax cuts.

These tax cuts go to more than 97 percent of small businesses and 98 percent of working Americans--that's middle class Americans in the Hispanic community and all across this country who bore the brunt of the recession and have suffered through a decade of stagnating wages and fading opportunity.

It's critical that we give those families and those businesses the confidence today that those tax cuts are going to be extended. This is important for businesses, important for consumer confidence, and important for continued economic growth.

We welcome recent indications that Republicans won't hold middle class tax cuts hostage to their desire to have us go out and borrow \$700 billion from our children just to make permanent tax cuts for the top two percent earners in the country. If they mean what they say, there's no reason to delay moving ahead with tax relief for the middle class.

We can't afford to go back to the policies of the past decade when we passed large tax cuts for the wealthiest American's without paying for them and saw little impact on job creation and years of stagnation in middle class wages.

If Republicans want to provide more support for the economy, and they should, the best way to do that is to help us invest in America.

And to do that, the President outlined this week a series of new investment proposals to help get more Americans back to work and help strengthen long term growth.

The proposals the President offered would accelerate job growth in the short term and strengthen the economy in the long run. They would give a more generous permanent extension of the tax credit that goes to companies for all the research and innovation that they do here in America. They would let American businesses write off almost all key investments they make in 2011. And they would kick start a multiyear program of investments in roads, rails, and runways.

Investing in rebuilding American infrastructure is good economic policy. It will help get more Americans back to work, and it will lay a stronger foundation for economic growth over the long term.

We face a lot of challenges ahead. And we cannot meet those challenges as a divided nation. We cannot be a land of equal opportunity as long as some children are getting a good education and others aren't. We cannot be a just nation as long as some families get health care and others don't. And we cannot be a strong nation as long as some of us who want to work have a job to go to every morning but others don't.

It took a long time to create the economic mess this President inherited, and we know it's going to take more time than any of us would like to put the damage behind us.

We are going to have to keep at it until we get Americans back to work, to extend economic growth and opportunity to all communities across the nation.

We won't succeed if Washington doesn't find a way to provide more support for the middle class and for investments by businesses in America.

Thank you very much.

###