

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Treasury Secretary Tim Geithner at the Intel Ocotillo Campus

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Chandler, Arizona

As Prepared for Delivery

I want to thank Intel for showing us this impressive high tech manufacturing facility.

What's going on here is really important. With more than \$5 billion in investments, Chandler, Arizona will be home to the most advanced high-volume semiconductor factory in the world.

These investments are creating thousands of jobs.

It is good for Americans to have a chance to see that even though Washington is not working, at least parts of America are working.

Our economic future – the opportunities we give Americans to provide for their families, to put their kids through college, to retire with security – depends on our ability to create and build things in the United States.

As this factory demonstrates, even with all the hardship and even with all our challenges, American companies still lead the world in many sectors critical to economic growth. We continue to dominate the frontier of innovation, even in manufacturing, where we face relentless competition.

Even with all the damage caused by the crisis, American companies are investing in the future. We are becoming more productive, not less productive. Investment in equipment and software has been expanding at double digits rates since the middle of 2009.

We face some important choices as a nation in the weeks and months ahead.

Among the most important of these choices is how the government can help strengthen economic growth and rebuild confidence.

Although the economy is still expanding, the pace of growth is too slow. The private sector is creating jobs, but not enough jobs.

Growth is slow in part because we are still working through the problems that caused the crisis. Growth is slow in part because of the damage caused by the run up in oil prices earlier this year, Japan's disaster, the crisis in Europe, the cutbacks by state and local governments. And growth is slow because businesses and individuals do not have confidence that Washington is able to act to help make things better.

Government policy cannot solve all the problems we face, but government action is critically important to making the economy stronger.

The President has proposed a strong set of measures in the American Jobs Act to strengthen economic growth.

The President's strategy is to combine immediate investments and tax incentives with long-term reforms to reduce our future deficits – immediate steps to strengthen growth now, with long-term reforms to provide more certainty that we will be able to sustain growth in the future.

It is not enough to just focus on the long term, because the economy is still in the grip of the crisis. And we can't just focus on short term, temporary investments and incentives, because people need more clarity about the future if they are going to invest and hire now.

The President proposes to expand and extend tax cuts that will put more money in the hands of the average family.

The President proposes to extend a tax incentive for investment that allows companies of all sizes to take an immediate deduction on investments in new plants and equipment, as a bridge to corporate tax reform that would increase incentives for companies that create and build things in the United States.

The President proposes to rebuild America's infrastructure and schools, investments that will create jobs today and make growth stronger in the future.

The President proposes further expanding exports, with new trade agreements in Asia.

The President proposes to protect investments in education and scientific research, the venture capital of the future.

The President is putting in place financial reforms, so that businesses with an idea can get the capital they need to expand and consumers get the protections they deserve from fraud and abuse.

And the President proposes to restore fiscal responsibility, with a balanced package of spending cuts, entitlement reforms, and tax reforms, so that we can protect health care and retirement security and create room to invest in the things we need to become more competitive.

This is the President's growth strategy. This is a good plan. We have not seen a better plan.

The question before the nation is, will the Republicans in Congress embrace it or fight it? So far, they are fighting it. Maybe they will continue to fight it. If they do, then America will be weaker. Growth will be slower. More Americans will be out of work longer.

If Congress continues to fight the President's plan, taxes will go up for all companies and all working Americans at the end of this year. Our decaying roads and bridges and airports will continue to be a drag on economic growth. Local communities across the country will have to cut back more on education and lay off more first responders.

If Congress refuses to embrace sensible tax reforms to eliminate tax preferences for the wealthy, then we will not be able to make progress on the spending and entitlement reforms necessary to address our debt problems.

The President had to do some very tough and sometimes unpopular things to put out the financial fires of 2008 and get the economy growing again. We are in much better shape because of those choices. But we still have a lot of challenges ahead of us.

If you talk to business leaders and entrepreneurs about the future of our economy, they want to see Washington act with sensible policies that solve real problems, not paralyzed by political combat.

They want us to put the economy ahead of politics, and economic growth first among our many challenges.

The President travels to Hawaii and then to Asia later this week. The economies of the Pacific Rim are growing more rapidly than the rest of the world. They represent more than half of the total economic output of the world. They account for more than half of global economic growth. They buy 60 percent of our exports, a crucial source of demand for the goods and services that Americans create.

In a world where 95 percent of the world's population and 75 percent of global demand lies outside of the United States, our future depends on our ability to continue to produce here in the United States the goods and services the world needs.

Intel, like so many American companies, shows the promise of this future. While three-fourths of Intel's microprocessors are made in this country, more than three-fourths of this company's sales come from outside of the United States.

We want to make sure that we are doing everything we can to make it attractive for companies to create and build things in the United States. The President's plan is the best path to more jobs and stronger income growth for American workers. It won't happen without more action from Washington.

Thank you. And before I take your questions, Brian is going to make a few remarks.