

U.S. DEPARTMENT OF THE TREASURY

Press Center



Secretary Lew Calls On Congress To Avoid Self-Inflicted Economic Wounds By Honoring Previous Spending Commitments

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California Visit Also Highlights the President's Plan to Strengthen the Middle Class and Create Jobs

MOUNTAIN VIEW, CA – Treasury Secretary Jacob J. Lew today urged Congress again to honor its previous spending commitments by raising the statutory debt limit. In remarks to the Commonwealth Club of California, Secretary Lew discussed the need for Congress to act as soon as possible to avoid jeopardizing the full faith and credit of the United States and to avoid the economically harmful consequences of a U.S. default or threat of default. He also cautioned that tax revenues and expenditures are inherently unpredictable, making it impossible for Treasury to predict with precision when the government will exhaust extraordinary measures.

"It is important to note that 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 go away. It would, though, have disastrous effects for our nation," Secretary Lew said in prepared remarks. "We cannot afford for Congress to wait until some unknowable last minute to resolve this matter on the eve of a deadline. We cannot afford another unnecessary self-inflicted wound."

Secretary Lew also discussed the President's plan to strengthen the middle class, put the economy on sounder footing and create jobs by improving the nation's infrastructure, enlarging our manufacturing base and developing innovative technologies at home, while increasing our exports abroad.

Earlier today, he attended a roundtable with local business leaders hosted by Facebook at its headquarters in Menlo Park. He also toured the AT&T Foundry in Palo Alto, an innovative laboratory where engineers, designers, and other technology experts from various fields work side-by-side to develop innovative products and solutions. The AT&T Foundry program is part of a collaborative investment of nearly \$100 million from AT&T, Ericsson, Alcatel-Lucent, Cisco, Amdocs, Intel, and Microsoft to support an accelerated path for new technologies to reach the market.

"Spurring this kind of innovation and entrepreneurship is a core part of the President's strategy to build a better future for the middle class," said Secretary Lew. Noting the President's plan to dramatically expand advanced manufacturing and attract talent to America's shores, he added: "In addition to immigration reform and worker retraining, his strategy includes the creation of 45 manufacturing innovation centers across the country. These innovation hubs connect businesses, colleges, and federal agencies to help develop world-leading manufacturing technologies."

Today marked Secretary Lew's first trip to California as Treasury Secretary. The state, which is the eighth largest economy in the world, has added jobs every month of this year and continues to see its housing market recover. Secretary Lew praised economic progress made since 2009, but noted there was more work to do to grow the economy and ensure long term prosperity for the middle class.

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