

U.S. DEPARTMENT OF THE TREASURY

Press Center



Lew Op-Ed: Honor our obligations, raise the debt limit

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WASHINGTON – In an op-ed to be published in the Monday print edition of USA Today, Treasury Secretary Jacob J. Lew writes that with eight days (as of Monday) until Treasury runs out of borrowing authority on Nov. 3, some in Congress are endangering our country's economic progress by once again manufacturing a crisis for our country. By waiting to the last minute to act on the debt limit, Congress could cause a terrible accident. Once again, Secretary Lew calls on Congress to do the responsible thing for our country and raise the debt limit as soon as possible.


Read the piece [online](#).



Honor our obligations, raise the debt limit

By Jacob J. Lew

Our economy has made remarkable progress since the Great Recession. American businesses have [created 13.2 million jobs](#) since early 2010, jobless claims are at [40-year lows](#), [consumer](#) confidence remains healthy and [small businesses are planning further increases in their payrolls](#). We are on track for further economic growth — yet with [eight days, as of Monday, until Treasury runs out](#) of borrowing authority on Nov. 3, some in Congress are endangering this progress by once again manufacturing a crisis for our country. By waiting to the last minute to act on the debt limit, Congress could cause a terrible accident. This is not an abstraction; failure to raise the debt limit would mean devastating impacts for taxpayers, consumers and businesses.

In [2011 and 2013](#), Congress pushed our country to the brink of potential economic catastrophe. After reaching our country's borrowing limit, some in Congress seriously considered what should be unthinkable: choosing to default on our obligations.

Increasing the debt limit does not authorize future spending or fund new programs — it merely [enables us to pay](#) the obligations that Congress has already incurred. This [includes paying the salaries](#)  of our troops, providing benefits to veterans and Social Security recipients, and reimbursing hospitals for taking care of the sick. One former Republican governor likened refusing to raise the debt limit to eating a meal and leaving a restaurant without paying. In this case, the full faith and credit of the United States is at stake.

In [both recent debt limit standoffs](#), Congress waited until the last minute before voting to raise the debt limit. We learned that this dangerous brinkmanship can do real harm to consumer and business confidence, [raise short-term borrowing costs](#)  for taxpayers and [hurt our credit rating](#). In 2011, the United States credit rating was [downgraded for the first time](#) when Congress came dangerously close to causing a default. In previous debt limit impasses, we also saw increased [financial market volatility](#), [widening credit spreads](#)  and a [decline in stock prices](#) — all of which translates into real problems for Main Street by lowering household wealth and increasing borrowing costs for businesses. According to the non-partisan Government Accountability Office, the 2013 debt limit impasse cost the American taxpayer [between \\$38 million and \\$70 million](#) in additional borrowing costs alone. We should never allow uncertainty surrounding the debt limit to imperil the U.S. and global economy, but that's especially true at a time when our nation is seen as the source of strength in the global economy.

Since we reached the debt limit in March, Treasury has been using extraordinary measures to borrow money and pay our bills. Each time that we have new information on the debt limit, I share it with Congress, as only it has the ability to take the necessary action. Most recently, I notified Congress that we will run out of extraordinary measures no later than Nov. 3. My [first letter](#) was seven months ago, and now we have eight days, as of Monday, before we exhaust our borrowing authority.

Unless Congress acts, after Nov. 3 we will be running the government on only the cash currently available, a profoundly irresponsible course of action. By that date, we estimate that we will have [less than \\$30 billion cash](#) available to fund a nearly [\\$4 trillion enterprise](#) — clearly not enough when our net expenditures can reach [as much as \\$60 billion](#) on some days. No sensible business would run itself this way, and the federal government should be no different.

For 226 years, we have been a nation that [consistently pays](#) our bills. Our creditworthiness is a critical part of our strength as a nation, and protecting that strength is a solemn responsibility. Congress should not threaten to squander that strength. There is no way of knowing the full extent of the damage defaulting on our obligations would cause for the U.S. and global economy, and it should be inconceivable to find out.

Once again, I call on Congress to do the responsible thing for our country and raise the debt limit as soon as possible. While time is short, I am confident that our congressional leadership will heed that call and protect the American people from unnecessary and unprecedented harm.

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