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U.S. Secretary of the Treasury talks state of U.S. economy, Cuba relations

REBECCA SAVRANSKY - RSAVRANSKY@MIAMIHERALD.COM

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U.S. Treasury Secretary Jacob J. Lew visited PortMiami Thursday in advance of a Friday address on trade and the economy at Miami Dade College. The speech is co-sponsored by the Greater Miami Chamber of Commerce. WILFREDO LEE / AP

U. S. Secretary of the Treasury Jacob J. Lew defended the progress of the U.S. economy despite recent volatility and urged a continued focus on wage growth that will help boost the country's working class.

"The lines always go up and down," he said Friday, addressing a crowd of about 150 at the Miami-Dade College Wolfson Campus. "Over the last year, we've seen decisive progress in the U.S. economy, strong growth, growth that's continuing, is reflected in the employment numbers." The event was co-hosted by Miami-Dade College and the Greater Miami Chamber of Commerce,

That promising picture is far different from two years ago, when he stepped into his current office.

"We were at the tail end of a period of time when the world was like, 'how could the United States be in the middle of a financial crisis that led to the Great Recession?' " he said. "Two years later, [global economists] are all scratching their heads saying, 'What is the magic of the U.S. economy to bounce back?' And I tell them, it isn't magic."

Key factors in the recovery, said Lew, were U.S. monetary policy and the determination of the American people, who "dust themselves off" and get back into the game.

Lew also emphasized middle class families, which he called the "heart of our economy."

"We need to be focused on middle class families and the fact that wages are starting to go up is good news," he said. "But there's a challenge and that's why we're promoting increasing the minimum wage."

Lew also discussed the thaw between the U.S. and Cuba. The opening of diplomatic relations will take time, he predicted.

"The goal is to open Cuba up to the world, [to] the ideas that we value so deeply in the United States."

With the embargo in place, there are still legal restrictions on how much business can be done between the U.S. and Cuba, but Lew said by lowering some of the barriers between the two countries, it will increase communication and access – which will result in positive change for Cuba.

“The steps we’ve taken to fundamentally change the pressures on Cuba,” he said. “I think they will lead to the kinds of changes in Cuba that over time hopefully will bring our countries closer together.”

In response to a question about whether the U.S. might

When it comes to the future financial security here in the U.S., Lew said that the country has already taken “enormous steps,” including enhanced capitalization requirements for banks and financial systems, new resolution mechanisms for struggling financial institutions and worst-case strategic models that he called “living wills” for the largest financial institutions..

“You look at the financial crisis and what was at the core of it: it was terrible practices,” he said. “We’ve changed that.”

Lew said the U.S. has “taken the lead” in its local response to the financial crisis.

“We’re working internationally to pull others up to the standards that we have set,” Lew said, “and we’re having some success. We’re have some significant success.”

But even though he said the economy is doing better – and the U.S. has policies that make it more secure than before – the country still has to look out for new risks and do some “fine tuning along the way.”

“I don’t believe we can ever sit back and say that the job is done and we can go on and worry about something else,” he said. “In a financial system where there will always be new creative approaches to try and create opportunities for business, there will be new risks that show up.”

“Our job is to ask the questions before there’s a crisis, not wait until there is one,” he added.

In response to a question about whether the U.S. might

simplify the process for international banks that want to open in Miami, Lew replied that the U.S. financial system is one of the most open in the world.

“What we do to protect the U.S. economy from being unstable has to apply equally to U.S. and foreign banks doing business in the U.S.,” he said. “I think that is entirely consistent to being welcoming to foreign banks doing business in the United States.”