



Obama Nominates Jack Lew as Treasury Secretary

President Obama announced Thursday that his choice for treasury secretary to replace Timothy Geithner is White House Chief of Staff Jack Lew. The announcement came shortly after a White House official leaked the news of Lew's nomination.

"[Jack Lew](#) will bring an impressive record of service in both the public and private sectors for over three decades and economic expertise to this important role, and his deep knowledge of domestic and international economic issues will enable him to take on the challenges facing our economy at home and abroad on day one," said the [White House](#) official, who spoke on the condition of anonymity.



"Throughout his career, [Jack Lew](#) has proven a successful and effective advocate for middle class families who can build bipartisan consensus to implement proven economic policies," the official continued.

As [noted](#) by the *Wall Street Journal*, President Obama's nomination of Lew indicates that he is "prepared to aggressively pursue his economic-policy goals in his second term," since Lew has been a vocal advocate of raising tax revenue for deficit reduction.

According to the [Washington Times](#), Lew has "close ties to Wall Street, receiving more than \$900,000 in bonus cash from a division of Citigroup just as the company was getting bailed out by U.S. taxpayers."

Lew served as managing director and chief operating officer of Citi Global Wealth Management as well as Citi Alternative Investments.

Before becoming President Obama's chief of staff, he was the director of the Office of Management and Budget. He is also a member of the world-government-promoting Council on Foreign Relations.

Lew's nomination will face some heavy opposition from the GOP.

Senator Jeff Sessions, a top Republican on the Senate Budget Committee, has [vowed](#) to oppose Lew's nomination because of a false statement Lew had made about the national debt two years ago during a Senate hearing. At the hearing, Lew defended statements made by both himself and Obama that claimed their budget blueprint would eventually take the country to a point where "we're not adding to the debt anymore."

That assertion was flagrantly wrong. The budget plan at the time showed the public debt increasing from \$11 trillion to \$19 trillion by the year 2021 as a result of annual deficits.

While appearing at the Senate hearing, Lew continued to justify his claim that the government was not adding to the debt by indicating that he and the administration were referring to the "primary balance" — that is, federal spending that does not include interest payments. Since interest payments make up a



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significant part of federal spending, Republicans slammed Lew for being misleading and dishonest. At the same time, PolitiFact had rated Lew's statement as false. Still, Lew continued to assert, "Our spending will not add to the debt. It's an accurate statement."

The White House eventually clarified the statement, indicating that the debt would not increase as a share of the economy.

But Sessions contends that Lew's comments remain "the most direct and important false assertion during my entire time in Washington."

"We need a secretary of Treasury that the American people, the Congress, and the world will know is up to the task of getting America on the path to prosperity not the path to decline," Sessions said in a statement. "Jack Lew is not that man."

"Jack Lew must never be Secretary of Treasury. His testimony before the Senate Budget Committee less than two years ago was so outrageous and false that it alone disqualifies (him)," Sessions said on Wednesday.

Chief portfolio strategist at Wells Fargo Funds Management Brian Jacobsen is equally concerned by Lew's nomination. "He's very divisive. He doesn't play well with Republicans," Jacobsen [was quoted by Bloomberg saying](#).

"Lew might end up pushing for them to be dealt with one-on-one in hand-to-hand combat," he said. "I think Obama will wind up winning those. It's just you'll wind up having three fights instead of one big resolution."

Despite some heavy opposition from Republicans in the Senate, however, most analysts do not expect the confirmation process to be a difficult one. Stan Collender, a former staff member of the Senate House budget committees believes that Lew's confirmation prospects are "extraordinarily high."

As [observed](#) by CBS News, whoever steps into the position of treasury secretary will be facing significant budget battles in the upcoming weeks. Geithner had notified Congress on December 31 that the debt limit had been reached and that he had begun to take "extraordinary measures" to ensure that immediate and necessary bills were being paid while others have been put off.

Collender notes that the next treasury secretary will have to work with Congress to raise the debt ceiling. He notes that the secretary's "big job is to see the big picture and obviously to protect the president's behind." Of Lew, Collender states that he's "got the big view, he's got the president's trust."

"[Social Security](#), Medicare and taxes fall directly into the [Treasury secretary's](#) purview," Collender said. "You got to look at this job as not just being secretary of the Treasury but being the chief economic policy maker. And that's what he brings."

In addition to treasury secretary, President Obama has several other high-level posts to fill, including labor secretary, commerce secretary, Environmental Protection Agency administrator, and director of the Office of Management and Budget.

Later in his second term, the president will have to nominate replacements for attorney general, Health and Human Services secretary, and Veterans Affairs secretary.

Thus far, Obama has nominated Senator John Kerry for secretary of state to replace Hillary Clinton, and former Republican Senator Chuck Hagel for defense secretary.

As far as who will replace Lew as Obama's chief of staff, candidates who are being considered include



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Denis McDonough, who currently serves as a deputy national security adviser, and Ron Klain, who served as Vice President Joe Biden's chief of staff.

Photo of President Obama with Jack Lew: AP Images



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