

POLITICS

Treasury Secretary Steven Mnuchin Confident Congress Will Raise Debt Ceiling

He says ‘there is no scenario where the government won’t be paying its bills’



Treasury Secretary Steven Mnuchin during a White House briefing on Friday. PHOTO: CAROLYN KASTER/ASSOCIATED PRESS

By Rebecca Ballhaus and Ted Mann

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Treasury Secretary Steven Mnuchin said Friday that he was “100%” confident that Congress will raise the debt ceiling in September.

“I think there is no scenario where the government won’t be paying its bills,” Mr. Mnuchin said in a White House briefing. “The government intends to pay its debts and the debt ceiling will be raised.”

Treasury officials have said Congress must raise the government’s borrowing limit at some point near the end of September. If Congress doesn’t raise the debt ceiling to allow new borrowing, the U.S. could default on its debt or miss payments for benefits and salaries.

Mr. Mnuchin also said he and President Donald Trump were “on the same page” regarding the debt-ceiling increase.

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Mr. Mnuchin has stated he prefers a “clean” debt ceiling increase with no provisions or conditions attached. On Thursday, White House spokeswoman Sarah Huckabee Sanders said Mr. Trump supported a clean increase as well.

“We’re still committed to making sure that gets raised,” Ms. Sanders said. Asked if the president wanted a clean increase, which

could upset some congressional Republicans who want the limit raised only if paired with other policy changes, Ms. Sanders replied: “Yes.”

Mr. Mnuchin said he and Mr. Trump wished Congress had raised the debt ceiling before lawmakers departed for their August recess. On Thursday, Mr. Trump tweeted that he had urged congressional Republican leadership to tie a debt-ceiling increase to a veterans’ affairs bill that recently passed.

He wrote: “Could have been so easy-now a mess!”

House Republicans have in the past balked at voting to raise the debt limit, forcing GOP leaders to turn to Democrats for the votes for the must-pass legislation. The debt-ceiling increase allows the government to pay the bills stemming from past spending and tax decisions. In the Senate, Republicans need Democratic votes to reach the 60-vote threshold to pass an increase.

In an interview with the Financial Times published Friday, chief White House economic adviser Gary Cohn said: “At the end of the day Congress has to increase the debt limit—that is just the reality ... We cannot default.”

Lawmakers also face a deadline this fall to pass spending legislation to keep the government operating. Many GOP lawmakers worry a government shutdown or a failure to raise the government’s borrowing limit could harm their chances of retaining the House majority in next year’s midterm elections.

Mr. Mnuchin on Friday also addressed the timing of the administration’s push to overhaul the tax code, which he had previously said would be completed by August.

“The president’s No. 1 objective is now to get tax reform done,” Mr. Mnuchin said. “I thought we’d get it done by August and I was wrong ... I think we can get this done by the end of the year, but we’re going to continue to revisit it.”

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