

## Asian Financial Forum 2018

### Dialogue with The Hon Mr Jacob J. Lew

#### *Moderator*

- **Mr Victor L L Chu**  
Chairman & CEO, First Eastern Investment Group

#### *Speaker*

- **The Hon Mr Jacob J. Lew**  
76<sup>th</sup> United States Secretary of the Treasury

Emphasising that few country-to-country relationships are as important as the one between the US and China, Jacob J. Lew, 76<sup>th</sup> United States Secretary of the Treasury explained during a one-to-one dialogue session at the 11<sup>th</sup> Asian Financial Forum (AFF) with Victor L L Chu, Chairman & CEO, First Eastern Investment, why it is beneficial for the rest of the world that the two countries with the world's first and second largest economies, maintain a good relationship.

Together they account for roughly one-third of total global output and the primary engines of global economic growth, the former US United States Secretary of the Treasury said, and it is in everyone's interest for the US and China to keep the channels of dialogue open. "When the US and China are doing well, the rest of the world generally does well," noted Lew who served in both the Clinton and Obama administrations.

Lew says maintaining a good relationship does not mean the US should be averse to criticising China on what it believes to be legitimate issues, but should refrain from taking a confrontational stance. As the Special Representative for the US–China Strategic and Economic Dialogue, Lew told the AFF audience how his first meeting with his Chinese counterpart, Vice-Premier Wang Yang was held at the National Gallery in Washington so the two senior politicians would have something other than trade and politics to talk about. When Lew visited China, Vice-Premier Wang reciprocated by receiving Lew in the Beijing National Museum. Lew explained that establishing an honest relationship of mutual trust is key to solving differences and challenges. "I am not saying you can solve differences or change policies based on appreciating artefacts and paintings, but these things give you insights into a person, and without insights all you are left with are the differences," said Lew who credited a good but candid relationship for China taking the decision to readjust its excess steel capacity, which was affecting world markets. Lew believes whether communication is at government, military or agriculture level, communication is always helpful.

Chu asked if Lew, having worked in government, academia and the private sector, had preferred one career. The former Secretary of the Treasury replied that he had enjoyed all his experiences, including working in the Clinton and Obama administrations. He is

currently a partner with private investment firm Lindsay Goldberg and Visiting Professor of International and Public Affairs at Columbia University's School of International and Public Affairs. "By moving in and out of public service you see different perspectives which make you more aware of the impact that policies and solutions have on people's lives."

Lew commented that many of his students at Columbia University come from Asia, including Hong Kong and the mainland. Asked by a member of the audience how Chinese students view China's position in the world while they study in the US, Lew said they tend to come to the US for the right reasons. "They are aware of the quality of education and examples of how the US has helped make the world a better place." However, he said while the US has set leadership precedents around the world, he is being asked if that role will continue. On the topic of the US relationship with the United Nations (UN), Lew said he is a strong supporter and there is plenty of evidence of the benefits of the US being a member of the UN. For example, "The US role in the UN has been essential in responding to North Korea's nuclear developments."

Having admitted earlier in the day during his AFF luncheon keynote address that he had not yet read 'Fire and Fury', Michael Wolff's book on the 2016 Donald Trump election campaign and early days in the White House, which President Trump has labelled "a work of fiction", Lew said it would seem that the current President's preference for running the administrative side of the White House differs from when President Clinton and President Obama were in office. Asked by Chu how much influence the White House Chief of Staff has with the President, Lew cited former White House Chief of Staff Jim Baker who famously said "you need to remember you are chief, but also a member of staff." "You can only control what the president wants you to control," Lew continued.

Making it clear he has very little knowledge of the current White House administration, Lew said that when he was Chief of Staff to President Obama he went to great lengths to ensure the President received balanced and legitimate points of view for his consideration. "Nothing legitimate was kept from the president, but nothing of consequence was passed on that wasn't vetted and presented in an organised way," explained Lew. He added that Presidents Obama and Clinton were both avid readers, which meant they saw several points of view related to a topic. "Presidents can choose how they want to be kept informed, but I would say the normal principal passage of information is not the way that information is getting through to the President at the moment," said Lew.

**ENDS**