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The Honorable Henry M. Paulson, Jr.

Former U.S. Secretary of the Treasury
Chairman of the Paulson Institute

Questioners: Andrew Tisch
Former Chair of the Economic Club of New York
Co-Chair of Loews Corporation

Floyd Norris
Chief Financial Correspondent,
The New York Times

Roger Ferguson: Well, good afternoon everyone. I would encourage all who have not yet done so to please take your seats so that we can get started with our program. And let me start by welcoming all of you to this, the 431st meeting of the Economic Club of New York. I am Roger Ferguson. I am the chairman of the club which is now in its 106th year as the nation's leading non-partisan forum for economic policy speeches. Throughout the long history of the Economic Club of New York, we've had more than 1,000 guest speakers appear before us establishing a strong tradition of excellence which we continue today. I would like to begin by recognizing the 200 members of our Centennial Society who have contributed their support to the club to ensuring its continued financial stability. Thanks to all of you for helping to ensure the club can continue to fulfill its mission well into the next century. I would also like to welcome the students who are with us and to thank our members for making their attendance possible. Today we are fortunate to have students from the CUNY Graduate Center, St. Peter's University and Hofstra University as well as members of the Economic Club of Western Connecticut State University. So welcome to all of you, our student guests.

To our program, it is my honor today to introduce our speaker Henry Paulson, former secretary of the Treasury under President George W. Bush. We are pleased to have Secretary Paulson on the re-release of his book, *On the Brink,* which details his experience at the Treasury during the global financial crisis. As all of you know before his service at Treasury, Secretary Paulson had a 32-year career at Goldman Sachs where he served as Chairman and CEO. He is now Chairman of the Paulson Institute at the University of Chicago which he founded in 2011 to address global issues including efforts to strengthen the relationship between the United States and China. Secretary Paulson, the podium is yours. Thank you.

The Honorable Henry M. Paulson, Jr.

Roger, thank you very much, and thank you all for being here today. It's really fun for me to see so many old friends and colleagues. And what a terrific city, I got up this morning and went for a walk in Central Park, went to the Boathouse, had some oatmeal like I used to in the old days, took a look at the log, saw that there was a Canada Warbler spotted in the park yesterday. I gave Wendy a call and reported it to her. But anyway, it's terrific to be here.

In 2008 a huge credit bubble which had been building for years burst, pushing our capital markets to the brink of collapse.

I've done a good bit of soul searching since then, as I've watched the economy flounder and our citizens struggle with unpaid debts, foreclosed homes, ravaged nest eggs, lost jobs, and lost confidence in themselves and in our system. Hindsight isn't always 20/20. Experts still debate the causes of the crisis and the effectiveness of our actions, and likely will do so for a long while.

So while the actions we took were less popular than torture in some January 2009 polls, I remain convinced that on balance, we did the right things and that our decisions will stand the test of time.

We've come a long way in five years. The U.S. economy is in much better shape. And while we need faster growth to fully recover, it is no small accomplishment that our economy has been growing roughly at 2 percent since late 2009 while consumers and financial institutions have been undergoing a massive and necessary de-leveraging.

Our markets are functioning normally and the U.S. financial system is the best in the world in terms of its breadth, depth, transparency, and efficiency. It is a core strength and competitive advantage of the U.S. economy.

So, are we in danger of another financial crisis?

That's the question I've been asked most frequently since I left Treasury. The answer, I'm afraid, is yes. As long as there have been financial markets and humans who periodically experience bouts of panic, there have been financial crises. In recent history, we've tended to have crises every eight years or so. Historically they've been manageable. This crisis led to a deep and painful recession. The key is to avoid massive disruptions like 2008 or like the Great Depression.

Every financial crisis has its roots in flawed government policies which create economic excesses or bubbles which are manifested in the financial system. To mitigate harm to the public, it is necessary to identify the flawed policies, curb the excesses before the bubble grows too big, address vulnerabilities in the financial systems which have the potential to make the problem bigger, and when a crisis does come, act with force to limit it.

Enough time has passed that I believe we can learn from what we did right, understand where our efforts fell short, and act to stave off the financial threats that could imperil our economy in the future. Looking back, our success in avoiding economic collapse was the combined result of presidential, executive, and legislative courage and cooperation.

Ben Bernanke and Tim Geithner, then the president of the Federal Reserve Bank of New York, were true partners. The three of us were united by a conviction that inaction was the biggest mistake we could make. So, although we debated tactics, we were unified in our resolve to avoid the failure of systemically important institutions, to stabilize the financial markets and to help restore the flow of credit to the economy. And our efforts benefitted from an extraordinary level of mutual trust and cooperation.

I underestimated how politically difficult it was for Congress to grant us extraordinary emergency powers – twice. That we were on the brink of collapse was so blindingly obvious to me, I found it enormously frustrating that Congress couldn’t just act immediately. Now I realize how unusual it was for legislators to act as rapidly as they did just weeks before an election – and against their political interests.

President Bush's leadership was remarkable. For the better part of 18 months, I repeatedly brought him bad news. His response was always to buck me up, encourage and support me. When I was particularly discouraged that we had had to rescue Citigroup, just weeks after its initial capital injection, he told me, "Thank goodness the crisis happened when it did. Imagine if it had hit at the beginning of a new administration when they were just learning how to work together."

I left office with mixed feelings. I was confident we had averted a financial meltdown and taken the necessary actions to thwart an economic collapse to rival, or surpass, the Great Depression. Indeed, excluding the Obama Administration's housing spending programs, we had created the programs that would account for 95 percent of all TARP investments, and had already committed 75 percent of the total TARP dollars that would be invested.

But I was also restless and dissatisfied. There was much unfinished work. In particular, I regretted having been unable to develop a more successful government housing program to limit the foreclosures that cost millions of Americans their homes. This goal eludes us today. I felt certain the country was in good hands with Ben at the Fed and Tim set to succeed me at Treasury, but I also understood that a new president would inevitably make changes to put his own stamp on policy. In the end, in no small part because he chose Tim for Treasury, the president ignored calls to change course and the continuity between administrations was extraordinary.

Tim and his team did a terrific job of creatively adapting the programs we left behind to meet changing market conditions, and they managed them well. The decision he and Ben made to subject systematically important banks to "stress tests" was a brilliant adaptation of TARP. The tests demonstrate to the market that the banks are adequately capitalized. They're a great confidence builder.

All told, the TARP bank and insurance company capital programs put in place by the Bush Administration and carried out by the Obama team have returned $32 billion in addition to the original investment.

For all the progress that has been made, however, there are a number of issues that trouble and in some cases flabbergast me. Five years after the financial crisis, we have made no progress on GSE reform, we have not fixed the shadow banking market, and we are still debating whether we have solved the dilemma of "too big to fail" banks.

I believe the single most important step we took to stem the financial crisis was putting Fannie Mae and Freddie Mac in conservatorship and backstopping their debt and mortgage-backed securities.

The GSEs were the dominant players in the housing market, which was at the vortex of the crisis. With $5.4 trillion in debt and mortgage-backed securities outstanding, those institutions together were nine times the size of Lehman Brothers. Borrowing more than $20 billion a week, they ranked as one of the world's largest issuers and guarantors of securities. They were central to our financial system, and their failure would have dealt a devastating blow to our economy.

By almost any measure, our GSE actions were successful. We staved off an imminent catastrophe and ensured that mortgage financing would be available throughout the crisis. This prevented a much steeper decline in housing prices and reduced home foreclosures. But our actions were meant to be a "time out" while the government decided how to rescue GSEs.

Today, Fannie and Freddie not only remain in conservatorship, they are more dominant than ever. As the housing market recovers, they are making big money – reporting a combined $28 billion in net income in 2012. The Obama Administration's new budget projects that if the GSEs remain in current form, they will repay in the coming decade all of the $187 billion invested in them and return dividends of $50 billion more. That's welcome news, but it comes with a downside. Now, any attempt to reform the GSEs will appear to cost the taxpayer, or excuse me, appear to cost the Treasury. Thus, ironically, as the market heals, the government has a disincentive to make changes in the very system that brought us to near ruin.

Conservatorship of Fannie and Freddie worked. It got us through the night. It's now time to tackle GSE reform and phase out the agencies that were at the center of the crisis. Any organization which replaces the GSEs should have a reduced mission with limits on the mortgages that the government can insure. This can be done by restricting the size of qualifying mortgages, limiting the income of qualifying borrowers, or limiting government insurance to first-time homeowners or some combination of all three.

Today, about 90 percent of new residential mortgages are supported by a government guarantee, which means the government, not the marketplace, is setting the price and terms of home mortgages. Without the discipline provided by a private mortgage market, we will be at risk of another binge with government-provided incentives leading to yet another housing bubble. A major objective of reform should be a new system where private market participants bear significant risk and government insurance is purchased at a price which is sufficiently large to allow a robust mortgage market, private mortgage market.

Most of the public and political dialogue has focused on the risks of large banks. But some of the most serious problems in the U.S. financial markets lie in the so-called shadow banking market which supplies wholesale short-term lending to financial institutions and industrial corporations.

Banks and other financial institutions rely on short-term funding to make long-term loans and other commitments. To the extent this funding is from retail deposits, which are backed by federal deposit insurance, the risk is minimal. But many banks rely on non-deposit short-term funding. They borrow from institutional investors and use their securities as collateral. Lenders feel safe, because if the bank can't make good on the loan, the lender can keep the security. This wholesale lending or "repo" market stands at more than $2.5 trillion.

The crisis exposed structural flaws, slack lending standards, and inadequate regulatory oversight and transparency in this market. Some of these issues are being or have been addressed, but more needs to be done to fix the repo market. Regulators should do contingency planning to determine how they would use emergency resolution authorities to deal with a failed dealer and ensure that the securities collateral is disposed of in an orderly manner so as not to initiate or magnify a liquidity crisis. The market would also benefit from margin requirements that provide greater financial cushion in a liquidity crisis and higher capital charges for firms that rely too much on wholesale funding.

Structural problems around money market funds have also generated debate. After the Lehman failure, it took an emergency guarantee by Treasury to prevent a run on money markets where in 2008, 30 million Americans held deposits of $3.5 trillion, often with the mistaken perception that these deposits were safe as an insured bank deposit. A collapse of these money market funds would have devastated the savings of American families, led to failures of businesses on Main Street and across the country which relied on them for short-term financing and put millions of Americans out of work.

The SEC is attempting to fix the money market fund problem by requiring institutional prime money markets which hold corporate securities to regularly publish the value of their assets or take other steps so that the public will understand that their investments are not guaranteed. I support this action but believe these measures should be extended to all money market funds.

Some are also calling to break up big banks. Big banks are difficult to manage, and the mergers during the crisis exacerbated the concentration. The phenomenon of "too big to fail" is unacceptable and must end. The best approach is to reduce the advantage of being large with more stringent capital and liquidity requirements. Tough regulation, including imposing limits on the size or forcing divestitures if a bank is unable to manage its risk, could make failure less likely.

Dodd-Frank in Basel III capital standards introduced capital surcharges for the biggest institutions and U.S. banking regulators have recently proposed rules to do just that. More may eventually need to be done particularly with regard to setting minimum liquidity standards, but this is a good first step. "Too big to fail" is a misnomer in any case. Complexity and inter-connectedness matter as much as size in assessing risk. No bank should be too big or too complex to fail but almost any bank of size is too big to liquidate quickly particularly during a crisis.

The Dodd-Frank Orderly Liquidation Authority, OLA, comes as close as possible to traditional bankruptcy while acknowledging that winding down a financial institution must be managed carefully to protect the public. It gives regulators emergency authorities to avert a disorderly wind-down of institutions whose failure would threaten the country's financial stability, including the ability to issue guarantees and make capital injections. And it gives regulators the tools so that no bank needs to be "too big to fail." We sorely needed such powers during the financial crisis and could have used them to avoid the disruptive Lehman Brothers bankruptcy.

But Dodd-Frank falls short in other areas. It fails to streamline our ungainly financial regulatory structure and leaves multiple regulators in overlapping jurisdictions feeding uncertainty and delay. We had five main financial regulators before the crisis and we have five today. This is a big problem.

The rule writing process for Dodd-Frank has been plagued by dysfunctional competition, paralysis, confusion, and uncertainty. I don't underestimate that it will be difficult to address these remaining challenges, but it is critical that we do so, lest we sow the seeds of tomorrow's crisis.

Many of the actions we took, seizing control of Fannie and Freddie and injecting capital into the banks through the TARP were deeply distasteful to me. But today I believe more than ever they were absolutely necessary. I can only imagine how much more suffering there would have been had we not acted so decisively.

It was a prospect of imminent economic catastrophe that drove me to act over and over again. Looking back, I wish we had done a better job communicating our decisions. Part of the problem was the familiar dilemma for regulators. You want to be transparent, but you don't want to trigger or compound the problems you're trying to avoid. This was particularly true in dealing with the weakness and subsequent failure of Lehman Brothers.

I didn't want to be the Treasury Secretary who presided over the onset of another Depression. I believe we would have faced just that had our efforts fallen short. Unemployment levels that hit 10 percent in October of 2009 could easily have risen to 25 percent.

The legacy of public outrage that greeted some of our measures and further poisoned the political atmosphere will make the job of policymakers who follow us more difficult. I am concerned that our successors will be hamstrung by the fallout from this bitterness and may, when confronted by intense criticism, hesitate or fail to act precisely when leadership and courage are called for.

Big messy problems rarely have perfect solutions. Inevitably you must work with inadequate information to make difficult decisions that almost certainly will have unintended and frequently bad consequences. The alternative is not to act at all which is far worse.

So as we look to avoid the next financial crisis, we must finish cleaning up our messes and repairing our flaws. We need to look around the corners. Lurking there are big, hard issues.

Our focus today should be answering the question: What are the best policies to promote sustainable economic growth? These will also be the best policies to ensure generational fairness, national security, and continued global leadership. Without policy fixes, our children and grandchildren will pay a steep price in diminished opportunity, lower living standards, and Medicare and Social Security systems that can't make good on their promises.

No nation can remain a global power if it doesn't have sustainable fiscal policies. For the United States, the challenge is to gain control of our long-term finances without cutting so much or increasing taxes so much in the very near term that we endanger our fledgling recovery. Thank you all very much.

QUESTION AND ANSWER PERIOD

ROGER FERGUSON: Thank you Secretary Paulson for those insightful remarks and a chance to look back and also look forward. I'd now like to introduce the two members who will conduct our question and answer session. Andrew Tisch who is the former chair of the club and co-chairman of the board of Loews and then also Floyd Norris who is the chief financial correspondent of The New York Times. If you have questions in the audience, you can email them to questions@econclubny.org. That's questions@econclubny.org. And our President Jan Hopkins will read them. Andrew, you have the first question.

ANDREW TISCH: Thank you. Thank you very much. First of all, thank you very much, Mr. Secretary, for the insightful remarks. If you could take a mulligan on one decision you made during those crazy days in 2008, what would that do-over be?

THE HONORABLE HENRY M. PAULSON, JR.: It's an interesting thing because almost every mistake as I look back was a, you know, a communications issue. The biggest regret I have was that I never was ever able to convince the American people that what we did wasn't for Wall Street, but it was for them. I never was able to make that connection. And then there are all sorts of things like sending the three-page outline up to Congress which, we sent it up at midnight, I had plenty of other press conferences at midnight, I should have had one then and explained that that wasn't, you know, take it or leave it, that Chris Dodd had said don't give us a fait accompli, work with us, that was just supposed to be an outline. Most of the things that are considered by others to have been mistakes were things that we just simply didn't have the power. Like for instance most people continue to believe that we let Lehman fail because we let them fail as opposed to the fact that we tried everything we could to save Lehman. We just couldn't find authorities that were legal and would have worked to prevent the failure of Lehman. And some of the mistakes we made I don't want a do-over because they ended up being fortunate in ways we never anticipated. For instance, when I went to Congress on Fannie and Freddie it would have been a much harder sell if we went up there and said we want to nationalize them. You know instead I was very hopeful and believed that if we had broad-based emergency authorities that we wouldn't have to do anything more than that. And I had been told by the regulator, they're adequately capitalized. And so, you know, I was a bit embarrassed when I had to take the so-called bazooka out and use it. But it was, I think, you know it might not have been the worse mistake that was made. The same thing with TARP. The last thing I wanted to do was nationalize a lot of banks. And I had thought of capital going in banks, the only time I had ever seen it done during a financial crisis was banks were nationalized as they were failing, after they failed or when they were about to fail. So we had a program to buy liquid assets and that's what we sincerely believed we were going to do. But we made sure we had authority to inject capital, but I was thinking that would be used if we had an institution that was failing. It wasn't our basic program. But again the situation changed dramatically when we were up there. You know we had a number of major institutions go down in the U.S. We had institutions teetering all over Europe. And then again, so then we switched, realized that we had made a misjudgment. The facts changed and we changed. So I think the reason I don't have a lot of mulligans on the big decisions is I have always been willing, when we make a mistake, to change, change course. And so those were two examples where we did it. But there are many, many communications and smaller errors.

FLOYD NORRIS: Thank you for coming, Mr. Secretary. The bank bailout seemed to have led to a much healthier set of banks in this country than in Europe. What should Europe have done differently and what should they do now?

THE HONORABLE HENRY M. PAULSON, JR.: Well, I hate to sit here and, you know, I'll say this Floyd, I'm going to answer your question, but I'm going to answer it carefully because when I was a treasury secretary I talked with former treasury secretaries, former chairmen of the Fed, and I liked it, those that gave me their advice privately as opposed to giving it to me in the newspapers and publicly. And since I still talk with good friends like Mario Draghi and others in Europe, I won't give a lot of advice publicly but I will say this; I will say what we did in our capital program had never been done before. I think many people don't understand it because to get out, we got out and re-capitalized the financial system. We put capital almost overnight, you know in a matter of months, in hundreds of banks. And to do that you have to, it's not a system so we were criticized for a lot of things we didn't do with that system and it had some imperfections, but we re-capitalized the system. The Europeans, on the other hand, had banks that I felt were always less well capitalized than the U.S. system even going into the crisis. You follow the account and you know they have very different accounting than they had in the U.S. They had argued that their banks were well capitalized when they weren't. And so what they did is they put capital, they nationalized failing banks. And so it's a bit difficult right now because you have, their banks aren't adequately capitalized yet and this is something they're working on. It's a bit difficult because you have, you know, governments bailing out banks which are bailing out governments which are bailing out banks. And someone's going to have to figure out who is going to pay for it at the end of the day. So their system is, their problem is more significant than ours and they'll get it there, but I think the thing that, a big challenge they've got is making sure their banks are adequately capitalized. And of course in Europe banks play a much bigger role than in the U.S. Our banks are roughly, you know have, deposits in our banks roughly equal the size of our GDP. A number of European nations, they are three or four times their GDP. So it's very, very important they get those banks capitalized. And I will say I think the policymakers that are dealing with the problems in Europe, I'm not critical, because I looked at what we dealt with and it was a story of a collision of politics and markets. And you're seeing that big-time in Europe. And so it's hard to do more than you're able to get done politically, and they are making progress.

ANDREW TISCH: You said in the prologue to your book and again today that in recent history we've tended to have crises every eight years or so. So that gives us about three years to prepare for the next one. Do you have any thoughts on exactly how it might manifest itself or how we can minimize the effect that it's going to have beyond that which you talked about in your prepared remarks?

THE HONORABLE HENRY M. PAULSON, JR.: One of the stories I tell in my book, *On the Brink,* because I think it's illustrative was I was confirmed as treasury secretary in early July 2006, and President Bush took a group of economic advisers to Camp David. And one of the things he had asked me to help lead was some work on entitlements reform so I was asked would I talk about that. And instead I said, could I please talk about something else? I'm concerned about excesses in the financial system. I think we're due for a financial crisis. And as I went through that, he said to me, what would cause it? And I said I don't know. I didn't see it in '94. I didn't see it in '98, didn't see the Russian default. I said after the fact it will be blindingly obvious. And the people, there's always someone that says, haha, I got it right, but that person won't get it right the next time. And so I talked about all sorts of things like the over-the-counter derivatives. I was very concerned about that market. I was concerned about hedge funds, etc. And then we started working on it. And when we worked on it, we had all kinds of regulators. We worked with the president's working group on financial markets. We didn't, we saw there was a problem in housing, but we never had a major decline in residential mortgage prices. So we didn't identify that. We didn't identify the shadow banking markets. So I've taken a long time to say that I think it's very, very difficult to predict these things. So what do you need to do? You need to make sure you work very hard to make sure you don't have flawed government policies that lead to bubbles and to mitigate those early on. And I think that is very important and you need to make sure you've got the tools to work with. And then the things I mentioned, if I had some better idea than I had in the speech, I would have put it forward. In other words, I would say, here, so I'm focusing on...and you want to make sure you're not just dealing with, you know, yesterday's war, because there are other things, I'm sure out there that aren't getting as much focus as they should.

FLOYD NORRIS: Mr. Secretary, would you care to endorse either of the candidates for Fed chairman? And whether or not you'd like to do that, could you talk a little bit about what you think are the characteristics that we most need in a new chairman?

THE HONORABLE HENRY M. PAULSON, JR.: Yes, well, I would just simply say on the latter, I just think this position is so enormously important, the Federal Reserve Bank. I think one of the very most important decisions President Bush made was selecting Ben Bernanke. I think for President Obama, this will be one of the really biggest decisions he will make. In terms of endorsing someone, it's President Obama's decision. If he wants my advice, he'll call and ask me, and so far he hasn't. Strangely enough. And Floyd, I'm concerned about really saying much to answer your question because there are some good candidates. As I start outlining the criteria people will think I'm tilting one way or the other. But I would just simply say, to me more than anything else, it's going to take someone not only enormously able but someone who has the political courage to be independent and to do the right thing. And, you know, people can come in all kinds of different sexes or packages and different demeanor, but at the end of the day it comes down, are they going to have the political will or courage to do the right thing? And then are they going to be able to build consensus? Okay, because a key thing is to be able to build a consensus within the Fed and sell what they do. And that's one of the things I've got to say that, you know, I'm a Ben Bernanke fan, but I think Ben has done a really good job building consensus within the Fed and explaining his programs so that Congress and the public understands it. So I'm very frustrated that this, it seems to be a politicized to the extent it has been. I don't know how it became politicized but it shouldn't be politicized. And I'm just very; you know I'm an optimist that President Obama will make a good selection here.

ROGER FERGUSON: Don't walk away. We often have a question from the audience. I'm going to ask Jan Hopkins to take the last question which will be one of our audience questions.

JAN HOPKINS: So the question is what important tools did you use in the crisis that as a result of subsequent legislation will not be available to future policymakers?

THE HONORABLE HENRY M. PAULSON, JR.: Well, I'll tell you there's, probably the most important, not the most important thing, but I'd say the two things we did that made the biggest difference that got the least attention, were done because we acted before the institutions became unglued. Fannie and Freddie was one, and the other was the money market fund guarantee. Because, you know, the week after Lehman Brothers went, we were juggling four or five different things continually. Getting ready to go to Congress to ask for the emergency authorities we knew we needed, dealing with multiple issues, but when the reserve fund broke the buck and we had four or five really major money market funds call and they're on the verge of implosion, I was hearing from major companies, Triple A industrial companies that couldn't sell commercial paper. One instance which is stuck in my mind was a company that's roughly $25 billion in market gap, had a Triple A rating, it was a consumer products company, and the CEO said to me, Hank, our board has approved an $800 million quarterly dividend and our treasurer says we may not be able to send it out on Friday given what's happening in the money markets. And so that was a situation where the policy team and the legal team came together and we used the exchange stabilization fund at Treasury to guarantee the money markets. Well, when Dodd-Frank, excuse me, not Dodd-Frank...when the TARP legislation passed the legislators put in there, don't you ever do that again, you know. Well, if we had to go to Congress and ask, I can only guess what would happen. But that, I'll you, I saw it...you ask about how it was spread to Main Street, I could just see, you know, when big companies had to worry about their funding and their working capital and they start cutting back and they don't pay their suppliers. And then the suppliers start letting people go and pretty soon it ripples through and you've got failure after failure, it just, I could just...I saw that connection so clearly. So now here we are with money markets. You know and it's not like the solutions people have come up with our sure to solve the problem. You know they help address the problem if they're put in place. But I sure wish that members of Congress had said, boy, it's, you know, please don't use it unless you need to and recognizing that no treasury secretary in their right mind is ever going to do something like that unless he wants to be investigated for the rest of his life, if you don't really, really need to do it. But they've taken that away. Some of the Fed's 13(3) emergency lending authority and the way it could be used has been taken away. And again I think Dodd-Frank, in terms of what we get from Dodd-Frank, things we really need; we've got with Dodd-Frank. There's a lot of other issues but the things we need we've gotten. But you know some of these other things I wish they hadn't been taken away. Thank you all very much.

ROGER FERGUSON: Well, Mr. Secretary, on behalf of the club, thank you very much. Thanks to our questioners, Andrew, Floyd, and also Jan for the question from the audience. Before lunch is served, I'd like to remind you that at our October 1 meeting we will hear from Janet Yellen, Vice Chair of the Federal Reserve System. And then on October 10, we will host Mario Draghi, President of the European Central Bank. We look forward to seeing you at those events. In the meantime, please enjoy your lunch and thank you again for coming today. Thank you.