

Statement by the Press Secretary on balancing the budget

Written by The White House Office of the Press Secretary
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The President has been advocating a balanced plan that would reduce our deficit by \$4 trillion by making large cuts in domestic and Pentagon spending, reforming entitlement programs, and closing tax loopholes for corporations, millionaires and billionaires. This sort of approach won support from Democrats and Republicans in the Senate, but the House Republicans walked away after insisting that the budget be balanced on the backs of seniors and the middle class.

Now, faced with the “my way or the highway,” short-term approach of the House Republicans, Senator Reid has put forward a responsible compromise that cuts spending in a way that protects critical investments and does not harm the economic recovery. All the cuts put forward in this approach were previously agreed to by both parties through the process led by the Vice President. Senator Reid’s plan also reduces the deficit more than enough to meet the contrived dollar-for-dollar criteria called for by House Republicans, and, most importantly, it removes the cloud of a possible default from our economy through 2012. The plan would make a meaningful down payment in addressing our fiscal challenge, and we could continue to work together to build on it with a balanced approach to deficit reduction that includes additional spending reforms and closing tax loopholes for corporations, millionaires and billionaires.

Senator Reid’s plan is a reasonable approach that should receive the support of both parties, and we hope the House Republicans will agree to this plan so that America can avoid defaulting on our obligations for the first time in our history. The ball is in their court.