



Yellen says will talk deficit-reduction with Republicans, not debt limit

Description

USA: U.S. Treasury Secretary Janet Yellen said on Saturday she was willing to negotiate with Republicans in Congress over the Biden administration's budget proposal to be unveiled next month – but not as a condition of raising the debt ceiling.

Yellen told Reuters in an interview that the Biden budget for fiscal 2024 would contain “substantial deficit reduction over the next decade.

“And we’re going to show how we’re going to accomplish that,” she said on the sidelines of a G20 finance leaders meeting. “Republicans need to put a plan on the table, and a negotiation or discussion about that is certainly possible, but it can’t be a condition or precondition for raising the debt ceiling.”

Republicans who hold a slim majority in the House of Representatives, have demanded that President Joe Biden agree to spending cuts as in exchange for raising the debt ceiling.

Yellen said the United States “can’t bargain over whether or not we’re going to pay our bills. It’s simply a fundamental responsibility a government has.”

Yellen said that tax receipts collected around the April 15 filing deadline could allow for some adjustments in the department’s estimate of when it would no longer be able to pay all of the government’s bills without an increase in the \$31.4 trillion debt limit.

The Treasury has not yet changed its early June estimate for that time frame, made last month, although the Congressional Budget Office has estimated the Treasury’s’ cash and extraordinary borrowing measures could last until September.

“The tax receipts will be informative about when the likely X-date is,” she said, referring to a common Washington term for a potential default date. “We felt comfortable and we told Congress that we could at least get to early June.”

Reporting by David Lawder

Category

1. Economy-Business-Fin/Invest
2. Main

Date Created

02/28/2023