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## **BAUCUS SEEKS RESOLUTION ON DEFICIT REDUCTION PACKAGE TO AVOID DEFAULT**

*Finance Chair: Economic Growth and Job Creation Will Stall if We Fail to Pass a Long-Term Package*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) called today for a long-term solution to raise the debt ceiling and made clear his support for a balanced deficit reduction package. At a hearing reviewing the deficit reduction debate and recapping the Committee's recent series of examinations of the central issues involved, Baucus asserted that a long-term compromise must be reached to build certainty and quiet economic concerns among families, businesses and investors.

**"We need to cut spending and balance our budget. Economic growth and job creation will stall if we fail to pass a long-term package, so we must work together to find agreeable solutions now. Now is the time for real solutions, not more political theater,"** Baucus said. **"Raising the debt limit does not mean an increase in future spending, it only permits the Treasury to pay debts already incurred. It's time for us to show folks in Montana and across the country and the world that we can begin to tackle these deficits and build economic certainty to calm concerns and keep our economy growing."**

At the hearing, Baucus underscored the need to pass a long-term deficit reduction package before August 2 when the debt ceiling must be raised, and that failing to do so will cause the government to default on its obligations for the first time in history. If that happens, interest rates will skyrocket and the economic growth of the last few years will evaporate, risking another recession. Baucus also discussed several of the issues from his previous deficit-related hearings, warning against enacting cuts that weigh too heavily against any one group, such as the middle class, seniors or rural Americans. Any deficit reduction package, he said, must improve the economy by putting businesses on solid ground that allows them to grow and create jobs.

Watch today's hearing and view witness testimony on the Committee website at <http://finance.senate.gov/hearings/>.

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