HARRY REID
NEVADA

MAJORITY LEADER

United States Senate
WASHINGTON, DC 20510–7012

January 11, 2013

President Barack Obama
White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

As you know, Republican leaders are threatening to bring on an economic catastrophe unless Democrats make deep cuts to Social Security and Medicare.

This threat is outrageous and absurd. Defaulting on America's legal obligations would undermine the American economy and spread global economic havoc. Just two years ago, Speaker Boehner himself admitted that failure to raise the debt limit "would be a financial disaster, not only for us, but for the worldwide economy."

It is hard to imagine that the Speaker and Leader McConnell would really follow through on their threat to let our nation default on its debts. They are responsible leaders who know better. Sadly, some of their Republican colleagues do not. Therefore, we believe that you must make clear that you will never allow our nation's economy and reputation to be held hostage. In the event that Republicans make good on their threat by failing to act, or by moving unilaterally to pass a debt limit extension only as part of unbalanced or unreasonable legislation, we believe you must be willing to take any lawful steps to ensure that America does not break its promises and trigger a global economic crisis – without Congressional approval, if necessary.

As you know, increasing the debt limit does not authorize new spending. It merely ensures that we meet our existing obligations. Those obligations were incurred by both Republicans and Democrats, and are the responsibility of all Americans.

Accordingly, we hope that you will continue to ignore claims that agreeing to an increase in the debt limit would somehow represent a concession by Republicans to Democrats. All Americans, Democrats and Republicans alike, have a stake in ensuring that our country meets its legal obligations. Financial markets have long viewed securities backed by the full faith and credit of the United States as the most trustworthy in the world. This lowers borrowing costs for homes, cars, and college for all Americans and strengthens our economy. If we violate that trust for the first time in history, we will never fully regain it, and every American will suffer.

For all these reasons, we support your view that an extension of the debt limit is not something for which Democrats should have to negotiate. At the same time, as a separate

matter, we agree about the importance of developing a broad, bipartisan agreement on fiscal policy that strengthens our economy and reduces our long-term budget deficit.

As you have said, any such agreement must treat all Americans fairly and include not just responsible spending cuts but additional revenue from the wealthy and the elimination of wasteful tax breaks. It would be wrong to slash earned benefits for seniors and middle class families, while allowing corporations, millionaires, and billionaires to continue to exploit wasteful tax loopholes. We therefore hope that you will continue to insist that the entire budget be on the table, and that any agreement be fully balanced and fair.

Thank you for your consideration of our views.

Sincerely,

HARRY REID
United States Senator

DICK DURBIN
United States Senator

PATTY MURRAY
United States Senator

CHUCK SCHUMER
United States Senator