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Debt Ceiling Increase Is Expected, Geithner Says

By JAMES RISEN

WASHINGTON — Treasury Secretary **Timothy F. Geithner** said Sunday that Congressional Republican leaders had signaled strongly to the White House that they would vote in favor of raising the national debt ceiling, despite pressure from some lawmakers in the party to use the coming vote as leverage to seek deep spending cuts.

In a pair of appearances on Sunday talk shows, Mr. Geithner said the Republican leaders made it clear to **President Obama** in a White House meeting last Wednesday that they would go along with the administration's efforts to raise the debt ceiling to avoid a financial crisis.

"Congress is going to have to raise the debt limit," Mr. Geithner said on the **NBC** program "Meet the Press." "They understand that. That's absolutely essential to preserve the creditworthiness of the United States of America."

He went on: "You know, we're a country that meets its obligations, and we have to meet our obligations, and they recognize that. In fact, I heard the leadership tell the president that again on Wednesday."

Republican leaders responded rather indirectly to Mr. Geithner later on Sunday, focusing on their demands for greater spending cuts in next year's budget in exchange for a vote to raise the debt ceiling, rather than on whether they actually planned to vote for the increase.

In a statement, Michael Steel, a spokesman for Speaker **John A. Boehner** of Ohio, said Mr. Boehner had made it plain to the president at the White House meeting that more spending cuts would be the price for a debt ceiling deal.

"Boehner has been very clear: the American people demand that any increase in the debt ceiling be accompanied by spending cuts, and real reforms so we can keep cutting," Mr. Steel said.

Representative **Paul D. Ryan** of Wisconsin, chairman of the House Budget Committee, gave a similar response

to Mr. Geithner's assertions on the CBS program "Face the Nation."

"We want cuts in spending accompanying a raising of the debt ceiling, and that is what I believe they told the president," Mr. Ryan said, referring to Republican leaders. He added that "nobody wants to play around with the country's credit rating."

"Nobody wants to see defaults happening," he said, "but we also think it's important to get a handle on future borrowing as we deal with raising the debt limit."

The administration says the legal debt limit, now just over \$14 trillion, will be reached next month.

Many economists have warned that if the ceiling is not raised, the United States will soon begin to default on its debt, and that could set off an international financial crisis.

The vote over raising the debt ceiling is the second major showdown over budgetary and financial matters between the White House and the Republican-controlled House in recent weeks. A government shutdown was narrowly averted when negotiators worked out a deal that included billions of dollars in spending cuts for the remainder of the 2011 fiscal year. Mr. Obama signed that legislation on Friday, just in time for the next battle.

Republicans, prompted by Tea Party supporters who helped fuel their electoral victory in the 2010 midterm elections, have been pushing for greater leverage to cut spending further, and the debt ceiling vote has been looming for months as one of their most potent weapons.

Yet it is not clear how much of an appetite there is among Republicans for a showdown on the debt ceiling. Senator Rand Paul, a Kentucky Republican elected last year as a Tea Party favorite, said Sunday that he was not necessarily opposed to raising the debt ceiling. When asked on the CNN program "State of the Union" whether he would vote on a bill to raise the limit, even without other provisions attached to the legislation, Mr. Paul answered indirectly.

"I don't think it should be an either-or situation, you know," he said. "There is another alternative, and that is that we send the message to the president through legislation that says: 'You know what, Mr. President? Don't default, but pay the interest out of the revenue.'"

Mr. Obama acknowledged Friday in an interview with The Associated Press that he would have to agree to Republican demands for more spending cuts to win their backing for a higher debt limit.

On Sunday, Mr. Geithner gave a slightly more detailed answer, saying it would be difficult to try to push both

the spending cuts and the debt ceiling through Congress simultaneously.

“I think you can do these things in parallel,” he said on “Meet the Press.” “But if by the time we need to raise the debt limit, we haven’t worked all that out, Congress still has to raise the debt limit. And again, leadership realized that.”



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