

Clinton: Budget deal critical to U.S. global role

U.S. Secretary of State Hillary Clinton said Saturday that reaching a deal to resolve America's budget crisis is critical to its global leadership and national security and would bolster efforts to project U.S. economic power around the world.

Speaking in Singapore during a tour of Asia and Australia, Clinton said that when she was in Asia last year during the height of debate about the U.S. debt ceiling, leaders from across the region asked her if the U.S. Congress would actually allow the United States to default on its debt.

"Let's be clear," she said. "The full faith and credit of the United States should never be in question."

However, Clinton, who was speaking at Singapore Management University, said that with Washington gearing up for another round of budget negotiations, she was "again hearing concerns about the global implications of America's economic choices."

"Reaching a meaningful budget deal is critical to both," she said. "It would shore up our ability to project economic power around the globe, strengthen our position in the competition of ideas shaping the global marketplace, and remind all nations that we remain a steady and dependable partner."

"For us, this is a moment to once again prove the resilience of our economic system and reaffirm America's leadership in the world," Clinton said, stressing that U.S. leadership depended on its economic strength.

"Global leadership is not a birthright for the United States or any nation. It must be constantly tended and earned anew."

U.S. President Barack Obama and his Republican rivals are in talks aimed at avoiding what has been dubbed a "fiscal cliff" at the year-end, which experts say could push the U.S. economy back into recession.

If U.S. Congress cannot agree to less extreme steps, from Jan. 2, about US\$600 billion worth of tax increases and spending reductions, including US\$109 billion in cuts to domestic and defense programs, will begin to kick in.

Both sides are eager to reassure the public that Washington will not see a repeat of the white-knuckle budget standoff that spooked consumers and investors last year, and Republican and Democratic congressional leaders emerged from a meeting with Obama on Friday pledging to find common ground to avert the fiscal cliff.

Clinton said responding to threats would remain central to U.S. foreign policy, but could not be Washington's only foreign policy. (SD-Agencies)