

Obama Calls For Cooperation Towards 'Stronger Fiscal Footing'
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WASHINGTON - US President Barack Obama defended this week's deficit reduction deal on Saturday in his first comments since a leading Wall Street rating agency issued an unprecedented downgrade of the government's creditworthiness.

Standard & Poor's late Friday downgraded the rating for US debt to AA-plus on long-term bonds from the top-notch AAA.

The agency said the last-minute increase in the federal debt limit, which was signed into law Tuesday in a measure that included at least 2.1 trillion dollars in spending cuts over the next 10 years, "falls short" of bringing runaway debt under control.

S&P questioned the political will of Congress and the president to agree to needed cuts in social entitlement programmes and increases in tax revenues.

"The bipartisan compromise on deficit reduction was an important step in the right direction," the White House said in a statement.

"Yet, the path to getting there took too long and was at times too divisive. We must do better to make clear our nation's will, capacity and commitment to work together to tackle our major fiscal and economic challenges."

Without directly responding to S&P's downgrade, the statement said that Obama "believes it is important that our elected leaders come together to strengthen our economy and put our nation on a stronger fiscal footing."

He urged "all members of Congress to put our common commitment to a stronger recovery and a sounder long-term fiscal path above our political and ideological differences."

Obama has "repeatedly called for substantial deficit reduction through both long-term entitlement changes and revenues through tax reform, with additional measures to spark jobs and strengthen our recovery," the White House said.

(DPA)