Mountain Democrat

Payment due

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Give credit to the House of Representatives for coming up with a way to avoid another "fiscal cliff," this time over raising the debt ceiling. House Resolution 807, according to Congressman Tom McClintock, would "allow a temporary exception to the debt limit solely to assure the full and prompt payment of principal and interest on the debt in the event of an impasse in Washington."

It's called The Full Faith and Credit Act. McClintock, who wrote the legislation, describes it as "protecting America's full faith and credit." The full title is "To require that the government prioritize all obligations on the debt held by the public in the event that the debt limit is reached."

The bill, which has 83 co-sponsors, requires the secretary of the treasury to pay any principal and interest coming due first in the event of reaching the debt ceiling. If the Treasury is really strapped for funds, the legislation authorizes him to extend the obligations.

McClintock notes that the states are obligated to pay their debts and protect their credit first. States also must balance their budgets, even though states like California fudge their accounting somewhat.

Congress, it should be pointed out, borrows 40 cents of every dollar it spends.

Though only Congress can raise the debt ceiling, the Treasury has "the authority to choose the order in which to pay obligations of the United States" to protect the nation's credit, McClintock pointed out. "This authority is inherent in the 1789 act that established the Treasury Department and entrusted it with the 'management of the revenue' and the 'support of public credit.' Even with record deficits, our revenues are roughly 10 times greater than our public debt service, so there is no excuse for a debt default."

President Obama has already announced he will veto HR 807.

"I challenge the president to name one member of Congress who has suggested that this bill is an acceptable substitute for not paying our other bills. The president's reliance on this falsehood is a measure of the bankruptcy of his argument," McClintock said.

"Delaying payments on our other obligations would do enormous damage — but one thing could do even more damage — and that is the threat of defaulting on our sovereign debt.

“HR 807 takes that threat off the table and assures credit markets that their investments in the United States are absolutely guaranteed no matter what political storms are raging in Washington.

“One would think that a president who has run up more debt than almost all of his predecessors combined would understand the importance of guaranteeing the credit that supports that debt.”

The president would rather force Congress into a debt ceiling confrontation in hopes that he can extract some more tax increases out of Congress. As he told the graduates of Ohio State University they need “... repair the middle class; to give more families a fair shake; to reject a country in which only a lucky few prosper.”

But as Roger Pilon of the Cato Institute wrote in the Wednesday’s Wall Street Journal,”A more inspiring message might have urged the graduates *not* to reject their own country, where far more than a lucky few have prospered under limited constitutional government — and even more if that form of government were restored.”

Yes, we have grown weary of President Obama’s “fair shake” and “fair shot.” They are just code words for taking money away from anyone who has worked hard, succeeded and has achieved the American dream, and giving it to someone else. “A fair shot” is taking money from everyone who pays their phone bill on time and spending $2.2 billion on Obama phones, with some people having more than one free cell phone. “A fair shake” apparently is spending our hard-earned money to provide free cell phones for possible pimps and drug dealers. Who else needs multiple cell phone accounts?

What’s more important to pay first? Our national credit card bill or the $890,000 the government has spent on fees for 13,712 bank accounts that have no money in them. Yes, we see lots of opportunity for the Treasury to scrimp and save and pay our national credit obligations first. That’s a fair deal.