

[S.C. GOP congressman offers debt-ceiling bill](#) (Charlotte Observer – July 16, 2011)

By Jim Morrill

A freshman Republican from York County offered a plan to break the federal debt-ceiling stalemate on Friday, though it found no favor among congressional Democrats or at the White House. Rep.

Mick Mulvaney's bill came as Charlotte-area lawmakers remained as far apart as their leaders in Congress over the debt issue. Officials say if there's no agreement to raise the nation's debt ceiling by Aug. 2, the government would have to suspend payments on \$134 billion in obligations next month alone. Mulvaney co-sponsored a bill that would cut spending and cap future spending. It also calls for a balanced budget amendment to the Constitution that would trigger a rise in the debt ceiling. "We are

willing to give a short-term increase to the debt ceiling in exchange for a long-term solution to our spending problem," Mulvaney told the Observer. The House is expected to vote on the "Cut, Cap and

Balance" bill next week. A similar bill is in the Senate. President Barack Obama reportedly opposes the measures. Obama and some Democrats have offered to trim some spending in entitlement programs -

including Social Security - if Republicans agree to raise revenue by closing tax-law loopholes or raising taxes. Democratic Rep. **Mel Watt** of Charlotte said it was a mistake to link the debate over budget cuts with the effort to raise the debt ceiling. Mixing the two, he said, "has dangerous implications and is playing with lightning." "We need to make these choices," he said. "We don't need to make them

under the gun of an Aug. 2 deadline." But Charlotte Republican Rep. Sue Myrick called Mulvaney's bill "our part to try to move this ball forward." GOP Rep. Patrick McHenry of Cherryville also plans to vote

for the measure. "Failing to fix our spending problem would be equally as catastrophic as sending our country into default by failing to raise the debt ceiling," he said in a statement. "Our spending-fueled

debt crisis has reached critical mass, and we can't afford to kick the can down the road any longer." Like **Watt**, Democratic Rep. Larry Kissell of Montgomery County opposes the bill as well as a balanced-budget amendment. Kissell, who opposes most entitlement cuts, said a constitutional amendment would "mask the same cuts to Social Security and Medicare, reducing care that we promised to our seniors." According to the Bipartisan Policy Center, failure to reach an agreement by Aug. 2 would

leave the government \$134 billion short on Aug. 3. Although it could pay for interest on the national debt, Social Security, Medicare and Medicaid payments, it would have no money for military pay or most government operations. And, experts say, it would lead to higher interest

payments

on its loans. "If all of our debt gets downgraded and we have to pay higher interest costs ... basically we will have sustained a self-inflicted wound on our economy," said Donald Taylor, an associate professor of public policy at Duke University. "It's like ... 'Let's see if we can talk our way back into a recession.' This is the best way to do that." Despite the rhetoric, lawmakers as divergent as Watt and Myrick say they expect an agreement. "I just think reasonable people will come together," Myrick said. If not, she added, "It wouldn't be a pretty picture, believe me."