




Is U.S. Government Debt Different?

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October 23, 2013

I. U.S. Constitution, Article I

Section 8.

- ▶ The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;
- ▶ To borrow Money on the credit of the United States; ...

Section 9.

- ▶ ...
 - ▶ No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.
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II. Public Debt Limit (31 USC 3101)

(b) The face amount of obligations issued under this chapter and the face amount of obligations whose principal and interest are guaranteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury) may not be more than \$_____, outstanding at one time ...

... suspended last week (“Default Prevention Act of 2013”):

(c)(1) IN GENERAL.—Section 3101(b) of title 31, United States Code, shall not apply for the period beginning on the date on which the President submits to Congress a certification under subsection (b) and ending on February 7, 2014.



III. U.S. Constitution, XIV Amendment, Sec. 4

The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.



IV. Options

- (1) Manage cashflows
- (2) Tax
- (3) Borrow
- (4) Impound

