

**Obama seeks US\$1.2 trillion debt limit rise**  
**Reuters**  
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WASHINGTON, Jan 13 — President Barack Obama formally notified Congress on Thursday that he plans a US\$1.2 trillion (RM3.8 trillion) increase in the US debt limit, prompting Republicans to level election-year charges that deficits are out of control.

Obama, in a one-sentence letter to House of Representatives Speaker John Boehner, the top Republican in Congress, said, "further borrowing is required to meet existing commitments."

The proposed increase would push the debt ceiling to US\$16.394 trillion (RM51.29 trillion).

The move by the Democratic president, who is seeking re-election in November, gives Congress 15 days to vote on a resolution of disapproval under terms of budget control legislation passed last year.

Lawmakers are unlikely to muster the votes needed to block the boost in US borrowing capacity, so a replay of last summer's debt limit drama that brought the federal government to the brink of default and cost the United States its top-tier credit rating is not expected.

But the increase notification does give Republicans an opportunity to paint Obama as a spendthrift during an election year in which taxes and spending are key issues. They quickly blamed him for a lack of progress in reducing deficits after congressional deficit reduction talks collapsed late last year.

"The President's runaway borrowing threatens the foundation of our economy and the financial future of every hardworking American," said Senator Jeff Sessions, the top Republican on the Senate Budget Committee.

"It brings our nation closer to what the chairs of his own fiscal commission called 'the most predictable economic crisis in its history.'"

Brendan Buck, a spokesman for Boehner, called Obama's request "another reminder that the President has consistently punted on the tough choices needed to rein in the deficit."

Obama originally intended to exercise his authority to raise the debt limit on December 30 but House and Senate leaders asked him to delay the move to allow lawmakers to consider it while they are back in session. House members reconvene in Washington next week.

To allow for the delay, the Treasury Department has had to turn to one of the measures it employed to keep the government afloat last summer - dipping into the Exchange Stabilisation Fund, which has a dollar balance of about US\$22.7 billion (RM71 billion).

A Treasury official said other measures, such as suspending the daily reinvestment of assets in a government pension fund, may also be needed until the debt-limit increase is secured.

Senator Orrin Hatch, the top Republican on the Senate Finance Committee, asked Treasury Secretary Timothy Geithner in a letter to give details of the extraordinary measures being

taken to stay under the limit, which has already been increased by US\$900 billion (RM2.8 trillion) since last summer's debt brawl to US\$15.194 trillion (RM47.5 billion). — Reuters

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