

## **Obama gov't kills notion of minting platinum coins to avoid debt crisis**

WASHINGTON, Jan. 12 (Xinhua) -- The Obama administration on Saturday killed the idea of minting platinum coins in the denomination of 1 trillion U.S. dollars to generate revenue and avoid the looming battle with Republicans on raising the federal government's debt ceiling.

"Neither the Treasury Department nor the Federal Reserve believes that the law can or should be used to facilitate the production of platinum coins for the purpose of avoiding an increase in the debt limit," Treasury Department spokesman Anthony Coley said in a short statement.

Some Democrats and economists, including Nobel Prize-winning economist Paul Krugman, contended that the Treasury could mint a platinum coin with a face value of 1 trillion dollars and deposit it at the Federal Reserve, which would credit the sum to the government's account and continue the government's normal operations.

The U.S. federal government reached its debt limit of 16.4 trillion dollars on December 31, 2012 and the Treasury was taking extraordinary measures to temporarily postpone the date that the United States would otherwise default on its legal obligations.

Democrats and Republicans struck a deal on Jan. 1 to avoid the so-called "fiscal cliff," a combination of tax hikes and automatic government spending cuts. Raising the federal government's debt ceiling would be the next flash point between Democrats and Republicans, as Republicans were urging for steep government cuts in line with a debt ceiling increase.