



Must We Raise the National Debt Ceiling?

To hear our officials tell it, if Congress doesn't vote to let the Treasury borrow more billions, and do it *now*, the U.S. will face the biggest calamity since women started wearing slacks.

I'll have more to say about our Treasury Secretary's blustering baloney in a moment. As everyone knows who's been paying attention, Timothy Geithner is one of the biggest lying liars to ever hold high office, to use Sen. Al Franken's inimitable phrase. He is without a doubt one of the slickest, smoothest-talking apologists for massive, irresponsible government spending I've heard, second only to his boss.



But our boy Tim is a mild-mannered milquetoast compared to Austan Goolsbee. If you've never heard of Goolsbee, I'm not surprised. Even though he carries a very prestigious title as chairman of the President's Council of Economic Advisers, he mostly toils in the obscurity his incompetence so richly merits.

{modulepos inner_text_ad}

To say Goolsbee is a mouthpiece for President Barack Obama's White House is like saying McDonald's likes to sell hamburgers. Of course he is. He would never have been given his present job if he weren't. So when he says things like "the impact on the economy would be catastrophic" if Congress doesn't once again raise the debt ceiling, you know the message is coming straight from the Oval Office. He is the Charlie McCarthy to Obama's Edgar Bergen. (Kids, ask your grandparents what that means.)

Normally, when some high government mucky-muck issues a pronouncement that should make his nose grow longer than Pinocchio's, I just yawn and move on. But this gem from goofy Goolsbee really got my goat: "If we get to the point where we damage the full faith and credit of the United States, that would surely be the first default in history caused purely by insanity."

Get that? If Congress doesn't raise the debt ceiling, it can only be because those of us who insist the spigot be turned off are nuts. Not raising the debt ceiling will be a calamity of unimaginable proportions.

Geithner says it a little smoother, but his message is the same. In a four-page letter to Senate Majority Leader Harry Reid, Geithner said, "Never in our history has Congress failed to increase the debt limit when necessary. Failure to raise the limit would precipitate a default by the United States."

Geithner then goes on to list all of the horrendous consequences such a lapse would bring — no Medicaid payments to the states, no student loans, no salaries and retirement benefits for our military, no income-tax refunds, no veterans' benefits. And just in case you aren't already shaking in your boots, no Social Security or Medicare benefits.

Wowser. I can already hear the weeping and wailing and gnashing of teeth at the prospect of such a



Written by [Wallis W. Wood](#) on January 29, 2011

disaster.

There's just one thing wrong with Geithner's and Goolsbee's horrifying scenario: It isn't true. In fact, it's a total, 100 percent fabrication. Or to be blunt, it's a lie. And both distinguished public servants know it.

Here's the truth: "If Congress refuses to raise the debt ceiling, the Federal government will still have far more than enough money to fully service our debt." I put that statement in quotation marks because it wasn't me who said it; it was Senator Pat Toomey (R-Pa.).

Now before you conclude that Toomey has been inhaling too much medical marijuana, let me explain. It's true that interest payments on our national debt cost a hefty amount — around \$1.3 billion a day, in fact. But that sum, staggering as it is, represents only 6.5 percent of all projected Federal expenditures. Uncle Sam receives more than 10 times that amount in tax revenue. So Toomey wants Congress to pass a bill that will require the Treasury to make interest payments on our debt its first priority.

How do you like them apples? Just agree to pay our debts first and there can be no default on them. With the stroke of a pen, the problem is solved.

Well, not completely solved. There's still that pesky matter of Obama wanting to spend a trillion dollars or so more than the Treasury will take in. What can you do about that?

I guess it's pretty ridiculous to ask a few of Obama's favorite billionaires to make up the difference. There will be no passing the hat in Hollywood — no fund-raisers sponsored by George Soros, Bill Gates, Warren Buffet or their buddies.

So what can we do? How about cutting spending?

How about doing what every responsible family in America learned long ago to do: Match expenditures to income. Don't borrow more than you can afford, just because you want some shiny new toys.

With \$14.29 trillion in debt, I will argue, ladies and gentlemen, that we have already borrowed way more than we can afford. We have already put enormous burdens on our children and grandchildren — and probably *their* children and grandchildren as well.

You know what? A lot of people agree with me. Let me call one of them to the witness stand now. This is what then-Senator Barack Obama said in 2006, when he wanted to embarrass then-President George W. Bush about raising the debt ceiling back then:

The fact that we are here today to debate raising America's debt limit is a sign of leadership failure. Leadership means that "the buck stops here." Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren. America has a debt problem and a failure of leadership. Americans deserve better. I therefore intend to oppose the effort to increase America's debt limit.

Wouldn't you like to see the same commitment to "our children and grandchildren" from Obama today?

By the way, Senator Obama wasn't the only person on the left-hand side of the aisle to oppose raising the debt ceiling four years ago. Nevada's Harry Reid declared that "my Republican friends... should explain why they think more debt is good for the economy." The soon-to-be Majority Leader then promised, "Democrats won't be making arguments to support this legislation, which will weaken our country."

I wish I could tell you that the Republican leadership in Washington today can be counted on to stand



Written by [Wallis W. Wood](#) on January 29, 2011

strong on this issue. Unfortunately, I'm afraid the opposite is true; I suspect they will cave and compromise, as they have so often in the past.

Already, House Speaker John Boehner has gone on record saying that he'll support raising the debt ceiling because "we have to be adults (about the problem)." Even author and economist Art Laffer, who has toed a pretty tough line in the past, says the "prudent" thing to do today is to raise the debt ceiling — but demand something in return.

How can we possibly reduce spending enough to live within our means? For one possible answer, please go to www.DownsizingGovernment.org. This is where you'll find a page-by-page, line-by-line review of the federal budget by one of my favorite Washington organizations, the Cato Institute. They provide a detailed and convincing analysis of how to reduce spending by \$1.375 trillion.

Yes, it can be done. Now the crucial question is, will it?

Please do your part by demanding that your Congressman vote no on raising the debt ceiling. And then get as many friends and relatives as you can to do the same. For a start, how about sending them this column? And asking them to send it a dozen other people?

We don't have to lose this battle. We don't have to spend ourselves into bankruptcy. And no, we don't have to default on a single dollar of our national debt.

We do have to stop listening to lying liars such as Timothy Geithner and Austan Goolsbee. And the sooner the better.

Until next time, keep some powder dry.

Chip Wood was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears twice a month. This article first appeared in PersonalLiberty.com and has been reprinted with permission.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



[Subscribe](#)

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.