



Translating the Debt Ceiling Deal

Now that the Tea Party has not only demonstrated its power to force the Republican Party to begin acting like a true party for less government, it has also shown that it has staying power. The elections of 2010 were just the beginning of the Tea Party's ascent to power in Washington, and the liberals are running scared. And when they run scared they begin calling names.



Like so many of these laws crafted by congressional staffers, they are written in a kind of Washington legalese meant to make it impossible for ordinary folk to know what's in them. For example, Nancy Pelosi said that they had to pass the Obama healthcare bill so that we could find out what was in it. Well, I have news. It's just as impossible to know what's in it after it's been passed. Even the title of the law is meant to deceive the average citizen. Its official title is: Patient Protection and Affordable Care Act. Of course it's nothing of the kind. It is the Federal Takeover of Healthcare Act. It passed the Democrat-controlled Senate on December 24, 2009. The Democrat-controlled House passed it on March 21, 2010, and our Socialist-in-Chief signed it into law on March 23, 2010. The first task of a new Tea Party Congress and White House in 2012 must be to repeal it.

The new increased debt ceiling bill is called the Budget Control Act of 2011. It raises the debt ceiling through the end of 2012, establishes a special Congressional Committee of 12 members (6 Democrats and 6 Republicans) to recommend long-term fiscal reforms, and calls for \$2.4 trillion in savings over the next ten years. However, it seems logical that if the Tea Party wins control of the Congress and the White House in 2012, this particular bill will probably be completely rewritten. The Tea Party must begin dismantling the Leviathan state by abolishing as many useless departments and bureaus as possible.

First, was there really a need to add more to our federal debt by increasing our debt ceiling? Obviously, had the President and the Democrats wanted to, they could have simply gotten rid of government programs and bureaus that we don't need. But according to the Democrats, the government must continue to grow larger, and more debt is needed to support this continued expansion.



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In other words, what the bill does in essence is simply give Obama the power to borrow more money to finance his agenda. Projecting savings of \$2.4 trillion over a ten-year period is a guarantee that most of them will not be made. Again, Washington is giving us smoke and mirrors to avoid default on our humungous debt. If there is to be a real revolution in Washington, it will be the Tea Party who will have to make it happen.

The new law also increases the amount of funds available for Pell Grants from \$3,183,000,000 to \$13,183,000,000. It also terminates interest subsidized loans for graduate and professional students. As for the increase in the debt ceiling, here's the bill's actual text: Presidential modification of the debt ceiling:

(a) IN GENERAL.—

(1) \$900 BILLION.—

(A) CERTIFICATION.—If, not later than December 31, 2011, the President submits a written certification to Congress that the President has determined that the debt subject to limit is within \$100,000,000,000 of the limit in section 3101(b) and that further borrowing is required to meet existing commitments, the Secretary of the Treasury may exercise authority to borrow an additional \$900,000,000,000, subject to the enactment of a joint resolution of disapproval enacted pursuant to this section. Upon submission of such certification, the limit on debt provided in section 3101(b) (referred to in this section as the 'debt limit') is increased by \$400,000,000,000.

(B) RESOLUTION OF DISAPPROVAL.—Congress may consider a joint resolution of disapproval of the authority under subparagraph (A) as provided in subsections (b) through (f). The joint resolution of disapproval considered under this section shall contain only the language provided in subsection (b)(2). If the time for disapproval has lapsed without enactment of a joint resolution of disapproval under this section, the debt limit is increased by an additional \$500,000,000,000. "

(2) ADDITIONAL AMOUNT.—

(A) CERTIFICATION.—If, after the debt limit is increased by \$900,000,000,000 under paragraph (1), the President submits a written certification to Congress that the President has determined that the debt subject to limit is within \$100,000,000,000 of the limit in section 3101(b) and that further borrowing is required to meet existing commitments, the Secretary of the Treasury may, subject to the enactment of a joint resolution of disapproval enacted pursuant to this section, exercise authority to borrow an additional amount equal to—

(i) \$1,200,000,000,000, unless clause (ii) or (iii) applies;

(ii) \$1,500,000,000,000 if the Archivist of the United States has submitted to the States for their ratification a proposed amendment to the Constitution of the United States pursuant to a joint resolution entitled 'Joint resolution proposing a balanced budget amendment to the Constitution of the United States'; or

(iii) if a joint committee bill to achieve an amount greater than \$1,200,000,000,000 in deficit reduction as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011 is enacted, an amount equal to the amount of that deficit reduction, but not greater than \$1,500,000,000,000, unless clause (ii) applies.

(B) RESOLUTION OF DISAPPROVAL.—Congress may consider a joint resolution of disapproval of the authority under subparagraph (A) as provided in subsections (b) through (f). The joint resolution of disapproval considered under this section shall contain only the language provided in



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subsection (b)(2). If the time for disapproval has lapsed without enactment of a joint resolution of disapproval under this section, the debt limit is increased by the amount authorized under subparagraph (A).

As you can see, the President already has authority to borrow \$100 billion immediately and can borrow \$900 billion more if needed to cover commitments. He can borrow up to \$1.5 trillion with Congressional approval. So the President got what he wanted: more money to play with.

The agreement also calls for a Balanced Budget Amendment. Before we get all excited with that prospect, would the Amendment require Congress to raise taxes in order to pay for the budget of another spendthrift Democrat administration?

Here's what the bill says about Social Security:

(B) CONTINUING DISABILITY REVIEWS AND REDETERMINATIONS.—(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, then the adjustments for that fiscal year shall be the additional new budget authority provided in that Act for such expenses for that fiscal year, but shall not exceed—

- (I) for fiscal year 2012, \$623,000,000 in additional new budget authority;
- (II) for fiscal year 2013, \$751,000,000 in additional new budget authority;
- (III) for fiscal year 2014, \$924,000,000 in additional new budget authority;
- (IV) for fiscal year 2015, \$1,123,000,000 in additional new budget authority;
- (V) for fiscal year 2016, \$1,166,000,000 in additional new budget authority;
- (VI) for fiscal year 2017, \$1,309,000,000 in additional new budget authority;
- (VII) for fiscal year 2018, \$1,309,000,000 in additional new budget authority;
- (VIII) for fiscal year 2019, \$1,309,000,000 in additional new budget authority;
- (IX) for fiscal year 2020, \$1,309,000,000 in additional new budget authority; and
- (X) for fiscal year 2021, \$1,309,000,000 in additional new budget authority.

(ii) As used in this subparagraph—

- (I) the term 'continuing disability reviews' means continuing disability reviews under sections 221(i) and 1614(a)(4) of the Social Security Act;
- (II) the term 'redetermination' means redetermination of eligibility under sections 1611(c)(1) and 1614(a)(3)(H) of the Social Security Act; and
- (III) the term 'additional new budget authority' means the amount provided for a fiscal year, in excess of \$273,000,000, in an appropriation Act and specified to pay for the costs of continuing disability reviews and redeterminations under the heading 'Limitation on Administrative Expenses' for the Social Security Administration.

If you can figure all of that out, you're a lot better at math than I am. I guess we need a government bureaucrat to tell us what it all means.

As for the Congressional Committee called for in the bill, it will comprise 12 members, six from each chamber, equally divided between Democrats and Republicans. The panel's recommendations are due by November 23 and are guaranteed an up-or-down vote without amendments by December 23. The committee is expected to consider politically sensitive reforms to the tax code and entitlement programs, though Democrats and Republicans disagree on the likelihood of any eventual revenue increases. You can imagine what kind of hassle that will be.



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And that is why I'm more inclined these days to trust the judgment of Donald Trump than those in Congress. "Our country is in a mess," he told CNBC. "It really doesn't solve the problem but it was certainly an embarrassing thing for the country."

Rand Paul, the new Senator from Kentucky, already sees serious faults in this new bill, which simply adds \$2.1 trillion to the \$14.3 trillion already owed by our government. As for the \$2.5 trillion in cuts, Paul emphasizes that those are cuts from a projected baseline in which the national debt grows by \$10 trillion during the next ten years, which means that we shall still be \$7 trillion more in the hole in ten years. Most of the cuts are not scheduled to take effect for years, and anything can happen during that time.

Meanwhile, the media is calling the bill a great triumph for the Tea Party and a disaster for the Democrats. But for the American people it simply means we owe more money, not less.



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