



Written by [David Kelly](#) on January 27, 2023

Republicans Demand Spending Cuts Before Raising Debt Ceiling

House Speaker Kevin McCarthy and the new Republican-controlled Congress were given an [extension](#) by Treasury Secretary Janet Yellen earlier this month to remedy the debt ceiling by June to avert a catastrophic default on U.S. debt. That gives them less than five months to find an agreeable solution.

The United States reached its debt limit of \$31.4 trillion on January 19, with the Treasury Department using "[extraordinary measures](#)" to ensure the federal government will not default on its obligations. Both Congress and President Biden will need to agree to raise or suspend the statutory debt limit before June to keep the government solvent.

The Republicans, who have a slim majority in the House, are demanding spending cuts as part of any deal to raise the debt ceiling. But they face a difficult challenge, as Biden has already [rejected](#) the possibility of linking increasing the debt ceiling with cutting federal spending. Administration officials believe the debt ceiling should be raised as part of a clean vote, without other conditions attached.

Being fiscally responsible and making spending cuts is easy to talk about, but the real conundrum Republican lawmakers are facing is what and where to find these spending cuts. Coming up with a solid plan is making life difficult for McCarthy and the narrow majority.

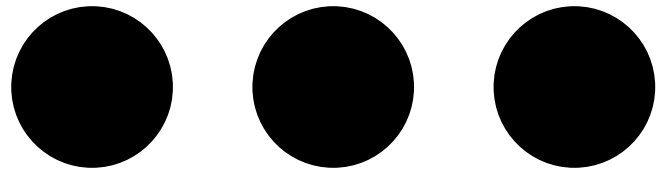
NBC [shared](#).

"There's gotta be cuts in spending. That has to happen," said Rep. Marjorie Taylor Greene, R-Ga., an ally of McCarthy, R-Calif., and the far right.

But she declined to get specific when she was asked what should be cut.

"I haven't really formulated an exact list," she said.

There are many general areas of government spending that Republicans would love to cut, but they are divided on specific programs, including Medicare, Social Security, and military funding. They are



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willing to cut domestic non-defense spending, although it's a small part of the overall budget and most likely won't make much of an impact on balancing the budget. One thing they all agree on is that there should be no new tax revenues to reduce the debt.

Speaker McCarthy will need find a way to avoid another defiant stand by GOP representatives who will not budge from their core principles if he is to get a debt-ceiling bill passed and Biden's signature. Those members of the House who sought concessions during McCarthy's run for the speaker's seat will pose the greatest challenge to his leadership.

NBC [continued](#):

"I have said since I first ran that I would not vote for a debt ceiling increase apart from the cuts in spending that would put us on a path to fiscal responsibility," said Rep. Bob Good, R-Va., who declined to elaborate on what specifically that would look like.

Rep. Ralph Norman, R-S.C., who landed a seat on the powerful Rules Committee, said he wants to see "a downward trajectory" in long-term spending as part of any increase in the debt ceiling.

Rep. Anna Paulina Luna, R-Fla., another of the 20 initial McCarthy holdouts, said a debt limit bill should have an amendment to balance the budget over 10 years to win her vote.

Luna said she wants to do it without tax increases or Social Security or Medicare cuts. "Where there's a will, there's a way," she said.

Adding to McCarthy's challenges within his own party is knowing that Biden is defiant and setting the stage for a long, drawn-out battle over the debt ceiling.

The Hill [reported](#):

"If Republicans want to work together on real solutions and continue to grow manufacturing jobs, build the strongest economy in the world and make sure Americans are paid a fair wage, I'm ready," Biden said in remarks on the economy in Springfield, Va. "But I will not let anyone use the full faith and credit of the United States as a bargaining chip.... The very notion that we would default on the safest, most respected debt in the world is mind-boggling."

If an agreement can't be reached in time, the consequences of a default could include a stock market crash, a recession, higher interest rates, a weaker dollar, and a government unable to meet all its obligations — from funding the military to providing Social Security benefits.

No one knows what Congress will eventually offer up as a solution, but it is apparent that the battle lines have been drawn and all sides are digging in, hopeful to win the day. The bottom line here is that no matter what happens with the debt ceiling, it will be the American taxpayer who will once again have to pay for our fiscally irresponsible government.



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