



THE DEBT BOMB SHOWDOWN Future Shock Debt Bill

"We must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude." Thomas Jefferson

There's currently a lot of talk about deficits and debt among the new House Republican majority; much of it is contentious intraparty debate about whether to raise the "debt ceiling," and if so, how to leverage that in order to get Democrats to approve more cuts.



This bomb *will* "fundamentally transform America"

This month, the central government accrued a \$223 BILLION record deficit. Republicans are trying to scrape together a few more cuts, but Senate Democrats indicate they will only approve \$4.7 billion in additional cuts to the whole year's expenditures, when what is needed is \$4.7 billion in additional cuts every *day* of the next year.

For the purpose of clarity, let me reiterate a few definitions.

The national budget deficit is the difference between the total spending budget (including interest on debt) authorized by Congress for each year, and total tax receipts. For this fiscal year alone (October 1, 2010, to September 30, 2011), the shortfall is projected to be 1.15 *trillion* dollars.

The national debt is the total of all outstanding U.S. Treasury obligations held by domestic and foreign individuals, institutions and governments, and is currently 14.05 *trillion* dollars.

The debt ceiling is the self-imposed limit Congress sets for what it can legally borrow to pay for all the government services that it can't afford. A year ago, Congress increased that limit to 14.29 *trillion* dollars. But since Congress has authorized spending almost five *billion* dollars a day more than it takes in, that debt ceiling will be hit sometime between the end of March and mid-May.

Complicating matters further, the then-Democrat-controlled Congress failed to set a new budget for the current year, instead opting for continuing resolutions (CR) that authorize the prior year's spending levels. They utilized this budget ruse in order to avoid greater accountability (greater losses) in the midterm election last year. The current CR expires on 4 March, and House Republicans are using that expiration date to force Barack Hussein Obama into budget-cutting submission.

Here is how the key Republican players in this crisis - and it *is* a crisis -- have positioned themselves on the issue of deficits and the debt ceiling.

House Speaker John Boehner notes, "We have to work our will in the House. We have to work with our colleagues in the Senate and put something on the president's desk. If the president is going to ask us to increase the debt limit, then he's going to have to be willing to cut up the credit cards. ... [Default] would be a financial disaster not only for our country, but for the worldwide economy. Remember, the American people on Election Day said we want to cut spending and we want to create jobs. You can't create jobs if you default on the federal debt."

Rep. Austin Scott (R-GA), president of the powerful freshman class of the 112th Congress, adds, "If there is a vote put forward to increase the national debt ceiling and that is all the legislation does, I think it will fail overwhelmingly."

Budget Committee Chairman Paul Ryan (R-WI) is advancing a budget plan with \$32 billion in spending cuts for the current budget year (FY11), well short of the Republican Pledge to America's "\$100 billion in the first year alone."

But House Majority Leader Eric Cantor (R-VA) explains, "It fulfills the pledge because we said in a year's time we were going to cut spending by \$100 billion. As you know, we are five-twelfths of the way through the fiscal year by the time the expiration occurs. We will be proposing this again in the next fiscal year, and if you look at it on an annualized basis, I assure you it will be over \$100 billion."

It better be!

Rep. Cantor adds, "We are simply not going to accept an increase in the debt limit without serious cuts and reforms. ... What we need to do and are committed to doing is making sure that we achieve spending cuts and effect real reforms so that the spending binge ends. We look at the debt limit vote as an opportunity for us to accomplish those goals."

In the Senate, Tea Party favorite Jim DeMint (R-SC) says that Obama administration claims that holding the debt ceiling at current levels would be "catastrophic" are true only if the administration elects to default on interest and debt obligations.

His Senate colleague Pat Toomey (R-PA) has proposed the Full Faith and Credit Act, which would "require the Treasury to make interest payments on our debt its first priority in the event that the debt ceiling is not raised." However, Toomey is not prepared to hold the debt ceiling, noting, "Congress should make increasing our debt contingent on immediate cuts in spending and effective reforms of the spending process that helped get us into this mess.

We can do so without jeopardizing the full faith and credit of our country -- and we should."

Sen. Rand Paul (R-KY), who along with DeMint is a member of that body's Tea Party Caucus, has proposed a much more aggressive plan, which cuts \$500 billion from the federal budget this year alone. This plan is something of a straw-man target, especially its proposed cuts to defense spending at a time when that budget has been trimmed to limits that increase threats to our frontline warriors.

However, the other domestic spending cuts in Paul's budget should not be discounted, as those cuts have the overwhelming support of the aforementioned [Tea Party](#), a formidable movement that continues to pick up steam across the nation.

Additionally, Sen. Claire McCaskill (D-MO) and my friend Sen. Bob Corker (R-TN) have introduced a bill to cap federal spending at about 20 percent of the U.S. GDP. That is still a very big budget, but it cuts out more than \$8 trillion in spending over the next decade. It is, I believe, an admirable first attempt to establish a cap in a Senate where Republicans are still the minority party.

Of course, for his part, Obama is banking on the assumption that the American people are just too dullard to understand the consequences of the debt bomb he's dropping on the nation. This bombing mission was launched with the [politically fortuitous collapse](#) of the U.S. real estate and securities markets, which Obama rode into office to fulfill his proclamation, "We are [fundamentally transforming](#) the United States of America."

To that end, Obama and his [Socialist bourgeoisie](#) will blame Republicans for the hardships -- and there *will* be hardships -- associated with moving toward a balanced budget.

Sen. Kent Conrad (D-ND), chairman of the Senate Budget Committee, was the first out of the gate with the Obama memo tactic: "Basically what [Republicans] are saying is 'pay China first.' We're

going to forget about the American public and the things that they need? Somehow they're secondary? And paying the Chinese and the Japanese is the first priority of this country?"

In the debate about raising the debt ceiling, expect Democrats to deploy a plethora of slight variations on that theme.

Continuing his faux charade to somehow appear "[Reaganesque](#)," Obama proposed a paltry \$775 million in budget cuts. To put that into perspective, view this [budget graphic](#).

In the coming months, the Obama administration and its [Leftmedia sycophants](#) will attempt to perpetuate this obfuscation of the hard facts.

Fortunately, there is a congressional caucus which embodies the [Reagan mantle](#), a group of conservative lawmakers which we have [applauded](#) since its inception. That caucus includes most members of the Tea Party caucus.

To sort the wheat from the chaff in the coming budget battles, I recommend you rely on the [Republican Study Committee](#) for clarity about which legislation to support, and on the [Heritage Foundation](#) for why to support it. Long before the advent of the Tea Party movement, the RSC was dedicated to "a limited and Constitutional role for the federal government, a strong national defense, the protection of individual and property rights, and the preservation of traditional family values."

(If that sounds familiar, see *The Patriot's* [mission statement](#).)

Currently under the chairmanship of Ohio Rep. Jim Jordan, the RSC is our last best defense against detonation of the Obama debt bomb. If more Republicans will [honor their oath](#) to abide by our Constitution, as the RSC members endeavor to do,

then the nation will avoid the economic catastrophe that looms.

However, if the Left successfully uses their "pay China first and forget about the American public" propaganda to derail the RSC/Republican effort to enact massive deficit and debt reductions, then batten down the hatches. I can assure you that when Obama's debt bomb detonates, it *will completely transform America* by [breaking the back of free enterprise](#). The result will be the collapse of the dollar and mass unemployment accompanied by civil unrest. Of course, as I have speculated previously, that scenario comports with Obama's subversive vision to convert the USA to the [USSA](#).

[First Principles](#) and [Rule of Law](#) as enshrined in our [Constitution](#) must trump propaganda if Liberty is to survive the Obama regime. Unfortunately, too many Republicans can't articulate the difference between Rule of Law and rule of men, and they legislate accordingly.

In the timeless words of George Washington, "No pecuniary consideration is more urgent, than the regular redemption and discharge of the public debt: on none can delay be more injurious, or an economy of time more valuable."

I second that motion!

Footnote: The Wall Street Journal reports, "Governors around the U.S. are proposing to balance their states' budgets with a long list of cuts and almost no new taxes, reflecting a goal by politicians from both parties to erase deficits chiefly by shrinking government." Of course, most governors are required by their state constitutions to balance their budget. It is high time, then, for a [balanced budget amendment](#) to our federal Constitution, which the RSC also advocates.