



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

## Four Big Lies in Debt Limit Debate

*There is no August 2 deadline.*

I know; it's hard to believe. All we've heard for months is economic catastrophe will befall us if the debt ceiling isn't raised by Tuesday.

But where did that date come from? It was plucked out of thin air by Treasury Secretary Timothy Geithner. It has no basis in fact, in law or in any accounting data anyone can present. The big spenders in Washington simply picked a date at random with which to frighten the American public.



Even Geithner admits that "technically" the government ran out of money two months ago. He says he used "extraordinary measures" and "accounting maneuvers" to delay the crisis as long as possible. But if he could do it for eight weeks, why not nine? Or 10?

*Obama threatens to stiff seniors and vets*

This one really has me steamed. Two weeks ago, the President told CBS News, "I cannot guarantee that those [Social Security] checks go out on August 3rd if we haven't resolved this issue. ...this is not just a matter of Social Security checks. These are veterans' checks, these are folks on disability and their checks."

All of which, as I showed in [my previous column](#), is a big, fat lie. If Social Security checks go out late, it will be because Barack Obama and his henchmen wanted to frighten our senior citizens and disabled vets out of their wits. (And frighten them into voting for him again in 2012, I should add.)

Can you think of anything this man has done that's more despicable? (Well, OK, I'll admit that killing a bunch of innocent civilians in Libya and other places is also pretty bad.)

*There is plenty of money to pay our debts.*

The latest figures I could find show that the government expects to take in about [\\$173 billion](#) in revenue in August. Interest payments on Treasury securities for the month come to about [\\$29 billion](#). We can pay every penny we owe and still have \$144 billion left for other things. Not everything the Democrats want to do, I'll admit. Not even everything they've already authorized. But so what?

It's time to do what every family in America has to do when the money runs out, folks. Cut spending.

*It's all the Republicans' fault.*

This may be the biggest whopper of them all. It wasn't the Republicans who ran up those gigantic deficits. Barack Obama has forced our government to borrow more money in the past two years than



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any prior President did in eight.

Yet he wants you to believe that everything would be hunky-dory if it weren't for those troglodytes in Congress. Is there anyone in America who actually believes this? Besides a few leftist university professors and some community organizers, that is.

Please remember that as President of the United States, Barack Obama was legally required to present a budget to Congress a year ago. Let me also remind you that back then, he had a solid Democratic majority in both houses. He could have gotten virtually anything he wanted passed. Why didn't he?

Oh, and here's a kicker you probably don't know: According to a law passed way back in the days when Jimmy "Killer Rabbit" Carter was President, Obama's budget had to be balanced.

Yup, even I forgot about this one. Section 7 of Public Law 95-435 declares, "Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."

This has been the law of the land for 30 years, ladies and gentlemen. It's never been repealed. Of course, I've got to admit it's never been obeyed, either. That's another objection I have to a Balanced Budget Amendment. If the big spenders in Washington won't obey this law, what makes you think they'll obey another one that says essentially the same thing?

In yet another speech filled with lies and deception, our Dissembler in Chief declared last week that "Congress has run up the credit card." Who told it to, Mr. President? In fact, who insisted on all of that additional spending? May I respectfully suggest, sir, that for the answer you look in a mirror?

The President keeps trotting out his lament about corporate jets and how awful it is that our country allows this "tax break for the rich." Apparently, this canard plays well in Peoria, so he uses it again and again.

Here's how petty the President is being. If businesses weren't allowed special deductions for the depreciation of those jets, government tax revenue would go up \$3 billion. Or to put it another way, Obama's deficit just for this year would be slashed from \$1.4 trillion to — are you ready for this? — \$1.397 trillion. That's really impressive, isn't it?

If the Democrats could do this 1,000 times, the Internal Revenue Service would collect an additional \$300 billion in taxes. That is about one-third the deficit Barack Obama has incurred for this year.

Barack Obama is one of the most divisive, dishonest, and mean-spirited men to ever hold high office in this country. And considering the competition, that's saying something.

*So what if we run out of money?*

The bean counters tell us that if the debt ceiling isn't raised, the government of the United States won't be able to pay about 44 percent of the bills coming due next month.

Wouldn't that be wonderful?

I'm serious. Think for a moment about what would happen if this country went a month with the Departments of Commerce, Energy, Interior, Agriculture, and a bunch of others doing nothing, because they didn't have the funds?

I think we would quickly find out we don't need them. And that this country is a richer, freer, more prosperous place without them. Private industry would create millions of new jobs. Profits would go up. So would tax revenue.



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Ask some of the oldsters out there what happened at the end of World War II. Millions of soldiers returned home, ready to roll up their sleeves and go to work. Thousands of factories that were busy making war material turned their attention to making consumer goods. And this nation rode a wave of prosperity, innovation and job creation that lasted for decades.

I think the same thing would happen again, if the bloated, oppressive bureaucracy our politicians have created were shut down ... or at least drastically trimmed.

As a fellow writer put it, wouldn't you relish the prospect of "thousands of government employees, people with perfectly productive minds, some of them quite brilliant, making the change from parasites to producers?"

Sure you would. We can dream, can't we?

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 weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



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