



Written by [William S. Hahn](#) on May 26, 2023

Raising the Debt Ceiling Doesn't Restore Fiscal Sanity

As the world big wigs return home from the secretive Bilderberg Group meeting in Portugal last week, Congress and Biden are locked into a battle over federal spending. It's all the same old tired arguments of raising the debt limit, but one thing that Congress and the federal government as a whole has done well and that is to avoid accountability. "Let the hard decisions be left to future sessions of Congress" seems to be the goal.

Yet, there is so much more to this than whether or not the U.S. "defaults on its debts or obligations," as we keep hearing. We'll offer some constitutional and common-sense perspective on this unsustainable, wild spending ride that is much worse than it appears. Of course, we'll also offer solutions and how you can help in this episode of Analysis Behind the News.



Bill Hahn

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So, where do we start? Perhaps with the fact that the federal government spends much more than it takes in through taxes. The U.S. Debt Clock shows every American taxpayer owes \$248,041 as part of his or her portion of the nearly \$32 trillion of federal debt. Don't confuse this with the deficit. The deficit is how much more the federal government spends than it takes in during a given year. It's how short we are when there are more bills to be paid.

There are two major categories of federal spending. Two-thirds of federal spending is categorized as "mandatory spending," which is spending that is basically on autopilot due to existing federal laws that dictate regular and continuous spending without Congress or the president having to do anything. This allows reckless and irresponsible spending to continue unabated.

Once you find out what consists of mandatory spending, then you'll see why Congress is reluctant to do anything about it. According to the [U.S. Treasury](#), mandatory spending includes funding Medicare and Social Security and "other payments to people, businesses, and state and local governments."

Unfortunately, those receiving money from the federal government make up quite a block of voters. That's not happenstance, but by design. This provides plenty of cover for Congress to not do the right thing.

The other major federal spending category is "discretionary." Discretionary is a mere one-third of overall federal spending, yet this is where all the spending debates take place, instead of dealing with the much larger problem of mandatory spending. The U.S. Treasury reports that most of the



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discretionary spending is spent on “national defense and the rest to fund the administration of other agencies and programs. These programs range from transportation, education, housing, and social service programs, as well as science and environmental organizations.”

You may nod your head in agreement with some of these, but do you know the spending guidelines for the federal government? Most congressmen probably don’t know. The answer lies within the U.S. Constitution, specifically Article I, Section 8, [which begins](#): “The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States.”

Then it lists 17 clauses detailing the enumerated powers Congress can legislate upon. You might find it interesting that transportation, education, housing, social-service programs, and the environment — which make up a substantial portion of discretionary spending — are not in that list. And neither is much of what is in mandatory spending. You won’t find permission to allocate resources for social programs like healthcare and Ponzi schemes like Social Security. If the list of enumerated powers were followed, 80 percent of federal spending would disappear. According to the 10th Amendment, these are powers that the federal government has stolen or usurped from the states or the people — the rightful owners.

According to the [U.S. Treasury](#), the federal government has only carried a surplus five times in the last 50 years, meaning that the government normally spends more money than it collects, which drives up its debt.

For 2022, “the federal government spent \$6.27 trillion and collected \$4.90 trillion.” Let’s move the decimal point over a few notches to give us a better perspective. Let’s say the average citizen makes an annual \$49,000 and spends \$63,000, creating a deficit of \$14,000. Joe American would have to find some way to pay that back, as most local banks and credit unions would not allow this type of irresponsible behavior to continue for long. Some debt Joe is allowed to have due to assets tied to it, such as his house or additional property. These can be repossessed if Joe decides to stop paying his bills to them.

Yet, the same type of scrutiny isn’t placed on the federal government — perhaps because of its citizens’ potential to cover the debt, which are considered its assets. However, the size of the debt has now overtaken the Gross Domestic Product. This means that the entire economy would need to work for free for more than a year to pay off the debt.

The U.S. Government Accountability Office published an [online chart](#) of federal debt as a percentage of GDP. Notice that around 1914-1915, the debt was on a roller coaster ride that went up with every major event, of which were mostly government-induced, including the two World Wars, the Great Depression, the financial crisis, and the crisis of Covid-19.

Realize that the Federal Reserve Act was passed at the end of 1913, making it possible to generate nearly unlimited funds from the Federal Reserve for the federal government’s use. However, that’s not without its consequences, as the market recognizes that with an influx of currency into the money supply, each dollar is worth just a bit less, taking more money to be able to buy the same goods. This inflation of the money supply thus causes rising prices, which is what we have seen for at least the last few years.

[This graph](#) from the St. Louis Federal Reserve shows the M2 money supply, with substantial currency



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created since the government spending spree of Covid, leading to some of the highest prices we have seen in recent memory.

Allowing the federal government to continue this spending is irresponsible and anti-American.

The United States were founded upon the principles of self-government, of not being reliant upon other nations.

Yet, if we cannot get our financial house in order, then do we expect the global community to bail us out? Globalists would love to see the International Monetary Fund bail out the U.S., as the IMF would gain huge legitimacy, and help to firmly establish global government. That's not what our Founding Fathers expected us to do.

The Founding Fathers devised constitutional guidelines that prevent government from trampling God-given rights, helping to keep Americans self-reliant.

Put another way, this money spent over the many decades on unconstitutional projects was not Congress's to give.

Davy Crockett, the famous American frontiersman and war hero who died defending the Alamo, served three terms as a congressman. [In a speech](#) to the U.S. House, he recounted a visit he had with a constituent during a campaign tour. The farmer told Crockett he would not vote for him again, as Crockett had shown his ignorance of the Constitution by voting to appropriate \$20,000 to the victims of a fire in Georgetown.

The farmer asked Crockett where in the Constitution did it authorize him to do so. Crockett admitted there was no authorization, but thought it was charitable to do so. The farmer told him the public treasury should only have enough in it to cover the constitutional expenses of the federal government, and that it was not to be used as a charity. He continued that if Congress had wanted to give the fire victims charity, then they should have dipped into their own pockets.

He told Crockett that the public money was not his to give. Congressman Crockett admitted that this was a humbling lesson and publicly spoke about his mistake and took his service more seriously thereafter.

Does \$32 trillion in debt demonstrate that Congress has taken its fiscal responsibility seriously?

Where is the plan to pay for this? Let's let you in on a little secret. There is no plan to pay it back — every attempt to follow through on a plan in the last 100 years has been squashed. The lack of accountability offers Congress cover to generate crises and subsequently grow its scope, size, and cost until it collapses. The globalist vultures will then use the opportunity to usher in world government, making the U.S. nothing more than another country for it to exploit and wiping away all remaining vestiges of the American experiment of freedom and self-government.

Ladies and gentlemen, the debt-ceiling debate is nothing more than political theater. If the Constitution were followed, there would be no debate. The Constitution lists in Article I, Section 7, that all bills for raising revenue shall originate in the House of Representatives. Any bill that does not follow the guidelines of Section 8 should automatically be either voted down or not even introduced for debate.

Prior to 1913 — a very dark year in American history — the states provided an important check on the spending habits of Congress. As JBS Founder Robert Welch explained in the November 1966 Bulletin:

And the direct election of Senators was of tremendously more importance than was realized



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when the Seventeenth Amendment was adopted in 1913. For as long as the Senators for any state had been elected by the legislature of that state, they clearly represented the state itself as a sovereign entity within a federal union, and not just the citizens of the United States within certain boundaries, as was the case for the members of the House of Representatives. This distinction had been carefully planned by our Founding Fathers, in their studied effort to extend and improve upon what Cicero had praised so highly as the diffusion of government in the early Roman Republic. We had a division of federal governmental power into three branches, the executive, legislative, and judicial; the grand division between federal power and governmental power retained by the states; and the further division of this state power, again between three branches. The INSIDERS, however, wanted gradually and eventually to bring a concentration of all governmental power into the hands of the executive department of one central government. And the direct election of Senators was actually their first huge legalistic step in that direction.

Let's reiterate: Prior to 1913, U.S. Senators as elected by state legislatures clearly represented the state itself as a sovereign entity within a federal union. If the Senators wanted to be reelected, then they would have to demonstrate protective loyalty to the interests of the state. This meant not supporting legislation in the U.S. Senate that was going to lead to the state having to raise taxes or have any other deleterious effect on voters of the state. That is now gone.

Instead a debt ceiling was introduced in 1917. But [look what happened](#) a year later in 1918. Despite the ceiling, the debt jumped by more than double.

[A chart](#) of the last 50 years of the debt ceiling shows that it has done ZERO good in curtailing spending and paying down the debt.

Yet, [prior to 1900](#), the debt was constantly fluctuating as spending was curtailed, debt was being paid down. The debt was actually paid off at the beginning of 1835 during President Andrew Jackson's administration.

When he took office, the federal debt stood at \$58 million and was paid off in six years. An [NPR article](#) suggests he did it by selling land in the West that the federal government owned and that he also blocked every spending bill he could.

President Jackson demonstrated that this could be done. And it was done without a Balanced Budget Amendment. To achieve a balanced budget, simply follow the constitutional limitations and spend only on what is authorized by the Constitution. Again, 80 percent of the federal government would be gone, and so would its cost. Huge surpluses would quickly pay down the debt and the American dollar would be much stronger, and no country would dare turn away from using it as the global currency. But that's not what we hear from Congress or the White House. Recent media reports point to the 14th Amendment being invoked to force the debt ceiling up. Are you kidding me? Have they even read the 14th Amendment and its context? Adopted in 1868, [the purpose](#) of the 14th Amendment was "to reassure holders of U.S. government debt incurred during the [Civil War] ... that all obligations would be met (except for those incurred by the Confederacy)."

Nothing in the 14th Amendment is going to force the debt ceiling.

America wants simple solutions. These problems are not complex. Decades of ignoring the limitations of Congress have dug a \$32 trillion hole. The country must pay it back and stop ignoring the Constitution,



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or upon our collapse, we will be pulled into world government. It's that simple.

The debt has been paid off in the past, and it can do so within a decade if we have the discipline to do so. But who in Congress has the fortitude to do so? Believe it or not, there are many in the House who would act to do so, but they need to know they have your support to act.

Use our legislative alert to send them a message demanding fiscal responsibility be restored. Then get others to do so, too. Be sure to follow up with a phone call and a physical visit to one of their local offices in your area.

Tell them we prefer to keep our Republic and will not have government carelessly throw away our future.

Members of [The John Birch Society](#) work locally on such important topics as keeping America free and independent. We'll show you how. [Join today](#) to work with others in your area.

I'm Bill Hahn for The John Birch Society, and until next time, cut through the garbage, take action, and get involved.



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