



Written by [Ron Paul](#) on June 5, 2023

Republicans' Fiscally Irresponsible Act

The political and financial class breathed a sigh of relief when Congress passed the Fiscal Responsibility Act of 2023. The bill suspends the debt ceiling for two years, thus avoiding the establishment's nightmare of a government default on its debt. Rather, it allows the government to continue adding trillions of dollars of debt that will be monetized by the Federal Reserve.

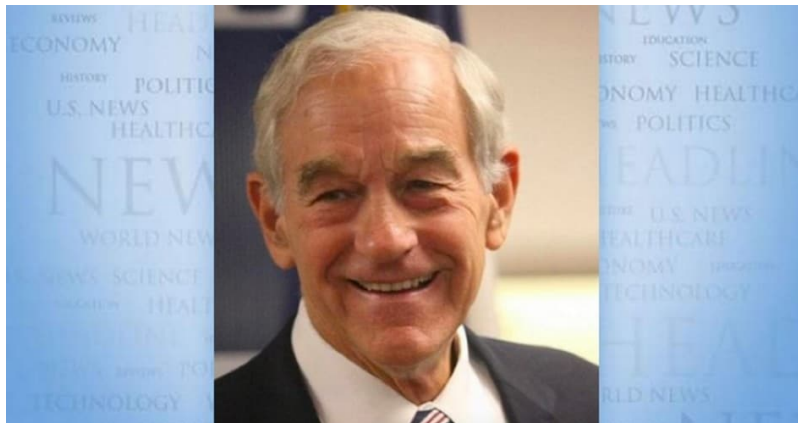
Of course, this default will be felt by the people in the form of an inflation tax. This inflation tax may be the worst of all taxes, because it is both hidden and regressive. Politicians love to point the finger at greedy corporations, labor unions, and even consumers for increasing prices instead of taking responsibility for the legislation they pass that incentivizes the Federal Reserve to create more inflation.

Republican supporters of the bill claim it begins to roll back the excessive spending of the Biden years. While the bill does rescind \$28 billion of unspent COVID funds, it just recycles that money into the Fiscal Year 2024 budget. Thus it does not save taxpayers a dime. The bill does cap domestic discretionary spending for Fiscal Year 2024 at \$704 billion and spending for Fiscal Year 2025 at \$711 billion. However, these caps come from a budget whose baseline includes the increased COVID spending. The bill only cuts spending by 0.1 to 0.2 percent of gross domestic product over the next two years — assuming Congress does not reverse the cuts. Of course, it makes no attempt to actually cut spending, much less eradicate any illegitimate and unconstitutional government agencies, cabinet departments, or programs.

Even though "defense" is the third largest item in the budget (behind social security, Medicare, and interest in the national debt), our annual military budget alone is more than the combined budgets of the next ten biggest spending countries. The Fiscal Responsibility Act doesn't take a penny away from the military budget; instead it matches President Biden's request for a 3.2 percent increase. This increase comes despite the fact that the Pentagon has never complied with the law requiring it to pass an audit.

Biden's military budget is the largest in United States history and probably world history. Deep State Republicans like South Carolina Senator Lindsay Graham never met a war he didn't love. Graham and his allies threatened to block passage of the bill unless the military spending was increased and more taxpayer money — and Ukraine and Russian lives — wasted in the Ukraine Russian conflict.

Hawks alienate current and potential allies with their hyper-interventionist policies. This along with the increasing national debt is leading to increased challenges to the US dollar's status as the world's reserve currency. The dollar's status is the only reason Congress has been able to run up such a huge



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deficit without causing a major economic crisis.

The Fiscal Responsibility Act will result in increased government spending, debt, and deficits. It will also further erode the value of the United States Dollar, thus making it more likely that the US dollar will lose its world reserve currency status sooner rather than later. The Fiscal Responsibility Act is to fiscal responsibility as the Affordable Care Act is to affordable health care and as the Patriot Act is to true Patriotism. Perhaps a future Congress will introduce legislation that actually begins to cut back on the size and scope of government called the Fiscal Irresponsibility Act!

Ron Paul is a former U.S. congressman from Texas. This [article](#) originally appeared at the Ron Paul Institute for Peace and Prosperity and is reprinted here with permission.



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