



Congress Votes to Raise Debt Limit

The Senate voted on December 24 to allow the federal government to borrow an additional \$290 billion, thereby increasing the total federal debt from \$12.1 trillion to about \$12.4 trillion. The House had already approved the measure during the previous week.

The Christmas Eve vote of 60-39 basically followed party lines. Democrats had wanted to tack on as much as \$1.9 trillion to the debt limit; this would have allowed enough borrowing to last throughout all of 2010. If the federal debt had been raised to approximately \$14 trillion, the issue would not have needed to be brought up again next year.



Democrats wanted to avoid touching the debt during an election year, when many of them will face hard battles to keep their seats, but the support wasn't there for such a large increase. As it is, with "only" a \$290-billion increase, the government should be able to keep borrowing through February, but then this hot potato will have to be handled once again or the United States will begin to default on its financial obligations.

In the unlikely event that the U.S. government did not keep borrowing, it would be unable to make payments to its creditors and would lose its top credit rating. The loss of this rating could trigger higher interest rates, compounding the problem in the same way a missed payment on a personal credit card can lead to ultra-high rates kicking in, making repayment of a debt even more difficult.

Of course, the government could reduce spending in order to pay its debts, but that creates a whole different set of problems for legislators. There is plenty of unconstitutional spending that could be cut, but politicians know that once people get used to Uncle Sam's handouts, they expect the money to keep flowing. Perhaps only Representative Ron Paul (R-Texas) would take a strong enough stand on constitutional principles to actually cut the unauthorized spending.

So congressmen will return in the new year to face this unhappy topic on January 19. Senate Majority Leader Harry Reid (D-Nev.) has stated that the Senate's first order of business will be to deal with the federal debt.

Republicans plan to seek votes on several measures to restrict the federal government's spending ability, including discretionary spending caps, an effort to remove previously committed funding from the 2010 budget, and the establishment of a special commission to seek long-term answers to the debt problem. The GOP hopes to exploit the issue for political gains at the polls next November.

Of course, no special commission is needed at all; the Constitution is the answer to the debt problem. Our Founding Fathers bequeathed this document to us so that the federal government would remain limited in size and scope.



Written by [Steven J. DuBord](#) on December 29, 2009

Only by ignoring and violating the Constitution have politicians been able to mutate a representative republic that keeps its hands off the free market and its armed forces off foreign soil into a cancerous socialist behemoth devouring auto makers, banks, and insurance companies, and sending occupation forces to establish an empire around the globe.

From the increasing federal debt to the increasing rate of suicide among America's armed forces, the strain of government unbound by the Constitution is taking its toll. The only answer is to once again strictly adhere to the original intent of the Founders, as expressed in the eloquent words on this priceless parchment.

Photo of Senate Finance Committee Chairman Max Baucus and Senate Majority Leader Harry Reid: AP Images



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