



Senator Rand Paul Proposes Debt Ceiling Solution

Kentucky Senator Rand Paul has announced an alternative solution to the current debate over whether to raise the country's debt ceiling, as the national deficit hovers at \$14,024,367,822,107.09, according to the U.S. National Debt Clock.

Paul declared that he would be receptive to raising the debt ceiling only if Democrats, who still control the Senate by a 53- to 47-seat majority, commit to "serious concessions" on the budget.

Dr. Paul, a Republican and stalwart of the constitutionalist and libertarian movements, issued his call amid a debate on *Fox News Sunday* with Delaware Senator Chris Coons, the Democrat who defeated Tea Party candidate Christine O'Donnell in November's elections.

Paul explained:

I can't imagine voting to raise the debt ceiling unless we're going to change our ways in Washington. I am proposing that we link to raising the debt ceiling — that we link a balanced budget rule, an ironclad rule that they can't evade.

We have to change the rules and we have to say to Washington, "Balance the budget. You have to do it by law." And then I'll vote to raise the debt ceiling. But only if we have an ironclad balanced budget rule that we attach to the debt ceiling."

Senator Paul also said that warnings about the "dire consequences" of not raising the debt ceiling from figures such as Barack Obama and Secretary of the Treasury Timothy Geithner were "disingenuous." In fact, he pointed out the hypocrisy of Democrats now speaking of the need to increase the debt ceiling, although they (including then-Senator Obama) voted overwhelmingly against raising it in 2006.

In an almost strictly partisan tally, 52 Republicans voted for increasing the debt limit, while 45 Democrats and only three Republicans voted against increasing the debt limit, including Oklahoma Senator Tom Coburn, one of the GOP's most vociferous deficit-reduction advocates.

Ironically, National Public Radio reported on the vote, "Like many cash-strapped Americans who have maxed-out credit cards, the federal government has hit its limit for borrowing funds to keep operating." While the Left once condemned Bush's Treasury Secretary John Snow for calling for a raise in the debt ceiling, they now condemn those who oppose Geithner's same exact efforts.

While Obama criticizes fiscal conservatives for opposing efforts to raise the debt ceiling — and one of his closest aides, top economic adviser Austan Goolsbee, claims that critics of raising the ceiling are "ruled by insanity" — Obama himself admitted in 2006 that raising the debt ceiling was reckless, and articulated a relatively fiscally-responsible argument:

The fact that we are here today to debate raising America's debt limit is a sign of leadership failure. Leadership means that "the buck stops here." Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren.

America has a debt problem and a failure of leadership. Americans deserve better. I therefore intend to oppose the effort to increase America's debt limit.

Geithner, one of several architects of Obama's failing fiscal policies, claims that unless the debt ceiling is once again raised, the country will face dire fiscal consequences. In a letter to senators and congressmen, he declared that failure to raise the debt ceiling would have "catastrophic economic consequences that would last for decades."



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Geithner said Congress should raise the limit “early this year, well before the threat of default becomes imminent.” He also claimed that in the event that U.S. borrowing hits the ceiling and legislators don’t raise it, the Treasury Department would be barred from borrowing more money. In such a case, and unless drastic measures were taken, the nation would be unable to pay its bondholders, fund programs, or fully pay benefits in social welfare programs.

Adding to the partisan spin and opportunism on the deficit, White House Press Secretary Robert Gibbs places the blame for the soaring national deficit on Republicans and President George W. Bush.

Gibbs’ external locus of control rhetoric is a futile attempt for the Democrats to deflect blame from themselves, and occurs in spite of the fact that Democrats voted for fiscal responsibility only when it was politically advantageous for them in 2006, while Republicans still controlled the Senate. They have almost doubled the deficit through massive social spending programs since taking control of the Senate in January of 2007.

Goolsbee, chairman of the White House Council of Economic Advisers, claimed that if the debt ceiling were not to be raised, the country would see “a worse financial economic crisis than anything we saw in 2008,” the first ever “default in history caused purely by insanity.” (Goolsbee is perhaps unfamiliar with Albert Einstein’s famous retort that “insanity is repeating the same failed things over again, expecting different results.”)

Senator Paul also responded to claims made by Geithner and Goolsbee that failure to raise the debt ceiling would result in a nearly-apocalyptic, doomsday collapse of the United States and its society:

They say either you raise it or the sky will fall and the end of the economy will happen,” he said. “What about we spend what we take in?”

We bring in \$200 billion a month. Couldn’t we just spend what we have instead of saying “Oh, we have to shut down government”? They don’t tell you there is an alternative.

If they say no more debt will be added and from here on out we’ll balance the budget, I’ll vote one time to raise the debt ceiling.

Paul’s alternative solution would potentially satisfy those Democrats and Republicans who are committed to funding federal social welfare programs, such as unemployment, Medicare, and TANF payments, and to funding our defense spending, and as well it would satisfy those who oppose deficit spending. His proposal represents a principled, yet pragmatic, feasible solution which mediates and can potentially placate competing interests within our economic and political system.

However, as has been indicated by Paul and other fiscal stalwarts such as Senator Tom Coburn, the only true solution to the deficit is to cut spending, stimulate economic growth through a pro-enterprise legislative climate, and make serious reevaluations in federal spending priorities.

A Reuters/Ipsos poll released Wednesday reveals that most Americans agree with Senator Rand Paul. Some 71 percent of those polled oppose increasing the borrowing authority, the focus of a brewing political battle over federal spending. Only 18 percent support an increase; 51 percent support cutbacks to military spending, and 73 percent support cutting back on foreign aid — a position along the lines of Washingtonian non-interventionism which the senator and his father, Representative Ron Paul (R-Texas), have been vocal and articulate in expressing as lone Socratic voices within the GOP.

Congressman Ron Paul expressed this position in his admonition to the GOP at the onset of the 112th Congress:



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If the new Congress gives in to establishment pressure and media alarmism about “shutting down the government” by voting to increase the debt ceiling once again, you will know that the status quo has prevailed. You will know that Congress, despite the rhetoric of the midterm elections, is doing business as usual. You will know that the simple notion of balancing the budget, by limiting federal spending to federal revenue, remains a shallow and laughable campaign platitude.

Both Senator and Representative Paul have been among the very few prominent voices in the Republican Party to view the 2010 congressional election victories not as a mandate for carte-blanche fiscal irresponsibility, but as a second chance and desperate attempt for the American public to see their deeply-held sentiments on the future of the United States vindicated and actualized in the federal government.

Simply put, Rand Paul’s proposal represents a fair and balanced solution to the nation’s fiscal crisis which honors his commitment to the most practical economic policy possible (also advocated by economist and Ron Paul advisor Peter Schiff), utilized daily in millions of American households and companies:

Spend within your means (i.e. spend only what you take in, without raising your debt limit) and in a short time, a budget will eventually balance itself out.

Spend above those clearly demarcated iron-clad boundaries you set for yourself, and fiscal responsibility becomes an afterthought.

Proposals put forth by the elder and younger Drs. Paul are an articulation of the expressed will of the American people, who made their voices clear not only in this poll, but also on Election Day.

Senator Paul campaigned on a platform of fiscal restraint and deficit reduction, and likewise, his father has pleaded with the incoming Republican “Tea Party” caucus to resist any efforts at raising the debt ceiling, which will undoubtedly be the defining battle to rage within the Republican caucus and the halls of Congress in the first few months of the 112th Congress.



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