

DEBT CEILING, BUDGET, AND DEFICIT – THEY CAN'T BE CONSIDERED SEPARATE ISSUES!



Stephen L. Bakke  October 13, 2015

Here's what provoked me:

HEY SB, have you seen that President Obama is once again proclaiming the debt ceiling and the budget process are totally different and must be deliberated separately? Our Founders set up a system of checks, balances and deliberation to make sure the governing process was thorough – and in situations like changing the dynamics of our economic system, even excruciatingly so. The Founders intended for it to be difficult to get big changes done. Establishment of a debt ceiling is one prominent legislative action taken by Congress precisely for the purpose of having an orderly and responsible budget and funding process. To argue that Congress should not have the influence of a debt ceiling at their disposal is to claim they don't, in fact, have any true "budgetary power" as carefully designed into our Constitution. – Stefano Bachovich – obscure curmudgeon and wise political pundit – a prolific purveyor of opinions on just about everything – SB's primary "go-to guy."

Here's my response:

Debt Ceiling, Budget, and Deficit – They Can't be Considered Separate Issues!

It's time to start talking about raising the debt ceiling, and that means we'll hear democrat politicians and many reporters to insist the federal budget and debt ceiling are separate issues, to be deliberated separately. I am reminded of a news report regarding Ben Carson's confusion about the difference between budget deficits and the national debt. All Carson said was "get on the stick, guys ... cut where you need to cut, because we're not raising any spending limits, period." That wasn't confused, it was sightful!

Obama has isolated these concepts because advancing his vision and budget discipline are competing forces – and his vision takes priority. For anyone to imply that the U.S. borrowing limit is not related to its spending decisions shows a lack of understanding. In fact the tendency to deal separately with borrowing limits and budgets has contributed to the ever increasing and devastating national debt.

Ask any loan officer: "Would you authorize a credit line for an entity without understanding the implications of its spending budget and the maximum available credit?" The answer is NO! The presence of a debt limit has inherent implications, psychologically and directly, on how much we spend and what we spend it on.

Determining an entity's borrowing limit is one of the first things to do when setting budgets. The federal debt limit must influence our budgets and spending habits.

The fact that we're here today to debate raising America's debt limit is a sign of leadership failure. ... I therefore intend to oppose the effort to increase America's debt limit ... Senator Barack Obama, 2006

What I will not do is to have that negotiation with a gun at the head of the American people ... They can act responsibly, and pay America's bills ... We must raise the debt ceiling, it's our responsibility – President Barack Obama, 2013

