

Congress Exceeds Its Credit Limit

by **Rep. Ron Paul, MD**

The term “national debt” really is a misnomer. It’s not the nation’s debt, but rather the federal government’s debt. The American people didn’t spend the money, but they will have to pay it back. And if Congress has its way, our nation’s Treasury will have twice as much debt ten years from now as it does today.

Most Americans don’t spend much time worrying about the national debt, which now totals more than six trillion dollars. The number is so staggering that it hardly seems real, even when economists issue bleak warnings about how much every American owes- currently about \$22,000. Of course the federal government never hands each taxpayer a bill for that amount, for obvious reasons. Instead, it uses your income taxes to pay interest on this debt, which is like making minimum payments on a credit card. Notice that the principal never goes down. In fact, it’s rising steadily.

The problem is very simple: Congress almost always spends more each year than the Treasury collects in revenues. Federal spending always goes up, but revenues are not so dependable, especially when the economy is bad. Since Congress spends more than the government makes, the federal government must either raise taxes, print more dollars to make debt payments, or borrow money. It’s happy to do all three, but they’re all bad for you- and the borrowing is bad for your grandchildren too.

Federal law limits the total amount of debt the Treasury can carry, and the limit- currently \$6.4 trillion- has been reached. So Congress must vote to raise the limit, even though just a few short months ago it was raised from \$5.9 trillion. The whole point of the debt ceiling law was to limit borrowing, to force Congress into an open and presumably somewhat shameful vote when it wants to borrow more than a preset amount of money. Yet since there have been no political consequences

for members who vote to raise the debt limit and support the outrageous spending bills in the first place, the debt limit has become merely another technicality on the road to bankruptcy. Only public outrage, demonstrated by actually voting the big spenders out of office, can change the spending habits of the U.S. Congress.

Yet Congress is at it again, raising the debt limit in a new budget that is as wasteful as any I've seen during my tenure in Washington- and that's a strong statement. In fact, the 2004 budget passed by the House raises the debt limit by nearly one *trillion* dollars, the single largest increase by far. The budget also contains a procedural rule that allows the debt limit to increase annually over the next ten years, almost doubling from the current \$6.4 trillion to an incredible \$12 trillion.

Congress needs to stop this terrible spending spree before it bankrupts American taxpayers. All of the talk about tax cuts and budgets is just a smokescreen obscuring the real problem of uncontrolled spending. Unless the American people force Congress to change its spendthrift ways, newborn Americans may soon come into the world owing \$44,000 instead of \$22,000.



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