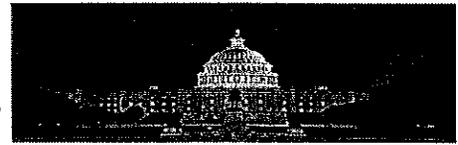


WORDS FROM WASHINGTON*Submitted by: Congressman Spencer Bachus***What does it really mean for our nation's debt limit to be raised?**

The debt limit is the statutory amount of indebtedness that the U.S. government is permitted to incur. The debate over raising the debt limit is inextricably tied to the spending spree that has been taking place in Washington. The federal government has run trillion-dollar-plus budget deficits in each of the last three years, bringing the national debt to a record level of more than \$14 trillion. Federal Reserve Chairman Ben Bernanke has stated, "Unless we as a nation make a strong commitment to fiscal responsibility, in the longer run, we will have neither financial stability nor healthy economic growth." The Chairman of our Joint Chiefs of Staff, Admiral Mike Mullen, stated in a CNN interview that the debt is "the most significant threat to our national security." With just the interest we pay on our debt, China can afford to buy three new Joint Strike Fighters every week and still have \$50 million left over. We must end the dangerous cycle of spending and borrowing that has pushed the federal government up against the debt limit and caused Standard and Poors to downgrade our credit rating outlook to "negative."

What happens if it is not raised?

The real question we should ask is what will happen if the U.S. continues down its current path of spending and borrowing money that we just don't have. We do not want to face the severe debt crises that some of the countries in Europe are now confronting. No family can afford to live on borrowed money and borrowed time and neither can the U.S. government. The end result will be higher taxes, higher interest rates, and a lower standard of living for our children and grandchildren. We need to get control over government spending and, I would add, over excessive regulation that is also inhibiting economic growth. The strongest signal that the U.S. could send about its commitment to fiscal responsibility is for Congress and the President to implement significant spending cuts and structural budget reforms. It would be irresponsible to raise the debt limit without a strong agreement to reform government spending.

What programs does Congressman Bachus think will be cut or trimmed in the 2012 budget?

The debt problem will not be solved merely by making across-the-board cuts to discretionary spending. Non-defense discretionary spending is only 16% of the budget. You could cut every penny of discretionary spending and still not balance the budget. There will have to be reform of entitlement programs including Medicare, Medicaid, and Social Security. Personally, I believe that we have to gradually raise the retirement age for Social Security. When first instituted by President Franklin D. Roosevelt, the retirement age was a year past the average life expectancy! Also, the Disability Insurance trust fund ran a \$21 billion in deficit in 2010 and needs to be reformed so that it does not affect the retirement fund. Several governors have offered an innovative solution to Medicaid, proposing that they could run the program more effectively for less money if it was turned over to them in the form of a block grant. A belief that I have held for a long time is that the federal government is doing many things that should be handled at the state and local level or in the non-public sphere. During the debate on the national debt, we should focus on what functions are truly appropriate for the federal government and what functions, in accordance with the Tenth Amendment, more properly rest with state and local government.

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