

The Government Is About to Run Out of Spending Capacity

The federal government is about to run out of borrowing power and Congress, the branch of government empowered by the Constitution to spend, tax and borrow, seems totally unprepared to deal with it.

"I just don't think it's on the front burner," said senior House Budget Committee member Tom Cole (OK-4), told Politico's Burgess Everett and Rachael Bade. "So far, I haven't heard that much discussion about it."

According to Everett and Bade, lawmakers in both parties thought they'd have until the fall to act, planning to roll the always-difficult vote into a broader spending package that could be more easily swallowed.

"More easily swallowed" is Washington, D.C., code for bribing members of Congress into voting for a bill by raising spending in ways that are politically beneficial to their reelection.

Everett and Bade report there are several items that Democrats could demand to move in tandem with a debt limit increase. Some options include extending the Children's Health Insurance Program, which expires in September, or agreeing on a spending deal that avoids the dramatic cuts proposed by the Trump administration and conservative House Republicans.

"We should consider what additional conditions we might want to consider imposing," said Sen. Richard Blumenthal, D-Conn.

However, the principled limited government constitutional conservatives in the House Freedom Caucus didn't seem "blindsided" by the need to raise the debt ceiling –nor are they inclined to raise it without spending cuts.

"We oppose any clean raising of the debt ceiling, we call for the debt ceiling to be addressed by Congress prior to the August Recess and we demand that any increase of the debt ceiling be paired with policy that addresses Washington's unsustainable spending by cutting where necessary, capping where able and working to balance in the near future," an official statement from the caucus released right before the Memorial Day recess said.

Understandably, Treasury Secretary Steven Mnuchin has urged Congress to raise the debt ceiling before the August recess.

It is important that Americans, and especially our fellow conservatives, recognize that the reason the debt limit is approaching faster than expected has nothing to do with President Trump or his administration, it is because Congress is spending—despite record tax collections—faster than the money is coming in.

Last year, the federal government collected \$ trillion in taxes in fiscal year 2016, according to the monthly Treasury Department statement.

However, the federal government ran a deficit of \$587 billion despite the record revenue, noted Ali Meyer of the *Washington Free Beacon*.

Our friend Terence P. Jeffrey of CNS News reports the federal government collected a record of approximately \$611,318,000,000 in individual income tax revenues through the first five months of fiscal 2017.

Back in January, the Congressional Budget Office (CBO) released their 2017-2018 budget and economic outlook. For the 2017 fiscal year, the CBO estimated that the budget deficit will drop to \$559 billion from last year's \$587 billion. Real GDP growth for the current year is forecasted at 2.3 percent compared to 1.6 percent in 2016.

Crucially, these estimates were made under the assumption that current policies generally remain in place, and with the passage of the Continuing Resolution (CR) that assumption was rendered fact.

But somehow the deadline to raise the debt limit is arriving faster than expected?

The Boehner Ryan policy of governing via continuing resolution means that federal spending remains on auto-pilot, with no opportunity—other than the debt ceiling vote—for conservatives to have any chance of cutting spending.

The Freedom Caucus was right to demand spending cuts for any debt ceiling increase, and we urge President Trump and Treasury Secretary Mnuchin to embrace the House Freedom Caucus strategy as their one best opportunity to realign federal spending and pass the cuts and budget balancing measures in the president's fiscal year 2018 budget. {eo}

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