Debt Ceiling Up, S&P Rating Down

by Phyllis Schlafly August 12, 2011

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Remember how we were threatened that if the Republican House of Representatives didn't raise the U.S. debt ceiling, the stock market would crash and Standard & Poor's would punish us by downgrading our credit rating? So, the Republicans did what Wall Street, President Obama and the media demanded, the stock market nose-dived anyway and S & P reduced our financial rating for the first time in history from Triple-A to second-place AA-plus.

One of the vocal predictors of financial disaster if the House failed to obey Obama's wishes was Secretary of the Treasury Timothy Geithner. That's just the latest indication of his incompetence for his job.

The problem isn't the debt ceiling but out-of-control spending. The bipartisan compromise increased the government's borrowing limit by nearly a trillion dollars but cut less than $2 trillion in spending over the next ten years, which hardly makes a dent in the problem.

Pell grants to college students are exempted from the spending cuts, and Obama even won authority to increase grants to college students by $17 billion over the next two years. Colleges reacted by raising this fall's tuition prices an average of 9.8 percent, with some increases as much as 20 percent.

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If there is anything Congress should not do, it's borrow more money to send more kids to college who then can't get jobs that are worth the price of college. That's just a sneaky way of concealing the true unemployment figures of young people.

The promise to vote on a Balanced Budget Amendment elevates symbolism over reality. Even if it passed the House, we all know it won't pass the Senate, and even if it did, it would take years for ratification by the states.

The way to balance the budget is to refuse to raise the debt ceiling. There are so many ways to cut spending.

We should reduce federal spending back to the level of the day Obama took office; most people don't realize how much he increased spending in his first two years. We can furlough all the non-essential federal employees; those are the ones told not to report to work when Washington, DC has a snow day.

Check into the 45.8 million food stamp recipients; it's unlikely that so many are needy, such as the Michigan guy who won a $2-million-dollar state lottery. And what about the free cell phones (with 200 minutes a month) given to food stamp recipients, a handout unknown to most Americans.

Raising taxes, eliminating tax loopholes, or even trimming spending around the edges will not solve our colossal debt and deficit problem. The only thing that will make a positive difference is more people working real jobs and paying taxes as a result.

We don't mean hiring more people for government jobs because that requires more spending, not less. Obama's Keynesian-style stimulus only dug us deeper into depression.

Why hasn't anybody but Donald Trump figured out where the good jobs have gone? Apparently, he is the only one to say out loud that the United States is being ripped off by Communist China, which has now become insufferably arrogant.

We have lost an average of 50,000 manufacturing jobs a month since China joined the World Trade Organization in 2001. The U.S. closed 42,400 U.S. factories between 2001 and 2008 because of our trade deficit with China.

China's official news agency, Xinhua, impudently demands that the U.S. "ensure the safety of China's dollar assets" because the "good old days" of borrowing are over. Xinhua calls on the U.S. to reduce our military expenditures at the same time that China is spending its U.S. dollars to build up an offensive Chinese military.

Where are the U.S. leaders to stand up and say we are no longer willing to accept (and subsidize and defend) a globalist world where Americans must compete with Asians who work for 30 cents an hour? Where are the U.S. leaders to say we will no longer stand for Communist China stealing our intellectual property and requiring U.S. companies to give the Communist establishment our patents and trade secrets as the price of being allowed to build a plant in China?

Where are the U.S. leaders to expose the hypocrisy and dishonesty of so-called free trade that allows China to impose tariffs (called by other names such as Value Added Tax) against us, while we allow China to sell all its goods in the U.S. without any tariff and use their profits to build a Chinese military to threaten us?