CNN

The debt ceiling: Where you stand in battle

House Speaker John Boehner's debt plan was put on hold Thursday night after lacking the needed votes to pass, but he may try again Friday. The frustration about the inability of Congress and President Barack Obama to reach a deal to raise the debt ceiling and prevent a possible government default has sparked a firestorm of anger directed toward Washington.

But there's no shortage of people who believe they have the answer to solving the crisis or who is to blame for it.

As Washington struggles to reach a deal, CNN is listening to what you have to say about the debt fiasco as well thoughts from influential voices, politicians and analysts.

iReport: Your message to Congress

What is the solution for fixing the debt crisis?

With the both chambers of Congress seemingly unable to come up with a debt-ceiling solution, constitutional law professor Jack Balkin wrote about <u>three ways Obama could bypass Congress</u> and try to solve the crisis on his own.

"We are having a debt-ceiling crisis because Congress has given the president contradictory commands," Balkin said in a CNN.com opinion piece. "Congress has ordered the president to spend money, and it has forbidden him to borrow enough money to obey its orders." But Obama may be able to save the United States from defaulting, he suggests, perhaps by issuing two \$1 trillion coins or selling the Federal Reserve an option on \$2 trillion in property.

CNN.com readers jumped right into the conversation, discussing whether it would be the right move for Obama to sidestep Congress. One commenter named syscnn said: "I don't know if I'm relieved or concerned about some of the revelations in this article. While they all seem a bit shady, I suppose it's good to know that there are still some executive options on the table to keep us from going over the brink that Congress has brought us to."

Marc J. Yacht said he thinks that Obama is being "held hostage" and that he should stand his ground in the debt-ceiling debate.

"Use your power of the executive order to break the impasse, if you can," <u>Yacht told CNN's iReport.</u> "Not raising the debt ceiling undermines this country's stability. Equity and balance has to be the driving force in this debate."

Skip Wininge, another iReporter, got so fed up with Congress' inability to reform the tax structure that he has devised a plan of his own. He uploaded his thoughts to iReport, explaining, "Don't pay for wars and tax cuts on the backs of senior citizens who barely get by on Social Security and Medicare. They have already paid their dues."

Another solution? "If far-right conservatives can't listen to reason, <u>maybe they will listen</u> to Ronald Reagan," CNN contributor John Avlon argues.

"Because Reagan had stern words for Congress when it tried to play political games with the debt ceiling in 1987. They still ring true today...," he wrote before quoting the late president's exact words. "Congressional Republicans should read that paragraph (from Reagan's speech) out loud twice before going to vote on the debt ceiling in the next few days. It is essentially the same argument Obama has been making. But in our current hyper-partisan environment reason doesn't resonate across party lines. Instead, there is too often an overheated impulse to oppose Obama at any cost. Hearing the same argument from the Gipper might inspire a needed sense of perspective."

Candy Grossi has someone else in mind that Congress should call for help. She said she is weary of the "Washington political game playing" because she doesn't think that politicians really care what average Americans have to say.

Her advice to Washington? Enlist the help of people who are used to balancing their household budgets.

"Advice for Washington: Bring some normal housewives who have to really work a budget, putting food on the table ... ," she told iReport. "Maybe then our budget will get in line. We need people who don't have any special interest. We need people who really care for the good of our nation, which means our people (all of us)."

<u>CNN also asked former officeholders for their views on how to resolve the debt crisis.</u> What do they think should happen?

Former Sen. Arlen Specter of Pennsylvania said he thinks Obama should hold in reserve the prospect of using the 14th Amendment to get around the debt ceiling.

"This extraordinary assertion of executive authority could be justified because the Congress has, in effect, abdicated its constitutional responsibility to agree on legislation through the bicameral conference before the drop-dead date leaving a vacuum which must be filled if the government is to function," he said.

Ex-Reagan budget director David Stockman said, "The crisis lies in the debt, not the ceiling. Kicking the can with a six months' ceiling increase is the worst possible

alternative because it allows the politicians of both parties to continue making the big fiscal lie."

Former Sen. John Danforth said the real issue is the size of government. He urges Congress and the president to agree on raising the debt ceiling and to make the 2012 election a vote on the size of government – between Obama's plan for a government that spends nearly 24% of the gross domestic product and Rep. Paul Ryan's plan for a smaller government, amounting to about 20% of GDP.

"The appropriate size of federal spending as a percent of GDP will not be resolved by politicians without input from the American people. In other words, it will not be decided before the 2012 presidential election," Danforth said.

Meanwhile, iReporter Valerie Bass, a Middleburg, Florida, teacher and the wife of an Afghanistan veteran, offers this advice to Congress: "This is not a game. Cut the benefits the politicians have as we can't afford them."

Bass has a lot more to say in her impassioned iReport: "My husband lost his health and his ability to have a normal life due to his deployment to Afghanistan. We also have two children in college and are counting every penny. We have given our future and our health for this country. We are the military families!"

Who's to blame for the debt-ceiling crisis?

Fareed Zakaria calls the government impasse a self-created crisis, saying the damage is already done.

"My basic point is that this is a crisis that we have manufactured out of whole cloth. We have created a circumstance in which the world doubts our credibility, rating agencies are thinking of downgrading our debt and the dollar's role as the world's reserve currency could be jeopardized," Zakaria writes. "Please understand that none of these things are happening because the United States is running deficits. There was no indication – by any metric – that the United States was having difficulty borrowing money one month ago. In fact, the world has been lending money to the United States more cheaply than ever before.

"We <u>face downgrades</u> and investor panic not because of our deficits but because we are behaving like deadbeats, refusing to pay our bills, pouting while the bill collector waits at the door."

Many iReporters said they are sick of the politics behind the crisis and want lawmakers to put aside their differences and just solve the economic problems.

Steve Rokowski said he is tired of elected officials "hiding behind statements" about how the American system of government works. Those elected officials are the most to blame, according to Rokowski.

"Compromise is essential to get things done," <u>Rokowski told iReport</u>. "We all have to do it daily in our lives; it's more important for Congress as their decisions are supposed to be for the greater good of the country. Stalemate is not an option. I am tired of our government officials always hiding behind the statements that, "This is the system our forefathers have put in place.' They didn't set up a government that was this dysfunctional."

Who's winning this fight?

<u>Lawrence R. Jacobs</u>, a professor and director of the Center for the Study of Politics and Governance at the University of Minnesota's Humphrey School of Public Affairs, <u>takes a look at the implications across the board and who could walk away a winner or a loser in this war over the debt.</u>

He said that Americans are turning against the GOP in the debt debate because of the party's insistence on cutting government programs only without any tax hikes. And Democrats are winning the argument on Medicare and Social Security. Obama also has a lot at stake here. His talk about the inability of government to get anything done implicates him, too, Jacobs argues. Any talk of a dysfunctional government is hurting his cause, he writes.

"The president's flagging of Washington's 'dysfunction' reinforces the distrust of government that many Americans harbor, oddly making it harder for him to rally support behind government programs such as Medicare and Social Security," he writes. "This may help to explain why the GOP is losing the debt-ceiling debate and yet three-quarters of Americans favor a constitutional amendment to balance the budget."

He adds, "The lessons moving forward are clear. Republican leaders intent on winning the White House and strengthening their position in Congress need to steer their party back to the views of mainstream America or squander what may be setting up as a propitious opportunity in 2012 to run against the 'in' party in a time of deep discontent. As for Democrats, they need to focus like a laser beam on the concrete programs that many Americans rely upon and steer away from the sweeping conclusions about government waste and dysfunction that undergird a genuine philosophical conservatism in America."

But Jeffrey Miron, author of "<u>Libertarianism</u>, from A to Z," writes this public spectacle is a blemish on both parties in part because neither side will concede on their big issues. Democrats won't accept that Medicare is the primary driver of the fiscal nightmare, he argues, and Republicans won't distinguish between two kinds of tax revenue – that from higher tax rates and that from fixing tax loopholes.

"Will the Democrats and Republicans be able to set aside their prejudices?" asks Miron, a senior lecturer and director of undergraduate studies in Harvard University's Economics Department and a senior fellow at the Cato Institute. "Alas, both parties are doing what their respective constituents seem to want, so compromise will not come easily.

"But something must change, and soon. Otherwise, nothing will stop the U.S. fiscal train wreck."