

# FreedomWorks

## Tea Party Stood Strong During Debt-Ceiling Debate



By [Julie Borowski](#) on August 03, 2011

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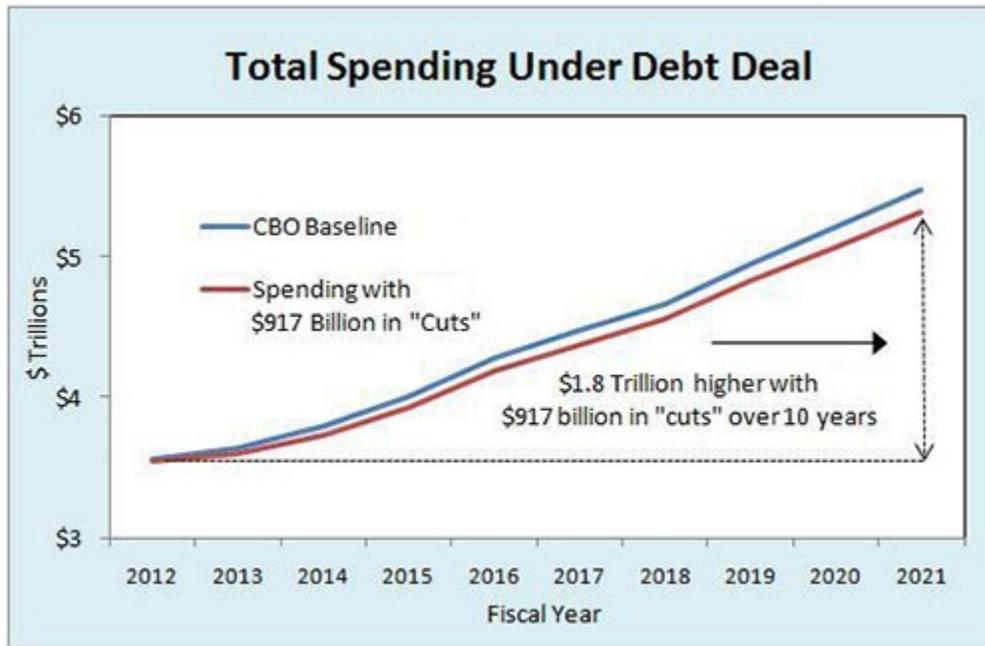
The so-called historic debt-ceiling deal passed the Senate [74-26](#) yesterday and quickly landed on President Obama's desk. He immediately signed the lousy compromise to raise the debt ceiling by \$900 billion. The past few weeks have been filled with numerous lies and scare tactics. One of the most troubling aspects of the debt-ceiling debate fiasco is the definition of the word "cuts." Washington's fuzzy math calculator shows that things aren't always what they seem.

The American people are told that the debt-ceiling deal will cut \$917 billion in spending over a ten year period. What exactly are we cutting? Well, nothing really. The Congressional Budget Office (CBO) has a baseline that predicts what would happen over the next decade given current projections of taxation and spending. Government spending is going up at about [7 percent](#) a year. Rather than cutting \$917 billion from current amounts being spent, the compromise will just mean spending may increase *less fast* later on. As Cato Institute scholar Chris Edwards [states](#), "spending isn't being cut at all. The 'cuts' in the deal are only cuts from the CBO 'baseline', which is a Washington construct of ever-rising spending."

It's important to remember that these are promised "cuts" and nothing is stopping a future Congress from simply disregarding them. Discretionary spending "cuts" against a bloated CBO baseline are essentially meaningless since Congress can force the federal agency to increase its "baseline" spending. As Sen. Rand Paul (R-Ky.) [says](#), "if we froze spending, if we didn't spend any more money next year than we did this year and we did it for ten years, Washington would count that as a \$9.5 trillion cut. Why? Because we're going to add \$9.5 trillion to the debt over the next ten years. So when they tell you that they're going to cut \$1 trillion, it's from proposed increases in the debt. It isn't meaningful."

In the real world, cutting spending and increasing spending at a slightly slower rate in the future are two very different things. Washington is still going to spend more next year than we did this year. As any financial planner will tell you, anyone who is in massive debt shouldn't increase their spending at all—let alone promise to increase their current level spending *less fast* over an extended period of time. This kind of reckless behavior is why our AAA credit rating is likely to drop in the near future. The chart below shows

how total spending under the debt deal will change *if* all of the spending "cuts" come to fruition:



If you're anything like me, you're disappointed in the debt deal but didn't have too high expectations to begin with. The debt ceiling deal surely doesn't go far enough to curtail government spending but we have reasons to be optimistic. Just a couple months ago, President Obama was expecting to get a simple debt ceiling increase with no strings attached which had been the standard procedure in Washington for some time. We didn't let that happen. We stood by our principles by [calling out](#) Speaker Boehner when he was wrong.

The Tea Party has begun to change the debate in Washington which is no easy task. We have made it known that we will put up a fight every time they attempt to raise the debt ceiling. We have tons of work to do but we have to take it one step at a time. The next phase is changing out more Congressmen next election cycle. The reality is we won't be able to get our major policy changes without a fiscally conservative President and Senate. We need more elected representatives like Justin Amash, Ron Paul, Rand Paul and Mike Lee who take their oath to uphold the Constitution seriously.

Washington needs real solutions to get its fiscal house in order. One modest plan is the Rep. Connie Mack's "[Penny Plan](#)" that would balance the federal budget by cutting spending by one percent each year for six consecutive fiscal years. The far from radical plan would require government to cut just one penny out of every dollar it spends. Unlike the debt-ceiling deal, the penny plan would cut *real* spending—not anticipated spending off a phony baseline.

The Tea Party drove the debt-ceiling debate. Even though we face a Democratic-controlled Senate and White House, the Tea Party was a central player who managed to control the narrative. Even Sen. McConnell (R-Ky.) admits that Congress wouldn't have

had such a debt-ceiling debate without the Tea Party. Now it's time to push for real spending cuts while helping to elect fiscal conservatives who can make it happen.