



{loadposition debt}

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*I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. To preserve our independence, we must not let our rulers load us with perpetual debt. If we run into such debts, we must be taxed in our meat and drink, in our necessities and in our comforts, in our labor and in our amusements. If we can prevent the government from wasting the labor of the people, under the pretense of caring for them, they will be happy.*

- Thomas Jefferson

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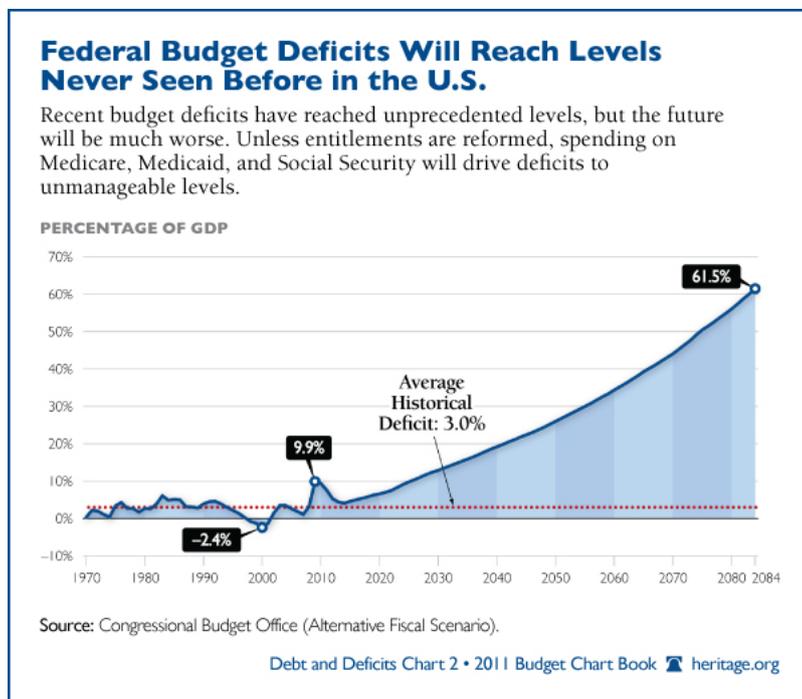
### **Drowning in Debt**

**The U.S. debt recently hit an all-time surpassing \$14 trillion, which is \$4 trillion more than**

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we owed just four years ago. Now, the debt that each and every American owes to the Federal Government a staggering \$46,059 per individual, and is due at any time. In 2008, the ratio of public debt to gross domestic product was 40%. Now, it is an unbelievable 68%. If we do not stop this uncontrollable spending, and continue adding mountains of debt to our already crushing burden, our country will end up being compared to other countries with similar financial problems.

The United States of America is a great country and we must fix this problem as soon as possible, so that we can continue maintain this status.



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## Congressman Terry: Taking Action

I oppose any legislation raising our nation's debt ceiling without any spending cuts or an attempt

to balance the budget. I recently [voted against](#) a straight debt ceiling increase because it did not cut any spending or balance the budget.

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One of my main legislative priorities is reigning in our out of control spending. He remains committed to his balanced budget amendment, which he introduced at the beginning of this Congress. [H.J.RES.18](#) Latest Title: Proposing a balanced budget amendment to the Constitution of the United States (on Jan 24th).

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I voted for H.R. 2560, the Cut, Cap, and Balance Act which would cut spending by \$111 billion in 2012 by reducing non-security discretionary spending to below 2008 levels, saving \$76 billion, and by cutting \$35 billion from non-veteran, non-Medicare, non-Social Security mandatory spending. The Act would also decrease federal spending as a percentage of the GDP for the next six years and demands the passage of a Balanced Budget Amendment before lifting the nation's debt ceiling. To read the bill, click here: [HR 2560 Cut Cap and Balance Act of 2011.pdf](#)

- [Fact Sheet on the Cut, Cap, and Balance Act](#)

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## What is the Debt Ceiling and Why is it so important?

{loadposition debt-video}

- [The Debt Limit: History and Recent Increases](#) , *Congressional Research Services*

- A new [Reason-Rupe poll](#) surveyed 1,200 Americans showing how majority of Americans want government spending cap and reduced debt. 74 percent of Americans support implementing a spending cap that would prohibit the government from spending more money than it takes in during a fiscal year. 96 percent of Americans say it is important to reduce the national debt, including 69 percent who say it is "very important."

- [Frequently Asked Questions about the Public Debt](#) , *United States Treasury*

- [30 Years of Spending Priorities](#) , *The Washington Post*

- [Debt Ceiling Primer](#) , *Committee for a Responsible Federal Budget*

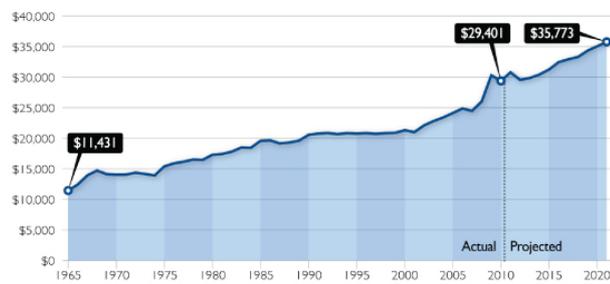
- [The U.S. Debt Limit: Frequently Asked Questions](#) , *The PEW Charitable Trust*

- [US Debt Problem Visualized](http://usdebt.kleptocracy.us) , [usdebt.kleptocracy.us](http://usdebt.kleptocracy.us)

### Federal Spending per Household Is Skyrocketing

The federal government is spending more per household than ever before. Since 1965, spending per household has grown by nearly 162 percent, from \$11,431 in 1965 to \$29,401 in 2010. From 2010 to 2021, it is projected to reach \$35,773, an additional 22 percent increase.

INFLATION-ADJUSTED DOLLARS (2010)



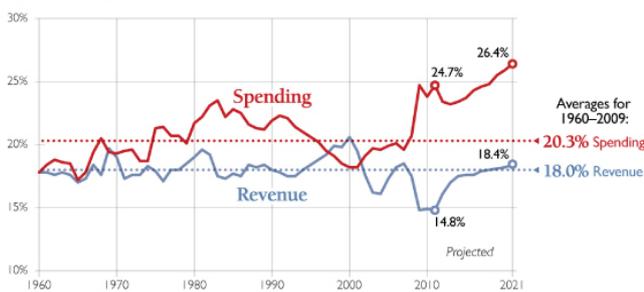
Source: U.S. Census Bureau, White House Office of Management and Budget, and Congressional Budget Office.

Federal Spending Chart 1 • 2011 | Budget Chart Book [heritage.org](http://heritage.org)

### Runaway Spending, Not Inadequate Tax Revenue, Is Responsible for Future Deficits

The main driver behind long-term deficits is government spending—not low revenues. While revenue will surpass its historical average of 18.0 percent of GDP by 2021, spending will shoot past its historical average of 20.3 percent, reaching 26.4 percent in the same year.

PERCENTAGE OF GDP



Source: Heritage Foundation calculations based on Congressional Budget Office data.

Federal Spending Chart 7 • 2011 | Budget Chart Book [heritage.org](http://heritage.org)

## What's Happening in Washington D.C.:

### Legislative Action:

- Debt Limit Increase – On Tuesday, May 31, the House rejected H.R. 1954, a "clean" debt limit bill by a vote of 97-318. A bipartisan group of Republicans and Democrats voted against the measure. Over the past two years, the largest budget deficits in the history of the U.S have occurred. Our nation's credit cards have been maxed out and increasing the credit limit without making any commitment to stop the spending is dangerous. Any increase in the debt limit must be accompanied by substantial spending cuts and reforms to ensure that we keep cutting.

- [Budget Control Act of 2011](#)
- [Budget Control Act of 2011 Framework](#) , Passed into Law August 2nd.

### [President Obama's Proposed Debt Reduction Plan](#)

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### News Articles/Reports/Studies of Interest:

- [Main Street: We've got bigger problems](#) , *National Journal*
- [Wall Street: Congress Can't Be That Dumb](#) , *National Journal*
- [U.S. Hits Debt Ceiling, but Default is Completely Avoidable](#), *The Heritage Foundation*
- [The Debt Ceiling: Time, Options, and Action](#) , *The Heritage Foundation*
- [U.S. Hits Debt Ceiling](#) , *CNN Money*
- [In Praise of Debt Limit 'Chicken'](#) , *The Wall Street Journal* (subscription required)
- [The Debt Ceiling Fiasco](#) , *The Wall Street Journal* (subscription required)
- [Are you better off?](#) *The Wall Street Journal* (subscription required)
- [The Deficit is worse than you think](#) , *Wall Street Journal* (subscription required)
- [Moody's Downgrade Warning Adds Pressure on US Debt](#) , *Bloomberg*
- [Obama's Debt-Ceiling Scare Tactics](#) , *The Wall Street Journal*
- [The Danger of an Unaccountable 'Consumer-Protection' Czar](#) , *The Wall Street Journal*

- [CNN Poll: Two-Thirds of Americans Support 'Cut, Cap and Balance' Plan](#) , *The Foundry, The Heritage Foundation*
- [Understanding Cut, Cap, and Balance](#) , *Keith Hennessy*
- [Standard and Poors Official Downgrade Report](#)