

America at War and the Debt Crisis: Hail Caesar

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Although the financial press speculates about a downgrade of the US government's credit rating and default if political impasse prevents the debt ceiling from being raised in time, I doubt anyone really believes that the debt ceiling will not be raised. It is just all a part of the political theater of the next couple of months.

Republicans will blame the budget deficit and accumulated national debt on Medicare and Social Security. Wall Street sees billions of profits in privatizing either, and debt rating agencies will oblige their Wall Street paymasters by opining from time to time that US Treasury bonds might be downgraded unless "entitlements can be addressed and the deficit brought under control."

Democrats will say that the budget deficit cannot be addressed without an increase in tax revenues, especially from the rich whose incomes have exploded upward while their tax rates have declined.

All the while the pressure of an approaching deadline for default will be used to reshape the US social contract, most likely in the further interest of the rich.

However, regardless of whether the debt ceiling is raised, the US government is not going to go out of business. Why does anyone think that the President, who does not obey the War Powers Act, the Foreign Intelligence Surveillance Act, US and international laws against torture, or any of the laws and procedures that guard civil liberty, is going to feel compelled to obey the debt ceiling?

As long as the US is at war, the American President is a Caesar. He is above the law. The US Justice (sic) Department has ruled this, and Congress and the Courts have accepted it.

Moreover, the Federal Reserve is independent of the government. In its approach to regulatory matters and bailouts, the Fed has ceased to follow its own rules. Regardless of the debt ceiling, the Fed will continue to purchase the Treasury's bond issues, and the Treasury will continue to fund the federal deficit with the proceeds. If Goldman Sachs is too big to fail, certainly the US government is.

As Congress has abandoned its powers over war, how can Congress hold on to its powers over spending? It cannot. Indeed, an impasse between the political parties over the debt ceiling would be welcomed by the executive branch as more proof that Congress is incapable of doing its part in governing and, therefore, the task has of necessity passed to the executive branch, which already does most of it.

If the President can declare on his own authority, without statutory basis and in defiance of

the US Constitution, that he can assassinate US citizens who he considers to be a threat to national security, he certainly can declare that default is a threat to national security and that it is within his powers as commander-in-chief to ignore the debt ceiling.

Indeed, the executive branch would jump at the chance. Then it could reshape the budget to its own pleasing without having to consult Congress on spending any more than the executive branch consults Congress on war.

The Bush/Cheney regime brought democracy and accountable government to an end. If Obama doesn't finish the process, the next in line will.

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