Q. What is the debt ceiling?

A. The debt ceiling is a cap set by Congress on the amount of debt the federal government can legally borrow from both the public (such as anyone who buys bonds) and government trust funds (including the Social Security Trust Fund). The Treasury Department cannot issue any debt above the amount approved by Congress. The first such debt limit was set in 1917. In 2010, the debt ceiling was raised by $1.9 trillion to make the current limit $14.294 trillion. The Treasury Secretary has said that Congress must act to raise the debt ceiling this year by August 2, or risk defaulting on U.S. borrowing obligations. Until very recently, President Obama argued for raising the debt ceiling by $2.4 trillion without any accompanying conditions for reducing government spending. The debate then shifted, and in May, the U.S. House of Representatives voted 318 to 97 against such a no-strings-attached increase in the debt ceiling. Having to consider the debt limit should help Congress control spending and force Congress and the President to take stock of the country’s fiscal situation.

Q. Why shouldn’t the debt ceiling be raised without spending cuts?

A. Today, the federal debt and deficits are at record levels. These obligations inhibit the ability of the U.S. economy to grow and create private-sector jobs. It also is morally wrong to make the next generation pay the bills for the way we live today. Americans sent a clear message in the last election that they want government spending reined in. Today, the need to make sure the federal government doesn’t default by increasing the debt limit should serve as a positive impetus for Congress and the President to commit to meaningful deficit reduction measures. In fact, continuing to raise the debt ceiling without concrete plans to reduce spending is itself a recipe for disaster. The inability of Washington to chart a course to bring down federal deficits already resulted in Standard & Poor's lowering its outlook for America's long-term credit rating from "stable" to "negative," for the first time ever, earlier this year. Serious spending reforms are needed for the sake of America's fiscal well-being. Negotiations now are under way between congressional leaders and the White House on an agreement for spending reductions along with an increase in the debt ceiling. This debate provides a major opportunity to bring fiscal responsibility and accountability to Washington.