



Every Memorial Day, we as a nation stop to think about the courage and sacrifice shown by the men and women who have served our country. Many of us visit the graves of family members who gave all they had to defend our shores and uphold our freedom. We remember the words of President Ronald Reagan, who said, “The price for freedom at times has been high, but we have never been unwilling to pay that price.”

I was reminded of those words recently when I came across a video that contained passages from Reagan’s First Inaugural Address. In his speech as president, Reagan gave tribute to all the heroes who have paid freedom’s price. He highlighted one hero by recounting the story of Martin Treptow, a young American who fought in World War I. Treptow never made it home from that awful conflict, but before he died, he made and lived a solemn pledge to do everything within his power to serve our country. His pledge speaks for every man and woman who has ever worn a uniform. For every hero who never came home.

This Memorial Day, it’s worth taking a minute to read Reagan and Treptow’s words. It’s worth a few minutes more to ponder their meaning quietly. Below is an excerpt from Reagan’s speech in which he quotes Treptow’s pledge. I hope you find it as moving as I do.

President Reagan’s First Inaugural Address

If we look to the answer as to why, for so many years, we achieved so much, prospered as no other people on Earth, it was because here, in this land, we unleashed the energy and individual genius of man to a greater extent than has ever been done before. Freedom and dignity of the individual have been more available and assured here than in any other place on Earth. The price for this freedom at times has been high, but we have never been unwilling to pay that price.

Those who say that we are in a time when there are no heroes just don’t know where to look. Directly in front of me, [stands] the monument to a monumental man: George Washington, father of our country. A man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infant nationhood. Off to one side, the stately memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence.

And then beyond the Reflecting Pool the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln. Beyond those monuments to heroism is the Potomac River, and on the far shore the sloping hills of Arlington National Cemetery with its row on row of simple white markers bearing Crosses or Stars of David. They add up to only a tiny fraction of the price that has been paid for our freedom.

Each one of those markers is a monument to the kinds of heroes I spoke of earlier. Their lives ended in places called Belleau Wood, The Argonne, Omaha Beach, Salerno and halfway around the world on Guadalcanal, Tarawa, Pork Chop Hill, the Chosin Reservoir, and in a hundred rice paddies and jungles of a place called Vietnam.

Under one such marker lies a young man – Martin Treptow – who left his job in a small town barbershop in 1917 to go to France with the famed Rainbow Division. There, on the western front, he was killed trying to carry a message between battalions under heavy artillery fire.

We are told that on his body was found a diary. On the flyleaf under the heading, "My Pledge," he had written these words:

"America must win this war. Therefore, I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

The crisis we are facing today does not require of us the kind of sacrifice that Martin Treptow and so many thousands of others were called upon to make. It does require, however, our best effort, and our willingness to believe in ourselves and to believe in our capacity to perform great deeds; to believe that together, with God's help, we can and will resolve the problems which now confront us.

And, after all, why shouldn't we believe that? We are Americans.

A Brief Update on the Debt Ceiling

On May 1, the Secretary of the Treasury informed Congress that the U.S. could default on its debt by June 1 if legislators do not raise the nation's debt ceiling.

This announcement was not a surprise. The U.S. officially hit the debt ceiling in January but was able to stave off any immediate effects by "extraordinary measures." (These are essentially accounting tools the government can use to pay its bills *without* authorizing any new debt.) The Secretary's recent message was to let Congress know those measures are close to being exhausted. Without raising the debt ceiling, the U.S. will not have the money it needs to pay its debts. And while the exact date this will happen is unknown, it could come by June 1 at the earliest.

The debt ceiling is "the total amount of money the government is authorized to borrow to meet its existing legal obligations." The debt ceiling is the limit to what the government can borrow to pay back *what is has already spent*. (Or is legally obligated to spend.)

Normally raising the debt ceiling requires a simple act of Congress. But in some years, politicians disagree about whether the ceiling *should* be raised without an accompanying decrease in spending. That's the scenario we're in right now. Congressional Republicans do not want to raise the debt ceiling without enacting spending cuts due to the growing 31 trillion in US national debt. Democrats, meanwhile, prefer a "clean" hike where the ceiling is raised without conditions. In their view, any changes to federal spending should come separately *after* the nation's existing debts are addressed.

In other words, the two sides of the political aisle are engaged in a game of fiscal "chicken." Each betting the other will blink first.

It's important to note that this is not our country's first rodeo with the debt ceiling. This has actually happened several times over the past 12 years. In each instance, Democrats and Republicans eventually came to an agreement and raised the ceiling. Most experts expect the same thing to happen this time.

That said, the two sides are still very far apart. While House Republicans have made a proposal on the cuts they want to see, most are measures the Democrats are unlikely to agree to. (The bill would lift the debt ceiling by \$1.5 trillion through March 2024 while eliminating \$130 billion in government spending. But that's not a very long time, and most of the cuts are to areas that the White House considers a high priority.³)

The positive news is that the two sides have recently met at the White House to negotiate a deal. President Biden has appointed two new lead negotiators after talks began to stall in their first meeting. Both seasoned negotiators, Shalana Young and Steve Ricchetti are now leading talks with Speaker McCarthy and Republican Rep. Garret Graves of Louisiana. On May 17th, the two sides met and agreed to negotiate on the budget, and both parties agreed they wouldn't allow the US to default on its obligations.

The closer we get to June; however, the more nervous Wall Street will get. Perhaps the most likely outcome is that Congress enacts a short-term increase to the borrowing limit. This would give them more time to pass something longer lasting. Although this would be seen as kicking the can further down the road.

As always, please let me know if you have any questions or if there is anything we can do for you! And from everyone at Peters Financial, we wish to say "Thank you" to our heroes. Thank you for working, saving, sacrificing, and enduring. We hope you enjoy this Memorial Day Weekend!

Sincerely,



Lee Peters



Pete Peters

¹ "Treasury's Yellen says US could default as soon as June 1," *The Associated Press*, May 1, 2023. <https://apnews.com/article/x-date-debt-ceiling-yellen-treasury-borrowing-f726fd88a9bb7f72e50f0b948731ac57>

² "Debt Limit," *U.S. Department of the Treasury*, <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/debt-limit>

³ "No Solution in the Senate," *Politico*, May 1, 2023. <https://www.politico.com/news/2023/05/02/senate-parties-debt-00094873>