

The Delray Democrat

Hypocrites, Blackmailers, and Political Terrorists¹

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There are three things to know about the debt ceiling “crisis”:

- (1) every penny of the \$31.4 trillion of debt we will exceed on June 5 was authorized by prior Congresses in legislation signed by prior presidents; raising the debt ceiling is thus not a subject for negotiation but rather a question of whether Republicans will welch on our country’s debts;
- (2) before Newt Gingrich became Speaker in 1995, the ceiling was raised more than 100 times, always without attendant drama; and
- (3) since then, it has morphed into a crisis every time a Democrat occupied the Oval Office and never when a Republican was president.

In 1995-96 and in 2013, Republicans’ phony hysteria about the debt caused government shutdowns. In 2011, it caused S&P to downgrade the U.S. credit rating for the first time in history because the ceiling wasn’t raised until days before the government defaulted. This time Moody’s, Fitch, and Sopes Ratings may join in a downgrade, costing the United States Treasury hundreds of billions of dollars annually.

Republicans recover from their deficit hysteria whenever a Republican is in the White House, and Democrats have always acted responsibly and without pre-conditions to protect the government from a default. That’s why the debt ceiling was raised without dramatics or demands when Reagan, the two Bushes, and Trump was president, even when Democrats controlled Congress wholly or in part. For example, Democrats joined with Republicans to raise the debt ceiling without controversy or pre-conditions:

- 18 times when Ronald Reagan was president (even as he was tripling the federal debt);
- 9 times while George W. Bush was doubling it (despite having inherited three straight annual budget surpluses from Bill Clinton, the first surpluses since 1969); and
- 3 times while Donald Trump was adding almost as much debt in four years (\$8.2 trillion) as Obama added in eight (\$8.3 trillion), even though Obama inherited the worst economic crisis since the Great Depression and bequeathed Trump the longest expansion since World War II.

No serious person could believe that Republicans are actually concerned with the federal debt, nor can anyone doubt that Republicans are once again putting the full faith and credit of the United States in jeopardy in order to achieve what they could never have achieved through normal legislative channels. The polite word for that is “blackmail.”

A less polite characterization is “political terrorism.” Republicans, with a slim and fractured

¹ *The Delray Democrat*, May 2023, page 1.

majority in a single House of Congress, are demanding steep spending cuts and a rollback of some of President Joe Biden's legislative accomplishments, just as they did when Obama was president.

If Biden refuses to pay the ransom, Republicans are prepared to create the first government default in U.S. history. The [immediate](#) impact would be a downgrading of the U.S. credit rating, the loss of one million jobs, and a recession. A continued refusal by Congress to raise the debt ceiling would result in the loss of 7 million jobs and a 2008-style financial crisis.

The Republican debt reduction plan, which passed by a mere two votes, contains two principal measures. The first would cause a recession and further afflict the most vulnerable among us. The second would further accelerate our reckless march into a climate catastrophe.

The proposal contains no measures to reduce the debt by increasing taxes or by reversing the Trump "tax cuts" that added nearly \$2 trillion to the federal debt. Republicans don't care that a substantial majority of Americans (61% in the most recent poll) favor raising tax rates for households that make more than \$400,000.

Two-thirds of the claimed reduction in spending would be achieved by cuts in discretionary spending (which is divided between defense spending and safety net spending other than Social Security and Medicare). The Republican plan cuts discretionary spending by 9% from the current fiscal year, with subsequent increases of 1% annually. Such cutbacks would almost certainly tip the country into the recession that "experts" have been predicting for months would result from the Fed's ten interest rate increases over the last 14 months. Since Republicans are on record as opposing *any* cuts to the Pentagon budget, and the military accounts for the majority of discretionary spending, it is our most vulnerable populations will bear the brunt of the pain.

The plan also seeks to denude President Biden's Inflation Reduction Act, the most consequential governmental response to the climate crisis ever enacted. That's hardly surprising, as the bill targets the Republican Party's principal paymasters—plutocrats and polluters.

The bill, which includes tax credits designed to boost production and consumption of green energy, is estimated to have created 142,000 new fair-wage, clean energy jobs already and is projected to create a total of at least 1.3 million jobs by 2030. That's good for the economy and the planet but not so good for the filthy fuel industry.

The Act also includes \$80 billion in IRS funding designed to help recover taxes owed but not paid by the wealthiest Americans and multinational corporations. Although it will have negligible impact on most Americans, it increases the likelihood that the Republicans true constituency (the top 0.01%) will begin to contribute their fair share.

The Republican proposal includes eliminating most of the green energy tax credits as well the enhanced IRS funding. It also requires Biden to agree to legislation that would increase domestic production of oil, natural gas and coal, and cut back on permitting restrictions that delay pipelines, refineries, and other filthy fuel projects.

If Biden refuses to accede to these demands, Republicans are ready, willing, and able to precipitate the first government default in American history.

Yet the price of acceding to Republican blackmail would be a continuation of our reckless lurch into a climate disaster from which there would be no recovery. It would also slow the economy and tip the country into the recession that “experts” have been predicting for months.

There are reports of a deal that would focus solely on cutting discretionary spending, but it’s unlikely the Orwellian-titled Freedom Caucus – whose members make the Tea Party seem like well-mannered guests at a Victorian tea party – will agree to that.

Even if they do, and as noted above, it will be the most vulnerable Americans who bear the brunt. Plus ça change, plus c’est la même chose.