

The Delray Democrat

Biden Smacks Another Home Run¹

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Nothing better illustrates Joe Biden's experience than his handling of the so-called debt crisis.

Republicans demanded ruinous, recession-creating spending cuts as a condition to raising the debt ceiling. It looked like a win-win for them. Biden could agree to the recession or bear the consequences of a government default that would unleash a worldwide economic catastrophe. Either way his reelection bid would be doomed.

Of course, he could have declared the debt limit to be unconstitutional because it prevented him from his constitutional responsibility to faithfully execute the laws. As the debt at issue had been authorized by prior Congresses, he could have directed Secretary Janet Yellin to continue assuming debt beyond the limit or mint a trillion-dollar coin.

Once the Republicans actually managed to come up with a plan, he would have been excoriated by the media if he had acted unilaterally. Moreover, he was facing negotiations over the 2024 budget in a matter of months anyway.

As demonstrated by the table below, Biden clearly outmaneuvered McCarthy. No one could have done a better job negotiating.

Instead of having to face yet another phony debt-ceiling crisis next March, in the runup to the 2024 elections, Biden secured funding through January 2025. That is huge.

So too was shifting the baseline for calculating cuts from 2022 to 2023 spending and limiting the mandatory 1% cap on spending to only an additional year (rather than eight years).

And emerging virtually untouched was Biden's signature legislation, the Inflation Reduction Act. The greatest investment in green energy in American history, it has already created 142,000 new fair-wage jobs and is projected to create at least 1.3 million such jobs by 2030.

Unlike Kevin McCarthy, Biden resisted the impulse to [brag](#). He understood that would only inflame the wingnuts in the Freedom Caucus and jeopardize the likelihood of passage in the House.

And perhaps he just didn't feel like bragging when he'd been unable to protect *all* the vulnerable people targeted by Republicans and unable to raise taxes on the plutocrats who haven't paid their fair share for decades. Only Republicans celebrate when the vulnerable are hurt and the powerful are protected.

¹ [The Delray Democrat](#), June 2023, page 3.

Republican Proposal	Bill that Passed
Extend debt ceiling to March 31, 2024.	Extend debt ceiling to January 1, 2025
Cap 2024 discretionary spending at its 2022 level, which would represent a 9% drop from 2023 levels, and then cap it a 1% annually thereafter.	Cap 2024 discretionary spending at more favorable 2023 levels, with 1% increase in 2025 and suggested but not required targets thereafter.
Repeal most tax credits designed to boost production and consumption of green energy.	Tax credits untouched.
Repeal student loan forgiveness.	Student loan forgiveness untouched
Repeal \$80 billion in additional funding provided to the IRS to help them recover taxes from plutocrats and multinationals who failed to pay their fair share.	Remove \$10 billion of the \$80 billion but use it to maintain funding for some nonmilitary discretionary programs. Because the \$80 billion was front-loaded, and the IRS has leeway as to how and when to spend it, the claw-back might not have an impact for years.
Impose work requirements on Medicaid recipients aged 50-55.	Work requirements maintained to age 55 but veterans, the homeless and people who were children in foster care are exempted, so that number receiving aid is the same or greater.
Claw back \$30 billion in COVID money.	Claw back \$30 billion in COVID money but repurpose some of it to boost nondefense discretionary spending