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The Nation's Debt Limit Serves no Purpose. It Should be Eliminated

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A recent New York Times [story](#) illustrated what a Republican majority in the House or Senate after the 2022 election might bring. Josh Brecheen, and a number of other Republicans running in safe seats—and very likely to be elected—are essentially promising to impeach President Joe Biden and other administration officials; to refuse to extend the debt limit; and to promote former President Donald Trump's Big Lie that he was actually elected in 2020.

About most of this platform, there is nothing to be done but prevent it by electing Democratic Party majorities in 2022.

But the Democrats can remove one potential source of irresponsible mischief right now by repealing the Debt Limit.

As explained in a House Budget [report](#) in February, the debt limit is a federal statute that places a ceiling on the amount of government debt that can be outstanding at any time. The current ceiling is \$31.4 trillion, which, at current spending levels, will be surpassed in early 2023. Like any statute, it can be repealed by simple majority vote.

Ironically, unlike a balanced budget requirement, the debt limit does not limit spending, or the authorization of spending, by Congress. The report explains that the debt limit “simply restricts the Treasury Department's ability to honor financial commitments previously made by Congress and the President.”

Thus, the debt limit artificially raises the issue of deficit spending at exactly the wrong point — not at the time of authorizing spending in the budget, but at the point of paying government bills already due.

It functions like a family deciding that the way to reduce spending on electricity is not to use less power, but to only pay half of the electric bill.

Over time, of course, that would lead the family to higher bills that they could not afford and ultimately bankruptcy.

The equivalent of the family bankruptcy for the United States is default on government debt.

The Republicans who promise never to raise the debt limit say they are opposing deficit spending. Readers of this column know that I am very sympathetic to this concern.

We need a balanced federal budget and we need to start moving in that direction quickly by limiting spending and increasing taxes. The inflation we are now suffering arose in part because of years of accumulating massive federal debt. The world is awash in dollars chasing goods and services.

But the Freedom Caucus, chaired by U.S. Rep. Scott Perry, R-10th District, the group that the most conservative House Republicans join, never proposes a balanced budget.

In fact, as the libertarian Cato Institute pointed out in 2019, the group and its members rarely even discuss spending cuts, let alone the tax increases that would be necessary to achieve a balanced budget.

That kind of fleshed-out proposal would necessitate candor with constituents about the pain that would come with America living within its means in terms of federal government spending. That candor would be a helpful form of education and might eventually lead to a healthier national political climate.

They don't do any of that, but they do threaten to throw the government into default by refusing to increase the debt limit.

Of course, even that is an exaggeration, since they did not balk at raising the debt limit while Trump was president.

Default on the national debt is theft. It means that the Treasury Department would not be permitted to pay back money owed to people who had previously lent money to the federal government by purchasing government bonds. Think of the grandmother who bought a savings bond and now will not receive interest payments or get her \$1,000 back.

The scale of a government default is different, of course, and the borrowers are not all as sympathetic as my grandmother buying a savings bond. But the principle is the same — invoking the debt limit keeps the government from paying bills we already owe. It is an immoral act. It breaks a promise to pay that was made “with the full faith and credit of the United States”.

Obviously, a federal government default would be catastrophic to the world economy. The dollar serves as the major global reserve currency because it is known that U.S. government debt will be honored. A default would lead to international chaos.

A default would also greatly harm ordinary Americans. Part of the reason America can spend beyond its means is that people know that our debt will be redeemed and is backed by the largest economy in the world. Take that faith away and it will be harder and much more expensive to borrow money in the future.

Dishonest politicians like Josh Brecheen don't talk about these consequences. They just posture as opposing spending by promising never to raise the Debt Limit. Nor do they acknowledge that they are proposing to steal money from people who lent it to the government in good faith.

The debt limit serves no good purpose. It can and should be eliminated.

Democrats have been very good at legislating with only a narrow majority in Congress. However, they have not been able to eliminate the filibuster, which some Democrats in the Senate feel still has some utility. And, of course, Democrats will be able to use the filibuster if Republicans gain a majority in the Senate.

The debt limit is different. Every Democratic Senator should be able to see that there is never a good reason for refusing to pay our debts. The debt limit can be repealed or suspended by majority vote in the lame duck session that will be held after the 2022 election. It is not subject to a filibuster.

For their own good, the good of the country, and of the world, that is exactly what Democrats should do—get rid of the debt limit.