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The U.S. debt tsunami meets with a reflexive, mindless bipartisan shrug

George F. Will

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Everett Dirksen (R-Ill.), the Senate minority leader for nearly 11 years until his death in September 1969, had a famously foghorn voice with which he supposedly intoned, "A billion here, a billion there, and pretty soon you're talking about real money." Some people say he actually said "a million here, a million there …" Either way, or neither (the Dirksen Congressional Center in his hometown of Pekin, Ill., finds no evidence of his saying either), Dirksen's supposed attempt at alarming the nation about government spending seems prehistoric.

A million seconds ago was about 11 days and 14 hours ago. Someone who is now 31½ years old was born a billion seconds ago. A trillion seconds was 31,688 years ago, about 19,000 years before the invention of farming, a prerequisite for civilization.

Speaking of the distant past, you might remember the May drama surrounding raising the debt ceiling from $31.4 trillion. The ceiling was not raised; it was suspended until after the next election, which was prudent, considering the velocity of the red ink torrent. Last month, the debt soared past the $32 trillion mark, up from $31 trillion in just 36 weeks. As Maya MacGuineas, president of the Committee for a Responsible Federal Budget, says, "We can't even get through *a single fiscal year* anymore without adding a trillion dollars in debt."

The pace probably will accelerate as the growth of borrowing puts upward pressure on interest rates, and as debt service becomes an ever-larger portion of the federal budget — around 2029, larger than the defense budget. By 2051, interest will be the largest item in the budget. Inflation, a consequence of fiscal mismanagement, makes itself worse by increasing spending on entitlements with benefits indexed to inflation. Inflation can usually be cured by a recession, but that would make the debt worse by depressing revenue.

The budget was last balanced in fiscal 2001 and probably will not be again in this century. Federal spending was 17.7 percent of GDP in 2020 and is 24.2 percent today. The Cato Institute's Chris Edwards calculates that if average annual spending growth in this century had merely equaled average nominal GDP growth of 4.2 percent, today's budget would be balanced. Spending actually grew at an average annual rate of 5.7 percent.

Social Security and Medicare drive the growth of debt but will not drive the 2024 political debate. The debt tsunami is the nation's most important domestic problem, and it threatens national security via pressure to curtail defense spending. But regarding deficits, today's reflexive, mindless partisanship is replaced by reflexive, mindless bipartisanship: Donald Trump and Joe Biden are joined at the hip. Trump: “Under no circumstances should Republicans vote to cut a single penny from Medicare or Social Security.” Biden: “If anyone tries to cut” either, “I will stop them.” Florida Gov. Ron DeSantis vows not to “mess with” them.

Reestablishing congressional “regular order” might help: passing a budget resolution by mid-April, with a dozen appropriations bills voted on separately before the fiscal year begins Oct. 1. This was last accomplished in 1996, after the 1994 midterm elections ended 40 years of Democratic control of the House of Representatives. Virtue did not become habitual, so there is a philosophic-semantic puzzle: Can we speak of “regular order” that regularly does not occur? The Economist reports that the U.S. deficit has exceeded 6 percent of GDP only three times — during World War II, the 2008 financial crisis and the pandemic lockdowns. This is, however, on the way to becoming normal.

In February, the Congressional Budget Office projected that under current law, interest costs would amount to $10.5 trillion from 2024 through 2033. Alan J. Auerbach and William Gale, authors of the Brookings Institution’s federal budget outlook, report that, assuming certain probable adjustments of current law (including making permanent some “temporary” provisions), debt would be 240 percent of GDP by 2053.

The Peter G. Peterson Foundation, a splendid nest of deficit hawks, notes that debt service is projected to be the federal government’s largest “program” when it becomes larger than Medicare in 2044 and Social Security in 2050. “By 2053, nearly 40 percent of all federal revenues will be spent on interest alone.” And “we’re on a path to add a staggering $127 trillion to the debt over the next 30 years.”

What Everett Dirksen did or didn’t say needs updating. A trillion here, a trillion there, and pretty soon …