

# The League of ordinary gentlemen

## Disaster, Again

by JASON KUZNICKI on MAY 15, 2012

Says the *Washington Post*.

[The halls of the U.S. Capitol are already teeming with people warning of disaster](#) if lawmakers fail to defuse a New Year's budget bomb scheduled to raise taxes for every American taxpayer and slash spending at the Pentagon and most other federal agencies. What is this horrible budget bomb? Why, it's the very simple result of the deal that Congress reached last year to raise the debt ceiling. If the so-called Supercommittee didn't come up with the required deficit cuts, the trigger would go off. They didn't, and it's about to. So now Congress merely keeping to its own promise has been given a new name — disaster!

But of course, the trigger isn't really binding. [As I wrote at the time](#):

What one Congress enacts, another Congress can repeal. Always. This problem is often brushed aside, but it makes a lot of policy proposals ultimately silly the longer you look at them. Al Gore's Social Security lockbox is the most infamous example, but unless I'm missing something really big, this one bids fair to surpass it.

There are several reasons that the Supercommittee didn't do its job. Republicans have mostly taken Grover Norquist's anti-tax increase pledge — which everyone on both sides of the aisle certainly knew about in advance. The Democrats are equally intransigent but less oath-y in their commitment not to cut social welfare spending — again, both sides should have known this, too. And both parties *always* signal their patriotism by giving the Pentagon more money than even it dares to ask for. All those who don't are cast to the outer darkness. So the work may have been doomed from the start.

If so, the whole trigger business is just so much sleight of hand. But will it really be a disaster? To move the tax rates of the 1990s? To move toward the government spending

rates we had just a few years ago? Please. What we see here is the government *at least trying* to live within its means, rather than spending more and more, charging our grandkids, and hoping for the best.

Are interest rates historically low, and does this make it a relatively good deal to borrow today? Yes and yes. But surely the borrowing should have *some* limits, [shouldn't it?](#)

We're now at debt-to-GDP levels not seen since World War II. We did okay back then for two reasons. First, because we had no choice; it was spend more or die to the Axis. But second, when the war ended, we were the only game in town economically. Neither of those conditions obtains today.