

Macro Roundup Article

Headline: [Averting a Debt-Ceiling Disaster](#)

Author(s)	Michael Strain
Publication	Project Syndicate
Publication Date	January 12, 2023

Tweet: .@MichaelRStrain warns the White House that House firebrands are not bluffing and that the Administration should start working on a package of spending cuts to try to avoid a default. @AEI

Summary: The first step is to throw out any plans that depend on the House firebrands playing ball. They aren't bluffing. Biden and congressional Democrats need to accept this reality and start working on a deal today. They should acknowledge the more widely shared Republican argument that federal spending has reached problematic levels – a conviction founded at least partly on the American Rescue Plan's role in sparking inflation – and they should then find some spending that can be cut. In exchange, the debt ceiling should be raised high enough that it will be many years before it can again be used as a weapon. Second, responsible members of Congress must make plans to avoid a default. One idea worth exploring is to use a discharge petition to force a debt-ceiling increase to the floor of the House in the event that McCarthy is unwilling to do so.

Related Articles: nan

Primary Topic: Politics

Topics: Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Sell-by Date

Permalink: <https://www.edwardconard.com/macro-roundup/michaelrstrain-warns-the-white-house-that-house-firebrands-are-not-bluffing-and-that-the-administration-should-start-working-on-a-package-of-spending-cuts-to-try-to-avoid-a-default-aei?view=detail>