



The Daily Dish

Time for the Debt Dance (Again)

DOUGLAS HOLTZ-EAKIN | OCTOBER 19, 2022

Punchbowl News has an interesting [interview](#) with Minority Leader Kevin McCarthy reminding us that the need to raise or suspend the debt limit is approaching. Seemingly nothing arouses Capitol Hill passion like the need to raise the federal debt limit. Should the increase be “clean” – that is, devoid of policy other than raising the limit – or not? About the only thing that nearly everyone agrees on is that Congress and the Biden Administration must raise the limit, although in recent years even that notion has become controversial.

There may be no other topic on which AAF has spilled so much [ink](#) (and the sigh you can hear is Gordon Gray realizing he will have to update some of it *again*). But before we get to all those analytics, let’s do a quick reprise of the Debt Dance theme song (sung to the tune of [Time Warp](#)).

*It's compounding
Time is fleeting
Interest takes its toll
But listen closely*

*After not much longer
They promise to get control*

*I remember doing the Debt Dance
Drinking those moments when
The gridlock froze me
And default would be calling*

*Let's do the Debt Dance again
Let's do the Debt Dance again*

It's just a promise on the left

*And then a demand on the right
Put your hands on over your ears
You cover your eyes tight*

*But it's just a groundhog day
That really drives you insane
Let's do the Debt Dance again
Let's do the Debt Dance again*

The perceptive reader may detect a bit of cynicism about the whole affair. After all, clean debt limit increases have not reduced the growth of the debt. Debt limit increases accompanied by fiscal “controls” have not reduced the growth of the debt. Debt limit suspensions have mirrored the efficacy of debt limit increases. Indeed, in the 21st century, debt (even relative to gross domestic product) has only risen. To date, the United States has not developed the political economy needed to control the growth of the debt. It is the one genuinely long-standing bipartisan “accomplishment” of Congress and the administrations.

So, get ready to do the Debt Dance. But remember that behind the dance is a real problem that steadily saps the growth of the standard of living in the United States, weakens the country as a global force, and betrays our obligations to the next generation. It is time to deal with the real problem.