

America's ruinous debt still matters — or should

As this week's vote on a stopgap goes forward, Congress should know we care.

By TOM HORNER

Congress is about to pass another stopgap bill to keep the government open. Like most of the recent bills to keep the lights on, the legislation probably will pass days before Christmas with a bit of fanfare, but not much public angst. That's a tragedy. Even for those whose eyes glaze over with the talk of trillion-dollar spending plans, budgets and deficits matter. In the New Year, the country will cross a bright red line of moral compromise that should concern everyone. Next year, the nation will spend more on the past than it invests in the future. Interest on the national debt, which pays for spending that already has occurred, will exceed the amount spent on programs that support children.

Annual deficits — now over \$1 trillion — and the accumulating national debt — soon to surpass the size of the entire U.S. economy — define and limit the choices we make as a society. The crisis isn't just being lost to the attention focused on impeachment, trade wars and other pressing issues. As a country, we have turned our back on the consequences of national debt.

The reality, though, is that deficits are a big deal. The damage being done by deficit spending at the massive scale occurring today imposes very real and measurable harm on each of us.

First, it limits the political latitude of Congress to make smart choices. Policies driving the deficit, poorly designed tax cuts and sacrosanct spending policies have powerful constituencies. Even though hard economic data show that shortchanging kids is a bad investment strategy, less than 10% of federal spending and tax provisions go to support kids, a share that has been in decline since 2010 under both Republican and Democratic leadership. The poverty rate among those under age 18 is twice the level of those 64 and older. Yet, without the public demanding change, the outlook won't improve. According to the bipartisan Committee for a Responsible Federal Budget, "rising and underfinanced spending on the elderly will almost inevitably lead to lower spending on children."

Second, the deficit has become a proxy for partisan divisions that make meaningful action impossible on a host of issues. Republicans care about the deficit only when it comes time to evaluate Democratic proposals for human services spending. Democrats warn of looming budget crises the loudest when defense spending is being considered. In Washington today, the deficit isn't a problem to be solved but a club to be used to pound the other side in defense of each tribe's priorities.

Meanwhile, both parties join hands in protecting shortsighted but politically popular programs. It's not just spending. Tax cuts under both Presidents Obama and Trump, for example, have contributed to the crisis.

Third, there will be a day of reckoning when low interest rates and job growth give way to the normal ebb and flow of economics. Go back to the mid-'70s when a perfect storm of events resulted in double-digit interest, inflation and, by 1982, an unemployment rate that hit 10.8%. A recession, the policies of Presidents Lyndon Johnson and Richard Nixon that buried the real cost of financing the Vietnam War, inconsistent Federal Reserve monetary policy and the oil embargo wreaked havoc on anyone who had to borrow money. A 30-year mortgage hit a top rate of 18.6% interest in the 1980s.

While those days seem far off, replace the oil embargo with the potential impact of long-term trade wars and a federal deficit and the current "easy money" policies of the Fed and the Trump administration that leave little room to effectively counter a recession, and the crises of the 1970s aren't so far-fetched.

This week's vote on a stopgap budget shouldn't go unnoticed. Even if a public outcry doesn't change the substance, members of Congress should at least know the public cares.

Longer-term, Minnesota voters should demand of candidates in 2020 the same budget leadership that long has been a hallmark of the state's congressional delegation. Republican Sen. Dave Durenberger created the bipartisan Americans for Generational Equity in the 1980s to elevate policies that would protect the elderly while creating budgets fair to younger people. Democratic Rep. Tim Penny was part of a bipartisan group that coalesced enough support to pass the country's last balanced budget a generation ago. Democratic Rep. Marty Sabo and Republican Rep. Bill Frenzel were thoughtful budget hawks.

That kind of leadership is needed today. The deficits do matter, forcing choices that undermine the country's future. In this season of giving, the best gift we can offer future generations is a budget that reflects the values of tomorrow at least as much as the political priorities of today.

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