



Republicans Ready to Play Games With America's Economy: Default, Shutdown Not a Viable Solution to Our Fiscal Challenges

Recently, a growing number of Republicans have been threatening to either hold the debt ceiling hostage during fiscal negotiations or force a government shutdown by refusing to fund regular agency appropriations. Instead of attempting to make either of these reckless moves, which are sure to wreak havoc on our economy for the sake of scoring political points, Republicans should immediately work with President Obama to ensure the continued recovery of our economy. As seen in 2011, treating the debt ceiling as a bargaining chip would be dangerous, sowing uncertainty and tempting another downgrade of our credit. And as was the case in 1995 and 1996, a government shutdown would bring turmoil to all sectors of the economy. Republicans should not bet the fiscal stability and economic wellbeing of our country in their attempt to gain political points.

According to [POLITICO](#):

“The idea of allowing the country to default by refusing to increase the debt limit is getting more widespread and serious traction among House Republicans than people realize, though GOP leaders think shutting down the government is the much more likely outcome of the spending fights this winter. ... GOP officials said more than half of their members are prepared to allow default unless Obama agrees to dramatic cuts he has repeatedly said he opposes. Many more members, including some party leaders, are prepared to shut down the government to make their point. House Speaker John Boehner ‘may need a shutdown just to get it out of their system,’ said a top GOP leadership adviser. ‘We might need to do that for member-management purposes — so they have an endgame and can show their constituents they’re fighting.’”

Some Republican lawmakers seem to think default is an acceptable position to take during their negotiations with President Obama:

“For too long, the pitch was, we’ll deal with it next time,’ said Rep. Jason Chaffetz, a conservative from Utah. He said GOP lawmakers are prepared to shut things down or even default if Obama doesn’t bend on spending. ‘No one wants to default, but we are not going to continue to give the president a limitless credit card.’” [[POLITICO, 1/14](#)]

This action would have a devastating effect on our economy, as Treasury Secretary Timothy Geithner said in a [letter to Speaker John Boehner](#) yesterday:

“Even a temporary default with a brief interruption in payments that Congress subsequently restores would be terribly damaging, calling into question the willingness of Congress to uphold America’s longstanding commitment to meet the obligations of the nation in full and on time.”

“It must be understood that the **nation’s creditworthiness is not a bargaining chip or a hostage that can be taken to advance any political agenda**; it is an essential underpinning of our strength as a nation. Threatening to undermine our creditworthiness is no less irresponsible than threatening to undermine the rule of law, and no more legitimate than any other common demand for ransom.”

Additionally, a growing number of Republicans say they would be willing to shut down the government if they don’t get their way during discussions to solve our fiscal situation:

“**I think it is possible that we would shut down the government** to make sure President Obama understands that we’re serious,’ House Republican Conference Chairwoman Cathy McMorris Rodgers of Washington state told us.” [[POLITICO, 1/14](#)]

“**We are going to look at all of these options. There is the option of government shut down.** There is an option of raising the debt ceiling in short term increments,” Blackburn told MSNBC anchor Chris Jansing. [[MSNBC, 1/14](#)]

“Senate Minority Leader Mitch McConnell, on Sunday's *Meet the Press*: What’s important about the top Republican senator’s appearance on NBC’s Meet the Press wasn’t what he said but what he wouldn’t say. After a back and forth with host David Gregory on whether he would rule using a shutdown as leverage, McConnell had only this to say: ‘As the leader of the Republicans, what I’m telling you is we elected the president to be president. It’s time for him to step up to the plate and lead us in the direction of reducing our excessive spending.’ **In other words, he wouldn’t rule it out.**” [[National Journal, 1/7](#)]

“Sen. John Cornyn, R-Texas, in a Jan. 4 op-ed in the Houston Chronicle: ‘The coming deadlines will be the next flash points in our ongoing fight to bring fiscal sanity to Washington. **It may be necessary to partially shut down the government in order to secure the long-term fiscal well-being of our country**, rather than plod along the path of Greece, Italy, and Spain. President Obama needs to take note of this reality and put forward a plan to avoid it immediately.’” [[National Journal, 1/7](#)]

“Sen. Ted Cruz, R-Texas, in a Jan. 3 Dallas Morning News interview: ‘He laughed, literally, at President Obama’s recent suggestion that there won’t be a debate over whether to raise the government’s debt limit and **openly called it a good idea to force a partial federal shutdown to cut the flow of red ink.** ‘The federal government will hit its credit limit in roughly two months, and Obama argues that default to any degree is unthinkable, especially because it entails spending that Congress has already authorized... I’m sure he would like not to discuss it,’ Cruz said. But he said a partial government shutdown would be useful, arguing that the one in 1995 set the table for ‘the greatest degree of fiscal responsibility we have seen from Congress in modern times.’” [[National Journal, 1/7](#)]

“Sen. Pat Toomey, R-Pa., on MSNBC’s Morning Joe on Jan. 2: ‘**We Republicans need to be willing to tolerate a temporary, partial government shutdown. We absolutely have to have this fight over the debt limit.**’” [[National Journal, 1/7](#)]

Instead of using the debt ceiling or a shutdown as leverage, Congress must work towards a long-term solution to restore our fiscal stability. A bipartisan fiscal plan must include a balance of spending cuts and new revenues, while avoiding the negative impact of such self inflicted crises. Democrats continue to be willing to work towards a responsible, balanced and bipartisan solution.