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A “perfect storm” of bad governance

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I'm back in the middle of a semi-annual episode of outrage about America's system for budget and debt management and other governance problems.

Earlier this year we concluded the last cycle of budget/debt ceiling turmoil with a debt ceiling agreement. The U.S. could breathe again, but for how long? Several weeks ago it became clear that we would miss another opportunity to experience careful analysis and debate during the budget process. I'm referring to reestablishing "regular order." That means that our legislators would be required to hold budget hearings and actually vote separately on 12 separate spending budgets. It's been decades since we've followed that process on a regular basis.

Unfortunately, we'll be extending for another year the embarrassing use of omnibus spending bills strung together with emergency continuing resolutions until some sort of annual budget is approved. Ultimately an omnibus bill, generally without adequate detailed analysis, will be agreed upon and we can relax, right? Sorry, no. The budget will be passed, but the funding process will be left hanging. Approval of a debt ceiling won't be addressed until panic arrives, and a debt crisis is declared, usually several months later. Ultimately, after much angst, gnashing of teeth, and threats of a government shutdown, a new debt ceiling will be put in place.

Blame should be placed on both parties for this bad financial management. Fairness requires pointing out that the Democrats reversed course by now claiming the debt ceiling serves no purpose and should be terminated. That's irresponsibly wrong.

The debt ceiling is an important control mechanism for ensuring spending discipline. It was set up to create orderly,



thoughtful, and responsible budget and funding decisions. Responsible financial management requires that spending and borrowing decisions be made as part of the same process, not months apart. That separation of the inseparable decisions of spending levels and funding sources is what causes these predictable debt crises.

The 2023 version of this process emphasizes its foolishness. GOP infighting during the budget process brought about an irresponsible removal of House Speaker McCarthy. I label it as irresponsible because there was neither a viable plan, nor the ability, to promptly name a replacement. We spent weeks without House leadership at a crucial time. Our leaders shouldn't take drastic measures which need solutions unless solutions are provided for.

Finally, the House selected a Speaker, but much damage was done, and it turned into a sad national joke, further suppressing confidence in our nation's government institutions.

The inevitable happened with the new House Speaker Johnson. A stopgap spending bill similar to what was promoted by the prior Speaker McCarthy. With a mere three vote House majority to work with, and facing a democrat Senate and Presidency, republicans must be realistic about what they can accomplish.



Maybe that reality is why Johnson has survived even this long, but I doubt it. Now we will suffer through a possible Federal debt rating downgrade, inadequate thought given to our financial budgets and debt levels, more deficits, exploding interest costs, unnecessary inflation, and uncertainty in our markets.

The country is in quiet turmoil until January, or so, when we'll have more of the same. If we don't change our direction, bigger budgets and deficits will bring more of the same results and concerns. And the debt ceiling issue will be kicked down the road until it becomes an emergency. And on and on and on.....

America's government was at a legislative standstill while national and international events intervened to create a serious geopolitical "perfect storm," made significantly worse by America's bad governance – or should I call it "temporary non-governance."

While we are "muddling through" here at home, the Mideast is the center of international military conflicts following the massive Hamas-led terrorist attack on Israel, with predictable military retaliation on Gaza by Israeli military forces. The Ukraine war is escalating with requests for more U.S. support. Government officials are speculating on how to avoid the potential military conflict with China. And America was temporarily unable to act due to its leadership void. The GOP's infighting had the potential to disrupt the nation's security.

Sprinkle on top of that pile of existential threats, the distraction of a serious impeachment investigation of our unpopular President. Add to that the dozens of charges in four indictments against the outrageously controversial leading GOP candidate for the next presidential election. Unpopular and controversial candidates, and foolish legislators seem to define the prevailing situation in 2023.

The recent governance void in the House of Representatives was eventually dealt with, but I think I've made my point as to the risky path our national leaders chose. A perfect storm of bad governance along with international tensions, doesn't bode well.

I'm wondering if the U.S. can get its ducks adequately in order to continue the international leadership position it has held for so long, and if we can get back to regular, responsible legislative order for dealing with America's financial future.