

Budget Committee Member Day Written Testimony
May 18, 2022
Rep. Bill Foster

Thank you to Chair Yarmuth, Ranking Member Smith, and the Committee for inviting me to testify today.

For too long, we have allowed the federal debt limit to be used as a political weapon, to the detriment of our own citizens and financial system. It is time get rid of this archaic, ineffective, and dangerous rule.

Last time we neared the debt ceiling in October, our colleague Representative Brendan Boyle, who serves on this committee, and I led 79 Members of Congress in sending a letter to House leadership demanding the abolition of the debt ceiling. But instead, like usual, we just postponed the crisis for another year.

In modern practice, our debt limit has had no influence on government spending. The budgetary process – deciding whether to run a deficit or surplus each year – is where we address this. The debt limit only serves to constrain the Treasury from paying our country's debts after they've already been incurred. Threatening to default on our debt is no different than ordering an expensive meal at a restaurant, eating it, and threatening to skip out on the bill.

The consequences for defaulting on our debt would be drastic to both the American economy and worldwide economy. Even nearing default can cause harm; in 2011, the crisis surrounding raising the debt ceiling led credit rating agency Standard & Poor's to downgrade the U.S. government's credit rating for the first time ever. This is the last thing we need right now as our economy recovers from the pandemic and Americans start getting back to normal life.

The United States is one of only two democratic countries with a statutory debt ceiling, and the only one that could single-handedly cause a global recession. No matter which party holds Congress or the White House, all Americans – and all people around the world – would benefit from taking the threat of a U.S. default off the table.

We must not wait for another debt crisis to eliminate this destructive political weapon.

Thank you and I yield back.