

Better than a government default

By [Steve Thorngate](#)

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It's official: Congress [passed](#) a debt-ceiling deal--concerns about a [nail-biter](#) in the House yesterday were overblown--and the president signed it. This is certainly preferable to the country defaulting on its obligations, and Obama never showed much interest in running an [end around Congress](#).

This is not, however, an inspiring piece of legislation. It makes deep cuts to discretionary spending--a [relatively small slice of the budget pie](#) but one that includes many antipoverty programs--and establishes a process for more such cuts later. (Defense cuts are included here as well.) The bill punts on entitlement reform, tax expenditures and new revenues. And while some spending cuts are delayed to reduce harm to the fragile economy and the Americans it's left jobless, the bill does nothing to alleviate this situation in the meantime.

It didn't have to be this way.

Tackling the deficit and [tackling unemployment](#) may be in conflict

conceptually and, more to the point, in terms of political rhetoric. But as a long-term economic strategy, they work in tandem. Ezra Klein [explains](#):

The economy is weak now, with too little demand and too little growth, and threatened by mounting deficits later. The answer, as any economist can tell you and as many told Congress, is simple: do more to support the recovery now and more to cut deficits later. . . . These two priorities don't conflict. In fact, they support each other. Faster growth now will mean smaller deficits later.

Not

long ago, this was conventional wisdom--not only among economists but among politicians on both sides of the aisle. Debates about how and how much the government should stimulate the economy when it's weak (targeted tax cuts are one way!) are routine. But the notion that it shouldn't do so at all makes sense only to those who begin with the principle that government can do no good. Lately, they seem to be running the place.

With

the debt-ceiling fight behind them, Democrats [plan](#) to finally turn their attention to jobs.

That's welcome news, but it's far from clear that they'll be able to accomplish much. These days, the political climate is almost as hostile to pro-job efforts as the job market is to the unemployed.