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Debt Default and the Death of American Democracy

By Mike Tully

Yesterday on “Morning Joe,” MSNBC host Joe Scarborough made the following prediction: “Mitch and the Republicans are being too clever by half,” he intoned. “If Democrats are voting every day, every single one of them, to raise the debt ceiling -- and none of the Republicans are, and the Republicans won't even let them cast a vote on it -- it all falls on the Republicans.”

Scarborough is dangerously wrong. It will fall on all of us.

By “it,” Scarborough refers to political fallout. He believes American voters will blame Republicans for the disaster that follows default on the national debt. In his view, Mitch McConnell and Senate Republicans are setting themselves up for political exile. But “it” also refers to the calamity that will result from the United States defaulting on its debt obligation for the first time in history.

Since World War I, Congress has voted to raise the national debt limit to ensure the country is able to pay its bills. It has no impact on the budget. The debt limit is post-budget; it pays for bills already incurred. But the Republicans are using the filibuster to prevent the Democrats from raising the debt limit this year. Unless they drop their objection, the nation will default on its payment obligations in mid-October.

If that happens, six million Americans will lose their jobs and 15 trillion dollars in wealth would be lost, [according to Mark Zandi of Moody's Analytics](#). On September 30, Treasury Secretary Janet Yellen told Congress that default would trigger a financial crisis and recession. She [described the damage](#) as “irreparable.”

“But the damage from a U.S. default would not be contained to the United States itself,” [writes Rob Garver on the Voice of America website](#). “Securities issued by the U.S. have been so trustworthy for so long that they are treated as essentially risk-free in financial markets, and are used to underpin a vast number of financial contracts worldwide.”

It's logical to assume voters will selectively punish politicians they hold responsible for a national calamity. Some will, a handful of well-informed voters who follow the news daily. But “well-informed” describes a sliver of the electorate. Most Americans don't follow national politics the way Scarborough does.

What of the tens of millions of voters who work full-time, drag themselves home, and follow dinner with an evening of “Dancing with the Stars?” Do you think they know a lot about the debt ceiling and Washington politics? Most Americans know more about the “Masked Singer” than political issues. Consider social media:

Britney Spears has seven times as many *Twitter* followers as President Biden – and she’s been under a conservatorship. Duane “The Rock” Johnson has twelve and a half times as many followers on *Instagram* as the President. The only politician with a massive following on social media is Barack Obama – and he’s retired. Otherwise, the ranks are dominated by entertainers, athletes, and those who are famous simply for being famous. Celebrities dominate the dance floor of social media; politicians are lucky to score left-over condiments.

If America defaults on its debt obligation, there will be a global recession, a permanent reduction in America’s standing, rampant job losses and loss of wealth. How would the majority of Americans react?

The answer: they would throw the bums out. Scarborough believes only Republican bums will get tossed, but he’s wrong. The voters will turn on Biden and the Democrats because they’re in charge. Low information voters won’t associate the disaster with reckless Republican monkey-wrenching. But Republicans won’t escape voters’ wrath either. Every sitting politician will be in the bulls-eye because voters will blame everybody in power for the calamity. And they will be inclined to turn to a strongman. They will turn to Donald Trump.

Last year, *Salon* conducted a survey that confirmed what was already widely believed: Trump supporters had little faith in institutions. “We chose three institutions that Americans perceive as liberal” [they wrote](#), “journalists, professors and scientists — and three that conservatives either traditionally support or currently control — the police, the Supreme Court and the federal government.” The result? “Even when we controlled for age, education, gender, ethnicity and ideology, Trump supporters had the lowest trust in the six institutions, at 3.75 out of 7 — at least 11.4% lower than anyone else we surveyed.”

Trump and his supporters have already sown the seeds of an insurrection that will be far worse than what happened on January 6th. Robert A. Pape, Professor of Political Science at the University of Chicago, described a recent study [in *The Conversation*](#):

“We have found,” he wrote, “that 47 million American adults – nearly 1 in 5 – agree with the statement that ‘the 2020 election was stolen from Donald Trump and Joe Biden is an illegitimate president.’ Of those, 21 million also agree that ‘use of force is justified to restore Donald J. Trump to the presidency.’”

A calamity that voters blame on the political establishment will inflate those numbers. More people will support laws that disenfranchise voters and overturn election results. The crisis triggered by default will be a tipping point and American democracy will be lost.

If the United States defaults on its debt later this month, the result will be financial devastation and, quite likely, a loss of faith in democracy. Would establishment Republicans and McConnell – [who predicts there will be no default](#) – allow that to happen? They wouldn’t deliberately sacrifice American democracy on the altar of Trump, would they?

Yes. Yes, they would.