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Fiscal Chicken, Anyone? How to End Debt Ceiling Fights.

By [Jack Hough](#) Updated Sept. 18, 2021 12:08 pm ET / Original Sept. 17, 2021 6:13 pm ET

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For background, America has imposed a statutory limit on its debt for just over 100 years, and has raised that limit around 100 times. "Ceiling" probably isn't the best metaphor—debt hat, maybe. As rising partisan rancor has turned everyday legislating into a death struggle, politicians have grown more willing to use the debt ceiling as leverage.

A standoff in 2011 resulted in a credit downgrade to the U.S. government, [a brief but angry slide in stocks](#), and a temporary move higher for bond yields, which accountants later said cost the U.S. government billions of dollars in added interest. The outcome was a shaky compromise, which fell apart in 2013, but Congress hadn't yet regained its appetite for another round of fiscal chicken, so it suspended the ceiling. There have since been many extensions, the last of which expired at the end of July. The Treasury is now reaching under its couch cushions for funds. Without action from Congress, America will default by mid-October.