

Fedruptcy:

July 12, 2019

It just gets worse, it being the financial condition of the United States federal government -- and nothing is being done to address "it." Nothing!

Here's the situation as it exists this morning:

Budget deficit reaches \$747.1B

By MARTIN CRUTSINGER
Associated Press

WASHINGTON - The U.S. budget deficit increased by \$140 billion during the first nine months of this budget year to \$747.1 billion as government revenue and spending both hit records.

The Treasury Department reported Thursday that the deficit for the current fiscal year through June is up 23.1% over the same period a year ago with receipts rising by 2.7% while spending increased 6.6%.

The Trump administration is forecasting that the deficit for the full budget year, which ends on Sept. 30, will top \$1 trillion, up from a deficit of \$779 billion last year.

The Congressional Budget Office is not quite so pessimistic for this year, forecasting a deficit of \$896 billion this year.

But the CBO projects that deficits will top \$1 trillion beginning in 2022 and will remain above \$1 trillion annually through 2029.

The surge in deficits reflects a variety of factors

including a \$1.5 trillion tax cut President Donald Trump pushed through Congress in late 2017 and billions of dollars in extra spending Congress approved in early 2018.

The Congress and the Trump administration have been unable to agree on a new budget, raising the prospects of another possible government shutdown when the new budget year starts on Oct. 1. In addition, Congress must pass an increase to the debt ceiling or risk an unprecedented default in the \$22 trillion national debt.

To add to this ridiculous, dangerous situation involving the nation's finances we have this story on the same day in the same newspaper, the Minneapolis StarTribune:

Source: StarTribune, Business (Page D3), 12 Jul 19

Also on this date
we have this news:

 **StarTribune**
FRIDAY, JULY 12, 2019

Dow tops 27,000; S&P hits a new high

By ALEX VEIGA
Associated Press

Stocks raced to new highs again Thursday, this time led by the blue-chip Dow Jones industrial index that passed the 27,000 level for the first time with a major lift from United-Health Group, Minnesota's largest company by revenue and value.

Shares in the Minnetonka-based health insurance and data service company surged 5.5%, their biggest one-day gain since October 2017, on news that the Trump administration dropped an effort to halt drug rebates.

FRIDAY, JULY 12, 2019

STAR TRIBUNE • A3

Pelosi is moving for deal to resolve budget impasse

Action needed quickly as Treasury runs out of cash.

By ERICA WERNER
and DAMAIN PALETTA
Washington Post

WASHINGTON - House Speaker Nancy Pelosi said Thursday she will attempt to finalize a deal that would raise the debt ceiling in the next few weeks instead of delaying until autumn, heeding dire warnings from Treasury Secretary Steven Mnuchin that the government could fall behind on its bills by early September.

Pelosi, the California Democrat, told reporters she wants to raise the debt ceiling as part of a deal that would set spending levels for the next two years. Many lawmakers on Capitol Hill had expected to vote on a spending and debt package wouldn't occur until September, but Pelosi indicated for the first time Thursday they needed to act more swiftly.

"Before recess," she said, referring to a long August break.

Asked about the prospects for a deal, she said "We'll see. We're going back and forth."

Pelosi's comments came

shortly after she spoke with Mnuchin for at least the second time this week. He has been arguing for weeks that Congress needs to move much faster than lawmakers were inclined to ensure Treasury has enough money to pay its bills.

As Pelosi tries to whip up momentum on Capitol Hill, top White House officials have also been scrambling to formulate their approach. Mnuchin and others met in the White House on Thursday afternoon to discuss their spending and debt ceiling strategy.

Meanwhile, the White House has told federal agencies to submit new shutdown contingency plans by the beginning of August, two people briefed on the planing said.

White House officials want to avoid another chaotic shutdown if Congress doesn't approve a funding bill by the end of September, and many agencies had been caught unprepared during the 35-day shutdown that began in December 2018.

The White House has been trying to broker a budget deal with lawmakers for more than a month, but the Trump

administration and lawmakers remain far apart on how much money they want to authorize for the federal budget.

Many government functions are only funded through the end of September, and Democrats were planning to wait and vote on a debt ceiling and budget agreement all at once.

A number of Republican lawmakers had favored this approach as well, as many believe it is politically treacherous to vote for a debt ceiling increase on its own.

The current budget standoff between the White House and lawmakers has been marked by distrust. White House officials have tried to cleave a debt ceiling vote away from a spending vote for weeks, but some Democratic aides have said this is a ploy to drive a government shutdown in October without also forcing a debt ceiling crisis.

This accelerated timeline will pose major tests for Pelosi, Senate Majority Leader Mitch McConnell, R-Ky., and the White House as they will be forced to decide whether to make major concessions on a spending agreement in a brief window of time.

Source: StarTribune, Page A3, 12 Jul 19