

## A Deadline Looms For The U.S

Feb 24, 2013 By Anita Ramachandran



Courtesy mediafreedominternational.org

Since March 1st, chances are you have been hearing the adults around you talking about automatic budget cuts, and what it would mean for them. The word thrown around is *sequestration*. What does it really mean?

### Let's take a step back...

Now, what would you do if all the money you earn each year plus your savings are less than your yearly expenses? You could either borrow what you need, or cut back your spending, right?

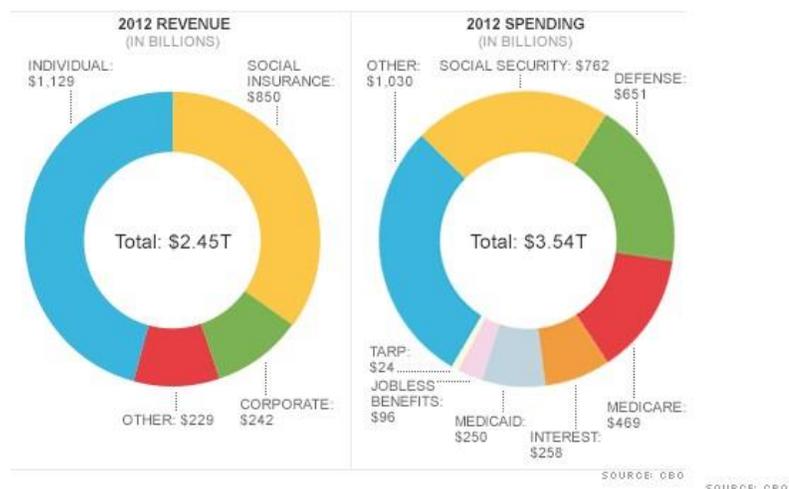
The US Government is faced with just such a situation. Taxes (income) have not been enough to handle the government's expenses -- money spent on military, social security and other public programs. To make up the difference, the government borrowed money from the US Treasury. But it cannot borrow endlessly, and it has hit a limit known as **debt ceiling**.

Faced with little options, the Government has two choices – raise taxes (increase income) or cut back spending. The right approach to take is the ongoing debate happening in Washington DC.

### What is sequestration?

Back in 2011, Republicans demanded spending cuts in exchange for raising the debt ceiling. Since both political parties couldn't agree on what to cut, they

1. Mark your confusion.
2. Show evidence of a close reading. Mark up the text with questions and/or comments.
3. Write a reflection on lined paper.



US Government revenue (left) and expenses (right)

<http://www.youngzine.org/article/deadline-looms-us>

postponed the issue and said if they couldn't make a deal by 2013, they would just do automatic cuts of \$109 billion every year for the next 10 years. This is known as sequestration.

On New Year's Eve 2013, in what came to be known as the **fiscal cliff debate**, Congress agreed to tax increases on the rich to partially solve the problem. Both parties agreed to look at ways to reduce expenses by March 1st, 2013. But, there is no solution in sight and March 1st has passed!

### **What will get cut?**

Both military and non-military programs will be affected. Spending on important services such as airport security, education programs, scientific research, disaster relief, disease control, food and drug safety, and many others will also have to be cut. Many jobs will be lost and it can affect the recovery of the US economy

However some items such as Social Security, Medicaid, food stamps programs and others will not be affected.

Many industry leaders, and especially the military, have been against the automatic budget cuts. How will Congress act? Will it pass a new bill to avoid these automatic budget cuts? The drama continues...

Possible written response topics: (1/2-3/4 page)

- What do you think the government should do?
- How could the cuts be good for the U.S.?
- How might the cuts be bad for the U.S.?
- If you were in charge of the budget, what would you do?