

US on brink of government shutdown with funding talks stalled

A last-gasp meeting at the White House on Monday yielded no progress

- The 100-member Senate requires government funding bills to receive 60 votes
- A shutdown would see nonessential operations grind to a halt
- Republicans have proposed to extend current funding until late November

AFP | Washington, United States

The United States government was barreling towards its first shutdown in six years yesterday, with funding expiring at midnight barring a breakthrough on deadlocked negotiations between Democrats and Republicans.

A last-gasp meeting at the White House on Monday yielded no progress, with top Senate Democrat Chuck Schumer saying afterward that “large differences” remained between both sides.

His party, in the minority in both chambers of Congress, is seeking to flex its rare leverage over the federal government, eight months into Donald Trump’s barnstorming second presidency that has seen entire government agencies dismantled.

The 100-member Senate requires government funding bills to receive 60 votes -- seven more than the Republicans control.

With no sign of compromise, an afternoon Senate vote was expected on a short-term funding extension already passed by the House of Representatives, although there was little hope it would succeed.

Unless Congress passes a bill before midnight to fund federal operations, the government will partially close up shop -- and plunge Washington into a fresh political crisis.

A shutdown would see non-essential operations grind to a halt, leaving hundreds of thousands of civil servants temporarily without pay, and payment of

Who is impacted

Hundreds of thousands of federal workers could be furloughed, but those considered essential would keep working.

President Donald Trump’s administration has also raised the stakes this time: it has directed agencies to consider firing staff rather than the usual practice of holding up their pay until lawmakers strike a deal.

The need to avoid a shutdown has “reached a new level of urgency,” said the American Federation of Government Employees (AFGE).

AFGE President Everett Kelley urged lawmakers Monday to come to the table, stressing that “federal employees are not bargaining chips.”

Typically, many workers will be told not to report to work, except for those providing key services like air traffic control and law enforcement.

These workers, while staying on the job, are not paid until the shutdown is over -- meaning a prolonged closure could strain their finances.

Services affected

Social Security and Medicare benefits will continue, as these programs are authorized by Congress via laws that do not require annual approval.

The National Park Service (NPS) would likely also be hit. During a 2013 government shutdown, the NPS turned away millions of visitors to hundreds of parks, monuments and other sites.

But during a 2018-2019 shutdown, the Trump administration kept parks accessible to the public, even though many staff stayed home.

This resulted in damage to parks, said the National Parks Conservation Association. It called for closures if there were a shutdown, warning that NPS areas would otherwise be vulnerable and understaffed.

Length of shutdown -

It is unclear how long a shutdown could last.

Economists have warned that pressure would mount to reopen the government if a stoppage lasted for two weeks -- threatening missed paychecks as this is a typical US pay cycle.

There have been several shutdowns where operations were hit for more than one business day, including one lasting 35 days around December 2018 and January 2019, during the first Trump administration.

That shutdown, also the most recent, was the longest in US history.

The damage of a shutdown is often “more insidious,” said Max Stier, president of the Partnership for Public Service.

“It interrupts the longer-term investments that are necessary to make our government run over time.”

Economic impact

“A shutdown could reduce GDP growth by 0.2 percentage points for each week it lasts,” said economists Kathy Bostjancic and Oren Klachkin of Nationwide.

If there are layoffs this time, “the path back to a functioning government will be longer, and rockier,” cautioned High Frequency Economics’ Carl Weinberg.

This risks prolonged dysfunction, analysts said.

A shutdown would also “cut the flow” of economic data supporting policy decisions and assessments on the economic outlook, Weinberg said.

A key concern is the closely watched government report on employment, due Friday. The Department of Labor is set to pause its publication -- and others -- if a shutdown occurs.

The department’s Bureau of Labor Statistics also collects and refines data over the course of a month, and a shutdown could impair such operations.

While financial markets are not usually hit hard in a shutdown, SPI Asset Management’s Stephen Innes said the situation could get “noisier” without signals from fresh economic data.

“Markets hate uncertainty more than bad news,” he warned.

BETTER YOU KNOW

During the 2013 U.S. government shutdown, even the panda cam at the Smithsonian’s National Zoo in Washington, D.C. was turned off because staff were furloughed. Millions of people who regularly watched the baby panda online suddenly lost access -- and the “panda cam shutdown” became one of the most talked-about symbols of the political stalemate.

as the shutdown looms.

“We’re ready, we’re willing and able to find a bipartisan path forward to fund the government in a way that actually meets the needs of the American people in terms of their health, their safety and their economic well-being,” he told reporters.

“But here’s what we’re not going to do: We’re not going to support a partisan Republican spending bill that continues to gut the health care of the American people -- not now, not ever.”

The gridlocked Congress regularly runs into deadlines to agree on spending plans.

In March of this year, with the threat of another shutdown already looming, Republicans refused to engage in dialogue with Democrats over massive budget cuts and the layoffs of thousands of federal employees.

Senate Democrats reluctantly provided the votes to end the stand-off but the decision angered the party base, which is calling on Democratic leaders to stand up to



many social safety-net benefits potentially disrupted.

Trump upped the ante Tuesday when he told reporters his administration may go beyond the usual practice of temporary furloughs and fire “a lot” of federal workers -- but he blamed Democratic demands for the looming crisis.

“It’s like they don’t change. They lost an election in a landslide, and they don’t change,” he said.

‘On vacation’

US government shutdowns are deeply unpopular, and Democrats and Republicans alike try to avoid the scenario -- while blaming the oth-

ing his chamber back to Washington this week.

But many Democrats have shown up and House Minority Leader Hakeem Jeffries assembled dozens of his members in front of the US Capitol to berate Republicans for being “on vacation”

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Trump tells generals US faces ‘war from within’

AFP | Quantico, United States

President Donald Trump said yesterday that the United States faces a “war from within” from crime and immigration, in a darkly authoritarian speech to a rare meeting of the top US military officers.

Addressing generals and admirals summoned from around the world by Pentagon chief Pete Hegseth, Republican Trump warned that the military would be involved in his crackdowns on a number of Democratic-run cities.



US military generals and senior officers wait for the arrival of US President Donald Trump

“We’re going to straighten them out one by one, and this is going to be a major part for some of the people in this room. That’s a war too -- it’s a war from within,” Trump said in front of a huge American flag in Quantico, Virginia.

Trump added that he had signed an order to set up a military quick reaction force to quell civil disturbances “because it’s the enemy from within, and we have to handle it before it gets out of control.”

Trump began his speech by

talking about the US military in general terms, saying it was “re-awakening the warrior spirit.”

But much of the extraordinary, hour-long address had a highly political tone, in a break with tradition by previous presidents who have tended to avoid overt domestic politics when addressing troops.

As the audience of officers remained silent, Trump also lashed out at the media, calling them “sleazebags.”

‘Fat generals’

Former Fox News host-turned Defense Secretary Hegseth summoned the highly unusual gathering of hundreds of officers last week before Trump then announced that he would also speak.

Striding the stage, the Pentagon chief said the military must fix “decades of decay” as he lashed out at so-called “woke” policies in the military.

Hegseth unveiled directives for US service members to get fit, cut their hair and shave their beards.