**DEBT CEILING**

The debt ceiling is a legislative limit on how much amount of the debt the federal government is allowed to pay by borrowing or to accumulate when borrowed debt is not fully paid, to be able to settle the bills to those it borrowed from and able to get the military salaries and other responsibilities. The government needs more money to help it run its activities successfully, thus debt ceiling has to be raised.

There is an amount of debt that the federal government can hold, however, the government can postpone if unable to pay the bills but for a certain period, (Gale et al, 2023) therefore congress finds as an alarming call by trying to solve the issue, when to give out another debt, how much should give out, and what if any, condition to attach.

Congress is the one responsible for the debt ceiling, it enacts laws that influence the lives of citizens and that listen to the voices of a citizen. Its responsibilities include holding hearings to form the legislative process, oversight of the executive branch, and funding the government functions and programs among others. Citizens and the media may not understand the problem that runs in the debt limit, but the main issue is that Congress does not address the issue well or brings out a piece of clear information regarding the debt limit hence creating too much misunderstanding among the citizens.

THE RAISING OF THE DEBT CEILING.

Looking at the scenario in the US if the debt ceiling will not be lifted then the treasury will have difficulties in paying for the obligation, and poor economic causes the occurrence of deep recession. The debt ceiling caps the amount of allowances for federal debt in the US. It hit up to $31.4 trillion however the treasury had set some rules to protect against a high accumulation of debt that is declared that those measures are enough for quite a while unless Congress comes in and raises or suspends the debt ceiling, the government will run out of money to pay all obligation. The unpredictable events of economic effects are negative (Sheiner et al, 2023). However, there is a huge amount of anticipated activities surrounding the destruction the US will have to take care of if the government is unable to settle all the bills, but this depends on how long the period takes and how it is controlled, and the level to which investors provides the views on the protection of US treasuries.

It is difficult to estimate the period when the treasury does not have enough money to pay all the obligations because the payment of the federal tax has inflows.

It is necessary to raise the debt ceiling in the case when the government needs the money to settle all the obligations, over a period this has been the routing raising the debt for the congress (Berman, 2023). This helps since whenever the treasury department could not be able to settle the bills, the congress would come in and act accordingly and raise the limit on what the government could borrow.

RAISING THE DEBT CEILING IS ABOUT PAYING THE PREVIOUS DEBT LEGISLATED BY LAWMAKERS AND NOT NEW SPENDING.

Raising the debt is about paying past choices. Debt ceiling discussions are about whether Congress should permit the government to borrow to pay for spending that Congress has already authorized. When the government hit the limit, it cannot raise the amount of outstanding debt it can only use the cash on hand to spend on its revenues. Extraordinary measures are being taken by the treasury to permit it to allow the government to settle all its obligation for a certain period while staying below the limit. These measures include accounting techniques that reduce the amount of US treasury insecurity taken to those accounts. These measures include putting up new investments. By lowering debt limit treasury insecurities, its level falls and therefore extending the period that the government can continue to pay its choices (Rouse et al, 2021). When the treasury department runs out of money, the government will be forced to use the cash from incoming revenue to pay all the obligations.

THE EXHIBITION OF THE USELESSNESS OF THE DEBT CEILING.

The US has always been setting the limit on how much cash the government is allowed to borrow, the nation that has dealt with economic and political crises as a result. The president will have a critical meeting, he will host the lawmakers and other leaders to discuss the raising of the US debt ceiling. The treasury department raised an alarm that if the right measures are not taken as fast as possible the United state could run out of cash and hence not be able to settle all the bills (Horowitz, 2023). This means that the economists had foreseen this due to the decline in economic activities that are caused by the recession. Other countries set limits that will help them settle all their obligations since they can become a tool of political brinkmanship. Only in places where there is an advanced economy limit the rise of the debt ceiling whereby it is set so high to avoid political dramas.

THE DEBT CEILING APPLIES TO GROSS DEBT

Gross debt is the cash, all debt that the federal government owes and that it owes itself. When the government debt is rising so fast and when it is high, it slows the production of the economy, elevates the risk of a sudden fiscal crisis, limits the government's availability to respond to unexpected emergencies, and crowds out private investments (Boccia, 2023). $31.5 trillion is the total gross federal debt, the gross federal debt surpasses the amount of goods and services made in the US when the gross domestic product is at 120 percent. $94,000 is the total federal debt burden for each person in the US and $240,000 for each household. The total federal debt consists of intragovernmental debt and publicly held debt. Public debt is the debt borrowed in credit markets that consist of $24.6 trillion in the US.

TREASURY DEPARTMENT POSTPONES THE PAYMENT OF BILLS WHEN DEBT REACHES THE LIMIT WHICH LASTS FOR A CERTAIN PERIOD.

Raising the debt limit requires the payment of past bills that were incurred. It has come to the attention that the lawmaker sometimes is under pressure to raise the debt ceiling, the amount of debt that the federal government can hold. The national debt is the amount of money that the federal government has borrowed to recover the expenses incurred over time, this could include military salary, tax refunds, medicare, and social security or other expenses (fiscal data, 2023). For the federal government to be able to borrow the amount by paying the previous bills, it involves selling marketable securities such as floating rate notes, treasury inflation-protected securities, treasury bonds, and bills notes. It is common for the federal government to experience reoccurring deficits that help the national debt grows. When federal revenue cannot fund the activities run by the government, an amount of money is required to be borrowed to pay the pending bills. The national debt supports the government to pay for important programs and services even when it does not have cash at that moment.

TAXES INCREASE AND SPENDING CUTS WHEN THE DEBT LIMIT IS NOT RAISED.

When the debt ceiling is not raised the federal government runs out of cash and may not be able to pay all the bills hence taxes are raised and too much spending decreases. In this case, the treasury department will have defaults on payments to bondholders and other authorities that are mandated but not fully funded by Congress. In addition when the government is not able to settle the bills it will be forced to impose budget cuts (Ermey, 2023). The treasury department is forced to take extraordinary measures to help it continue paying the government bills. The government would borrow money to cover spending approved by Congress only when the limit is raised. When the debt ceiling is not raised it means that the federal government will not settle the past choices including the interest payments on treasury bonds, hence putting the government in default.

LARGE SCALES AND INTENTIONAL DEFAULT ARE ECONOMIC CONSEQUENCES THAT ARE NOT KNOWN

The Congress and treasury department had hit the debt limit. The Department of the Treasury is enacting extraordinary measures to be able to borrow within the limit and manage the flow of the cash, they discussed and agreed that the consequences of default would be too for US global financial system and economy. Some of the economic consequences include chaos in the financial market, lasting damage to US leadership in the global economy, (Ross, 2023) high level of unemployment, and recession. This harm could continue putting the country at greater risk which needs to be attended to eliminate, raise or suspend the debt limit.

OPTIONS AVAILABLE FOR INCREASING THE DEBT LIMIT

The deadline to fund the government is approaching where the Congress is supposed to address the issue before it's too late. The treasury will run out of money to pay all bills which means that Congress is required to act accordingly on the issue (Cowan, 2021). Congress has a short period to begin the shutdown of the government services which includes a screen of fewer airport security, shutting down some of national parks, retirees, and keeping national parks open. The action needed to be seriously taken to manage and settle the federal government bills.

THE AMOUNT THE DEBT CEILING HAS GROWN

During world war ii, congress and the authority department created the debt limit more than 100 times. Long ago the debt ceiling was added from $1 trillion to almost $3 trillion. Over the years, it increased to $6 trillion and it doubled after a few years. The budget control act increased the debt limit to $900 billion which gave the president the power to raise the limit by $2.1 trillion to $ 16.39 trillion ([www.crfb.org](http://www.crfb.org). ,2023). Policymakers suspended the limit instead of raising it a certain dollar but later on, it was increased to $13.381 trillion.

DEBT LIMIT CRISIS GETS INCREASINGLY RISKY

The Treasury Department can manage trillions of dollars with the millions of payments getting in and out of the government's account every day, though this varies depending on the activities undertaken daily. It is Congress's responsibility to act according to prevent the government from running out of cash which will be a challenge to pay all the bills.

CONCLUSION

Congress should omit the debt limit and come up with a better method that will prevent the government from running out of cash and automatically accept the borrowing needed to fund the new legislation

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