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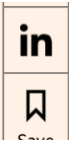
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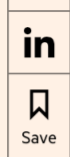
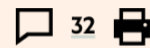
## US debt ceiling debacle adds to economists' fears of turmoil

Concerns grow that growth and jobs will suffer as impasse drags on in Congress

White House, Council of Economic Advisors © Scott Olson/Getty Images



Chris Giles in London and Colby Smith in Washington MAY 7 2023



With the two main political parties unable to agree an increase in the \$31.4tn ceiling on US federal debt, Janet Yellen, Treasury secretary, has warned that stop-gap measures to circumvent the limit will run out of road [as soon as June 1](#).

At that point, the US federal government would face various unpalatable options, ranging from delaying payments to contractors, Social Security recipients, Medicare providers or agencies; to defaults on payments on US [government debt](#). It could also carry on spending programmes in defiance of the ceiling.

In any of these scenarios, analysts believe a political, financial and economic crisis would be hard to avoid.