

John Williams'
Shadow Government Statistics
Analysis Behind and Beyond Government Economic Reporting

No. 481: ALERT
Unusual U.S. Treasury Action

November 10, 2012

**Negative Indication for Meaningful Lame-Duck Negotiations on the
Budget Deficit, “Fiscal Cliff” and Debt Ceiling**

U.S. Treasury Delays 2012 GAAP-Based Financial Statements Until Mid-January

With the White House and lame-duck Congress ready to enter into purportedly serious negotiations addressing the reduction of the federal-budget deficit, the related year-end “fiscal cliff,” and the federal debt ceiling, one might expect those involved to have use of the best information available.

Yet, yesterday, November 9th, the U.S. Treasury rescheduled release of the GAAP-based *2012 Financial Reports of the United State Government* from the traditional December 15th publication date, until January 17th, which is after the seating of the new Congress. Might someone have had a concern here of inflaming what already are likely to be highly contentious, and down-to-the wire, year-end negotiations, with meaningfully new negative information?

GAAP-based reporting means use of generally-accepted-accounting-principles, similar to the accounting used by corporate America. The government’s heavily gimmicked cash-based accounting has shown already an annual deficit of \$1.1 trillion for the fiscal-year-ended September 30, 2012. Yet, the still-to-be-published, accrual-based GAAP accounting—including detail of annual deterioration in the net present value (the amount of cash needed in hand to cover the future value) of the government’s unfunded liabilities for programs such as Social Security and Medicare—likely will top \$7.0 trillion for the year. More detail will follow in the *Special Commentary* to be published early in the week ahead.