

**Sing again:** The last laptop report, entitled "Song of the Shopkeeper", engendered more positive responses than anything I have written in a couple of years. It wound up being published as a front section editorial in The Washington Times, and received some radio coverage as well. It seems that almost everyone has a "shopkeeper" in their family's past or present or knows of one. I thank you all for your comments and stories. I am honored to give voice to all you shopkeepers out there. One regular reader of these missives suggested a quote that I should have put in the original tome. Napoleon Bonaparte is said to have once derisively described England as, "a nation of shopkeepers". It was meant as an insult. I wonder if Napoleon remembered these words when his army was later defeated by those very same "shopkeepers" at the Battle of Waterloo?

**The Numbers are In:** The federal deficit for the fiscal year ending September 30, 2011 was \$1.298 trillion. That is the second highest deficit ever. Here is a chart of the deficits for the last 5 years, in billions of dollars:

(billions of dollars)

| Fiscal Year | Revenue | Spending | Deficit |
|-------------|---------|----------|---------|
| 2007        | 2,568   | 2,729    | 161     |
| 2008        | 2,524   | 2,983    | 459     |
| 2009        | 2,105   | 3,518    | 1,413   |
| 2010        | 2,162   | 3,456    | 1,294   |
| 2011        | 2,303   | 3,601    | 1,298   |

**The Rest of the Year:** Halloween is approaching. With a little more than 2 months left in the first session of the 112th Congress, what can you expect that we will do for or to the citizenry before Santa slides down the chimney? As I'm sure you know, the trade agreements with South Korea, Columbia and Panama just passed and were signed by the President. This is a big deal as these agreements were being discussed when I was first elected to Congress in 2005. That's a long legislative gestation period. But, they are done now. So, what next? There are 3 areas in which major legislative activity or deadlines currently exist:

**1. Jobs:** You hear the President and every presidential candidate talk about jobs constantly. The President's "American Jobs Act" was defeated in the Senate last week with all Republicans and 3 Democrats voting against it. We, Republicans in the House, are passing a "jobs" bill a week, but not a single one has been taken up in the Senate. The President is now attempting to

see if a few elements of his bill might be combined in a package that would be palatable to the House and Senate. Speaker Boehner last week told the President that such a package should include some of what the House has passed so far and not just the President's "all mine or nothing" approach. Something could happen on this front next year, but I suspect there may not be much action for the rest of the year because of the next 2 items which are on deadline. And Congress, like many other organizations, works on deadlines.

**2. Budget Deadline:** The government is currently funded through November 18th. So, on or before that date we have to do something to avoid another shutdown. The total amount of spending was agreed to in the debt limit deal, so that is not at issue. What is at issue is the details of how that money will be spent. Said details often make it difficult to get the necessary votes to pass such an "omnibus" spending bill or multiple "minibus" spending bills. I expect these will be passed, but not without some drama in cobbling together the coalition of votes.

**3. Deficit Reduction:** The "supercommittee" is supposed to finish with its agreement, or lack thereof, on deficit reduction by November 23rd. Not only do I not know what they will agree to, or whether they will agree to anything at all, the members of the supercommittee themselves don't even know yet. If they don't come up with \$1.2 trillion in deficit reduction, automatic cuts, in theory, go into effect on January 1, 2012. This would result in \$600 billion in defense cuts and \$600 billion in Medicare provider cuts over 10 years. But already, some in Congress are proposing that the automatic cuts be suspended if there is no supercommittee agreement. Congress can always change a law it made. In effect, these members are saying, "if we can't agree, then don't do any deficit reduction at all." This is all very complicated with many moving pieces and I expect it will be the subject of several more missives to you over the next few months. Suffice it to say that I will be surprised if the supercommittee delivers the prescribed amount of deficit reduction. Of course, Speaker Boehner and Senate Majority Leader Reid could always make their own agreement and task the supercommittee with the details. I really have no feel at the moment for where this might end up.

In any event, I will keep you all posted on events as they transpire over the next 9 weeks. Who needs a novel when you have this gripping tale? Actually.....I do. I have to have something to clear my mind every once in a while.