



## Interview: U.S. government shutdown unlikely to rattle U.S. markets -- expert

By Matthew Rusling

WASHINGTON, September 25 (Xinhua) -- U.S. markets are unlikely to see any major turmoil in the event of a U.S. government shutdown, which is possible if the Obama administration and Republican lawmakers fail to cut a deal on government funding, a U.S. expert said Wednesday.

There is only a week before the government shuts if Congress cannot cut a deal, as the House of Representatives last week tied funding of the government to the de-funding of President Barack Obama's signature healthcare overhaul.

"The outlook for the economy will not change," **Bernard Baumohl**, chief global economist at the Economic Outlook Group, told Xinhua in an interview. "Even if they do have a government shutdown, the overall economy is not going to be affected by that."

**Baumohl** noted that the markets have already adjusted to Congress' annual game of political chicken. Having seen this movie before, the looming shutdown, whether it happens or not, will not derail the economy.

"I think the markets would not necessarily think that this is the end of days, not some financial Armageddon. I think they realize that there's a very good chance that this shutdown is just not going to last. And it's based on previous experiences," he said.

Indeed, this is not the first time such a crisis loomed. In 2011, U.S. Congress and the White House avoided a government shutdown in a last minute deal between Obama and the Republicans. Last year, another deal was struck to avoid a government shutdown just a week before the presidential elections, after much bickering between the two parties.

**Baumohl** said there are two likely outcomes this year: one is that House Speaker John Boehner, a Republican, will convince party members to keep the government running; the other scenario - of equal probability - is one in which Boehner will permit the government to shut down, but only for a limited period.

"Either we'll have no government shutdown or we'll get a very brief shutdown," **Baumohl** said. "I think there is virtually no chance of a prolonged government shutdown. That's not going to happen." Polls show the Republican Party would take the brunt of the blame if the government shuts down, and it faces serious political liability, Baumohl noted.

Meanwhile, Senate Minority leader Mitch McConnell said Monday that he would not support Republicans who aim to dismantle Obama's health care legislation. This was a setback for Senator Ted Cruz, who is spearheading the move to stop funding for Obamacare.

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