

have to stop playing politics, and doing what is right for the future of our country. I think that is sort of what he is doing. He sees his poll numbers gaining by saying, "No, I am not going to allow these cuts."

I think here is the other second option, that the American people spend some really tough, hard studying time learning about the budget of the U.S. Government, and what it is really doing to their future, what it is doing to their future standard of living, what it is doing to their obligation they are going to have when they start paying off this debt.

Mr. Speaker, it has been politically damaging to many Republicans to go home, because the PR battle has probably, there has been greater success on the part of the Democrats in saying that, "Look, Republicans are taking away school lunches, they are going to put poor people out on the streets," and so when we go home, it is politically damaging.

Let me tell you, Democrats, Mr. President, if we do not succeed this go-around in achieving a balanced budget and start living within our means, my guess is there are not going to be politicians willing to even try it again for the next 15 or 20 years. It is not easy. On the other hand, it is so easy for the President and some of the Democrats to say, "Look at these mean-spirited Republicans as they try cutting this program and cutting that program and reducing the growth in this other program." It is not politically easy to reduce the growth in Government.

The bottom line is this: We either do it now, or we are going to wait until the baby boomers start retiring, around 2011 to 2019. Then we are going to have to do it. If we wait that long to make these decisions, those decisions are going to be drastic.

Let me just give you one example that sort of puts it in perspective, the difficulty of making these decisions. If it was easy, we would have made the decisions a long time ago. If you go back to after World War II, there were 45 people working for every 1 Social Security retiree recipient. Today there are three people working for every one retiree. People are living longer. The ratio of those working to those retired is becoming greater, and therefore, more difficult to charge more to those working in taxes to pay for some of the benefits of those that are retired. We have increased the FICA tax 29 times in the last 21 years, in either the rate or the base, so we continue to tax those that are working more and more to pay for our overspending.

The interest on the national debt this last year was \$320 billion, the interest on the total debt, subject to the debt limit. That is the largest expenditure of the Federal Government. We cannot go on, Mr. Speaker, we cannot continue to overspend and run this country deeper and deeper into debt, and jeopardize the success, the economic success of the future.

Mr. Greenspan, our top banker in this country, came to our Committee on

the Budget. He said: "Look, if you guys and gals do it in Congress, if you balance the budget, interest rates will be going down 1½ to 2 percent." Such a dramatic increase in the economy.

Let us do it now. Let us stick to our guns, if we have to stay here every day. I am hoping I am going to spend Christmas Eve and Christmas with my family. Other than that, I say, let us stay here every day, negotiate, get this done, have a budget that balances, and gives our kids and our grandkids a good Christmas present.

THE BUDGET IMPASSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. GEJDENSON] is recognized for 5 minutes.

Mr. GEJDENSON. Mr. Speaker, there are a couple of issues that I think need to be focused in on. The first is that the outlays in this year's budget are virtually the same between the President's budget and the Republican Congress' budget. Would the gentleman agree with that? The gentleman agrees with that. So what we are doing is we are shutting down Government on no difference; a 7-year difference, but in the meantime, we are causing injury to American citizens.

On the other hand, what we could simply do is what we have done in the past, to say "Government will continue to operate even at a lower figure than either the Republicans or the President has asked for, and we will continue to negotiate."

Why are we having this impasse? The impasse is because the Republicans believe that they cannot give up their tax break; that everything else ought to be discussed: that student loans for kids ought to be cut, or worse than ought to be cut. On student loans, their proposal shifts billions of dollars to bankers, and makes it harder for kids to go to school by ending the direct loan program.

They say that seniors ought to pay more for health care; that poor people get no health care at all, possibly; that seniors get thrown out of nursing homes; that the environment is degraded. But let me tell you something; one thing they will not talk about is why we cannot shrink the tax break for billionaires.

Mr. Speaker, \$245 billion in tax breaks, that is what is holding this process up. The difference between having people go to work and people not working is whether or not the tax break is sacrosanct. Mr. Speaker, what is going to happen here? Some 3.3 million veterans who have their checks due on December 29 may not get them. We are having problems in the Northeast with cold weather and snow. Programs that help the needy are going to be cut and stopped so that the greediest among us can be benefited.

Let us think about how you run a family. If you have a family and there is a crisis, you call the family together. You do not tell the kids they are not

eating for a week until mom and dad can get together on a decision. You sit down and you start talking and you talk until there is a solution, but you also do not say "Well, our youngest son just got married. He has a mortgage, he is in trouble. We are going to cut him. Our two other kids in college, we are pulling them out. Our oldest kid is in Beverly Hills, living in a \$10 million mansion. Do you know what we are going to do? We are going to send that child a little extra money." That is not how you run a family, that is not how you run a business. The responsibilities that we have in this institution are not simply to take our ball and go home if we do not get it our way.

Mr. SMITH of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. My understanding is that the gentleman from Ohio [Mr. KASICH] and the gentleman from Georgia [Mr. GINGRICH] say everything is on the negotiating table except a true, real balanced budget in 7 years.

Mr. GEJDENSON. Mr. Speaker, what we have seen is that the one place your side has refused to budge on is the tax break. We have even said, bring the tax break down to working families. Get rid of the guys at the top, the people who make \$200,000, \$300,000 a year, and then we are closer. "No, we want to protect them," is what the Republicans say.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I say to my friend, the gentleman from Michigan [Mr. SMITH], you had an opportunity to do that yesterday. The gentleman from Texas [Mr. STENHOLM], who has been the most outspoken advocate of a balanced budget on this floor in either party, I suggest to you, and in fact it was the Stenholm constitutional amendment that passed this House this year, as the gentleman knows who got up on the floor yesterday and said, "Let us defeat the previous question, put the coalition budget on the floor with an open rule."

The coalition budget, as you know, cuts more money than the Republican budget that we passed. It has less of a deficit. Next year, the year after, as a matter of fact, as you know, your budget has a very substantial deficit in the first 2 years. It does not cut taxes. It preserves, as the President has indicated, Medicare and Medicaid at numbers that the President, I believe, could sign. It is a cut, as you know, substantial, more than some on my side could support, but the fact of the matter is every Republican Member voted against allowing that on this floor.

Mr. SMITH of Michigan. That is not true. Some Republicans voted for it. Only 60-some Democrats voted for it.

Mr. HOYER. I stand corrected, it was four.

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UNINTERRUPTED NEGOTIATIONS FOR BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Mr. Speaker, earlier this afternoon the House Republican Conference passed by a unanimous majority a resolution calling on Speaker GINGRICH and Leader DOLE to proceed with uninterrupted negotiations until this budget matter is resolved.

I would like to be home with my family, as I am sure all of you would, but I think there are some matters that take precedence from time to time, and in this case in a historic time, over matters of personal interest. This is a matter of personal interest to many Americans across the country.

Now, when we talk about the national debt and that it is \$5 trillion, it is kind of easy for people's eyes to glaze over because none of us can relate to a sum of money that is that large. So sometimes we say, well, if you divided it by 280 million, you could see how much that is for each man, woman, and child in the country. Of course, that number of \$18,000 for each of us, our share of the responsibility; but that is somewhere off somewhere else, and we do not have to worry about it immediately.

I would say to all of my colleagues on both sides of the aisle, it is important to stay here and keep these negotiations going, which I am convinced we are going to do, because April 15 comes around every year, and look at it this way: If you went to the bank or if I went to the bank to get a loan and, let us say, I borrowed \$18,000 and the bank was kind enough to make that loan to me, they would charge me interest, and that interest probably would be in the neighborhood of 6 or 7 or 8 percent, depending on conditions at the time. And that would cost me, if it were 7 percent, that would cost me \$1,260 a year as an individual in interest.

Now, I would submit to you that when America's families sit down at the kitchen table and fill out their income tax forms each year, they write a check for the interest on \$18,000, which is probably about 7 percent, and send the check for each member of the family for \$1,260 to Washington, DC, so that we can pay our interest on the national debt. So it is something that families relate to, and it is something that has a monetary pocketbook-type importance to American families.

Recently the Joint Economic Committee did a report, and published it, on further costs to the American family. This chart represents the cost of not balancing the budget to each American family for things other than interest on the national debt, an additional \$2,308. Let me just suggest how we got to that figure.

Most families have a mortgage on their house; not everybody, but most families have a mortgage on their

house. It would not be unusual today to have a mortgage for, say, \$100,000. The economists tell us that the interest on mortgage rates would be reduced by about 2.2 percent a year, in other words, coming down from an average of about 8 percent to about 6 percent; and that would be pretty neat, amounting to a savings of \$1,456 a year for a family. That is not bad by anybody's standards.

It is not unusual also for middle-class families to have students in school, and it is not unusual for them to have a loan to send that student to school. If we got that interest rate reduction because we balanced the budget, families would save an additional \$50 a year.

It is not unusual for families to have car loans, either; \$15,000 would be a modest car loan today, and if we got that 2 percent reduction in interest because we balanced the budget, the family would save an additional \$108 a year.

Now, part of the Republican tax cut package that the Democrats have referred to here as cuts for the rich, part of that package, a substantial part of that package, is a \$500-per-child tax credit; and so if our family that we are talking about had one child, they would save an additional \$500 because they would get the child deduction.

So all of these things added together, plus what we might anticipate in higher wages and more jobs, which could produce an economic growth which some estimate could be just under \$200 a year for this family, another \$194, all adding up to over \$2,300 a year in savings for the family.

So if we balance the budget and people did not have to send their \$1,200 to Washington for each member of the family to pay interest on the national debt, and if we arrived at savings something like this, we would have a very significant savings for each family. That is why it is important to balance the budget. That is why we released this JEC report.

We would be happy to send it out to any Member or anyone else who wants this report, simply by calling my office.

RECESSION LIKELY FOR 1996

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

Mr. VOLKMER. Mr. Speaker, it has been interesting to listen to the various speakers today, especially from this side of the aisle, talking about how they are going to balance the budget.

Earlier today we had a gentleman from Colorado [Mr. MCINNIS], and I think it was a slip of the tongue, I hope so, but we will find out what is in the CONGRESSIONAL RECORD tomorrow, and he says that we are going to have about a \$200 or \$300 billion deficit this year.

Next year, he says, next year, we are going to have a balanced budget. Well, baloney. Next year under the Repub-

lican budget, the deficit goes up, it does not go down. This whole idea that they are saying, we want a balanced budget now, I have heard that so many times on this floor: We want a balanced budget now. Baloney.

There is no balanced budget now. They are talking about down the road, and it is all projected; and all kinds of things can happen in that 7 years, and you will not have a balanced budget.

Mr. Speaker, as one who was here in 1981, I can remember another group of people, including former President Reagan saying, under my budget in 4 years, it is going to be balanced. It is going to be balanced. Guess what, folks? Guess what? We had the largest deficit in the history of this country in that fourth year.

Now, all of this yakity-yak, that is all it is, that in 7 years we are going to have a balanced budget, that is a bunch of yak-yak, a bunch of baloney. There is no truth to it at all. They do not know for sure that it is going to be balanced. If we have a recession next year, and I dare say, the way this majority is going under our imperious Speaker, NEWT GINGRICH, the way it is going right now, we could very easily have a recession next year. Because in my opinion, if our President stands where I think he should stand, and the Republicans stay where they say they are going to stay, we are going to hit the debt limit sometime in January, and then we will see what happens to interest rates.

Then we will see what happens on interest rate. Because of activity of this Republican blackmail position of the majority, and that is just what it is, a blackmail position, you could very well end up with a recession this next year.

I will guarantee you, going back in history again, going back and remembering our great President Ronald Reagan, in 1982, folks, I do not know how many of you remember, guess what happened? Because of his tight money policy, because of the Reagan tight money policy, we had a huge, a horrendous recession.

We had parts of this country, including my district, parts of my district, 13 and 14 percent unemployment. Government revenues just went to pot, went way down. Expenditures, because of all of those people being out of work, went up. The deficit went way, real high, and what was the other part of that deficit? Well, remember the old theory that we could really stimulate the economy with a big tax cut? You have heard that again, too. That was Reagan's cause of the big recession.

A guy named Bush, remember him? Back when he was running in 1980, he called it voodoo economics. They are playing the same game all over again. Voodoo economics did not work then; it is not going to work again, and this whole idea that this is all because we are going to help our children at the same time you are going to tell children they cannot eat, they are not