

The SPEAKER pro tempore. Each side will have 17½ minutes.

Mr. KINGSTON. It is my intention to split that time with the gentleman from New Jersey [Mr. PALLONE].

FAILURE TO PASS CONTINUING RESOLUTION A REAL TRAGEDY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 17½ minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I wanted to use my time tonight to point out what I consider to be a real tragedy in what has happened here today in the House of Representatives. This morning when we began the session, I was particularly upset because the gentleman from Texas, who is part of the Republican leadership, got up and made a point of the fact that it was incumbent, if you will, on the Republican majority to shut down the Government until they were able to get agreement on the budget.

I strongly disagree with the message that was sent in that regard. As the day went on, we saw speaker after speaker on the Republican side get up and say basically the same thing, which is that if the Republicans cannot get their way on the budget, if the President and I guess the Democrats in the House do not agree on the policy of the budget that the Republicans have put forth, then we should simply shut down the Government and it should not continue to operate until that agreement is reached.

That is totally the opposite of what I believe we should be doing here and what I believe the obligation of the majority is.

The majority that was elected in this House of Representatives in November of 1994, like any majority, has the obligation to govern. The obligation to govern means that the Government continues to operate while you work out your differences with the minority or with the President about what the budget should be.

Speaker GINGRICH actually articulated a few weeks ago exactly what the position is that the Republicans represented today. He said, "I don't care what the price is, I don't care if we have no executive offices and no bonds for 30 days, not at this time."

It is totally irresponsible in my opinion to hold the Government hostage, in essence, and say that unless we get our way on this budget, unless our priorities are met, we are going to keep this Government shut down. That is exactly what we have in front of us.

This evening there was a continuing resolution passed, a continuing resolution, which is what allows the Government to continue to operate, only on one aspect of the government shutdown and that was with regard to veterans' benefits.

But it should be pointed out, as it was today by many of the Democrats,

that the price of the Government shutdown is not only millions of dollars that are lost because Federal employees will get paid for doing nothing, and also the fact that the Government has to keep certain essential services going, but also that many Americans who have paid taxes all along simply do not have the benefit of Government services that for many of them are very important or are very necessary.

We only dealt with one aspect of that this evening, and that was with veterans' benefits. Thankfully the Republican majority was willing to bring up the provision that would allow veterans' benefits to be paid starting tomorrow. But for whatever political reasons they saw fit to do that so as not to offend the veterans, the same should be done for every other Government agency and every other Government program. They should be allowed to continue to operate.

Just as an example, we have as of day 5 of this shutdown, this second shutdown now, almost 2 million people who have been turned away from National Park Service facilities. Four hundred thousand people have been turned away from the Smithsonian museums and the National Zoo just here in Washington. Sixty thousand students and parents applying for Pell grants or student loans have not had their applications processed and may not be able to pay for college. Over 780 small businesses have not received SBA guaranteed financing totaling over \$120 million in loans. And about 720 calls made to the EPA, the Environmental Protection Agency's hot line for drinking water contamination outbreaks, have gone unanswered.

I could go on. There is a long list of the various Government services that are not functioning now with the shutdown. Again, I would say, what is the reason for this? What possible reason is there to hold the government hostage and to not allow the taxpayers who have paid for these services to receive them and thus be inconvenienced?

□ 2330

We could talk about passport offices, we could talk about many other things that are not being accomplished here.

The problem is that the President and the Democrats in Congress together have a very different sense of a priority for a balanced budget than the Republican majority, and what I have maintained all along is, if there are those differences, and there are, we should continue to operate the government while we work out the differences, and do not misunderstand that the Republican majority, because they control the Congress, they are the only ones that can bring up a continuing resolution and send it to the President so that government can continue to operate. So, if anyone suggests to you that somehow the President is shutting the government down, it is simply not true. The legislative responsibility for passing the continuing resolution exists with the Congress and

with the majority party that governs the Congress.

Today it was my understanding actually that the leadership in the Republican Party, both Speaker GINGRICH and the House, as well as the Senate leadership in the Senate, were willing to go along with a continuing resolution to reopen the government, and the President articulated and said that that was the case, and they, both of the gentlemen who lead the House and the Senate, indicated to the President that they were willing to go along with that. But our understanding is that when Speaker GINGRICH went back to the Republican Caucus, he was told mostly by the less senior members, the freshmen and some others perhaps, that that was unacceptable, that the government should not continue to operate until the budget is signed by the President.

I think that those on our side who have characterized many of the new members of the Republican Party as extremists because of their position on the budget realize now that those extremist elements, if you will, within the Republican Members of Congress are now controlling the show and that even the Speaker, who has the responsibility, if you will, to represent the majority party, does not have the ability any more to control those extremist elements within the Republican Party, the less senior members who want to hold the government hostage because they cannot get their way on the budget.

Now in the time that I have left I would like to talk about these priorities that the President has set forward and that he insists must be maintained in the context of a 7-year balanced budget before he would sign the bill, before he would sign a budget bill, and I want to stress that these are important priorities, these are priorities that effect every American in some way.

One of the most important, of course, is Medicare.

The problem is that the Republican budget would take so much money out of Medicare that Medicare as we know it essentially would not be able to continue to operate. And for those who doubt that that is the case I will go back to a statement that Speaker GINGRICH made awhile ago on Medicare where he said, "We don't do not get rid of it in round one because we don't think that's politically smart, and we don't think that's the right way to go through a transition period, be we believe it is going to wither on the vine because we think people are voluntarily going to leave it." He said that; it was quoted in the Washington Post on October 26 of this year.

This is the problem. So much money is cut out of the Medicare program under the Republican budget, and the way that the Medicare program is transformed essentially so that those who now have a choice of doctors are essentially pushed into managed care

or HMOs where they do not have a choice any more, the changes to the Medicare program are going to be so radical, if you will, and the money is going to be so much less in terms of what is needed to operate a quality Medicare program that Medicare will essentially wither on the vine and eventually cease to exist. That is the major reason why the President and the Democrats in the Congress are so concerned not to go along with this Republican budget.

And, secondly, there is also the Medicaid program which is the health care program for low income individuals, mainly again seniors, the disabled, children, and, in many cases, pregnant women. The Medicaid Program under the Republican budget, \$163 billion is cut out of it essentially making it so that it cannot cover all the people that are now eligible for Medicaid, and then it is block granted or sent to the State, that money that is essentially cut back is block granted and sent to the States, and the States have to decide whether or not those who are now covered by Medicaid will continue to be covered. And so Medicaid, like Medicare, essentially withers on the vine, it does not have adequate funds, it is block granted, it is no longer guaranteed, and many of the people who now receive it will probably end up with no health insurance because many of the States, with the less money that is involved, will not be able to cover the seniors, the disabled, the children, the pregnant women who are now covered by Medicaid.

Now in the context of this, one of the most egregious, if you will, problems that the President sees and that the Democrats in Congress see, and one of the reasons why they are most unwilling to go along with this Republican budget plan, is because the money that is being taken away from these two health care programs is primarily going to tax breaks for wealthy Americans and wealthy corporations, and one of the main criteria or one of the main concerns that we have is that the Republicans have so far been unwilling to, if you will, eliminate or take back most of these tax breaks in order to finance Medicare and Medicaid.

It would be fairly easy for the Republican leadership to say, "OK, we won't provide these tax breaks to wealthy Americans, we won't provide these tax breaks to wealthy corporations, and we'll use that money that we were going to use for those tax breaks and put it back into Medicare and Medicaid in order to keep those programs viable." But so far there has been no willingness on the part of the Republican leadership to go in that direction, which is one of the reasons why the President can simply not support the Republican budget the way it has been laid out.

Now I have one more chart here that I wanted to, and I only have another 5 minutes, and the gentleman can use his time, so let me just finish this, and if I have a few minutes left, I will yield,

but I just wanted to show this chart that gives you some indication of the exploding costs of the Republican tax breaks.

The tax breaks are not only the wrong way to go because they are financing tax breaks for mostly wealthy people in order to cut Medicare and Medicaid, but they also do exactly the opposite, if you will, of what the Republicans say they want to do with this budget. They say they want to balance the budget, they want to eliminate the Federal deficit, and that is certainly a noble goal that both Democrats and Republicans in Congress, as well as the President, want to accomplish. But how in the world do you manage to balance the budget if you provide more tax breaks for wealthy Americans, or for anybody for that matter, and, as you can see, the cost of the tax breaks in the 7 years that the Republican budget sets forth beginning from 1996 into 2002, you can see what that means in terms of the overall budget. It makes it much more difficult to balance the budget, and many of us maintain that by the time the year 2000, or 2001, or 2002 comes around, the effect of giving out so many tax breaks will mean that ultimately the budget is not balanced.

So you can really see, I think it should be clear, why this battle that exists, if you will, between the Democrats and the Republicans, between the President and the Republican majority in Congress is so important for the future of the country. In order to truly balance the budget over 7 years, in order to protect Medicare and Medicaid, in order to protect some of the other priorities that the President wants to maintain such as education, direct student loan programs, environmental protection to make sure that our air and water quality does not deteriorate, all these things are crucial, and it is not just a question of people getting together and saying, you know, we can go along with what the Republicans have proposed because, if the President does and if the Democrats do, there are going to be some major negative impacts on the lives of the average American whether it be their health care, their education, or the quality of their life.

This is important; this is not something that should be trivialized. But I would stress again, and I think in closing, if I could, that the most important thing is that the Government should not be held hostage to the differences between the two parties or between the President and the Republican leadership over the budget. The Government should continue to remain open. A commitment was made when we passed the last continuing resolution a few weeks ago that we were all going to let the Government continue to operate while we negotiated and while we worked out a 7-year balanced budget that would protect the priorities such as Medicare, Medicaid, education, and the environment, and I was really outraged, and I really do not know where

we are supposed to go the next few days when so many in the Republican Party in Congress now insist that the Government should remain shut down and that unless the President simply signs on the dotted line what the Republicans want in the budget, that we are going to continue to have this impasse.

This impasse is having a terrible effect on our country. Many of you saw that the stock market once again plunged today. It is going to have a major impact on the economy during the Christmas holiday and beyond, and I think that it is really tragic that so many of my colleagues on the Republican side got up today during the various times of the debate and said that they were insistent on closing the Government down in order to accomplish their goal.

If I have some time left, I would be glad to yield for a question.

Mr. KINGSTON. What I would like to ask you in particular, but not necessarily—I mean you and a lot of other Democrats:

If the Republicans said, "OK, forget the taxes," then would Democrats then say, "OK, we'll balance the budget in 6 years instead of 7?"

Mr. PALLONE. My understanding, and I think that it was brought home to you very clearly today with the coalition—you know the coalition, a group of more conservative Democrats who want to bring up their budget—that one of the things that they have in their budget is that they say we will use the 7 years that the Republicans have asked for, we will eliminate all the tax breaks, all the tax cuts, and we will take a lot of that money and put it back into Medicare and Medicaid in order to preserve those programs.

I think that it is not possible to accomplish the goal. It would be very difficult to accomplish the goal of protecting Medicare and Medicaid if you reduced your time frame to less than 7 and made it 6 or 5.

I would like to see the money from the tax break used to be put back into Medicare and Medicaid and keep the suggested 7-year time limit.

Mr. KINGSTON. And does the gentleman believe that the tax breaks for the working people of America, that, you know, most of it goes to people with a family earning less than \$75,000, that that would not help stimulate the economy and, therefore, increase the number of jobs and, therefore, increase the revenues?

Mr. PALLONE. I will say this first of all. I do not agree with the gentleman that the majority of the tax breaks go to middle-income people. I think that I can show, and I do not have the chart here, but I can read some documents to you that show the majority of the money actually goes to wealthy Americans, but I would say to you, just respond to your question, if I could, and I forgot what your question is.