

going on here. It is time to protect the full faith and credit of this country.

THE DANGERS OF THREATENING DEFAULT

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

Mr. SMITH of Michigan. Mr. Speaker, I think it is very dangerous to keep threatening a default of this country. I think the Democrat Members would be well served to look at the real financial situations. No. 1, if Secretary Rubin or the President of the United States default on our debt, and that is, not pay principal, not pay interest, they both should be impeached. What we are talking about is 1½ percent of existing revenues coming into this Government to totally satisfy the interest and principal; so to play these political games, to scare the American people, to try to convince Wall Street that something disastrous is going to happen I think is a very dangerous, a very dangerous commentary, because it does have, what you say does have an effect on people in trying to understand and believe what is actually going to happen.

We talked about a director of a company or a manager or a CEO of a company being fired. If there was a manager of a company that took the actions of Secretary Rubin last June and July, developing the plans on how he is going to come up with additional cash flow to meet those needs, and at the same time proclaim to the Nation that there was going to be a disastrous danger of default, interest rates would be going up across the country.

Let us look at what Mr. Rubin just did the day before yesterday. He sent out a memo to the Veterans Administration, to Social Security, and what he said was if people call in and ask if they are going to get their payments, telling them that there is a problem, we might not have enough money to pay Social Security payments, to pay veterans' payments, to pay civil service retiree payments. What a tremendous disaster, to threaten people, to scare people, when it is absolutely untrue, uncalled for.

What this administration has done so far is they have reached into the trust funds, they have reached into the Federal financing bank, they have reached into the exchange stabilization funds, to the tune of \$20 billion for the Mexican bailout. Now they are reaching in again for another \$3.5 billion, to say that they are going to have additional money to pay this out. They are saying they do not want to go any further, because they think they can blame everything on Republicans now.

Mr. Speaker, I ask the ladies and gentlemen of America to take some time to study this budget, to study the reality of the consequences. Fifty percent of the spending of the United States is now in the hands of the President. Article 1, section 8 of the Con-

stitution says that Congress has the control over spending. Congress has control over borrowing. Now the President has taken control over welfare spending. He has said, "No, we are not going to cut that spending." Somehow, if we give a hang for our kids and our grandkids, and for the future economy of this country, we are going to have to somehow have a real, honest balanced budget.

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

Mr. SMITH of Michigan. I yield to the gentleman from Ohio.

Mr. HOKE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I did not have an opportunity to respond a little earlier to the gentleman, but I wanted to point out that in the Budget Reconciliation Act, in the balanced budget agreement that the President vetoed and that all of my colleagues on the other side of the aisle voted against, and that I did vote for, that did extend the debt ceiling, there was a very good reason for it; because, in fact, in that situation what we did is we balanced the budget of the Federal Government. We actually set the glide path so we could bring back fiscal responsibility and fiscal integrity and fiscal authenticity. But that is something that my colleague, the gentleman from Texas, refused to agree to and would not agree to, and did not agree to.

Mr. SMITH of Michigan. Mr. Speaker, I think we should mention that the President has now vetoed two debt limit increases. There is not a Member on this floor that has ever voted for a clean debt limit increase. I pause, because is it not sad that they are doing so much political rhetoric, yet all of the debt ceiling increases that have been used over the years have been used over the years to put in the Kemp-Roth, the Gramm-Rudman, the tax increases?

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

Mr. SMITH of Michigan. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, I thank the gentleman.

Mr. SCHUMER. Mr. Speaker, the gentleman has made some statements.

Mr. ROHRABACHER. Excuse me, I think I have the floor.

Mr. SMITH of Michigan. Mr. Speaker, I yielded to the gentleman from California.

Mr. ROHRABACHER. I have asked for someone to yield to me on the floor during debate and they have not done it. I would like to express some thoughts about some of the thoughts expressed earlier when your side controlled the floor. Unfortunately, it looks like I will not have time to do that, after being interrupted.

THE LOOMING DEFAULT CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is good that we are here this morning in vigorous debate, and hearing my colleague, the gentleman from Michigan, who serves as the chair of a 130-person panel from the Republican Conference, it is interesting that he would say that we on this side of the aisle are frivolously representing to the American people that this is not a crisis.

I beg to differ with my colleague, and I respect him, Mr. Speaker, but we have strong differences by the very fact that he made a statement that said that if this was to delay tax refund payments, to not allow tax refund payments into the spring or next year, it did not matter to him. So we do have a decided difference about the reality of what is going on today.

I would simply like to draw the American people to not a frivolous discussion that my colleagues have been raising here, but one that is very serious. As I understand, it has been commented on by Wall Street representatives, commented on by individuals outside of the Beltway who truly will feel the impact.

Let me call upon some of their names, Mr. Speaker. Those who live on the margin and receive their Social Security payments, by a default of this Government, they will not receive it. It sounds like I have said this before, but it is the seriousness of this issue. Veterans will not get their money retirees, and our existing military personnel in Bosnia will not get their money. We will be seeing some \$965 million of payments to veterans that have been diminished by all of this.

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We know this, as I see my colleague from New York had the opportunity to chair a Democratic Committee on Banking and Financial Services hearing yesterday. He called upon the Republican chair to have a hearing to get the facts on what a default would cause and what would happen.

Unfortunately, they did not join in this hearing. I think some letter came to Mr. SCHUMER that said, we will do it next week. That puts us some 10 days away from default.

Mr. SCHUMER, I would like to yield to you, if I might, just to provide us with some insight on that hearing.

Mr. SCHUMER. I think the gentleman for yielding to me.

It was a great hearing. One point that came up time and time again, and the gentleman from Michigan is misstating and misleading on this issue, it is true that clean debt ceilings have not come before us. It is also true that when there was a division, both sides agreed what should be done with the debt ceiling.

Not once, not once, I say to the gentleman from Michigan, as when Bush was President and the Democrats had Congress, or Reagan, President, and the Democrats had Congress, did one side say, unless you are doing it our way, we are not going to approve the

debt ceiling. Not once. The bottom line is, these are bully-boy tactics which were never used before.

Yes, there has been agreement with the debt ceiling put on ABDC, but it was bipartisan, et cetera. I thank the gentlewoman for yielding, because that is a grave misstatement of the facts.

Ms. JACKSON-LEE of Texas. I think your point is very well taken. I think it is important, as Mr. SCHUMER indicated, that any time that we have not had the passing of a clean debt ceiling or lifting of such, it has been bipartisan; but more importantly, let me state that all of the economists will confirm, we have never, never, never defaulted on payments that the American people must make and that this Nation must make on their behalf.

We must understand, this Nation must understand, that the creditworthiness of this country is based upon its ability to pay its debt. The alternative: Sell all our gold. The other alternative: Do not pay any tax refunds.

The President of the United States will not stand.

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is good that we are here this morning in vigorous debate, and hearing my colleague, the gentleman from Michigan, who serves as the chair of a 130-person panel from the Republican Conference, it is interesting that he would say that we on this side of the aisle are frivolously representing to the American people that this is not a crisis. On those alternatives. That is a crisis.

Has any other Western civilization nation or any other nation defaulted? Yes, four of them in the past 100 years, and they have not done so since 1970. Places like Argentina, Stalinist Russia. Is that the kind of company we want to keep to ensure that we have a nation that can be respected internationally and have the economy stable?

Do we want to default? Do we understand that the Republican majority is saying to us, we are going to leave tomorrow, not come back, and take us to the brink of March 1, when we have not passed a clean debt ceiling in order to prevent default. That is the crisis which we face; and my colleague from Michigan, who, as I said, I respect, is clearly on the wrong road if he thinks he can bring the American people to the brink of default and we not constantly get on the floor of the House and explain it.

We will not leave here tomorrow, and I will offer a resolution that we not have a recess so that we can continue this, and that we not go home while we are without the responsibility or the action of making sure that we can pay on our responsibilities and our debt on March 1.

DEMOCRATS SO-CALLED SCAMS ARE SHAMS

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

Mr. MICA. Mr. Speaker, and my colleagues, I come to the floor this morning to talk about two scams that have been perpetrated by both the administration and the other side of the aisle.

The first scam is what I call the Clinton shutdown and the charges that were made about balancing the budget and about getting our Nation's finances in order. It is part of a scare scam, and it is pretty clever. It says, that Republicans will hurt the elderly, the environment, education.

In fact, if we just take a minute and look at the facts involved here, in the area of Medicare, we have heard it over and over: Republicans are going to cut it. In fact, over the next 7 years we will add \$724 billion in spending.

Medicaid, we will add \$348 billion in spending. In education and job training and student loans, we will add \$25.7 billion in spending. But we hear it over and over.

What they do not in fact tell us is that part of this argument is about the bureaucracy. EPA has 6,069 employees in Washington, DC. That is almost as many as a dozen years ago, a total of 18,000. I am not talking about the 12,000 outside of Washington, but 6,000 in Washington, DC.

Education, we have 3,322 employees in Washington, D.C., out of a total of 4,876 employees. A total of 358,000 Federal employees. These are not defense; these are not civilian defense. These are part of that bureaucracy within just earshot of the Capitol building. That is what this debate is really about.

Now, my colleagues, a second scam comes before us, and the second scam is this: If the Republicans do not continue taxing and spending and driving this Nation into debt, then we will not be able to pay our Social Security recipients, and they have even said, Mr. SMITH said, we are not going to be able to pay our veterans.

This administration, which has just gotten through robbing the Federal retirement trust funds, now is engaged in the second scam. They can pay welfare payments to illegal aliens, they can pay medical benefits better than we have for our veterans, but they cannot pay Social Security.

They can pay for bilingual education for illegal aliens. They can find \$50 billion to bail out Mexico. But, in fact, they cannot pay Social Security and our veterans.

So the President is making these choices. The administration is making these choices. They can even pay AmeriServe, or whatever the name of the President's volunteer, so-called volunteer program, which pays volunteers for the first time in the history of this country and gives them an array of perks that would make any veteran blush.

These are the choices that we face. I will say again, the greatest threat facing our senior citizens today is that we get this mess in order.

We debated here about extending the debt limit of this country for 34 days, and we needed \$67 billion. We are going into the hole at the rate of over half a

billion dollars a day, and they want to continue this tax-and-spend policy; and they say that in fact we cannot pay our senior citizens Social Security checks. Well, that is their choice, because they have other choices, and that is what this debate is about, whether the debate deals with in fact balancing the budget or extending the debt limit.

So we are in fact here today. Let me tell my colleagues, I chair the Subcommittee on Civil Service, and let me describe the mess we inherited: 35 of 39 Federal retirement trust funds have unfunded liabilities in the trillions of dollars. Now they have spent the last number of days robbing what little remains, what shred remains, so now they are threatening our senior citizens. That is what this is about.

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

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

Mr. SMITH of Michigan. Let me just say that I asked the Congressional Research Service whether Secretary Rubin could legally withhold trust funds. They said their first review of the law said, no, it would be illegal to withhold trust fund payments for any trust fund where there is a surplus coming into those trust funds. I have written Secretary Rubin the day before yesterday asking him to give us the reasons why he thinks he can do this.

Mr. MICA. Finally, my colleagues, let me say that the President, after this Congress and this new majority did its job and came forward with 12 funding bills, the President never came up with a balanced budget proposal until January 6, 1996.

TIME FOR RESPONSIBILITY IS NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, this debate, I think, for people at home is very frustrating, except I think the people are a lot smarter than those of us in the Chamber, and they see right through it. They know what is going on here. They see people saying, we are not going to pay our bills.

Now, that has never happened. There have never been elected representatives that have come in and said, we are not going to pay our bills. That is not anything that anybody respects in America. Try that as a family. Furthermore, if you know you are just about to go into bankruptcy, you know you are just about to run up against that brick wall, you go on vacation for 3 weeks.

Mr. BUNNING of Kentucky. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. Well, let me finish, if you do not mind, because I do have a few things to say. I have asked others to yield and they do not. I remember the days when we used to yield, but I guess that seems to be over.

I sit here and on one hand, I get depressed because people come to me and they say, why are you leaving? And I say to them, why are you staying? Why