

the aisle over the last 30 years have done to the American people, and that is to sell them out.

We are not going to get into a debate with the President about balancing the budget unless it is real. We are not going to do to our children and theirs what has gone on in this town far too long. So if we are going to have a plan to balance the budget, it is going to be with real numbers, it is going to be with real policies that will move us toward actually balancing the budget.

But the President has refused. Negotiations and discussions have stopped. So what we are going to do this year is that we are going to make attempts to get down payments on our plan to balance this budget. One such down payment will come as we bring the debt limit extension to the floor of the House the last week in February.

The President has said that he needs a debt limit extension by March 1. The President will have a debt limit extension by March 1. There is no threat, let me repeat, no threat that this country will default on its debts now, nor is there any threat in the future that we will default on our debt. There is not going to be any default.

But we are going to have a down payment on this debt limit. The Balanced Budget Down Payment Act that we passed last week to extend to the Government funding authority for those six departments or appropriation areas that had not been funded continued that process. We are seeing funding for these agencies reduced over what we spent last year. We are seeing grants by agencies, that have been agreed to by the House and Senate, not allowed to make new grants.

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If you look at that one-third of the budget which is discretionary spending, we expected to save about \$23 billion this year. These are real dollars, less spending this year than what we spent in the last fiscal year, and if we continue on this course with continuing resolutions for the balance of this year, we expect to save \$29 to \$30 billion in real spending.

This is a downpayment for our children's future, and it is the right thing for our kids and theirs.

BRING UP A CLEAN BILL TO EXTEND THE DEBT LIMIT

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

Mr. PALLONE. Mr. Speaker, I listened to what the previous speaker, the gentleman from Ohio, said, and I do have the utmost respect for him. But I just do not understand how he can say some of the things he is saying based on what has been happening in this House in the last year.

The only reason that we can wait until March 1 before we go into default

is because the Secretary of the Treasury, Mr. Rubin, has been doing things basically since November 15 when the debt ceiling expired to try to prevent the Nation from going into default, and he has been criticized by the same Republican leadership for doing that.

I think it should be understood by the American people that the default was a possibility on November 15, because the Republican leadership refused to bring up a clean bill to extend the debt limit, and in fact, some of the Republican leaders have actually called for the Secretary of the Treasury's impeachment because he has been doing what he has to do in order to avoid default.

Now we see the leadership get up and say, oh, there is no problem until March 1; trust us, we will extend the debt ceiling when it comes to March 1. If you are going to do it, why not do it now? Why send us home for 3 weeks after tomorrow and basically risk the possibility that sometime before March 1 that it is not going to happen, or why suggest that you are going to load up this debt ceiling bill with all kinds of budget items that reflect your own ideology, come back here February 26 or 27, just a couple days before this March 1 deadline? There is no question that what the Republican leadership is trying to do here is to hold this Congress hostage just like they did with the Government shutdown. They said, "We are going to shut the Government down. If you do not go along with our budget, which is cut Medicaid, cut Medicare, cut environmental programs, cut educational programs, if you do not go along with this, we are going to shut the Government down." They did that several times.

Now they are doing the same thing again. They are saying, "We are going to send you home so you cannot sit here and debate this or try to come to a reasonable conclusion on this. We are going to bring you back 2 or 3 days before this March 1 deadline, default deadline, that we have engineered essentially because we have not passed a clean debt ceiling, and we are going to then force you to our own ideology, to these same budget cuts. It is only going to be a down payment." Now it is not going to be the full-blown cut in Medicare, Medicaid, environmental programs, education, student loans. It is just going to be a down payment on that.

I maintain it is the same thing. It is the same hostage environment. It is the same idea if you do not go along with our plan, then we are going to hold the Government hostage, either shut it down, or now, send it into default.

How can sending this Government into default or decreasing or destroying the United States' credit rating possibly be the responsible thing to do? If I listened to the previous speaker's statements, he basically was saying in a somewhat, it seemed to him logical sense, we do not have to worry about

this, because it is more important how the down payment and how these budget cuts that he has proposed, than it is to preserve the Nation's credit rating. That does not make any sense.

The responsible thing is to preserve the credit rating. If the Nation goes into default, our budget situation, our financial situation is in critical condition. We are going to have higher interest rates. We could have a possibility where other countries, central banks in other countries or pension funds, decide they want to start selling our Government bonds. We do not know what our securities are going to be worth. We do not know what the impact is going to be of the higher interest rates not only on the Government but also on individuals who may have their mortgage rates go up or other interest rates that they have to face or their car payments or whatever. The potential, the real potential, exists for an economic downturn not only in this country but around the world.

We are going to risk that? How could that possibly be the responsible thing to do?

I would maintain over and over again that this Republican leadership has gone haywire. Some of us on the Democratic side have described them as a bunch of crackpots. No one, no one who is involved in the Nation's finances would ever suggest that it makes sense for us to threaten default, to even use it as a tool of Government policy. It makes no sense at all if you are concerned about the Government, if you are concerned about the economy, if you are concerned about where this country is going in terms of creating jobs and making it possible for us to have an economic upturn rather than an economic downturn.

Let me tell you, this is not pie in the sky. We have already heard statements from some of the leading credit rating firms. Moody's, I think a week or two ago, came out and said the possibility of a default or the effect on the credit rating could be devastating to the Nation's economy. We have had statements this morning in our Democratic Caucus. We had statements from various Department heads who pointed out what the impact would be. Donna Shalala, Secretary of Health and Human Services and Welfare, she said that if we do not pay our bills March 1, \$26 billion in Social Security payments are threatened, \$1 billion in veterans' payments are threatened, civil service payments and survivor annuities.

These are people that are going to be negatively impacted, the little people, by this Republican default.

REPUBLICANS ARE WORKING TO BALANCE THE BUDGET

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

Mr. JONES. Mr. Speaker, I was home the last couple of weeks, and I represent eastern North Carolina, the

Third District. I am a freshman, and I campaigned with a promise to the people of my district and the people of America that I would work with my colleagues to balance the budget.

I had to come to the floor when I hear some of these scare tactics of not meeting our obligations as a government and letting this Government default. That is such an outrageous statement, and the people in my district do not believe that.

I am a little bit tired, from Medicare to default, that we are going to let the Government default, we are not going to take care of our senior citizens.

I want to make just a couple of comments. My father served in the U.S. Congress for 26 years. He was a Member of the other side, a Democrat, and many times we would talk about in the late 1980's why the Congress did not balance the budget. And several times he would make the statement to me, "Well, WALTER, you know, we could have chaos if we do. Programs would be cut. People would feel threatened." I would say to my father, "Father, I don't understand if we don't balance the budget, we also are going to have economic chaos," and that is what this debate is all about.

When we know the General Accounting Office, the GAO, says that in 17 years without a balanced budget, working people will pay 80 cents out of a dollar. People are not going to stand for that. We have got to deal with these problems now, and putting our heads in the sand is not going to solve these problems. We have got to deal with the problems now.

I just could not sit in the office and hear this debate go any further.

I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from North Carolina. I listened with great interest. I am sure the gentleman from Florida did as well to hear our friend from New Jersey kind of rhetorically gloss over the actions taken by the Treasury Secretary.

Quoting my friend from New Jersey now: Secretary Rubin has been "doing some things" to keep this Government in business.

Mr. Speaker, what the Secretary has been doing is raiding the pension funds. What the Secretary has done, and this is the fundamental part of this debate, are we so in love with government that we fail to live up to our responsibility? For, as my friend from North Carolina points out, the ultimate economic disaster, what unleashes chaos on the world markets is runaway spending of the type we have seen for the past 4 decades.

The real question is not doing some things, like raiding the pension funds and using that as really the epitome of the examples of what has gone on here for the last 40 years. The key is to change things now.

How? With positive economic initiatives for the future that deal with growth, growth that emphasizes the

freedom of the marketplace; that is the essence of the debate, not to be in love with government, but to love every generation, our seniors and generations yet unborn, to end business as usual, end this runaway spending, restore true fiscal integrity.

Mr. JONES. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

This really does concern me, because it is again another scare tactic. We saw the scare tactic with Medicare, the comments about Medicare dying on the vine.

In fact, the President's own commission said that this program was going to die on the vine if we did not do anything. God forbid we should give seniors another choice. You just take this is full of waste, fraud and abuse, and everybody is dipping their bucket into it and profiting from it except the seniors it is to serve. So here again we are scaring the seniors that we are not going to be able to pay their checks, using them as pawns, giving them only one choice, but in fact we, the President and this administration, will make a choice, and the choice is also in these budget figures. They want to pay illegal aliens. They want to pay people not to work.

Now this has not worked. We have seen the mess it has created in our society, and it is related to crime, it is related to our juvenile problem, it is related to teenage pregnancies, and you can do all you want, put them in uniforms or do whatever you want to do, I am telling you, unless you make people responsible and people to work; they want to pay people not to work, but they do not want to pay the senior citizens when this bill comes due. They do not want to pay our veterans; they would rather pay volunteers in a volunteer program with better perks and benefits than pay our seniors and our veterans.

So this is what this debate is all about, really. We have got to get a grip in this Congress.

We came here as the new majority. We said we were going to do things. We cut a quarter of a billion dollars out of our legislative appropriations. They talked about cutting here. They talked about congressional accountability. We passed it. We live under the same laws. We passed gift ban, lobbying reforms, things they talked about and dreamed about for years and never did a darn thing about.

THE MEANING OF OUR CURRENT DEBATE

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

Mr. SCHUMER. Mr. Speaker, we just had an election in Oregon, and we saw what happened. The Democrat won a seat that had been held by a Republican for a very long period of time.

And so today all the pundits and prognosticators have been asking what does that election mean. Why did it happen?

Well, anyone who listened to the debate in the last 10 minutes, in the last half hour, on this floor knows exactly why it happened. It happened because a group of extremists have taken over this House.

I would admit and say that in 1994, Republicans appeared to be the more centrist party. Democrats appeared to be too far over to the left, and Republicans won. And in a short span of a year, folks, you have ceded the center ground to us by doing all sorts of things that most people regard as lunatic, and probably at the top of the list is the idea of letting us default.

But I would say one other thing about Oregon. Oregon is going to be the predecessor of what is going to happen in the 1996 elections. Oregon foretells the 1996 elections.

Yes, the Republicans had, the Republicans had much more money. Many would argue he was more attractive, better looking, smoother and suaver, but you know what, the voters of Oregon said no more of this extremism, no more of sending people who are so far to the right that they are not where the American people are, to this body.

And if anything shows how crazy things have become here, it is their idea that we should default. I have heard the other side talk on and on about balancing the budget. Well, guess what, President Clinton has submitted a balanced budget. He has done it in 7 years. He has done it with CBO numbers.

First, the Republicans said we want him to submit a balanced budget. He did. Then they said no, that is not good enough, 7 years. He did. Then they said that is not good enough, CBO numbers.

You know what the dirty little secret is here, there is a group of 80 or 100 extremists on that side of the aisle who really do not want a balanced budget. They just want as deep a tax cut as possible. And so they say President Clinton is not telling the truth, but everyone knows that is that he submitted a balanced budget. It just does not have as much tax cuts as you guys want, and you gals want.

Well, ask the American people. They want it. But that is not the point here today. They want fewer tax cuts and fewer cuts in Medicare and Medicaid. But nobody wants America to default.

It is interesting, I see all of my colleagues here, they do not talk about what default is. The gentleman from Ohio [Mr. BOEHNER] got up, and he said we will never default. And then the next guy gets up and says, oh no, we will never default if the President submits to our balanced budget. That is blackmail. That is blackmail. You know that, the gentleman from Arizona, you want him to say, "I will go for a balanced budget that you attach what you want." You do not want to negotiate with him.