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You want to say balanced budget plus ABC, Mr. President; take it or leave it, or we will cause disaster to the American people.

Well, gentlemen, learn your lesson. Your great theory was let the Government shut down, and that would bring the White House to its knees and you would get what you want by bullying tactics. It failed. You looked miserable. You had to retreat with your tail between your legs. And what do you do now? You come up with even a more ludicrous theory, and that is that we should let the Government default.

You know, I believe each of you does not think the Government will default, because maybe he will back off. Maybe you will back off. Well, when I was a teenager there was this game that certain people played called chicken. They each get in cars at one end of the highway, and they would rev up the engines to *x* miles per hour, and whoever swerved first was the chicken. And you know what? If no one swerved, there was a big crash. And that crash will mean nothing compared to the crash that will occur if no one swerves here.

So you are playing with fire, and you should have learned your lesson. What I would do, since my words are rather strong and maybe we can get a debate going again, I would yield to the gentleman from Arizona, but only please for 30 seconds, so I might have the chance to answer.

Mr. HAYWORTH. I am so grateful to my friend from New York for yielding. There goes the time right there, so your noble experiment has failed.

Mr. SCHUMER. Let the RECORD show I did not know my time was about to expire.

COMPROMISE ON BUDGET NEEDED NOW

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

Mr. GILMAN. Mr. Speaker, I think our goals are all similar, having a balanced budget. We are pleased to hear the President in his State of the Union Message adopt the call for a balanced budget and challenge the Congress to make certain we have a balanced budget.

None of us wants to put the Government in default. We want to have a good debt measure. We want to have a good balanced budget adopted before we leave the Congress for any recess period. But we do need cooperation. People are willing to negotiate across the table. Too often in the process it has been finger pointing and one party or another walking out of the negotiating area.

I think the American public wants to see us get down to work, develop a balanced budget, and develop a clean debt ceiling measure, and I think most of us in the House would like to see that

happen. But that means good intentions by all parties and the willingness to stop the finger pointing, and an intense desire to bring these problems to a halt by finding a proper solution.

I am pleased to yield to the gentleman from California [Mr. ROHRBACHER].

Mr. ROHRBACHER. I thank the gentleman very much. I think we should all really tone down our rhetoric, if we could. I have to say, I use a lot of descriptions of my friends, but let me say to my friend from New York, telling us that we are a bunch of extremists and you now are centrists, does not further the debate. You must have used the word "extremist" five or six times. We will let the American people determine who is in the extreme and who is in the center and who most closely reflects their point of view.

I do not accept the notion that we Republicans closed down the Government. I heard that this morning as well. I believe it was the President of the United States and his refusal to act that resulted in the shutdown of the Federal Government. In fact, if we indeed were putting pressure on the President to do certain things, you might say that we came to the point where we had to put him in a position of shutting down the Government himself before he would come forward with even a semblance of a balanced budget plan. If you remember, the President did not feel compelled even to put a balanced budget plan on the table.

So what we are talking about, all of these things, whether you are talking about default or closing the Federal Government, all these things, I do not believe we are doing. We are doing what is responsible and putting the President in the position of saying he will have to make the decision in terms of default or shutting down the Federal Government.

One last point. In order to achieve his objective, his objective is opposite from what he ran on. He ran on a balanced budget, he ran on changing welfare as we know it, but now he is willing to shut down the Government, he is willing to default, rather than come forward with an honest discussion and negotiation of how we get to a balanced budget.

Mr. GILMAN. I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from New York, and thank him for coming to this floor and responding in measured tones to some of the shrill rhetoric we heard this morning. I have one comment in particular about blackmail. The record will show in our discussions with the White House, the new majority has moved some \$400 billion in the direction of the White House, and the White House has responded with only incremental efforts to reach some sort of consensus.

Therein lies the rub here, because, again, in the wake of the rhetoric, I would simply make this statement: The only thing extreme on this floor is

the extreme good sense the new majority is showing in trying to put our fiscal house in order. As my friend who chairs the committee so vital to international relations understands, it is fiscal responsibility, not only in our own financial markets, but internationally, that builds and expands the full faith and credit of the United States. And after almost a half century of runaway deficit spending, now trying to put our house in order should be paramount.

So let the record reflect that this new majority has moved in the direction of trying to reach some sort of consensus. But as everyone in any business knows, a bad deal is not the answer. No deal may be better than a bad deal.

Mr. GILMAN. I thank the gentleman from Arizona for reflecting on how important our economic status is, not only domestically, but internationally.

CONGRESS SHOULD BE WORKING ON SUBSTANTIVE ISSUES, NOT DISCUSSING GOVERNMENT DEFAULT

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

Mrs. LOWEY. Mr. Speaker, yesterday I visited with some high school students in Rynek high school and we were talking about the Endangered Species Act. They wanted to know what the Congress was doing. They wanted to know how the debate was proceeding.

I also visited with students in another school to talk about education and what the Federal Government was doing or could do. It is hard for me to believe, Mr. Speaker, that it is almost 5 minutes to 1 in the afternoon. We are not working on the Clean Water Act or education, the Endangered Species Act or Head Start. We are here on the House floor because the Republican leadership cannot get their act together, and we are debating whether we should shut the Government down or not, whether we should allow a default of the Federal Government.

Mr. Speaker, a default of the Federal Government should be unheard of. It should not even be discussed, to even put in question the credit of the United States, to even think that we would talk about adjourning to just before the brink of March 1 when the Government could default.

Mr. Speaker, I appreciate the effort to be bipartisan, and I do so hope we could. Look, I think it is a fair debate to talk about the programs, to talk about what is efficient, what is not. That is what AL GORE's reinventing government was all about. In fact, the Government is 200,000 positions smaller because of President Clinton and AL GORE's reinventing government program. We have already reduced the deficit because of courage in 1993 by \$500 billion. We have already done that.

Now we know that the deficit was cut in half this year. It is \$160 billion rather than \$300 billion when the President took office. So we have already done some things.

No one ever thought in my district when I went home it was the subject of conversation that we would ever, the Congress of the United States, led by the Republicans, would shut down the Government. Twice. In fact, if that had not happened, I am sure no one would even believe, anyone in their right mind, that we could even think about the United States Government defaulting, putting our credit at risk.

That is unheard of. I was on the phone the other day with the head of the National Cancer Institute. Because of the Government shutdown, six cancer drugs were not released. In fact, the Geological Survey could not release maps to businesses that wanted to build projects. In fact, the SBA could not make loans to small business.

We are still trying to figure out what the impact of shutting the Government down was. I know it is difficult for NEWT GINGRICH and the Republican leadership, because they are a group of freshman that feel that it is their way or no way. I have always worked in a bipartisan way. I saw my colleague the gentleman from New York, BEN GILMAN, was here before. I wish my colleague from North Carolina, WALTER JONES, Jr., was here now, because I would have liked to have applauded his father, who was the chairman of the Committee on Merchant Marine and Fisheries on which I served.

We did all kinds of good things on that committee. We passed the Coastal Zone Management Act, we worked to preserve Long Island Sound, we passed an ocean dumping bill. There is a lot of work that has to be done in the Congress of the United States for my constituents and for the country. We should be working on these issues at 10 minutes to 1, not talking about a possible default of the Federal Government.

The President put a balanced budget on the table. Now, originally I heard day after day the Republicans saying "We need a balanced budget, we need a balanced budget. We need it scored by the Congressional Budget Office." I apologize to all our constituents. They probably may not be aware of all these details. But the President did put a balanced budget on the table, scored by the Congressional Budget Office. Now the Republicans are saying "That is not good enough."

Well, let us bring that bill to the table. Let us bring that balanced budget on the table. We can agree on \$711 billion. Let us vote on it. Let us balance the budget and move forward and get to work.

I am very worried about how we are going to educate the next generation. I visit our schools. We can do so much more. It is legitimate to talk about what is the Federal role, what kind of investments can we make. There was

an article just this week on the success of some boot camps. Can we invest in more boot camps so we can ensure our kids can get that education?

Let us not talk about default. That is an outrage. Let us get to work at 1 o'clock.

U.S. MONETARY POLICY

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

Mr. DINGELL. Mr. Speaker, the House will be adjourning shortly until February 6. Mark Twain would have greeted that news with great joy and said that during that period of time the Republic was safe.

The fact of the matter is the Republic is going to be in greater danger during that period. As the first Secretary of the Treasury, Alexander Hamilton, found, the one thing that was important for him to do as the Secretary of the Treasury was to assure the credit of the United States. This was something which had not existed prior to that time. In consequence, the currency, the full faith and credit of the United States, and, indeed, the economic promises and commitments of this country, meant very little.

Alexander Hamilton set in place a tradition and a history and a culture which during those years since his tenure have been manifested by two things: First, that the United States paid its debts when due; and, second, that the United States' credit was regarded as the best in the world.

Today as we sit here, credit rating agencies are reviewing the credit of the United States to see whether in fact the credit of the United States should continue to be AAA or whether in fact it should be reduced to some lower number.

During the time that we have been discussing the budget, we have been talking to our Republican colleagues about that matter, they have been stressing that there were two purposes that they were going to carry out to assure that the President agreed to their stand with regard to a balanced budget.

The first was to bring a Government shutdown. That has happened not once, but twice. The American taxpayers, American business, American industry, American citizens, have undergone substantial hardship. Our foreign trade has been impaired. The programs upon which business, industry, ordinary citizens are dependent, have all been hurt. Checks by the Government to its contractors have been delayed and withheld. Losses of employment amongst Government contractors have occurred.

Federal employees have been laid off. Federal employees have been paid for not working.

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That need not have been done. Indeed, with wise fiscal management, no

party in control of a legislative branch of government would permit a situation of that kind to obtain.

We have seen the consequences of that: new trucking unable to be certified, businesses unable to send delegations abroad to promote sale of U.S. commodities and goods and services, Americans incapable of bringing in foreigners to see things like the automobile show; our monuments to the success of that unfortunate policy.

We are now looking at February 29. What will happen on February 29? On February 29, the United States will go into default on its obligations. At that time, the credit of the United States will be reduced in the eyes of all on that sole event. It need not happen.

Never before in my memory in this body, or indeed in the history of the United States since Alexander Hamilton was the first Secretary of Treasury, has that sort of event occurred.

We are going to adjourn here shortly then until February 29. We will probably do so without having addressed the question of the debt ceiling. Let us look a little bit at what happens to this country if a default occurs.

My Republican colleagues are feeling very, very macho about this matter, because they are now able to say they have a tool which they can use which will force the President to do their bidding. Well, the President has not been forced to do their bidding by the shutdown of the Government. Indeed, the only persons who have been hurt have been the United States and the people of the United States.

The President has done his best to see to it that the country is run during those periods of time. But we have wasted billions in paying salaries to people who did not work. We are now paying people who are not able to work effectively because their agencies are not fully funded, even though we are paying them. But let us look ahead to see what will occur.

A BALANCED BUDGET

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, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, interest rates will rise. Prices of U.S. Government obligations will fall. Interest rates will rise on municipal bonds, State securities, and private debt, corporate and individual.

Prices of bonds will drop. The securities markets, both stocks and bonds, will fall. The credit rating of the United States will be impaired. Employment will rise. Home mortgages will be thrown into disarray. Homeowners will find the value of their real estate declining. Pension funds will be impaired by reason of the loss of the value of their equity and the loss of earnings. Perhaps high unemployment in this