

have almost as many employees, 8,000 people in Washington today, just a few miles from here, as they had in the entire program a little over a decade ago.

So this is the kind of debate that we have.

I served on that committee. We had a report that EPA wasted a half a billion dollars in a management information system. They could not even tell us where any of this money was spent.

Then we heard the President talk about cleaning up hazardous waste sites. We spent 85 percent of our money for studies and attorney's fees. I submit that that is not the way to go.

U.S. CREDIT RATING

The SPEAKER pro tempore (Mr. HEFLEY). Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 60 minutes as the designee of the minority leader.

Ms. DELAURO. Mr. Speaker, what I want to try to do is, I am here this afternoon along with several of my colleagues to talk about an issue really of great importance of the United States, the people of the United States, and, that is, in effect, what is going to happen to the credit rating of the United States in the next several weeks, a very critical issue that is on the minds of folks here, not only on their minds but we are going to have to take some action with regard to the credit rating of the United States.

The situation, just to go back a little bit. Last month, Mr. Speaker, the House Republican leadership shut down the Federal Government in an effort, and in a well-described effort by themselves, to try to blackmail the President into signing their extreme agenda. Again by their own admittance, they failed to do that. But before they have indicated that they failed in that kind of a tactic, they shut the Government down twice.

They are now at it again. This is the best way that I can describe this. They are at it again. The crowd who brought us two Government shutdowns now is threatening to destroy the Nation's credit rating by defaulting on the debt.

If Speaker GINGRICH has his way, the world will be faced with a spectacle of the United States defaulting on the obligations that it has, its financial obligations, for the first time in the history of this country.

The Republican threats of Government default have sent unbelievable shock waves up and down Wall Street. In fact, and I know several of my colleagues are going to be more detailed about this, just yesterday Moody's Investors Service warned that it is considering lowering the U.S. credit rating because of the threat.

We all understand what a credit rating is about. We all have a credit rating. We all know that when we go to purchase something and we need to use credit, that is examined. And we know when we have a low credit rating what

that means in terms of our ability to purchase and to get by.

Anything that hurts that credit rating hurts our families deeply. So that playing politics with our economy is bad news for Wall Street and the world in terms of the United States, but it is disastrous for Main Street and disastrous for families in this country.

If the Government financially goes belly up, which is what we are talking about, interest rates go higher and higher. That means higher and higher mortgage payments, higher and higher car loan payments, and higher and higher credit card payments.

Sometimes people think that what happens here does not affect their lives. I talk to kids and students about this all of the time. What we do in this Chamber, how our votes are registered on this board, has a direct effect on the lives of every single American. And, my fellow Americans, understand the import of what happens when the credit rating of the United States is destroyed and what it means to your lives.

Mr. DOGGETT. Would the gentlewoman yield for a question there?

Ms. DELAURO. I would be happy to yield to my colleague, the gentleman from Texas.

Mr. DOGGETT. I have known people that have gotten a bad credit rating, they maybe have lost a job, gotten behind on their bills, or maybe they just borrowed too much.

Ms. DELAURO. Exactly.

Mr. DOGGETT. That stigma of a bad credit rating has stayed with their family and prevented them from borrowing, when they had necessities that they needed for their family, for years.

Does the gentlewoman have any idea of how long, if the Gingrich leadership forces a default for the first time in 220 years, how long it will affect the Nation to have its credit rating suddenly go below junk bonds and how much that will cost taxpayers for generations to come?

Ms. DELAURO. In terms of what happens, the United States will never get out of that hole. Our credit, our word that says we will pay our bills, will no longer be believed by the rest of the world.

I will say, and I think people can attest to this, that even if it is 15, 20 years ago, if there is a stigma on your credit rating, they look 15 years, 20 years back. That is what this is about.

The United States will never be able to say to the rest of the world, "We will make good on our credit and our financial obligations," because of what will be done in this House in the next several weeks.

I would be happy to yield to my colleague from California.

Mr. FAZIO of California. I think the gentlewoman makes an excellent point, and I think we all understand this from our own personal experience. If we go out to borrow money to furnish our living room and we default on our debt to the finance company or to

the retailer who sold us the furniture, a mark goes on our record. Our credit report at the credit bureau downtown is there for every other retailer to look at before they decide to extend us credit or not. It may be that they will not extend us any more credit.

Our failure to pay our bills will be a black mark that we will not be able to live down, and we will not be able to borrow again. Or, as I think in the analogous case with the Federal debt, we will have to pay far more the next time we borrow because we are a risk. We are somebody who is a deadbeat, we are somebody who does not really pay our bills.

As a result, when we want to go back to the retailer and borrow some more money, we are going to have to pay 3.5 or 4 or 5 percent more, and that is a huge increase in what we have to pay as a family in order to be able to attain the goods and services that we need.

It is very similar to what each of us in our own life have to deal with. If you default on your mortgage, the next time you want to buy a house, you may be unable to get a mortgage, or you will pay so much it might make it impossible for you to maintain the level of standard of living, the kind of home you have come to understand that you would like to live in.

So the consequences for this country are just like they would be for us as individuals if we become a deadbeat and fail to pay our bills.

Ms. DELAURO. I think you have said it very accurately.

Mr. MILLER of California. Mr. Speaker, will the gentlewoman yield?

Ms. DELAURO. I yield to the gentleman from California.

Mr. MILLER of California. I think we should also be aware of the fact that not only is it the actual default that could cause economic havoc, but the discussion of it and the anticipation of it. Millions of Americans have personal loans at the bank, credit card loans at the bank or their credit union, what have you, they have the mortgages on their home that are tied to indexing and to indexing averages that are tied to the interest rates on various indexes.

When you take the best credit rating in the world, which is the United States of America, it is what all other credit is rated according to. When that moves on a daily basis because of the uncertainty, because of the potential risk, whether we ever default or not, you have already cost homeowners, credit card borrowers, you have already cost them money because the average is higher than it would have otherwise been over the 30-, 60-, 90-day period of time. When they reconfigure your adjustable rate mortgage or your credit card or your home mortgage, it will be higher or not as low as it might have been when we see interest rates dropping as we have seen over the last couple of months.

So, bumping around that index, every day the Republicans threaten to impeach the Secretary of Treasury, they

threaten to shut down the Government, they threaten to default on the debt, to expose our credit rating to this kind of questioning, you pay instantly as a homeowner, as a person out looking and using consumer debt in this country.

So this is not free, this discussion. This is not free, their threats. This happens immediately to people in terms of how those average indexes are used for their adjustable rate mortgages. What they are doing is, by their irresponsibility, by their threatening our credit rating, they are immediately impacting the cost of credit to every American family in this country.

Ms. DELAURO. The gentleman is absolutely right. The transition here is that they want to do that very loud and clear, as recently as reported in the Washington Times, they want to do it as a specific strategy of blackmail, of holding hostage in the same way that they did with the Government shutdown.

They are making no bones. It is a tactical maneuver to force the President to do something, and they are willing to play so fast and loose with every single individual's life in this country.

Mr. HEFNER. Will the gentlewoman yield?

Ms. DELAURO. I yield to the gentleman from North Carolina.

Mr. HEFNER. I would just like to put this on a personal basis. Someone had made a statement here earlier that we were demagoguing this issue and playing fast and loose with the truth.

I think it is a bit hypocritical of any of us to go home to our constituents and say, "I am not going to vote to increase the debt of this country, I am not going to vote to borrow any more money. Let the Federal Government live within its means." That makes a good sound to a group that you are talking to.

But there is not a single Member, be he Democrat or Republican, that does not partake of the goodies that are in the budget every year. What it amounts to, the President of the United States borrows money to keep this Government going, to pay for these things, and he borrows it on behalf of every Member of this Congress.

Let me just give a little scenario. I have three district offices, and the people who work in my office work very, very hard, and they worked in the times when the Government shut down. Some people come and say, "I'm having trouble with my veterans benefits. I haven't been getting my check."

He says, "Oh, well, you come on in." And I do not care whether it is a Republican or a Democrat, he gets right on it to solve this problem for his constituents, whether it is veterans benefits, Social Security, Medicare, Medicaid, whatever. Every Member that sits in this House, unless he does not participate in Government at all, only comes for this Congress and he does not participate in any programs is re-

sponsible for his portion of this debt. To come and to tie conditions and blackmail to keep extending this debt is totally, in my view, hypocritical.

I would like to make one other point. We have borrowed this money, we have spent this money, we have spent this money for disasters, in Oklahoma, in California, in Washington, all over this country, North Carolina, and other places, we have paid for things that benefited the American people. We owe the money. It is a legitimate debt. There is no way you can escape it unless you go bankrupt and throw the country into total chaos.

For people to tie contingencies to this and say, "No, I am not going to vote to increase the debt," in my view is the height of hypocrisy. We owe the debt. We are the greatest Nation on the face of the earth morally, militarily, and economically. We owe these bills; they are legitimate debts. It goes beyond politics. This is something that we owe. It is a moral obligation. That goes to the question of character.

□ 1315

Do we have the character to do the thing that is right, to pay our bills, to support the American people and the things that we stand for as a moral society? It is absolutely the height of hypocrisy for anybody to come to this well and say "I am not going to support the increase of this debt," that every Member, be he Republican or Democrat, liberal or conservative, has an obligation for a certain portion of this debt, and it is absolutely the height of hypocrisy for anybody to deny that. It has to be paid.

I would challenge the Republicans, let us do the moral and right thing and pass this debt extension, where we will keep our country from having to go into default and embarrassing us on the world stage as the greatest country on the face of the Earth, look after our Social Security people, Medicare, veterans, because this would have dire circumstances to all these people that depend on us to do what is right for this country.

Ms. DELAURO. I thank the gentleman. Before I recognize my colleague from Connecticut, Mrs. KENNELLY, I just want to tell you what kind of leader she has been on this issue. In the Hartford Courant today, the headline reads "The Nation's Credit Is at Stake." They say especially what we have been talking about here. It says, "It is the height of irresponsibility if we continue to deal with lowering the credit rating of the United States." It says "Someone has to be a grown-up. Democratic representative BARBARA KENNELLY of Connecticut has introduced a bill to raise the debt ceiling with no strings attached." The next line says, "Congress should pass it."

That is what this is all about. I would like to yield the floor to my colleague from Connecticut, Mrs. KENNELLY.

Mrs. KENNELLY. Mr. Speaker, I thank the gentlewoman. I thank her

for saying that and for taking this hour about the debt ceiling. It is a subject that I have been interested in, and I think anybody who understands what goes on in the financial world is certainly interested.

I have to hark back to when I was a major in economics at college, Trinity College right down here on Michigan Avenue, and then I went on to graduate school in economics, and I can well remember the phrase "full faith and credit of the United States of America." That is an impressive phrase.

The reason it is impressive is because there is something very impressive behind that phrase, and that is the securities of the United States of America. Up until now, they have been the safest in the world. The reason they have been the safest and the reason that results in our having the safest credit rating in the world is the people feel fully free, whether you are an individual buying bonds of the United States of America, whether you are a foreign country buying bonds of the United States of America, the reason our securities are so safe is that people understood across this Nation and across the oceans that the United States of America never played fast and loose with their credit rating.

I know it has been said, and it continues to be said at various gatherings here as we address this whole situation, is that in the past, in the past, other things have been attached to the debt limit. I remember some time ago when that in fact was true. But the point of the matter is, and it is something that I keep trying to bring forth, is that this is not an issue of politics. This is an issue of governance, this is an issue of policy.

So lifting the debt limit should not be a matter of politics, because one does not have to go back in history to remember when Mr. Tom Foley was Speaker of this House, and before that majority leader, and in fact we, the Democrats, were in the majority. I can remember Mr. Foley being so adamant that you could have debate, you could have discussion about lifting the debt limit, but the fact of the matter was that because we, the Democrats, were in the majority, we could not step aside from the point that we had the leadership, and it was the responsibility of those in leadership, those in the majority, no matter which party, had to raise the debt ceiling, because you just did not fool around with that.

I remember that so, so clearly. Now we do not happen to be in the majority. The opposite side of the aisle, the Republicans, are in the majority. Therefore, it still should be an issue of policy, of governance, that we lift the debt ceiling.

The point is, as the gentleman from North Carolina just made, we are not talking about anything in the future. We are talking about money owed, money that has already been spent, money that has to do with the running of this country, and there should not be

any argument in substance, because in fact the majority voted on the budget reconciliation bill that had raising the debt ceiling up to \$5.5 trillion. Our President of the United States has asked for the debt ceiling of the United States to be raised to \$5.5 trillion.

There is no difference. So my colleague from Connecticut, having taken this hour, I just hope we can remember that it really does not do any of us any good to politicize this issue; that what we have to remember is that this is something so serious, this is something so important, that I, as a former economist, hate to even mention the word that is being floated around this floor, the word "default." To me, that is a word we should not even talk about, we should not even be saying out loud, because to me, and I think to anybody in any responsible position, that is something that we do not even consider. A, it has never happened in the United States of America. B, we do not know what would happen. But we know that none of it would be good.

Mr. MILLER of California. If the gentlewoman would yield, when Orange County could not meet its debts, they paid a premium for just the discussion of default because they said nobody has ever repudiated their debt in municipal bonds. You now have under active discussion the repudiation of your debt. You pay a premium for having that discussion. The discussion is not free. Forget the act, how horrible that would be. Just the discussion changes the way other investors look at this, because they are banking other people's money when they buy these securities and this debt of the country.

Ms. DELAURO. If I can make a point with what the gentleman said, and I would ask my colleagues to comment, in terms of our colleague from California talked about Orange County, this has enormous reverberations for every county, every mayor, every first select person, every State in terms of what happens to bonds that are issued, whether it is a school board, whether they are a general obligation. The bonds out there are in trouble.

Mrs. KENNELLY. I would like to end up by saying something about where we are. Since November 15 we should have raised the debt ceiling. We have not done it. As a result, and this is another thing that just kind of boggles my mind, we have not done it, so as a result, the Secretary of the Treasury, Mr. Rubin, has had to use legal ways of paying the bills of the United States of America, without going beyond the debt limit.

Then we hear, oh, my heavens, he is doing something that is not correct because we in the Legislature, we, the House of Representatives, we have the purse strings, and therefore he should not be trying to pay the bills. But we are the ones that can vote to raise the debt limit.

It is another interesting thing that has happened here. Mr. Rubin has such an excellent reputation because he was

in fact a financier, a very successful one. He gave of his time and has come to Washington to help us by being a public servant, and he has come to Washington and he is trying to do his job. He has taken an oath not to allow the Government of the United States ever to default, and he has done some things he would rather not have done, but they are perfectly legal, to make sure we pay our bills.

Then we have some saying he should not do that. And another word I do not like to use, "impeach." Yet the same people are saying he should be impeached, will not allow him to do what he should be doing.

Then it gets even stranger and weirder. There are those on Wall Street that say, hey, the Secretary of the Treasury, Mr. Rubin, is such a fine gentleman, who knows exactly what he is doing, and he is not like those Washington kinds, so he would never allow default. The weirdness and the strangeness keeps going on.

So let me end by saying to the gentlewoman from Connecticut [Ms. DELAURO], we can end all this. We can stop it all. If in fact the majority of this House, if in fact the Speaker put on the calendar that we vote in this House on a clean debt limit, we could end all the discussion. I do not even like hearing it take place. We can raise the debt limit, pay the bills we owe.

We are always saying we have to conduct ourselves and be treated like everybody else in the United States of America, like we should be. Here is a perfect example. We should make it possible to pay the bills of those we have to, because, and I end here and I thank the gentlewoman from Connecticut, because the fact of the matter is, come March 1, there are a lot of checks that have to go out from the Government of the United States, to the citizens of the United States who have paid into their Social Security, to the citizens of the United States who have served to protect their country in the military, to the citizens of the United States who in fact are owed that check on March 1.

Mr. Speaker, let us end the conversation, raise the debt limit, and get on with balancing the budget of the United States of America in 7 years.

Ms. DELAURO. I thank my colleague. Just one point that the gentlewoman from Connecticut [Mrs. KENNELLY] made, which is the abdication of leadership. That is precisely what is happening here, when you do not want to reaffirm the credit rating of the United States and say yes, we will be there. But I will tell you this, and I will just say I do not know what we can expect, what more we can expect from the folks in the leadership in this House.

This is the group of folks who said to the President of the United States, give us a 7-year balanced budget according to our economic assumptions, Congressional Budget Office economic assumptions. He did that, and now they are walking away from that. They have

just walked away from what they have been asking the President of the United States to do, lo, these months and why they closed the Government twice.

Mr. DOGGETT. If the gentlewoman would yield, just one question about that point. These are also the same Republican leaders who for decades have presented themselves to the American people as the party of fiscal prudence, of fiscal integrity. And now they are the ones who are engaged in this most imprudent act of threatening our credit rating for the first time in 220 years, for, as the gentlewoman from Connecticut said, even threatening to impeach the Secretary of the Treasury for trying to avoid that default.

All year long I have heard them call themselves revolutionaries. Do you think is what they meant by revolutionary, that they are now going to become the party of fiscal imprudence and jeopardize our credit rating?

Mr. PALLONE. If the gentlewoman would yield, I just wanted to follow up on what the gentlewoman said about this whole concept of hostage. As the other gentlewoman from Connecticut said before, we are already in a hostage situation. I think the only reason why we have not paid as much attention, if you will, to this whole problem of the credit rating, is because we faced the Government shutdown as the hostage.

In other words, for the last few months the Republican leadership and Speaker GINGRICH were holding us hostage because they threatened to shut down the Government. The only reason that we were able to continue to pay our debts was because of the effort that was being made by the Secretary of the Treasury to continue to find ways to continue the whole Government process without going into default. But now that the Republicans are saying, OK, we are not going to shut the Government down anymore, at least we hope not, we are still waiting to have an answer today, now they are saying OK, but we want to wait a little longer as this credit rating problem continues to persist.

The bottom line is, as the gentlewoman from Connecticut [Mrs. KENNELLY] said, on November 15 we were supposed to extend the debt ceiling, which would have allowed for our credit rating to remain intact and not have the threat of default. It is almost, what, 2 or 3 months later now, and we know by March 1, if we do not do something, if we do not act, if not sooner, we are very likely to go into default.

I do not think we should wait another day. One of the things I would like to mention is we have not even heard any vote being scheduled on the issue of the debt ceiling. We may very well end up passing some kind of continuing resolution tonight and be in recess or be adjourned until the end of February, and there has not been any effort to even suggest that we schedule a vote to deal with this problem of the credit rating.

In addition to that, we are now being told by GINGRICH and the Republican

leadership that we will only consider dealing with the credit rating and extending the debt ceiling if you do other things, if you make certain spending cuts or do certain tax breaks or whatever.

Without commenting on the worthiness of the spending cuts or the tax breaks, or whatever, the bottom line is it is totally inappropriate to hold this Government hostage or to make this linkage between those issues and our credit rating. We are supposed to be responsible here. I am amazed, years past this session of Congress, I have never seen such irresponsible activity to suggest it is OK to threaten the credit rating.

We already know that certain reports have come out, I know my colleague from Texas is going to comment on it today, that indicate that the bond markets and the various groups that look at these things are now concerned about our ability to pay our debts. So it is not something that is pie in the sky. This is real. This is a real thing that is happening right now.

I can just go back to American history, because I listened to the gentlewoman from Connecticut [Mr. KENNELLY] said before. I remember, I do not remember all the specifics, but I remember from back in grade school when we took American history, and we remember, that after the Revolutionary War, one of the main things that the Government wanted to do, and I think it was Alexander Hamilton who was the main proponent, was that the Government, the new American Government, back in the 1700's then, had to be put on a sound financial system. He wanted to make sure that our credit was good. He wanted to make sure we were paying our debts, and that is why from day one, this country has been successful economically. It is one of the foundations of the whole Nation that we pay our debts, that we do not go into default, and we send a message by doing that to the rest of the world that that is what every one should do.

□ 1330

What kind of a message is this Republican leadership sending to the rest of the world when the greatest economic power and the one that drives world economy in this global market that we face is now sending a message that we are seriously thinking about going into default? It is just incredible to me. Maybe I am being naive, but I cannot believe that we are actually hearing this discussion from the Republican leadership.

Ms. DELAURO. It is taking a 200-year history of this great Nation of ours and truly trashing it, and saying that it is not worth it. I would have thought that the Speaker, who is a historian, when you brought up your frame of reference, I think what we need to do is to have some civics lessons here, and if we want to then try to really build on what the Founding Fathers have, their legacy, or whether we want to turn this

country into, to quote a popular phrase today, deadbeat dads so that we are not meeting what our responsibilities are.

I see that my colleague, the gentlewoman from New York [Mrs. MALONEY], is on her feet. Let us get the gentlewoman into the discussion.

Mrs. MALONEY. I would like to add my voice to the lodge politics that is being practiced in this body.

My colleagues, the Republicans are practicing winner-take-all politics. If you do not do it my way, then we will shut the Government down for 21 days. If you do not do it my way, we will default on the Government bonds and the full faith and credit of the U.S. Government, even if this default would trigger a global financial catastrophe, not only in the United States, but globally.

This is not a revolution. My colleague, this is destruction, pure and simple. Compromise is a way of life in public policy. It is called give-and-take. It is called checks and balances. It is called making a decision and moving the Government forward even if you do not get everything you want. My way or no way is the mindset of a 5-year-old, not the leading legislative body of the Western World.

The Republicans, my colleagues know that the Republicans demanded over and over and over a 7-year balanced budget using CBO numbers. The President met that demand, but this is Stairmaster politics. The President steps up, meets the demand, only to find that he has to step again to the same place just to stay in the same place. Every time they make a demand, they just raise the bar a little higher and make another demand.

The bad faith, winner-take-all negotiating stand is unreasonable, it is irresponsible, it is dangerous. It is time for the Republicans to moderate their position, join with the President and move the country forward.

The Republicans should not be playing Russian roulette with the full faith and credit of the United States Government.

I would like to be associated with the comments of my colleagues here and the discussion that the Republicans should put forward a clean bill on debt ceiling so that we may raise it, pay our bills and move forward and stop playing Stairmaster politics.

Ms. DELAURO. I want to thank my colleague from New York.

I just remind people again that the world effects are there. Families will suffer here as well. I believe it was the Speaker who said back in September, "Even if we have to delay tax refunds, we should have our Government default." What happens with Social Security payments, with veterans' payments and military payments, all coming around. We are going to get in a few minutes our colleagues from Massachusetts to talk about that.

I see my colleague, the gentleman from Texas [Mr. DOGGETT], and let me ask you to get back into this.

Mr. DOGGETT. So much of our discussion here this afternoon has been on

what might happen in the future, and the prospects are dire, indeed.

But I think it is important for the American people to understand what has already happened as of yesterday afternoon because at the same time our colleague, the gentleman from Texas [Mr. BENTSEN], and I were trying to bring some sanity to this body and bring up a motion to go ahead yesterday and deal with the debt limit. Unknown to us, one of the leading credit rating agencies in the country was issuing a warning for the first time in history concerning the obligations of the U.S. Government. And I just turned to this morning's newspaper noting that, "In a warning shot fired at Washington, one of the Nation's leading credit rating services announced late today that it was considering lowering its ratings."

Already, even before they take us right to the edge of that cliff and jump off in a kamikaze fashion, they have already issued this warning, and it would signal that the United States might soon have to pay more to borrow money.

We have talked about Orange County, and we have talked about the United States. That is us. That is every American taxpayer. Everyone who pays taxes in these United States has a stake because we will all have to pay more money just like we are paying out billions of dollars now for the excesses of the Reagan years when he signed all those appropriations into law that escalated the Federal budget deficit.

Mr. HEFNER. If the gentleman would yield, I wanted to raise one point here. People keep talking about that this money is going to be used to give the President a credit card where he can go spend. I want to remind all of my colleagues that have lived in areas where there have been disasters, like in Oklahoma and California and even now in Pennsylvania, we have got Ohio and places where we are paying for disasters that have hit this country.

This is money that is going to be spent. We have made arrangements for the money. This is not a debate about amendments and what is going to be done. This is something that has to be done. This is just as certain as death.

If the country continues to stand, this has to be extended. There is no negotiation about it, no percentage negotiation. It is something that absolutely has to be done, and the longer we put it off the more it costs us. It is just like an operation: If you put it off too long, you can become terminal and it can do permanent damage that you never recover from.

I thank the gentlewoman for taking this time, and I think if the American people would just stop and listen to the consequences of this and get on and tell their Representatives, everybody is affected by this: the old, the young, our senior citizens, our veterans, our armed services people, the people in Bosnia. If we do not have the money to

pay these bills, it is going to be dire circumstances for us, and to play with this, make it a political game, in my view, as I said earlier, it is totally irresponsible and it is the height of hypocrisy for anybody to say that we do not have to do this and tie contingencies to it.

Mr. DOGGETT. I would just conclude by noting the reaction of one person, an investment banker, to note what may happen if they carry us over the cliff, but what already happened yesterday in taking us right up to the brink of disaster as this Gingrich-led Congress has done at a time when the President has come here and called for conciliation and goodwill and cooperation. Instead of doing that, they take us up to the edge of the cliff of financial disaster. The reaction of one investment banker was that this is a very strong warning to the system.

The whole notion that the U.S. bonds are on some kind of credit watch is wild. This is the kind of things that happens to some of our companies, not to the United States. It is embarrassing. And it is an embarrassment, but it is an embarrassment we are going to have to pay for.

In Texas, there are a lot of stickers and signs around that say, "Don't mess with Texas." We are saying today, Don't mess with the credit rating of Texas and these United States.

If these Republican colleagues want to go mess up somebody's credit rating, go mess up their own. Do not mess with my credit rating. I have worked to defend and preserve it. And that is what the American people should be saying to this Gingrichite leadership: Do not mess with our credit rating. We worked hard to preserve it, and you ought not to use these crazy, extremist political tactics to destroy the credit rating the generations of Americans have preserved.

Ms. DELAURO. I want to say thank you to the gentleman from Texas, and pardon me for not mentioning it earlier, and I see that our colleague also from Texas [Mr. BENTSEN], has come on to the floor, and I am going to recognize the gentleman from Massachusetts [Mr. KENNEDY] in a moment, but I want to compliment my two colleagues for your resolution of talking about a clean bill and not holding this country hostage. I know all the work that you have done.

One of the most incredible things is that they are going to do this; they have taken us to the brink and now they want to just say, Let us recess and go home, and no one knows what is going on. Talk about, as the gentleman from Connecticut [Mrs. KENNEDY] pointed out, an abdication of leadership. You cannot govern if you do not want to make the decisions and make the choices and let this country keep moving in a forward direction.

Let me just recognize the gentleman from Massachusetts [Mr. KENNEDY], who has also a piece of legislation, who sits on the Committee on Banking and

Financial Services and clearly understands the ramifications of this, whether in the global market or whether it is for seniors, for veterans, for homeowners, or anyone else. Thanks for joining us this afternoon.

Mr. KENNEDY of Massachusetts. Let me thank the gentlewoman from Connecticut [Ms. DELAURO] for making certain that this issue is understood more clearly by the American people and by all of those that might think that this is some sort of simple political maneuver that is entirely expected out of those rascals that run Washington, DC, these days.

This is a highly unusual and very provocative and extremist tactic that is being employed to bring about the imposition of a particular set of political beliefs by a particular group of Republicans.

I think it was interesting that, in the newspapers from Boston Globe to the New York Times and a number of others in today's news reporting, that they reported that Speaker GINGRICH just yesterday evening had offered a compromise to allow the debt ceiling issue to be avoided in the Congress. Yet, in all of the discussions that are taking place today on the House floor and among Republicans, we find that there is, in fact, no real agreement among Republicans to, in fact, come to grips with this debt ceiling.

I, in fact, debated early this morning with the leader of the movement in the Republican Party, the gentleman from Michigan [Mr. SMITH], over the issue of the extension of the debt limit. I did not get any sense that he and many other Republicans are now in a process of being willing to compromise on extending the debt limit. Rather, I think that there are a number of Republicans that have signed, in their belief in a contract which requires them to hold the debt limit at its current spending levels in order to impose upon this country the set of beliefs that they ran on when they ran for the Congress of the United States.

The truth of the matter is that we have a system in this country which has worked for well over 200 years which does not say that just simply because one gets elected to the Congress that you can impose your set of beliefs on the entire country. We have a process that is set up where you have to get a bill passed by the House of Representatives, passed by the U.S. Senate, if you get it passed by both of those, then you have to get it signed into law by the President.

If the President were to sign into law all of the provisions that the Republicans, this extreme group of Republicans, want in their contract, then, in fact, we might be able to go along and have this debt ceiling raised without any controversy. The truth of the matter is there are a number of people in this country that do not believe that we ought to be gutting the Medicare Program, gutting the Medicaid Program, that do not believe that we

ought to be doing that at the same time providing an enormous tax cut to the wealthiest people in the Nation. As a result of that specific provision, the Republicans are intending on dumping the entire debt of this Nation and potentially upsetting the whole apple cart of the world's economic finances and the trust that has been established over 200 years or more of history in terms of the United States being the premier creditor Nation in the entire world.

So, what essentially is taking place here is very simple. A small group of Republicans have held up the rest of the Republicans and have put a gun to the head of the entire American people and said, "You either accept our particular belief on how this country ought to move forward or else we are going to, No. 1, not pay our debt."

OK, we do not pay the first debt that is over \$380 billion that is going to come up in the next month. Wall Street has told us that if that debt is defaulted on, we can expect a minimum rise of 1 percent in our borrowing cost. A 1 percent borrowing cost increase for anybody with an adjustable rate mortgage is going to cost them \$1,200 a year.

□ 1345

Now, the entire tax break that the Republicans are insistent upon in order to get this is not even worth \$1,200 a year. So they are going to give away more to interest rate increases than they are going to get out of the tax break. This is the most ludicrous proposition that one could possibly design.

President Clinton has reached out to the Republicans and said that he will in fact come up with a 7-year balanced budget, with a CBO balanced budget; he will do it with cuts. What he will not do is go beyond the cuts that are required to get to a balanced budget and actually provide an enormous tax break, the lion's share of which goes to the wealthiest people in this country. It is a principled position. It is a reasonable thing to believe in in this country, a system of government that has been set into place, that does not allow an extremist view to come in and impose itself upon the rest of the Nation.

Those differences are what we are elected to then work out a reasonable compromise. We have a system of this country that allows that compromise to move forward. What we ought not to do is sit back and allow the imposition of a particular viewpoint to be rammed down the throat of the rest of the Nation while we sit back and diddle.

I believe that it is important for us to have this debate. It is important for us to make certain that the American public understands that if in fact we go ahead and default on this debt, that this is not a tactic that anybody, many Republicans, JOHN KASICH included, have ever endorsed. I would ask JOHN KASICH and I would ask other moderate Republicans to join with over 150

Democrats that in just 1 day have signed a clean discharge petition. All you have to do is walk up to that front desk. Ask the clerk to provide you, they will even give you a pen. They will give you that pen. You put your name to the paper, and we can make this issue go away, provide the credit of this country with the service that it needs and provide this country with the kind of compromise solution that has worked for over 200 years of American history.

I thank the gentlewoman from Connecticut.

Ms. DELAURO. Thank you for your work, Congressman KENNEDY. Well said.

My colleague from Texas, Mr. BENTSEN, who has really been the coauthor of the resolution to look at a clean debt limit extension, love to have you in this conversation. I welcome also, I might say, the ranking member of the Committee on the Budget, who will join us in this discussion in a few minutes.

I yield to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I thank the gentlewoman from Connecticut for yielding to me. I would like to take a second to talk about what is going on here.

I was asked by a reporter yesterday as to why my colleague, the gentleman from Texas [Mr. DOGGETT], and I introduced a privileged resolution to bring a clean debt limit extension to the floor. My first response was, because it is the obligation of the Congress to make sure that America pays its obligations. The Speaker has chosen not to schedule on the calendar a clean debt limit extension, which has very serious implications.

Additionally, we have had to follow what Mr. KENNEDY of Massachusetts is trying to do through a discharge petition to bring this up, because we have a small band of self-described revolutionaries who do not think that we ought to do this.

Let me briefly remind this House that the last small bank of revolutionaries who chose not to pay their obligations were the Bolsheviks who in the early 20th century decided that they would not pay the obligations of the nation of Russia and thus defaulted on what were then called czar bonds, and even today there is no market for other obligations. Even today, the former Soviet Union, which has now broken the shackles of communism, still finds trouble entering the capital markets because of that.

Let me briefly describe for the House what would happen in the event that we followed through with the default on our national debt. Not only would payments not be made on U.S. obligations, not only would Social Security checks not go out, veterans' checks, salaries to the men and women who are serving our Nation throughout this world in the armed services, including in Bosnia. But in addition, you would

see a downgrade occur on the part of most debt held by State and local governments, school districts, water districts, which is backed by U.S. Treasury obligations.

You would also see a situation where there would be no secondary market for Treasury securities as pension funds and other holders, individuals, other nations would have to in effect dump their Treasury holdings. I would predict, quite confidently, that you would see interest rates on the long Treasury bond, the 30-year Treasury bond head up toward the 20-percent range, which is really quite unacceptable. I think that the impact on the stock market would be well expected to see a significant drop.

Mr. FAZIO of California. Let me ask my colleague, who understands the financial markets as well as any of the Members on our side of the aisle, if it is true, as I understand it is, that today the difference between our triple A bonds, which are the most secure bonds, the U.S. debt, and those that are graded at what Moody's says they may have to be graded at, triple B, I guess, that is about a 3.5-percent difference, is it not, in terms of additional burden that anybody borrowing with the full faith and credit of our Government would have to incur; is that about right?

Mr. BENTSEN. That is about right, around 3 to 3.5 percent, 350 basis points. That is a substantial additional interest cost. What you in effect do is you turn interest into principal and you thus incur more debt. It costs you money in the long run.

We would be raising the cost not only to the American taxpayers through the Federal Government, but we would also be raising the cost to State and local taxpayers, school districts. This is before people who have adjustable rate mortgages, which are coming due in the month of February and March, find out that exactly what that cap on their mortgage meant. If it was a 2-percent cap or a 3-percent cap, they are going to hit that cap.

This is sort of the version, the financial version of mutually assured destruction. This will cause a payment crisis in the U.S. markets that will transcend through every household in this country. It will preclude the Treasury from making Social Security payments. It is totally unwarranted. It should not be done.

The Speaker should bring this bill up, and the last thing, the last thing we ought to do in this situation is to adjourn and go home so some people can campaign or run for President. For doing this, they should probably run away from their constituents for causing this to happen, but they should not be out campaigning. We should stay here, do the Nation's business and avert a default. I thank my colleague from Connecticut for having this time. I appreciate you yielding the time.

Ms. DELAURO. Thank you very, very much, for your help in the education process.

Let us now try to get into the discussion here, the distinguished gentleman from Minnesota [Mr. SABO], the former budget chairman and the ranking member on the Committee on the Budget. No one knows this better than MARTIN SABO.

I yield to the gentleman from Minnesota [Mr. SABO].

Mr. SABO. I thank the gentlewoman from Connecticut for yielding.

Let me commend the gentleman from Texas [Mr. BENTSEN] for his outstanding work in defining this issue to both the Congress and to the American public and to the gentleman from Massachusetts [Mr. KENNEDY] for having had the foresight to introduce some time ago a bill to extend the debt ceiling.

I introduced a more recent version. For the first time in my career in Congress, I signed a discharge petition. I am not one who believes that that should be done lightly or for simple political reasons or for trivial issues. But here we are dealing with just the fundamental management of the financial integrity of this country.

I can think of nothing more foolish for the Congress to do than to refuse to extend the debt ceiling so that we go into default on our credit, so that we find ourselves in a position where we cannot send benefit checks that millions of Americans are expecting. And then the incredible long-term impact; when we look at the long-term potential of balancing the budget, one of the important ingredients that we manage is interest costs. If we are going to do foolish things now, playing political games, we may jeopardize our ability to reach any type of balanced budget over the next several years, simply because we are going to drive the interest cost factor in the Federal Government out of sight. It is foolish. It hurts people. It hurts other units of government and for no good, no good reason.

We should simply go about extending the debt ceiling so our credit remains the best in the world.

Sometimes people talk about we should run ourselves like a business. Can you imagine any business that would unilaterally go out and try and destroy their credit rating for no good purpose? That would only be described as dumb. So let us not be dumb. Let us be smart and extend the debt ceiling. I thank the gentlewoman.

Ms. DELAURO. I thank the gentleman. Aptly put, it is dumb, and to hark back to something our colleague from Texas said, that the Soviet Union is still trying to dig out of that morass of defaulting on those czar bonds. That is a history lesson well worth taking.

Let me ask my colleague from California to jump in.

Mr. FAZIO of California. I want to thank the gentlewoman from Connecticut for helping us focus on what would be one of the worst self-inflicted wounds I have ever seen this Congress contemplate. The Wall Street Journal, leading financial newspaper in the country, today talks about Moody's,

which is the national version of your local credit bureau, considering downgrading the United States debt to the tune of about \$387 billion to in fact create much higher costs for all of us in this country in paying that debt, rolling it over on a periodic basis. It also includes an article about the Mexican economy and the fact that in their credit crunch, loans are today almost impossible to get; and, if you can get them, they are ranging at the 50-percent level.

The reason I bring that up is this is a country that is in deep trouble today just for contemplating default. This country stepped in and helped prevent that and still, just because they flirted with default, today it is almost impossible to get a loan in that country.

We would be, by this action here that is being brought about by the freshman Republicans and others who are irresponsible, in my view, about how they want to conduct our public policy debate, are courting this kind of disaster.

We are about to move to a point where our U.S. bonds, which are the best bonds you can get anywhere in the world, which pay the lowest interest rates because of their security and lack of risk, will fall into the category of almost junk bonds. Here we are, a country that theoretically has learned about the perils of junk bonds, having come through our S&L crisis, we understand that these kinds of high yield bonds we call junk bonds, pay a premium, because of the risk involved, because of the potential for default.

It is a lesson we have got to remember as we continue to do our business in this Congress. Hopefully, the effort that Mr. KENNEDY is leading and Mr. BENTSEN and others to get this Congress to adopt a clean debt limit extension, what we mean by that is to deal with the credit rating of this country without encumbering it with any other extraneous activities, any other legislation that ought to be dealt with in separate vehicles.

We think, and I think Members of the Republican Party honestly agree with us, that if we know what is good for our country, we will act precipitously today, tomorrow, next week, whenever we can possibly get the attention of the leadership of this institution to guarantee that we do not allow ourselves to slip into default and to provide long-term detriment, additional cost to us as individuals and as taxpayers and as a Nation.

We need to sign this discharge petition. We need to bring our Republican colleagues of good will, who are willing to be independent and stand up for what is right for this country, to join us so that we can have sanity reign here and so that we are not going to find extortion and blackmail on something as fundamental to this country as the extension of that debt limit occurring.

Remember, we have written the checks. It is a question of whether we are going to cover those drafts when

they come to the bank. I want to thank the gentlewoman from Connecticut for taking the time to give the American people and our colleagues a better understanding of something that I think we never really entertained, never thought was possible, until just recently when we began to see just how far irresponsibility was leading the minority, the majority party in the direction of bringing about a real financial disaster for this country.

Ms. DELAURO. I want to thank my colleague from California for just outlining what it is all about. I want to thank my other colleagues who joined with us this afternoon, and I just want to say that the issue is credit rating, the credit rating of the United States.

□ 1400

When you hear the words "debt limit, debt extension," put that aside. Credit rating, that is what this is about, and whether or not we are going to say that the United States will continue to have the best credit rating in the world, which it currently has.

I would just say to you that we do have people, we have a group of people in this House that are willing to do harm to the credit rating of the United States by defaulting on our debt. This would be for the first time in this Nation's history. They are prepared to do this, and even have talked about this in terms of a strategy for holding the President hostage, for blackmailing the President to try to get something from him on the issue of the budget.

We have put to rest the issue of the balanced budget. The President has laid one on the table. It is now my Republican colleagues who are walking away from the balanced budget that the President has put down, which they asked for.

What I am begging the leadership, the Republican Gingrich leadership of this House to do, listen to Wall Street when they say what difficulty we will be in in the world if this happens to the United States; listen to Main Street; listen to the working men and women of this country, who will see their adjustable rate mortgages on their homes go up \$1,200 as my colleague, the gentleman from Massachusetts, has said. Credit card payments, because the interest rates will go up, will be higher. Towns and cities and States will find, and school districts and water districts, that their bonds will be in difficulty. That is all the result of tampering with the credit rating of the United States. It will have a disastrous effect on the United States and on the people of this country.

We cannot let this happen. What we need to do is to send the President of the United States a clean debt limit credit rating bill, so that in fact we can continue on as the great Nation that we have been, and that our Founding Fathers sought for us.

Ms. BROWN of Florida. Mr. Speaker, if we don't pass a debt limit extension and the country defaults on the national debt, the result will be devastating.

The Republicans don't believe Treasury Secretary Rubin when he warned of default. Instead, they have resorted to a dangerous game of chicken with our Nation's economy.

If we do default on the national debt, it will have an adverse effect on so many people. Social Security and veteran benefit recipients may not receive checks. Interest rates would rise dramatically, affecting home, car, and student loans. Bond prices would fall dramatically, causing people to sell in fear of this.

First, the Republicans held Government employees hostage in their attempt to get the President to cave in to their extreme balanced budget plan. And now, they are fooling around with the possibility of defaulting on the debt.

They just never learn that their extreme bullying tactics just aren't going to work.

We can't afford to default on the national debt. We need a clean debt limit extension.

VOTING BALLOTS PRINTED IN FOREIGN LANGUAGES, ANOTHER EXAMPLE OF GOVERNMENT EXCESS

The Speaker pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. Mr. Speaker, I rise today to call attention to another example of Government excess. In the spirit of so-called multiculturalism, the Federal Government has mandated since 1965 that voting ballots and materials be printed in dozens of languages other than English. Today there are some 375 voting districts across this country that are required to print ballots in foreign languages.

In a classic example of an unfunded mandate gone amok, politicians in Washington are forcing States and localities to provide multilingual ballots without providing the funds to implement the ballots. This Don Quixote mandate, the legislation that has caused this mandate is the Voting Rights Act of 1965. Under the law, countries must provide multilingual voting information and ballots in the language of any minority groups with more than 10,000 eligible voters in that county.

In the real world, these services should not be needed at all. Voting rights are extended to citizens of this country, and one needs to demonstrate some fluency in English to become a U.S. citizen, so why all of these ballots. In other languages other than English? In practice, this requirement for citizenship has been unenforced, but that does not change the facts. By law, English is the requirement for citizenship in this country. We should not be providing Government services, in direct contradiction with the spirit, if not the letter, of the law's requirement.

Moreover, these services are expensive, as well as unnecessary. It might surprise supporters of multilingual ballots to know that very few people actually request such special treatment. By and large multilingual ballots are rarely requested, and even less often used, even when they are provided. That is