

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 from 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