

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