that work much better. Any reform, then, is something of a leap into the unknown, and at the heart of the budget battle is the question of exactly how big a leap to take.

It was candidate Clinton who first promised to end welfare as we know it, and now the Republican Congress has gone him one better. Its proposal would fold welfare, food stamps and a panoply of other federal programs into one, consolidated grant to be sent off to each statehouse. The Republican plan is exquisitely precise on how and when welfare mothers will be forced off the dole, but considerably more vague on exactly how these people will find jobs or how they will pay for day care and health care even if they do.

''What concerns me in all this is the treatment of the poor,'' says Charles Schultze of the Brookings Institution, the top economic adviser to President Carter. ''For them this represents a terribly risky roll of the dice—one that I think is likely to come out wrong.''

It is not only economists with Democratic leanings who worry about the budgetary impact on the poor. Listen to Herbert Stein, an analyst at the American Enterprise Institute and an economic adviser to President Nixon:

''If you cut Medicaid and welfare and food stamps, will these people descend into misery or straighten up, fly right, get a job and wind up with an apartment on Park Avenue? Frankly, I think it's a risky strategy for the very poorest people. I think many won't be able to adjust successfully.''

But if doing something is risky, so is doing nothing. Even the supposedly harsh measures proposed by the Republicans will keep the federal budget in balance only for the first decade or so of the 21st century. After that, demographic forces will once again overwhelm the Treasury as the giant baby boom generation moves into its retirement years, expecting the same level of pensions and health care as the generation that preceded it. Without further increases in taxes or reductions in Social Security and Medicare benefits, the government is now projected to once again find itself drowning in red ink.

''Even if we can balance the budget in the next few years, it is really only the first step,'' warns Stanford University's Michael Boskin, top economist in the Bush White House. ''What lies beyond the year 2002 simply dwarfs what we are dealing with here.''

Put another way, if you think this budget battle is tough, wait till next time.

## COUNTERING THE REPUBLICAN SPIN ON THE FEDERAL GOVERNMENT SHUTDOWN

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

Mr. WYNN. Mr. Speaker, today is day 20 of the Government shutdown and the spin coming from the Republican side goes something like this: Well, you know, it is not really our shutdown. It is President Clinton's shutdown.

Mr. Speaker, I want to make it very clear to the American people that nothing could be further from the truth. The President does not have the power to end this shutdown. He can take no unilateral action, because if he could, he would. But he can take no unilateral action that will end this shutdown. It is not his shutdown.

The only way he can shut it down is toe acquiesce to the Republicans' demands. It is in fact the shutdown of the Gingrich Republicans, because they have the power by virtue of being in the majority and by virtue of having the votes to pass a clean continuing resolution which could put Government employees back to work. Let there be no mistake. This is a Gingrich Republican shutdown.

Mr. Speaker, the second spin we hear is in reality it is just bickering and really both sides are at fault. That is not true. We have 198 votes to put Federal employees back to work, to pay contractors for work that they do for our country. But it is not just Democrats. In the Senate, Mr. DOLE says enough is enough. So, on the Senate side both Democrats and Republicans are willing to put Federal workers back to work, and House Democrats are ready to put Federal employees back to work.

It seems to me it is clear that this is not a matter of more partisan bickering.

□ 1900

So what is it? It is an attempt by a few self-styled Republican revolutionary hard-liners and extremists to dictate the terms of the budget debate. They are essentially saying, ''If the President does not accept our budget terms, then we will keep the Government shut with all the attendant harms that go along with that.''

Let me digress for a minute, because one of these revolutionaries got on the floor and talked about, ''Well, gee, it is not a problem because the banks are going to provide emergency mortgage relief.''

No. 1, that acknowledges that there is in fact an emergency but, No. 2, that is not what banks are for. In this country banks are supposed to enhance our economic vitality. The money they are giving out to Federal employees because of their emergency could more better be spent expanding our economy, providing small business loans, or helping new home buyers, instead of bailing out people that the Republican hard-liners put in trouble.

But let us go to the meat of the issue, the balanced budget. Again, the Republican revolutionaries get on the floor and say, ''This sacrifice is worth it, because ultimately we are going to fundamentally change the way business is done in this country.'' That is right. More for the wealthy, less for the seniors, less for the poor, less for children.

The specifics of the budget break down this way, and this is why the President does not like it and I do not like it, either. They want to give $245 billion of tax breaks to the wealthy. They say, ''Oh, no, that's not true, we just want to send money back home to the people.''

Well, here are the facts. According to the Treasury Department, half of the $245 billion would go to people making over $100,000 a year. So some $120 billion plus is going to people making over $100,000 a year.

Folks, that comes to about 4 percent of the population. So it breaks down like this: 4 percent of the population is going to get half of the tax breaks in their so-called balanced budget, which amounts to about $100 billion. That is not fair.

On the other side of the coin, they want to take $270 billion out of Medicare, the program for the seniors, and about $160 billion out of Medicaid, the program for the poor and the disabled. Let us think about it. If we did not have to give the big tax break to the wealthy 4 percent, we would have to take a lot less money out of the pockets of the seniors and the poor and the disabled.

That is the meat of this debate, and this is why the President says their budget is unacceptable. If they would give up some of the tax breaks, we could have a balanced budget. There are many of us on this side of the aisle who want a balanced budget in 7 years using the so-called real numbers. We can do that. We do not need to shut down the Government and we do not need to give a big tax break to the wealthy.

Who is being cheated in all this? The taxpayer. Remember, these are not President Clinton's employees, these are not the Democrats' employees. There are our employees, they are the taxpayers' employees, and quite frankly these people are not at work, they are not doing the taxpayers' business. They are not providing Federal home loan assistance; 2,500 applications are not being processed. They are not providing renewals of vouchers for moderately priced homes.

They are not providing services to small businesses. Two hundred and sixty small business applications a day are not being processed through the SBA. Ninety small businesses a day are not being able to bid for contracts because of this Government shutdown. And on and on its goes.

Ladies and gentlemen, the balanced budget is a real issue, but the Government shutdown is a false issue created by so-called revolutionaries who somehow believe that the ends justify the means, and they do not care who is harmed in the process.

## REPUBLICANS WANT A BALANCED BUDGET

The SPEAKER pro tempore (Mr. BARTLETT of Maryland). Under a previous order of the House, the gentlewoman from Wyoming [Mrs. CUBIN] is recognized for 5 minutes.

Mrs. CUBIN. Mr. Speaker, the gentleman from Maryland who just preceded me said that this impasse has occurred because of the Republican Party, the majority in Congress, wants to give tax breaks to the wealthy. That is simply not the truth.

The truth is this impasse has occurred because the majority of this Congress, both the House and the Senate, want a balanced budget in 7 years.

The President signed Public Law 104–56, and I would like to read that.

It says, ''The President and the Congress shall enact legislation in the first session of the 104th Congress to achieve a balanced budget not later than the fiscal year 2002 as estimated by the Congressional Budget Office.''

The fact is the President does not want a balanced budget. The President's extremist liberal agenda and the extremist liberal agenda of Democrats on this side of the aisle simply cannot go forward with a balanced budget, because their agenda costs more than the money that we have coming into the Congress.

That would leave us with two alternatives. We would have to increase taxes to support that agenda that the President insists upon, and continue to go deeper and deeper into debt, thus mortgaging our children's future, selling our children out. We have all heard the saying, ''Fool me once, shame on you. Fool me twice, shame on me.''

The President has introduced four budgets. None of them have been balanced. The most nearly balanced was $87 billion in the red. Two of those unbalanced budgets came after he signed into law that he would balance the budget. His actions show that he is not a man that can be taken at his word. Character counts. When you say something, and then go on and sign into law something that you say you will do and then act in bad faith in these negotiations by refusing any attempt to reach a compromise, then that is character.

We are described, all of the Republican freshman, as extremist radicals. The fact is all we are asking for is a balanced budget in 7 years based on CBO numbers. That is all we are asking for. That is why that impasse is here. That is why the Government is not open. Everything else is open for negotiation. Everything. The level of tax cuts is open. Medicare is open. Welfare reform. Everything is open for negotiation. The only thing where we will not compromise is on balancing the budget, because we are committed to the future of this country. We are committed to our children and our grandchildren, and we want them to be able to have at least as good a life as we have had.

The President said he vetoed our appropriations bill because we cut Medicare too much. Let me take you back in history about 18 months ago when Hillary Clinton was proposing health care reform.

What was stated between Hillary Clinton and the President at that time was, ''My opponents will say that I am cutting Medicare, but that's not true. All we want to do is to slow the growth in Medicare from 11 percent to between 6 and 7 percent.''

That is what Bill Clinton and Hillary Clinton said 18 months ago. Our proposal is higher and spends more money on Medicare than their proposal said only 18 months ago.

This is a transparent excuse to have vetoed the bill. This is pure and simple not wanting to balance the budget.

We have to face that, and we have to get the President to tell the truth about what his intentions are. At least he has to put something on the table so that we will have a point to negotiate from.

I urge all Members to continue on insisting on a balanced budget and, remember, everything else is up for negotiation once the President will give us a balanced budget to work from.

## BUDGET DISPUTE IS INSANITY

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

Mr. WATT of North Carolina. Mr. Speaker, I had made some effort to stay out of this dispute to the extent that I could in terms of the debate, but several of my constituents have called and expressed severe concern about the direction that we are headed and concern that I had not been as vocal on this issue as they expected me to be as their Representative.

The people who called me are real citizens of this country. They are constituents of mine in my congressional district. They are a Federal prison guard who is continuing to work because he has a critical position in the prison system, and despite the fact that he continues to work, he is not now being paid on a timely basis. Although he acknowledges that he may be paid in the future, he asked me, ''What should I tell my creditors in the meantime?'' And I had no answer for him.

They are VA hospital employees who care for our veterans, and live in my congressional district and work at a VA hospital located in my congressional district, who continue to provide services to their patients at veterans hospitals but are not currently being paid.

They are people who had a real estate closing scheduled to close so that they could avoid a foreclosure on their house, and when they got ready to close, they were advised that the FHA had closed its doors and they could not close their loan.

They are people who had sought to go to England for a special training program, who were advised that they could not be issued a passport for this once-in-a-lifetime opportunity that they had been provided.

I had no answers for them, because I have thought that all along this dispute is absolutely insane. There is little if any connection between the continuing operation of the Federal Government and the resolution of the larger budget issue that we face.

Notwithstanding that, my Republican colleagues have succeeded in, as they always do, reducing this major dispute to a one-sentence simple-minded kind of expression—''Let's have a 7-year balanced budget.''

Well, they told us that they were going to operate our Government, or try to make it operate, like the private industry operates.

Well, I do not know of any private industry that can tell me how much income they are going to have 7 years from now. I do not know of any private industry that itemizes the expenditures that they will make 7 years from now. I do not know of any individual, either in this House or outside this House, who can tell me how much income they will have, CBO numbers or otherwise, 7 years from now.

□ 1915

I do not know of any individual either in this House or outside this House that can itemize for me what expenditures they will make 7 years from now. So we have got this kind of simple-minded ''there is something magic about 7 years'' that my colleagues cannot live up to, and they have boxed themselves in and they are holding the American public hostage to their simple-mindedness.

So I want to call on my colleagues, in conclusion, Mr. Speaker, to, please, come to your senses. This makes no sense. Let us open the Government. Let us keep negotiating about these budget issues and get them resolved and do what the American people sent us here to do.

## IT IS TIME TO STOP POLITICAL RHETORIC AND ACCEPT COMMON-SENSE REFORM

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

Mr. COLLINS of Georgia. Mr. Speaker, in 1993, President Clinton and the Democrat-controlled 103d Congress thought they could reduce or end the Government's deficit by passage of the President's budget bill. That bill dramatically increased taxes on working Americans, but it will not end the deficit or balance the budget.

President Clinton was wrong. He has even admitted publicly he was wrong to have raised taxes. But his actions have not matched his words. President Clinton vetoed the congressionally passed Balanced Budget Act of 1995. The Balanced Budget Act of 1995 would have balanced the Federal budget in 7 years while reducing taxes on working Americans. The bill would have saved Medicare from bankruptcy and preserved this vital health care program for our nation's senior citizens, and the bill would have reformed the welfare system that has created a generation of Americans trapped in poverty and dependent on Government handouts.

President Clinton also vetoed several appropriation bills, including the Departments of Justice, State, and Commerce, and others. The President closed the doors of many Federal Agencies and Departments. The President has idled thousands of Federal workers, and the President has inconvenienced millions of Americans who are trying