

Mr. Speaker, this just will not be an international embarrassment or an embarrassment that breaks records of historical precedence. It is going to have a devastating impact on the men and women, the working men and women in this country. It is going to affect them directly.

The debt ceiling affects interest rates. If we do not pay our bills, interest rates are going to go up. Some people say they are going to shoot through the roof. The Gingrich interest rate increase will mean that Americans will pay more for car loans; they will pay more for school loans; they will pay more for credit cards.

Worst of all, every family that has an adjustable mortgage rate, they have an ARM, and there are literally millions of Americans who have these financial instruments to pay for their mortgage, they will see their payments go up right around Christmas time.

New home buyers could easily see a \$600 mortgage increase. That is what is at stake when we talk about the debt limit, and when we talk about holding it hostage, and when we talk about for the first time in 220 years not paying our bills.

Mr. Speaker, this will have an effect on the pension funds of senior citizens and the savings plans of many people who have payroll deduction plans.

One Republican Member on this side of the aisle even suggested that they should use all the tricks up their sleeve. He suggested that Republicans let the Government go bankrupt, even if it means delaying tax refunds next year. He even suggested that we not put payroll tax receipts into the Social Security trust fund.

Keep in mind, this comes from the same party which had a Congressman define the middle-class last week as those people who earn between \$300,000 and \$750,000 a year, and he defined the lower middle-class as those making between \$100,000 and \$200,000 a year. I would sure like to live in his neighborhood.

Mr. Speaker, the Gingrich budget passed last week slashes Medicare and slashes Medicaid; it cuts student loans; it repeals nursing home standards, all to pay for tax breaks for the wealthiest individuals and the wealthiest corporations in America.

Speaker GINGRICH says we have to default on our debt in order to get the budget passed. Mr. Speaker, I say they have to drop these irresponsible tax breaks for the wealthy. We stand with the President and we stand solid and we say to the President, "Hold firm, Mr. President. You are doing the right thing."

REPUBLICAN ATTEMPTS TO
BLACKMAIL PRESIDENT WILL
REQUIRE AMERICANS TO PAY
RANSOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, this afternoon the Republican leaders in the House and Senate went to the White House in an attempt to blackmail the President into signing their extreme budget.

Democrats and the President are opposed to the Republican budget because it includes deep cuts in Medicare and Medicaid and because it increases taxes on working families, while cutting taxes for the wealthy.

The President has promised to veto the budget unless changes are made to protect seniors, children and working families from bearing the brunt of GOP cuts.

But now, Speaker GINGRICH and the leader of the other body are attempting to blackmail the President by threatening to throw the government into default if the President doesn't sign their extreme budget. It's a very dangerous game. Playing politics with our economy is bad news for both Wall Street and Main Street. The Speaker's irresponsible threats sent shock waves up and down Wall Street. But, the real impact of the Speaker's ill-considered political gambit will be felt on Main Street. Once again, working families will be hurt the most.

In fact, the Speaker's threat to throw government into default will amount to a Christmas tax on working families. You see if the government goes belly up, interest rates will go up and up. What does that mean? Well, for starters, it would mean higher mortgage, car loan and credit card payments.

For millions of working families with adjustable rate mortgages, increased interest rates will mean their monthly payments will mean their monthly payments will increase, just in time for Christmas.

If the Speaker forces the Government into default, Americans can expect to ring in the New Year with higher car loans and credit card payments.

In fact, a Tuesday Washington Times story explained that Republicans are so committed to their blackmail strategy that they would be willing to allow the Government to default, even if it means they will have to delay income tax refunds next year.

Mr. Speaker, this is the quote from the Washington Times, Tuesday, October 31:

Representative Nick Smith, the Michigan Republican who heads a 130 member House coalition that wants to use the debt limit as leverage to force Mr. Clinton to sign the Republican budget, said he believes the Treasury could go through January without a debt increase, and if it delayed income tax refunds next year, it might last through spring.

So, in fact, the gentleman does not really care if people do not get their income tax refund, if the interest rates go up, and people have to pay a higher mortgage payment, car loan payment, or credit card payment.

Mr. Speaker, raising mortgage rates for homeowners and denying tax refunds to hard-working Americans is wrong. But, that's what this GOP gam-

bit will mean to working families in this country.

It's hard to believe that Republicans are willing to bankrupt the country. What's worse is that this is all being done to force the President to sign a budget that will further devastate working families.

It's a budget that would repeal Federal nursing home standards. That's right. The House budget would end minimum protections for senior citizens in nursing homes, opening the door for a return to the health care dark ages of bed restraints and mind-altering drugs.

It's a budget that would increase taxes on working families, while decreasing taxes on millionaires. By changing the earned income tax credit, the Republican budget means that working families will pay higher taxes last year. In my district, this budget will raise taxes on 14,309 working families.

It's a budget that would allow big corporations to raid the pension funds of their workers. This budget repeals current penalties for pension raids and allows companies to dip into their employees' retirement money for any reason whatever. In my State, it will mean that \$6.5 billion in retirement funds will be at risk.

Eliminating nursing standards, raising taxes on working families and allowing giant corporations to squander their workers retirement benefits have nothing to do with balancing the budget. They have everything to do with the upside down priorities of the GOP majority.

Let's not play politics with working families' monthly mortgage payments. Let's not play politics with working people's tax refunds. Let's not play politics with the financial markets.

Republicans are attempting to blackmail President Clinton into signing their extreme budget bill, but it is working Americans who are being asked to pay the ransom.

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SEQUENCE OF SPECIAL ORDER

Mr. SMITH of Michigan. Mr. Speaker, since my name was invoked by the previous speaker, I would ask unanimous consent that I be allowed to go out of order with my 5 minutes and speak at this time.

The SPEAKER pro tempore (Mr. AL-LARD). Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE DEBT CEILING

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, first I would like to ask the previous speaker if I could have that