

# EIR National

# Clinton calls Gingrich's bluff on federal shutdown

by Ronald Kokinda

The federal government shutdown went into its third day on Nov. 16, with no signs that President Clinton would capitulate to the terrorist tactics of House Speaker Newt Gingrich and his crew, who are holding federal government operations and U.S. credit hostage in an attempt to force through their Conservative Revolution agenda.

On Nov. 13, President Clinton vetoed a Republican-authored continuing resolution, which was needed to finance government operations because Congress has failed to pass most appropriations bills, because it contained provisions, including deep cuts in Medicare and a demand for a balanced budget in seven years using figures worked out by the Republican-controlled Congressional Budget Office, which were unacceptable to the President. The provisions were added to the continuing resolution in an attempt by the Gingrich crew to do an end-run around the Executive branch, to force the President to accept into law provisions which the Congress has not voted on in its appropriations process, in order to avoid a government shutdown and a default on U.S. debt.

President Clinton has called Gingrich's bluff. "Today the Congress is considering a bill I find objectionable because once again it requires acceptance of the congressional Republican budget as a condition of reopening the government," he said at a press conference on Nov. 16. "Holding the government, the federal employees, and the millions of Americans who depend upon them, hostage to the congressional Republican budget is not the way to do this work. . . . I have proposed a plan to balance the budget without undermining Medicare and Medicaid, education, the environment or working families' incomes. If I were to sign their seven-year plan, in effect I would be approving these cuts. I won't do that because I believe it would be bad for America."

## 'A form of terrorism'

White House Chief of Staff Leon Panetta said that the Gingrichites are putting "a gun to the head of the President and head of the country, saying, 'If you don't accept what we want to do to Medicare and Medicaid or what we want to do to education—we're going to blow you apart.' That's a form of terrorism."

Democratic Presidential candidate Lyndon LaRouche agreed. "What Gingrich has done, is to take budget legislation, which he *could not get through* the legislative process over a veto. He hasn't got the votes in either the Senate or the House . . . to override a veto; he couldn't get this budget legislation through, legitimately," LaRouche said in a radio interview on "EIR Talks" on Nov. 16. "So, he gets people to write his budget legislation, or parts of it, into a continuing resolution. . . . Gingrich pulls a swindle, and says, 'No, you've got to settle the budget, you've got to concede the budget point, in advance, before the debate; otherwise, we won't let you have any money to run the government.'

"In a period of wartime, this guy would get shot. He's using *terrorist methods* against the White House, in an effort to break the Constitution."

In commenting on his veto at the Democratic Leadership Council, President Clinton underlined the constitutional issues involved: "The Congress passes bills. The President signs or vetoes them. Then the Congress can either override the veto or work with the President to find a bill that either the President will sign or then can get two-thirds of the Congress to support so they can override the veto. That is the wisdom of the Founding Fathers. . . . This strategy is nothing more or less than an attempt to evade that system."

Paralyzing the government, LaRouche said, is "the *intent*

of a group in the United States which is openly steered from London, by such people as those around the *Daily Telegraph*, the Hollinger Corp. of Conrad Black, which is the Canada-based branch of British intelligence; and the former chief editor of the London *Times*, Lord William Rees-Mogg, who is the controller and backer of Newt Gingrich, as well as [James Dale] Davidson of the National Taxpayers Union, and people like that."

Unfortunately, LaRouche said, "Sen. Bob Dole, who normally, I think, would not go along with this, but who is in a fierce competition to get votes for his primary election, for the nomination, is going along with it. And thus we have a very dangerous situation, which might set off the biggest world depression in modern history, if this continues too long."

## We must get growth

"If Clinton backs down to Gingrich, he's finished," LaRouche warned. "But you look on the other side, and you take the *Time* poll, the ABC poll, then you look at the popularity of Gingrich himself, and you see that Gingrich's desperation in this tactic is actually partly caused by . . . the fact that he's losing. . . . The President has got the support of the majority of the voters on the issue of this budget. People don't want an unbalanced budget. But, you say, 'Do you want to balance the budget by the following methods?' They say 'No, no, no, there's got to be another way.'

"The President is saying the same thing: He wants to balance the budget, but not *this way*, another way. And the President, I think, instinctively knows that he has to get *growth*, that the problem here with the budget is not that we're spending too much money. We're not spending any more money than we programmed to spend, back in the 1960s. The difference is, the tax-revenue base has collapsed, and it's collapsed precisely because of the kinds of methods," i.e., cutting the budget, which have been attempted so far.

Meanwhile, extraordinary measures are being taken to avert a U.S. default on credit obligations. On Nov. 15, Treasury Secretary Robert Rubin announced that he had used funds in federal retirement accounts: "I have taken actions today to prevent default, for the first time in our history, on the full faith and credit of the United States of America. Absent these actions, we could not pay \$25 billion in interest payments due today. Had Congress passed a clean debt limit extension, I would never have been forced to take these actions."

Rubin said that his actions "involve replacement of an interest-paying government security for a non-interest-bearing cash balance on the books of the federal government. There is no reduction in assets, and under these statutes, interest is fully restored. . . .

"These actions are extraordinary, they are costly, but they are infinitely preferable to default. This is no way for a great nation to manage its financial affairs." Rubin said that the actions would enable the government to meet its obligations through the end of December.

On Nov. 9, Rubin had indicated that failure to act could trigger a crisis in financial markets. Gingrich's monied friends, however, such as Soros Fund Management Director Stanley Druckenmiller, were assuring congressmen that the markets would be only too happy about a U.S. default, if this meant the country were moving toward balanced-budget austerity. Some analysts noted that Soros may have already "gone short" on Treasury bills in hopes of a speculative windfall.

## 'Cry-baby' Newt

The hostage-taking of government operations and U.S. credit-worthiness has been planned by Gingrich and his jacobin cohorts for some time. Gingrich had time and again in the last few months elaborated on his strategy:

*Washington Times*, April 3, 1995: Gingrich "vowed yesterday to create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation increasing the national debt ceiling."

*Time* magazine, June 5, 1995: Gingrich on the President: "He can run the parts of the government that are left [after the budget cuts] or he can run no government. . . . Which of the two of us do you think worries more about the government not showing up?"

*Washington Post*, Sept. 22, 1995: Gingrich: "I don't care what the price is. I don't care if we have no Executive offices and no bonds for 60 days—not this time."

However, with twice as many people blaming the Republicans for the impasse than the President, Gingrich has begun to whine. The Nov. 16 *New York Daily News* headline read, "Cry Baby—Newt's Tantrum: He Closed Down the Government Because Clinton Made Him Sit at Back of Plane," referring to Gingrich's complaint that he wasn't accorded sufficient respect by the President on the plane trip to Israel for Yitzhak Rabin's funeral. Said Newt: "When you land at Andrews and you've been on the plane for 25 hours and nobody has talked to you, and they ask you to get off by the back ramp so the media won't get pictures of the Senate majority leader and the speaker of the House returning from this [funeral]. . . you just wonder, where is their sense of manners?"

The paper printed a cartoon of a pudgy baby, with blow-dried white hair, a baby bottle, and in diapers, crying while stamping his feet. The article portrayed Gingrich "doing a good imitation of Capt. Queeg at the end of *The Caine Mutiny* court-martial, slowly unravelling into resentment and self-pity."

"The extraordinary tale Gingrich told yesterday morning at a *Christian Science Monitor* breakfast is either comedy or tragedy, or a junior high school cafeteria intrigue, take your pick. It surely was not what you expect to hear from the stewards of your government," the paper said.

The White House exposed Gingrich as an outright liar, releasing a photo on Nov. 16, showing Gingrich aboard Air Force One, seated across a table from the President, discussing Middle Eastern affairs with him.