

**Shutting Down the Government: Politics and the 1996 Budget**

**(MLA)**

**by**

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## Abstract

With only two appropriations bills submitted to the President by October 1, 1995, the 104th Congress and President Clinton were off to a slow start at enacting the fiscal 1996 budget. The Republican Congress pushed its "Contract With America" goals including a seven year balanced budget and tax cuts, but President Clinton utilized his presidential veto power to protect Medicare, Medicaid, welfare, education, and the environment from Republican spending cuts. Although Republicans pushed and accomplished creating their partial government shutdown pressures, Clinton used his "spin" doctor abilities to persuade the American public that Republicans were carelessly to blame for government shutdowns and the burdens that accompanied them. Even though Republicans retained their majority in the House of Representatives, the 1996 elections reflected the party's inability to escape the blame for the struggle as well as its inability to uphold the "Contract With America." The budget power struggle exemplified the importance of presidential veto power, compromise in gridlock situations, as well as the swaying nature of public approval and its positive and negative effects. Finally, after fourteen "stopgap" resolutions, two partial government shutdowns, and two reconciliation bills, President Clinton and the Republican Congress completed the fiscal 1996 budget on April 26, 1996.

Having failed to pass and enact the necessary thirteen appropriations bills that compose the United States fiscal budget, the Republican Congress and President Clinton embarked on a tedious struggle to approve a budget for fiscal 1996. Guided by their conflicting priorities, President Clinton and the Republican Congress modestly began with two appropriations bills submitted to the President before October 1, the beginning of the fiscal year. While party priorities and the 1996 elections lurked, Congress and the President pressed forward in their negotiations. Bitter confrontations concerning financial resources, priorities, and financial accounting methods resulted in the need for fourteen “stopgap” resolutions to keep the government functioning and to end the two partial government shutdowns that resulted from the conflicts. As public support and backing of the Republican Congress’ “Contract With America” endeavors declined and turned, President Clinton and Republicans developed and passed the Omnibus Consolidated Rescissions and Appropriations Act on April 26, 1996, ending budget negotiations. The budget struggles exemplified the importance of an executive official with veto power, compromise in gridlock situations, as well as the swaying nature of public approval.

### **The Federal Fiscal 1996 Budget Process**

The 104th Congress came to power with the Republican majority promising to fulfill its campaign promises--its “Contract With America” that emphasized balancing the budget and providing tax cuts (Contract). Unfortunately, the contract did not emphasize the importance of doing so in a timely fashion that would prevent government shutdowns. With a late start, the struggle to enact a budget of appropriations bills began on September 30, 1995, the day before the new fiscal year began. By the start of the new fiscal year, President Clinton only had received the appropriations bills for Military Construction (HR 1817) and the Legislative Branch (HR 1854). In order to prevent government shutdown, President Clinton and Congress agreed to a continuing resolution (H J Res 108-PL104-31) that provided appropriations for government funded activities through November 13, or until the needed appropriations bills were passed, whichever came first. (Federal Budget 71).

Operating under the continuing resolution, Congress approved and submitted four of the thirteen necessary appropriation bills by the November 13, deadline. President Clinton signed the Military Construction (HR 1817-PL 104-32) appropriations on October 3. He approved the bill because it fully provided for his funding requests, specifically for the Defense Department Family Housing Improvement Fund. However, President Clinton was disappointed that Congress appropriated \$70 million for projects not called for by the Defense Department. (Clinton, “Statement on Signing the Military...” 1761-62). The same day, President Clinton vetoed the Legislative Branch appropriations bill (HR 1854). Although President Clinton had approved of the appropriations measures in the bill, he vetoed the bill out of feeling that the legislature should not provide funding for its operations while leaving other departments and their agencies unfunded: “As I said two months ago, I don’t think Congress should take care of its own business before it takes care of the people’s business.” (Clinton, “Statement on Signing the Military...” 1762).

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill was approved by the President on October 21. The legislation provided \$13.4 billion in funding for the Department of Agriculture and the Food and Drug Administration, funding programs including Special Supplemental Feeding Program for Women, Infants, and Children (WIC), food safety programs, and rural community programs. \$41.2 billion

was provided for mandatory programs such as Food Stamps, Child Nutrition, and Commodity Credit Corporation. The appropriations also created funding for the Child Supplemental Food Program, Soup Kitchens, Nutrition Program for the Elderly, Agriculture Conservation Program, and the Export Enhancement Program. Although President Clinton signed the bill, he disapproved of the spending cuts associated with Food Stamps and rural development. (Clinton, "Statement on Signing the Agriculture..." 1946-47).

As the deadline for the continuing resolution rapidly approached, President Clinton approved appropriations acts for both Energy and Water Development and Transportation on November 13. Although President Clinton opposed the \$1.1 billion that accompanied Congress' addition of 14 new Corps of Engineers new start construction projects, he signed the Energy and Water Development appropriations because full requested funding was provided for his proposal to reinvent the Department of Energy, the Department of Energy's Stockpile Stewardship and Management Program, improvement of the Department of Energy's science facilities (key scientific priority of the Clinton administration), and the critical clean up of the Energy Department's weapons production facility. Programs for the Corps of Engineers and the Bureau of Reclamation received \$4.0 billion, almost all funds requested. (Clinton, "Statement on Signing the Energy..." 2024-25).

With four appropriation bills signed, nine bills to go, and November 13 rapidly passing, Congress and the President were in dire need of a second continuing resolution to prevent government shutdown and to continue the operations of the not yet funded government departments and agencies. H. J. 115 was the proposed solution; however, this second continuing resolution did not pass the president's pen. H. J. 115 provided for \$264 Medicare premium hikes for millions of American elderly. President Clinton vetoed the measure that would "raise Medicare premiums on senior citizens, and deeply cut education and environmental protection" (Clinton, "Statement on Signing the Energy..." 2025). With his veto of the continuing resolution, President Clinton sent the message:

If America must close down access to quality education, a clean environment and affordable health care for our seniors, in order to keep the government open, then the price is too high. . . I will continue to fight for my principles: a balanced budget that does not undermine Medicare, education or the environment, and that does not raise taxes on working families. (Clinton, "Statement on Signing the Energy..." 2025).

Without the approval of a second continuing resolution, Congress and the President were forced to partially shutdown the government. All departments and agencies not yet funded by approved appropriations bills for fiscal year 1996 were shutdown beginning November 14. The shutdown sparked by the Republican Congress' spending cut attacks on Democrat beloved programs such as Medicaid, Medicare, welfare, education, and the environment lasted from November 14 through late November 19, when President Clinton approved H J Res 122-PL104-56. This continuing resolution, H J Res 122-PL104-56, did not include the spending cuts opposed by Clinton in H. J. 115; instead, the resolution committed President Clinton and the Congress to passing a seven year balanced budget plan, using monetary figures prepared by the Congressional Budget Office over those prepared by the Office of Management and Budget, and providing adequate funding for Medicaid, education, and the environment. (Federal Budget 70).

During the November partial government shutdown, Congress and the President managed to enact two of the remaining nine appropriations bills. On November 19, President Clinton

approved the Treasury, Postal Service, and General Government Appropriations Act. This appropriations bill provided \$11.3 billion of federal funding for the Department of the Treasury, United States Postal Service, Office of Personnel Management, General Services Administration, as well as the Executive Office of the President. Once enacted, the appropriations allowed 140,000 federal workers to return to work during the partial government shutdown. President Clinton approved the bill pleased that it no longer contained limitations on federally funded non-profit organizations' political advocacy rights. However, he believed that Congress' spending cut affecting the Internal Revenue Service was ill-fated to result in the loss of national revenue that was needed to achieve the goal of balancing the budget. (Clinton, "Statement on Signing the Treasury..." 2048-49).

When submitting the appropriations bill that funded the Executive Office of the President, Congress also resubmitted its previous appropriations bill for the legislative branch under the new number H R 2492. The bill, that President Clinton first vetoed out of feeling that Congress should not place its good before that of the American people, was approved under its new number on November 19. President Clinton passed the new bill "recognizing that the Congress has indeed made some progress since October 3." (Clinton, "Statement on Signing the Treasury..." 2049).

With the H J Res 122-PL104-56 deadline of December 15, rapidly approaching, Congress and the President worked to pass a reconciliation bill that would tie up the budget negotiations. The Republican Congress proposed the budget reconciliation bill HR 2491-H Rept 104-350 to the President . The bill promised a balance budget by fiscal year 2002 by spending cuts of \$894 billion and tax reductions of \$245 billion. The spending cuts were supposed to come from transforming some entitlements to state controlled bloc grants. The bill promised not to cut defense and Social Security appropriations. With such appropriations consisting of more than half of the budget, programs including Medicare, Medicaid, welfare, education, and the environment were left wide open for attack. President Clinton realized that his favored programs were endangered, and he vetoed the reconciliation on December 6:

Today, I am vetoing the biggest Medicare, and Medicaid cuts in history, deep cut in education, a rollback in environmental protection, and a tax increase on working families. I am using this pen to preserve our commitment to our parents, to protect opportunity for our children, to defend the public health and our natural resources and natural beauty, and to stop a tax increase that actually undercuts the value of work. (Clinton, "Remarks on Vetoing Budget..." 2139).

Without a budget reconciliation, the government was headed for a second shutdown scheduled to begin on December 16. The second partial government shutdown began on December 16, and lasted through January 6. During this time of partial shutdown, Congress and the President had very little success in improving the status of the budget appropriations bills. The appropriations bill concerning defense (HR 2126-PL104-52) became law without the President's signature on December 1. Although he did not sign the legislation, President Clinton recognized that the "bill provides for a strong national defense, supports our commitments to the quality life of our forces and their families, maintains high military readiness, and funds investment programs necessary to modernize the equipment used by our combat forces" (Clinton, "Statement on Approval..." 2090). President Clinton also approved that the legislation provided for peace efforts in Bosnia. Although the President supported many aspects of the appropriations bill, he disapproved of the excessive spending on unneeded defense projects, defense reporting requirements proposed, and the prohibition of privately funded abortions in military facilities

overseas except for in cases resulting from incest, rape, or the endangerment of the mother's life. (Clinton, "Statement on Approval..." 2090).

Before the end of 1995, President Clinton also vetoed appropriations for Departments of Interior, Veteran Affairs, and Housing and Urban Development on December 18. Clinton vetoed the measures because of their negative affects on the nation's children, values, and environment. He disapproved of the bill's elimination of the national service program, decrease in funding for urban economical development programs, cuts in services for Native Americans, as well as the veteran health care cuts. Although President Clinton agreed to balance the budget in seven years, he would not do so by cutting such programs that he believed were vitally important to the well being of the nation. (Clinton, "Remarks on Vetoing Departments..." 2195-96).

President Clinton assigned the same fate to appropriations for the Departments of Commerce, State, and Justice on December 19. The appropriations failed to pass President Clinton largely because they transformed his past key crime bill, that promised to place 100,000 new police officers on the street, from a federally funded entitlement to a state controlled bloc grant. President Clinton believed such a transformation with no guarantees would ruin the program and the nation's security. He also vetoed the appropriations because of the spending cuts in nondefense research and development programs that he felt were necessary in our technological world. (Clinton, "Remarks on Vetoing the Departments" 2206).

When Congress and the President finally took action to end the second partial government shutdown, the government had experienced twenty-seven days of shutdown due to fiscal 1996 budget conflicts that had cost the American taxpayers \$1.4 billion, not to mention the toll the shutdowns had taken on federal workers and federally funded public services [See Plate I 17] (Republican Shutdown). Congress and President Clinton began relieving the burdens of shutdown on January 5, by having agreed on "stopgap" resolutions that provided funding for departments and agencies still not appropriated for the current fiscal year. By the time Congress and the President completed fiscal 1996 appropriations through the enactment of the Omnibus Consolidated Rescissions and Appropriations Act, they had already enacted fourteen resolutions to keep government agencies operating while budget negotiations pended. Some resolutions or "stopgap" bills funded departments or agencies through the remainder of the fiscal year. This was the case for appropriations for foreign-aid programs, provided for in mid-January by HR 2880-PL104-99. The stopgap bill provided funding for all not appropriated programs through March 15. (Federal Budget 72).

The budget process for fiscal 1996 finally came to an end on April 26, when President Clinton signed the Omnibus Consolidated Recissions and Appropriations Act. The departments incompletely funded--Commerce-State-Justice, Labor-Health and Human Services-Education, Veteran Affairs-Housing and Urban Development-Independent Agencies, and the District of Columbia--were provided for by the omnibus bill. President Clinton proudly signed the legislation that restored \$5.1 billion of the \$8.1 billion that he originally sought for priorities including education and training, law enforcement, the environment, national service, and science and technology. The bill also provided funding for emergency disasters and for national and international crises. President Clinton also approved the bill's rehabilitation of programs including the Corporation for National and Community Service, Goals 2000, and Community Oriented Policing Services. These programs were originally attacked and disabled by the Republican Congress. The President also favored his new line-item veto authority to drop riders such as those

affecting the Alaskan Tongass, Mojave National Preserve, endangered species listing actions, and the clear-cutting of old growth trees. (Clinton, "Statement on Signing the Omnibus..." 726-27).

### **The Republican Congress v. President Clinton: The Struggle to Compromise**

The gridlock and struggle between the Republican Congress and President Clinton in developing and enacting the fiscal 1996 budget was largely due to party politics and the approaching 1996 congressional and presidential elections. The Republican Congress would also have the conflict attributed to the difference in the President's and the Congress' resources for formulating budget policy. However, poor timing and petty differences also added to the persistence of the budget struggle.

Party politics played the largest role in feeding the fire of the budget negotiations or the failure to negotiate. Different political parties have different priorities corresponding with their constituents. The conflicting political initiatives caused the Republican Congress to shape a fiscal budget with values that differed greatly from those embedded in President Clinton's proposal. The party politics was evident in the fiscal 1996 budget procedures primarily by the great extent of party-line voting in both chambers of Congress on appropriations bills. With the election in 1996, both parties had much at stake--congressional seats and the presidency. Therefore, compromise was given a back seat to the parties' initiatives.

Having come to power in 1994 through their "Contract With America," the Republican Congress had a mission to fulfill their 1994 campaign promises before the 1996 November elections. The Republican majority sought to develop and enact a budget proposal that would both balance the budget in seven years and provide for the largest tax cut since the presidency of Ronald Reagan. Both chambers of Congress approved the formal plan (H Con Res 67-H Rept 104-159) on June 29, with party-line votes. The Republican resolution included savings of \$270 billion from Medicare, \$182 billion from Medicaid, and \$175 billion from other necessities. By placing spending caps on discretionary expenditures from 1996 to 2002, Republicans believed they could save \$190 billion, which would allow them to refund the American public \$245 billion in tax cuts. The Republican plan also promised not to cut appropriations for Social Security or defense; in fact, the resolution increased defense spending \$58 billion. (Federal Budget 66).

President Clinton's budget proposals highlighted protecting programs affecting Medicare, Medicaid, welfare, the environment, and education. In his original budget proposal, submitted to Congress on February 6, 1995, President Clinton expressed little concern for balancing the budget. He proposed a \$63 billion tax cut for the middle class over five years. This tax cut would be funded by spending cuts of \$144 billion that would leave \$81 billion for deficit reduction. Although President Clinton called for spending cuts in the forms of terminating and consolidating programs, controlling entitlements, and selling government assets, he also proposed investments in areas such as health care, education, and job training. Under Clinton's budget proposal, government spending would increase by about 4.3 percent per year for the next five years. The deficit also was projected to increase in 1996 to \$197 billion and in 1997 to \$213 billion; however, the administration believed the deficit would be slightly less than \$200 billion in 2000 (higher than its 1995 amount). (Federal Budget 66).

Another political party factor that inhibited negotiation efforts between the Republican Congress and President Clinton, was the upcoming November 1996 congressional and presidential elections. Republicans, having finally become the majority party in the House of Representatives in forty years, were determined to hold their majority status and increase their dominance

(Davidson 169). In order to do so, it was crucial for the Republican Congress to pass and stand strongly for their budget proposals that upheld their “Contract With America.” At the same time, the party was also trying to take back the White House with Senate majority leader Bob Dole as their candidate. Senator Dole’s presidential candidacy against incumbent President Clinton also heightened the importance of not only the Republican party’s dominance and control of the budget negotiations but also the importance of Senator Dole’s leadership in the process. However, as recognized by George Edwards and Stephen Wayne, the general public encouraged government spending cuts as long as the cuts do not come with any unwanted side effects such as cuts in federal programs (405). President Clinton’s budget proposals protected programs including Medicare, Medicaid, and welfare; therefore, Republicans were viewed as the side to blame for the government shutdowns as well as any spending cuts in programs directly affecting the American public. Although the Republicans maintained their control of the House of Representatives after the 1996 election, they did not obtain as great success as hoped. Republicans also were unable to win the presidential election. President Clinton seemed to triumph as the people’s president, who protected them from Republican spending cuts.

Beyond party lines, negotiation procedures also were dampened by conflicting financial figures of the President’s Office of Management and Budget and the Congressional Budget Office. The Republican Congress argued that the President’s Office of Management and Budget produced extremely optimistic but unrealistic deficit predictions: “‘Using this kind of a gimmick gives smoke and mirrors a bad name,’ Kasich said, calling the proposal a ‘tremendous disappointment.’” (Hager 3721). Executive branch appropriations calculations were determined by adjusting spending for inflation and entitlement growth. Spending cuts were determined by adjusting discretionary expenditures for inflation while freezing appropriations at the 1998 freeze level. (Federal Budget 66). The Congressional Budget Office’s predictions were determined by nominal monetary figures. However, it should be pointed out that both sides’ original proposals relied heavily on the luck of there not being a recession before 2002. (Federal Budget 66). There was a hint of optimism on both sides.

Factors such as timing and petty differences also played minor roles in the persistence of the fiscal 1996 budget struggle. With a continuing resolution being passed before a single appropriations bill was received by the White House, it was apparent that negotiations were in the future for Congress and President Clinton. Although many felt the struggle (highlighted with the two partial government shutdowns) was caused by the Republican Congress’ postponement of budget legislation by bringing the other measures of the “Contract With America” to vote, it seemed many Republicans knew better. In a September confidential interview, Congressman Mark Souder (R-IN) would have members of the Council for National Policy believe that the poor timing was actually good strategic timing: “This is not a game over whether or not the government is going to shut down. This is our maximum point of leverage to insist that parts of the revolution are executed.” (Porteous Council). Republicans, knowing that their budget agenda was too radical to pass a Democratic President, realized early that the threat of government shutdown may coerce President Clinton to sign appropriations that under normal circumstance he would veto. Republican Congressmen foreshadowed government shutdown in early June 1995, four months before the new fiscal year began:

We’re going to go over the liberal Democratic part of the government and then say to them : “we could last 60 days, 80 days, 120 days, five years, a century.

There's a lot of stuff we don't care if it's never funded."--Newt Gingrich, *Rocky Mountain News*, June 3, 1995. (Republican).

However, this strategy did not claim victory for the Republican party. President Clinton did not allow Republican threats of government shutdown prevent him from protecting his and the Democrat party's interests in Medicare, Medicaid, welfare, the environment, and education. Instead of allowing the Republican Congress to blame him as the executive of the federal government, President Clinton (being the "spin doctor" that he is) exposed the Republican Congress' actions as being predetermined and uncaring toward the struggles imposed on the American public. With the table turned, Republicans eventually found themselves in need to compromise in order to save any hope of maintaining their majority in Congress, specifically in the House of Representatives. Although the Republicans maintained their majority after the 1996 elections, they no longer had their "mandate" from the American public.

### **Reflecting on the Fiscal 1996 Budget Struggle**

The struggle between President Clinton and the Republican Congress in negotiating and enacting a budget for fiscal 1996 emphasized the dualistic nature of Congress, especially how representative-oriented it became as election time approached. The struggle also illustrated the purpose and power of the presidential veto when utilized. The role of public approval and the manipulation of public opinion also emerged as key components in shaping legislation such as the fiscal 1996 budget. However, let us not underestimate the power of party politics--good, bad, or otherwise.

In *Congress and Its Members*, Roger Davidson and Walter Oleszek described Congress as having a dualistic nature: "Congress is a conduit for localized interests and concerns as well as a maker of national policy." (Davidson xii). The budget struggle showed Congressmen at their peak of serving as representatives rather than legislators. Besides party-line votes on appropriations bills and resolutions, the prolonged inability to negotiate a compromise marked the separation of job tasks. While as legislators, Congressmen should have been working to compromise to prevent harmful government shutdowns, as representatives, Congressmen were set on upholding their promises to and the values of their constituents. Republican members were set on pushing through their "Contract With America." Democrats were more interested in protecting and, in some cases, expanding public services in areas including Medicare, Medicaid, education, welfare, and the environment. Both sides were interested in serving their constituents to the best of their abilities in order to protect and enhance their positions going into the 1996 congressional and presidential elections. Therefore, not only were they interested in serving their constituents, but they were especially interested in serving their number one constituent--themselves.

President Clinton also had interests of his own to tend. He too was up for reelection in 1996. The President needed to energize his support from fellow partisans while retaining his centrist position for overall American support and approval. These sometimes conflicting tasks became more compatible because of the overwhelming party-line voting that was passing appropriations bills through Congress and to the President's desk. President Clinton utilized his presidential veto power to protect the views and interests of the minority that just happened to be his political partisans. The President's use of his veto power was especially significant because party-line votes combined with a small Republican majority in the House of Representatives provided that an executive decision would not be overridden. President Clinton's veto trumped the Republican Congress reinforcing his executive power and his message: "If we balance the

budget without investing in our children or protecting their environment, it means we are really borrowing from the next generation without ever paying them back.” (Clinton, “Remarks on Vetoing Departments” 2195).

Winning and maintaining public support and approval was an integral part of the 1996 budget battle. Although Republicans believed that they had America’s support after being elected with the “Contract With America” strategy, their confidence soon faded. President Clinton, being an accomplished “spin” doctor, swayed the American public convincing them that the Republican Congress was not looking out for our nation’s and its citizens best interests. He blamed the costly partial government shutdowns on Republicans’ self-interests and refusal to compromise. President Clinton’s ability to gain the general public’s support away from the Republican Congress no doubt allowed him to reverse the pressure to compromise onto Republicans’ shoulders and helped him and his party in the 1996 elections. The power to manipulate public support was an important theme in the budget struggle. The unified voice that the President had compared to the myriad of voices that composed Congress gave the President an advantage that made appealing to and persuading the public more personal and overall more successful than attempts to do so by the Congress.

In reflection of the struggle to enact the fiscal 1996 budget, the battle seemed to actually have been for leverage for the 1996 elections rather than appropriations priorities. The budget process became the partisan battlefield because of its part in the “Contract With America” as well as its direct importance to the government (funding) and the public (jobs and services). While the President experienced the power of the veto and a unified voice, the Republican Congress learned the importance of having two-thirds of the House of Representatives support and backing as well as the importance of double checking whether or not you truly have a mandate from the American public before partially shutting down the government. Lessons learned and elections lost.

# Appendix

## Plate I

### Cost and Impact of Government Shutdown

Embarking on the course towards a government shutdown, Speaker Gingrich was cavalier about the impact of employing this tactic. He boasted to the Washington Post, "I don't care what the price is..." (September 22, 1995) Unfortunately for the American taxpayer, the cost was high and inconvenience was great. In the final analysis, the 27 day government shutdown cost the American taxpayers \$1.4 billion. (Office of Management and Budget report January 19, 1996) In addition, the shutdown disrupted business and individuals who were innocent victims of political brinkmanship. The following is a list of just a few of the totally unnecessary disruptions caused by these tactics.

**Veterans Benefits.** Approximately 170,000 veterans did not receive their December Montgomery GI Bill education benefits on time. Over 200,000 additional veterans disability compensation and pension claims were added to the backlog, during the shutdown, and each of the 350,000 existing claims in the system experienced a 27-day additional delay in adjunction time. the shutdown resulted in an additional 25,000 pending home loan claims and an additional 8,000 pending life insurance claims. Furthermore, the Veterans' Administration was unable to provide over 15,000 personal interviews and 81,000 telephone interviews to veterans, their survivors, and dependents.

**Superfund Cleanups.** Hundreds of Superfund toxic waste cleanups were shut down, delaying cleanup of these sites and unnecessarily continuing exposure to dangerous chemical for citizens living near them.

**Child Support.** The shutdown resulted in a backlog of 250,000 cases for the Federal Parent Locator Service, which helps States locate parents who are delinquent in their child support payments.

**Federal Employees.** Pay for over three-quarters-of-a-million federal employees was delayed. This total included both the 480,000 emergency workers who worked but could not be paid until Congress approved funds (such as the VA doctors and nurses, Federal prison guards, FBI, DEA and other law enforcement personnel) and the 280,000 non-emergency workers who were not allowed to work.

**National Parks/Museums.** Approximately seven million National Park visits were prevented because the National Parks were shut down. Businesses that depend on national parks lost income that could not be replaced. Over two million visits to the Smithsonian Museums, National Gallery of Art, National Zoo, Holocaust Museum, and the Kennedy Center were prevented.

**Small Businesses.** Approximately 5,200 small businesses were delayed in receiving SBA guaranteed financing. During the shutdown, small businesses lost the opportunity to bid on an estimated 1,036 contracts valued at \$224 million, because SBA's Surety Bond guarantee program was not available.

**Passports.** Over 200,000 passports applications were not processed and were then backlogged as a result of the shutdown.

**Trade.** Over 1,000 export licenses valued at more than \$2.2 billion in U.S. exports were delayed because the Department of State and the Bureau of Export Administration were unable to process export license.

**Worker Protection Activities.** About 1,300 workplace safety complaints were unanswered and 3,500 investigations involving pension, health and other employee benefit plans were suspended by the Labor Department.

**Housing.** Over 30,000 Federal Housing Administration single-family loans could not be insured by the FHA -- either forcing FHA home buyers to delay their purchase or requiring FHA lenders to temporarily carry the credit risk of such loans on their own books.

"The Republican Shutdown of the Government."

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