



# Showdown Over a Possible Government Shutdown

As Congress nears its March 4 deadline for the expiration of the current continuing resolution that is funding the federal government, and budget negotiations between Congressional Republicans and Democrats are at a standstill, politicians are facing the reality of a potential government shutdown. For some, however, a shutdown could have potentially positive consequences.

Two former staffers to President Bill Clinton are claiming that the government shutdown in 1995 helped Clinton win re-election in 1996 and foreshadow a repeat of events if this administration allows a government shutdown over budget disputes.



The <u>1995 government shutdown</u> was brought about by a conflict between Democratic President Bill Clinton and the Republican-controlled Congress over funding for Medicare, education, public health, and the environment. Congress submitted a spending bill to the President wherein cuts to the disputed areas were proposed, but Clinton vetoed the budget. Congressional Republicans then refused to raise the debt limit, a threat which would result in default, resulting in a game of chicken.

On November 13, the federal government came to a standstill for five days; the shutdown was ended only by the passage of a temporary spending bill, resulting in a second shutdown in 1996.

Though Republicans blamed Clinton for the shutdown, public opinion favored the president, and his approval rating skyrocketed to its highest level since his election.

One staffer, Elaine Kamarck, who now teaches public policy at Harvard Universitys Kennedy School of Government, says this of the shutdown and its impact on Clintons popularity:

I think it won him the 96 election. I think the political impact was enormous. I think after the shutdown he was ahead of [Bob] Dole and frankly never fell behind him. You know, I think politically it really did work to Clintons advantage. [Then speaker Newt] Gingrich didnt play it very well. I assume Gingrich could have played it better.

The other staffer, Bill Galston, who now works for the Brookings Institution, made similar assertions:

I do think that it had the interesting effect of bringing Republicans to the table, and there were agreements in both 96 and 97 that were not trivial. So you could argue that after the new Republican majority hit a wall, which their leadership had steered them into in December 95 and January 96, they were to some extent sobered up and more willing to do business than before they hit the wall.

While the staffers assertions that the government shutdowns may have positively influenced Clintons chances of re-election may have some merit, not everyone agrees that a 2011 government shutdown would do the same for Obama. Fox News <u>writes</u>, Democrats are fanning fears of a government



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shutdown on the belief that they would benefit politically, but they could be making a dangerous assumption.

One of the problems with this assumption is the failure to recognize the differences between the circumstances surrounding the shutdown in 95 and 96, and those pertaining to an impending 11 shutdown.

First, in 1995, Republicans controlled both chambers of Congress, making it significantly easier to pin blame on the GOP for the federal shutdown. Today, Congress is split between both Parties, splitting decision-making power.

Second, according to Fox News, Boehner is a more sympthatic figure than Gingrich. Gingrich famously took a pounding for telling reporters that his decision to take the battle to the brink was partly due to Clinton forcing the speaker to ride in the back of Air Force One. Low-key Boehner would make a less-effective foil for Democrats.

Furthermore, though the mainstream media continues to embrace the Democrats far Left agenda, the explosion of the internet, where a greater right-wing presence can be found, as well as the launch of Fox News, certainly weighs in to this equation, components which were not present during the 1995 and 1996 shutdowns.

Finally, the public attitude towards government spending is largely different today than it was 15 years ago. Polls continue to show that spending and the federal deficits remain a top priority for a quarter of the voters, as opposed to 1995, when those were bottom-tier issues in most polls.

Of course, such a change in public opinion makes sense, as the debt was a mere \$4.97 trillion in 1995, as opposed to the more than \$14 trillion we see today.

According to an exclusive poll for *The Hill*, for example, 62 percent of Americans are opposed to raising the debt ceiling, while a mere 27 percent are in favor of it.

Likewise, a January <u>Rasmussen Report</u> poll shows that 50 percent of Americans believe that government spending has a negative impact on the economy, while just 29 percent continue to believe government spending stimulates the economy.

Since fiscal year 1977, there have been 17 government shutdowns, ranging anywhere from three to 21 days (the longest in U.S. history, lasting from Dec. 15, 1995 to January 6, 1996).

Federal guidelines indicate the shutdowns cannot impact agencies that provide for the national security, provide benefit payments and the performance of contract obligations, and conduct essential activities that protect life, liberty, or property.

However, shutdowns do have an impact on the general public. According to a report by the <u>Congressional Research Service</u>, the 1995 and 1996 shutdowns impacted the following areas:

Health: The National Institutes of Health were unable to accept new patients or answer hotline calls regarding diseases, while the Centers for Disease Control and Prevention no longer performed disease surveillance and toxic waste cleanup projects.

Law Enforcement and Public Safety: The Bureau of Alcohol, Tobacco and Firearms delayed the processing of applications pertaining to alcohol, tobacco and firearms, recruitment of U.S. Border Patrol agents was canceled, and child-support cases were delayed.

Parks, Museums, and Monuments: The closure of national monuments and museums resulted in the loss



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of 2 million visitors.

Visas and Passports: Nearly 30,000 visa applications were unprocessed, while 200,000 applications for passports were ignored. In both cases, millions of dollars were lost for the tourism industry.

Military veterans: Services for veterans, including health and financial services were curtailed.

Federal contracts: Approximately 20 percent of federal contracts were impacted.

During the Clinton-era shutdowns, over one million federal employees were furloughed in total, as well as an undisclosed number of federal contractors.

In anticipation of a potential repeat of the Clinton-era shutdowns, Senate Majority Leader Harry Reid says he will bring up another temporary spending measure next week that will fund the government at current levels through April, allowing more time for talks.

However, Republicans note that each month the passage of a fiscal year budget is delayed will cut into the \$61 billion in spending cuts found in the House Republicans spending plan, which passed on February 19.

The White House has already indicated it would veto the measure if it made its way to President Obamas desk.

In a statement issued by House Speaker John Boehner today, he said, The American people want Congress and President Obama to enact legislation that keeps the government running while cutting spending. I ask Senator Reid, with all due respect: What are you willing to cut?

Predictably, a Goldman Sachs Group, Inc. analysis released yesterday asserts that the House-approved plan would cut between 1.5 and 2 percent points off U.S. economic growth. Naturally, Democrats seized on the analysis as evidence that cutting the deficit does not increase job growth.

New York Democratic Senator Chuck Schumer remarked, "This analysis puts a dagger through the heart of their 'cut and grow' fantasy."

The Republicans are accusing the Democrats of working with lobbyists to avoid spending cuts.

White House Press Secretary Jay Carney reports that the White House is seeking to avoid a government shutdown:

A government shutdown would have harmful effects on our economy. It would set back our economic recovery. It would potentially reduce our growth and reduce our job creation efforts. We obviously, like the leaders of Congress, want to avoid that, and we believe we can.

Likewise, Republican leader Eric Cantor contends, A government shutdown is not an acceptable outcome, and I call upon Leader Reid to commit to a good-faith effort to work with us and take that threat off the table.

<u>Bloomberg News</u> reports that a number of Republican and Senators are meeting in private to discuss a broader measure to reduce the deficit. Unfortunately, those talks are also plagued by what is sure to be another showdown over a raise to the debt ceiling, which is projected to be reached within a few short months.

Photo: In this Jan. 4, 1996, file photo the sun gleams down on the still-closed Washington Monument as the federal budget impasse continued in Washington: AP Images





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