

105TH CONGRESS
1ST SESSION

S. RES. 142

To express the sense of the Senate regarding the treatment of any future unified budget surpluses.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 3, 1997

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on Finance

RESOLUTION

To express the sense of the Senate regarding the treatment of any future unified budget surpluses.

Whereas the current economic expansion is now in its seventh year and shows no signs of ending;

Whereas the unemployment rate is below 5 percent for the first time in 24 years;

Whereas the current official inflation rate, which may be overstated, is about 2 percent;

Whereas the deficit has been reduced from \$290,000,000,000 in fiscal year 1992 to \$23,000,000,000 in fiscal year 1997, or just three-tenths of 1 percent of the Gross Domestic Product (GDP);

Whereas the Congressional Budget Office projects that, under present law, the unified budget will have a surplus of \$86,000,000,000 in 2007;

Whereas the Congressional Budget Office also projects that, under present law, the debt held by the public will fall from about 50 percent of GDP this year to about 30 percent by 2007;

Whereas this extraordinary combination of good budget and economic news is largely the result of budget policies included in the Omnibus Budget and Reconciliation Act of 1993;

Whereas the budget is not yet in surplus;

Whereas the Congressional Budget Office also projects that the deficit is likely to reappear after 2007, and that the debt held by the public as a percentage of GDP is also likely to increase as the baby boom generation begins to retire;

Whereas, without the on-budget surpluses of the social security trust funds, the Congressional Budget Office still projects annual deficits of about \$100,000,000,000 even after the budget is “balanced” in 2002; and

Whereas projected unified budget surpluses in the short-run would rapidly disappear if the current expansion ends, and the economy would enter a recession: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) any unified budget surpluses that might
3 arise in the current expansion should be used to re-
4 duce the Federal debt held by the public; and

1 (2) to achieve this goal during this economic ex-
2 pansion that there be no net tax cut or new spend-
3 ing that is not offset by reductions in spending on
4 other programs or tax increases.

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