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WASHINGTON, TUESDAY, JANUARY 9, 1996

No. 5

Senate

The Senate was not in session today. Its next meeting will be held on Wednesday, January 10, 1996, at 12 noon.

House of Representatives

TUESDAY, JANUARY 9, 1996

(Legislative day of Friday, January 5, 1996)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. EMERSON] at 11 o'clock a.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As the psalmist of old has written: *I will call to mind the deeds of the Lord; yea, I will remember thy wonders of old. I will meditate on all thy work, and muse on thy mighty deeds.*—Psalm 77: 11-12

In our best seasons, O God, we realize the marvelous moments of Your whole creation—the wonders of the universe, the majesty of life, the magnificence of human opportunity, the gifts of faith and hope and love. Remind us this day, O God, that in addition to that which is before us and is to be accomplished, we pause in prayer to give thanks to You for Your mighty deeds to us and to all people and to express our gratitude for all the blessings of life and love. This is our earnest prayer. Amen.

PLEDGE OF ALLEGIANCE

Mr. SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The Speaker pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Repub-

lic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, January 9, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following messages from the Secretary of the Senate on Friday, January 5, 1996 at 11:25 p.m.:

That the Senate passed without amendment H.J. Res. 134; and

That the Senate passed without amendment H.R. 1358.

With warm regards,

ROBIN H. CARLE,
Clerk.

COMMUNICATION FROM THE SPEAKER

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

January 6, 1996.

Received from the White House a sealed envelope said to contain a Message from the President wherein he transmits a plan to

achieve a balanced budget not later than the fiscal year 2002.

NEWT GINGRICH,
Speaker of the House of Representatives.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker pro tempore signed the following enrolled bill on Saturday, January 6, 1996:

H.R. 1358, to require the Secretary of Commerce to convey to the Commonwealth of Massachusetts the National Marine Fisheries Service Laboratory located on Emerson Avenue in Gloucester, MA.

PLAN TO ACHIEVE A BALANCED BUDGET NO LATER THAN FISCAL YEAR 2002 AS CERTIFIED BY THE CONGRESSIONAL BUDGET OFFICE ON JANUARY 6, 1996—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Union Calendar and ordered to be printed:

To the Congress of the United States:

I hereby submit to the Congress a plan to achieve a balanced budget not later than the fiscal year 2002 as certified by the Congressional Budget Office on January 6, 1996. This plan has

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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been prepared by Senator Daschle and if passed in its current form by the Congress, I would sign it into law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, January 6, 1996.

COMMUNICATION FROM DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE

The SPEAKER pro tempore laid before the House the following communication from the Director of the Congressional Budget Office:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, January 6, 1996.
Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The Congressional Budget Office (CBO) has prepared a preliminary analysis of the President's budgetary submission of this date. The analysis is based on draft legislative language or on other descriptive material provided by staff. It employs CBO's updated economic and technical estimating assumptions, which incorporate the economic effects of balancing the federal budget by 2002 and are described in the CBO memorandum "Economic and Budget Outlook: December 1995 Update." The analysis also assumes, as specified by staff, that the projected adjustment to reduce the formula bias in the consumer price index (CPI) will reduce the rate of growth of the

CPI by 0.3 percentage points a year, which is the upper end of the range estimated by the Bureau of Labor Statistics. CBO's December baseline assumes a reduction near the middle of the range.

Under these assumptions, the proposal would result in deficits of \$153 billion in 1996 and \$167 billion in 1997 and a surplus of \$1 billion in 2002. Compared to the CBO baseline, the proposal would reduce the deficit by \$220 billion over the next five years and by \$583 billion over the 1996-2002 period. Table 1 summarizes the proposed policy changes. Table 2 shows the estimated savings from the changes in direct spending and revenues that would result from enactment of each title of the proposal.

Sincerely,

PAUL VAN DE WATER,
(For June E. O'Neill).

Attachments.

TABLE 1.—DEMOCRATIC PLAN CHANGES FROM CBO'S DECEMBER BASELINE

[By fiscal year, in billions of dollars]

	1996	1997	1998	1999	2000	2001	2002	Total 1996-2002
CBO December Baseline Deficit ^a	172	182	183	195	204	211	228	(*)
Baseline Adjustments ^b	0	0	-2	-2	-3	-6	-6	-19
Adjusted December Baseline	172	182	181	193	201	205	222	
Democratic Plan Policies:								
Outlays:								
Discretionary: ^c								
Freeze ^d	-8	-9	-11	-32	-49	-66	-84	-258
Savings relative to freeze	-4	2	-3	2	2	-9	-26	-37
Subtotal	-12	-7	-14	-30	-47	-75	-110	-295
Mandatory:								
Medicare	(e)	-3	-6	-12	-19	-26	-35	-102
Medicaid	0	e	-2	-7	-10	-13	-19	-52
Other	-7	-9	-12	-15	-15	-15	-22	-95
Subtotal	-7	-12	-21	-34	-45	-54	-76	-249
Net Interest	e	-2	-3	-5	-9	-14	-23	-56
Total Outlays	-20	-21	-37	-69	-100	-143	-209	-599
Revenues ^f	e	6	6	6	10	3	-14	17
Total Policies	-20	-15	-32	-63	-90	-140	-223	-583
Democratic Plan Deficit	153	167	149	130	110	65	-1	(*)

Notes: * = not applicable.

Numbers may not add to totals because of rounding.

^a Projections assume that discretionary spending is equal to the spending limits that are in effect through 1998 and will increase with inflation after 1998.

^b The Democratic plan assumes that the anticipated change in the consumer price index (CPI) methodology used by the Bureau of Labor Statistics (BLS) will reduce the rate of growth of the CPI by 0.3 percentage points a year, which is the upper end of the range estimated by the BLS. CBO's December baseline assumes a reduction near the middle of the range.

^c Discretionary savings specified by staff.

^d Savings from freezing 1996-2002 appropriations at the nominal level appropriated for 1995.

^e Less than \$500 million.

^f Revenue increases are shown with a negative sign because they decrease the deficit. Includes Earned Income Credit outlays.

Sources: Congressional Budget Office; Joint Committee on Taxation.

TABLE 2.—SAVINGS FROM POLICY CHANGES IN THE DEMOCRATIC PLAN BASED ON CBO'S DECEMBER BASELINE ASSUMPTIONS, BY TITLE

[By fiscal year, in billions of dollars]

Title	1996	1997	1998	1999	2000	2001	2002	Total 1996-2002
I—Banking and Housing: Outlays	-4.3	(a)	-0.1	0.2	0.1	0.1	-0.5	-4.4
II—Spectrum Allocation: Outlays	-0.2	-1.8	-2.7	-3.6	-3.1	-2.7	-7.4	-21.3
III—Medicaid: Outlays	0	-0.4	-2.4	-6.7	-10.3	-13.2	-18.6	-51.7
IV—Medicare: Outlays	(a)	-2.7	-6.1	-12.3	-19.1	-26.0	-35.4	-101.5
V—Welfare Reform:								
Outlays	-0.9	-4.8	-5.8	-6.3	-6.9	-6.9	-7.6	-39.1
Revenues ^b	-0.1	-0.3	-0.6	-0.7	-0.8	-0.8	-0.9	-4.2
Deficit	-1.0	-5.1	-6.4	-7.0	-7.6	-7.7	-8.5	-43.3
VI—Federal Retirement:								
Outlays	-0.5	-1.8	-2.7	-2.7	-2.7	-2.7	-2.9	-15.9
Revenues ^b	-0.2	-0.4	-0.5	-0.6	-0.6	-0.6	-0.6	-3.5
Deficit	-0.7	-2.2	-3.2	-3.2	-3.3	-3.3	-3.5	-19.4
VII—Veterans Provisions: Outlays	-0.2	-0.3	-0.4	-1.2	-1.3	-1.3	-1.4	-6.1
VIII—Asset Sales, User Fees, and other Mandatory Provisions: Outlays	-1.3	-0.5	-0.6	-1.5	-1.3	-1.3	-2.2	-8.7
IX—Revenues: Revenues ^{b,c}	0.5	6.5	6.9	7.0	11.1	4.3	-12.1	24.2
X—Budget Enforcement: Outlays	0	0	0	0	0	0	0	0
Total:								
Outlays	-7.3	-12.3	-20.7	-33.9	-44.6	-53.8	-76.0	-248.7
Revenues ^{b,c}	0.2	5.8	5.8	5.8	9.7	2.9	-13.7	16.5
Deficit	-7.1	-6.5	-14.9	-28.2	-34.9	-50.9	-89.7	-232.2

^a Less than \$50 million.

^b Revenue increases are shown with a negative sign because they reduce the deficit.

^c Includes Earned Income Credit Outlays.

Sources: Congressional Budget Office; Joint Committee on Taxation.