

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9575

I am not particularly crazy about either of the deficit reduction plans that will be brought today before the House, but I will say this: Many people are worried, if they would vote against these measures they would be called special interest Congressmen.

Well, I have to say that I will not apologize for supporting senior citizens, poor children, food stamps and nutrition programs for our poor people, and I do not think we should apologize for it.

I think Members of this House do not really understand either of those reduction plans; they were hastily put together, and we have a shotgun wedding here today to try and resolve a deficit plan that is bigger than any missile threat to America, and I do not think that is the way to legislate.

A DEFICIT REDUCTION MECHANISM MUST HAVE TEETH

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker and my colleagues, in 1978 Congress adopted a law. That law said that we are going to balance the budget. We are going to balance the budget by 1981.

Well, 1981 came and went; the deficits remained, and the deficits have grown. I think it is clear that we need something with teeth, ladies and gentlemen. We need an enforcement mechanism that will work. Gramm-Rudman, for all of its deficiencies, has at least one positive feature: It has teeth, it has molars, bicuspid; it has got teeth.

The Democratic alternative that is going to be proposed today retains that feature, and I think it also improves considerably on several of the deficiencies of the Gramm-Rudman proposal.

We will speak today of pain, the kind of pain that serious budget deficit reduction will cause programs for housing, crime victims, children, defense and so forth. Let us remember, however, that there is a lot of pain out there that is caused by an out-of-control national debt of \$2 trillion: The pain of trade deficits for \$150 billion and the loss of 2 million American jobs since 1980. We can best fight that pain, ladies and gentlemen, by taking some tough medicine today: The Democratic alternative is that medicine.

A MAJOR CRIME WITHOUT A CRIMINAL

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, the Department of Justice seems to have brought about another of its continuing series of miracles in modern American jurisprudence—a major crime without a criminal.

Rockwell International Corp., which had \$6.2 billion in defense contracts last year, has been allowed to plea bargain away criminal charges of fraudulently billing the Government for \$300,000.

The maximum fine that the company can receive is \$200,000, which is, as usual, less than the amount ripped off from the Government. The company also agreed to make restitution and pay the cost of the investigation.

Although the Government alleges, and the company admits by its guilty plea, that at least six employees falsified time cards on a \$3.6 million contract, no individuals were charged. This case thus takes place along side its felonious siblings—Bank of Boston, E.F. Hutton, Sperry, and General Electric, in which companies miraculously scheme, formulate, and carry out criminal activities without any individuals being criminally involved.

This case is even more disturbing in that Rockwell has apparently been charged with similar overcharging at least twice in recent years, but spared a trip to the woodshed, most recently in 1982, when the company was spared criminal prosecution and debarment from additional Pentagon contracts upon its promise not to repeat the offense—the exact offense that the Justice Department has this week plea bargained away.

Regrettably, the disturbing trend in which the rich and well-connected have a corporation to hide behind are allowed to go free if they return a piece of what they have stolen, while the ordinary citizen has the book thrown at him, finds yet another shameful example.

THE SPENDERS AND THE BUILDERS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, when it comes to deciding economic matters in this House, there are essentially two groups that we fall into in this body: The spenders and the builders. The spenders are those who believe that Government itself can be the solution to the problems. The builders are people who believe that society offers the kind of solutions that go beyond Government.

What we have today is two alternatives before us: One brought to you by the spenders, one brought to you by the builders. What we are saying what you are hearing from the Democrats is: Trust the spenders. What we are asking you to do is: Trust the builders.

FIFTY PERCENT CUT IN BUTTER GIVEAWAYS TO POOR HURTS DEADWANTAGED UNFAIRLY

(Mr. WILSON asked and was given permission to address the House for 1 minute.)

Mr. WILSON. Mr. Speaker, Members of the House, there is a situation that I think most of us may not know about that has occurred in October, in which the butter allotment from the commodity program for the very poorest of the poor in our country has been cut by 50 percent.

Now, this has been done at the instigation of the margarine lobby, which maintains that distributing surplus butter which we have stored all over the country and have to throw away, that surplus butter given to people on AFDC and other extreme poverty programs is hurting the sale of margarine.

I submit that this is impossible; that the people who receive these commodities are not, that they are being improperly injured, and more than that, that the United States is going to throw butter away that we are paying for, that is needed by the poor people of this country.

THE CHOICE IS SIMPLE

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, let me just say that we are going to hear a lot of rhetoric today, and that there are going to be a lot of efforts to explain not only how complicated Gramm-Rudman is, but how complicated the dramatically more recently drafted Rostenkowski amendments are.

I think that all of us ought to recognize that we are, in the end, going to get a straight up-and-down vote on Gramm-Rudman. If we do not get one today, then I suspect the Senate will not agree to the Rostenkowski amendments, and we will be back here next week in the same place.

When we finally pass the Gramm-Rudman, which I think we will do eventually, it is going to be complicated, and those who are going to argue that we face a lot of uncharted waters are right; but the choice is very simple: We either take the first major step toward controlling spending in a way which forces the Defense Department and the President to submit a budget dramatically different than what they would do without this, or we continue down the road of large deficits and uncontrolled Federal spending.

CONFERENCE REPORT ON HOUSE JOURNAL RESOLUTION 372, PUBLIC DEBT LIMIT INCREASE

Mr. ROSTENKOWSKI submitted the following conference report and statement on the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt:

CONFERENCE REPORT (H. REPT. 99-351)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint reso-

H 9576

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

lution (H.J. Res. 372) increasing the statutory limit on the public debt, having met, after full and free conference, have been unable to agree.

From the Committee on Ways and Means:

DAN ROSTENKOWSKI,
SAM M. GIBSONS,
J.J. PICKLE,
C.B. RANGEL,
PETE STARK,
JAMES JONES,
ED JENKINS,
RICHARD GEPHARDT,
MARTY RUSSO,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
PHILIP M. CRANE,
BILL FRENZEL,

From the Committee on Appropriations:

JAMIE WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH,
C. PURSELL,
TOM LOEWFLER,

From the Committee on Rules:

CLAUDE PEPPER,
JOE MOAKLEY,
BUTLER DERRICK,
ANTHONY C. BEILINSON,
MARTIN PROST,
DELBERT LATTI,
TRENT LOTT,

From the Committee on the Budget:

WILLIAM H. GRAY,
GEORGE MILLER,
MARVIN LEATH,
JACK KEMP,

From the Committee on Government Operations:

JACK BROOKS,
DON FUQUA,
HENRY WAXMAN,
MIKE SYNAR,
FRANK HORTON,
THOMAS N. KINDNESS,

As additional conferees:

THOMAS S. FOLEY,
DAVID OBRY,
M. R. OAKAR,
LEON PANETTA,
VIC Fazio,
ROBERT H. MICHEL,
DICK CHENEY,
LYNN MARTIN,
CONNIE MACK,

Managers on the Part of the House.

BOB PACKWOOD,
BILL ROTH,
PETE V. DOMENICI,
J. C. DANFORTH,
W. L. ARMSTRONG,
RUSSELL B. LONG,
LLOYD BENTSEN,
LAWTON CHILES,
CARL LEVIN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 372), increasing the statutory limit on the public debt, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

From the Committee on Ways and Means:

DAN ROSTENKOWSKI,
SAM M. GIBSONS,
J.J. PICKLE,
C.B. RANGEL,
PETE STARK,

JAMES JONES,
ED JENKINS,
RICHARD GEPHARDT,
MARTY RUSSO,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
PHILIP M. CRANE,
BILL FRENZEL,

From the Committee on Appropriations:

JAMIE WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH,
C. PURSELL,
TOM LOEWFLER,

From the Committee on Rules:

CLAUDE PEPPER,
JOE MOAKLEY,
BUTLER DERRICK,
ANTHONY C. BEILINSON,
MARTIN PROST,
DELBERT LATTI,
TRENT LOTT,

From the Committee on the Budget:

WILLIAM H. GRAY,
GEORGE MILLER,
MARVIN LEATH,
JACK KEMP,

From the Committee on Government Operations:

JACK BROOKS,
DON FUQUA,
HENRY WAXMAN,
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FRANK HORTON,
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As additional conferees:

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DICK CHENEY,
LYNN MARTIN,
CONNIE MACK,

Managers on the Part of the House.

BOB PACKWOOD,
BILL ROTH,
PETE V. DOMENICI,
J. C. DANFORTH,
W. L. ARMSTRONG,
RUSSELL B. LONG,
LLOYD BENTSEN,
LAWTON CHILES,
CARL LEVIN,

Managers on the Part of the Senate.

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the order of the House of October 31, 1985, I call up the conference report on the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt.

The Clerk read the title of the joint resolution.

The SPEAKER. The Clerk will read the report.

The Clerk read the report.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 7, insert:

SEC. 2. MINIMUM CORPORATE TAX BY CORPORATIONS.

Notwithstanding any other provision of this joint resolution, the Senate Committee on Finance is directed to report to the Senate by July 1, 1986, legislation providing for payment of an alternative minimum corporate tax by corporations on the broadest feasible definition of income to assure that

all of those with economic income pay their fair share of taxes: *Provided*, That said alternative minimum corporate tax shall take effect for corporate tax years commencing on or after October 1, 1986. The revenue raised by this tax shall be applied to reduce the Federal deficit.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Speaker, reserving the right to object.

Mr. Speaker, I do so to ask the gentleman from Illinois (Mr. ROSTENKOWSKI) just what this is. We are proceeding in a process here that has not given the Members much chance for information.

I will be glad to yield to the gentleman from Illinois (Mr. ROSTENKOWSKI).

□ 1210

Mr. ROSTENKOWSKI. In answer to the question of the gentleman from Pennsylvania, this amendment simply provides complementary language to that found in the other body's version of this legislation concerning the development and reporting of an alternative minimum corporate tax.

The language requires the Committee on Ways and Means to report an alternative minimum tax no later than October 1, 1986. I hasten to add that the Committee on Ways and Means currently has under active consideration a very strong corporate minimum tax as part of its tax reform legislation, which is our intention to report in a very short while.

Mr. WALKER. Further reserving the right to object, let me ask the gentleman, do we assign any parameters to this? For instance, are we saying that the measure being marked up in committee is the measure that they must come forward with? Is there protection in here for industries that are struggling on the brink of bankruptcy?

Mr. ROSTENKOWSKI. In answer to the gentleman's inquiry, the amendment goes no further than the Senate's amendment did.

Mr. WALKER. It is simply to instruct that some kind of a minimum tax be reported out.

Mr. ROSTENKOWSKI. To be reported out by Ways and Means by October of next year.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MOTION OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

H 9577

Mr. ROSTENKOWSKI moves that the House recede from disagreement and concur in the Senate Amendment No. 1 with the following amendment: At the end of the Senate amendment insert the following:

"Notwithstanding any other provision of this joint resolution, the Committee on Ways and Means is directed to report to the House of Representatives legislation providing for payment of an alternative minimum corporate tax by corporations based upon the broadest feasible definition of income to assure that all of those with economic income pay their fair share of taxes: Provided, That, the Committee on Ways and Means shall report such legislation prior to October 1, 1986."

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. Rostenkowski).

The motion was agreed to.

The SPEAKER. The Clerk will report the second amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 2: Page 1, after line 7, insert:

SEC. 2. DEFICIT REDUCTION PROCEDURES.

(a) SHORT TITLE.—This section may be cited as the "Balanced Budget and Emergency Deficit Control Act of 1985".

(b) CONGRESSIONAL BUDGET.—

(1) ONE CONCURRENT RESOLUTION ON THE BUDGET REQUIRED ANNUALLY.—

(A) IN GENERAL.—Section 310 of the Congressional Budget Act of 1974 is amended—

(i) by striking out all beginning with "Sec. 310. (a)" through "necessary" in the matter preceding paragraph (1) of subsection (a) and inserting in lieu thereof the following:

"Sec. 310. (a) IN GENERAL.—Any concurrent resolution on the budget considered under section 301 or section 304 for a fiscal year shall, to the extent necessary—"

(i) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(B) CONFORMING CHANGES.—

(i) The table of contents in subsection (b) of section 1 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(I) by striking out "Adoption of first concurrent resolution" in the item relating to section 301 and inserting in lieu thereof "Annual adoption of concurrent resolution";

(II) by striking out "First concurrent resolution" in the item relating to section 303 and inserting in lieu thereof "Concurrent resolution"; and

(III) by striking out "Second required concurrent resolution and reconciliation" in the item relating to section 310 and inserting in lieu thereof "Reconciliation".

(ii) Paragraph (4) of section 3 of such Act is amended—

(I) by adding "and" after the semicolon at the end of subparagraph (A);

(II) by striking out subparagraph (B); and

(III) by striking out "(C) any other" and inserting in lieu thereof "(B) or".

(iii) Section 306 of the Congressional Budget Act of 1974 is amended—

(I) by striking out "first" in the item relating to April 15 and in the second item relating to May 15; and

(II) by striking out the items relating to September 15 and September 25.

(iv) The heading of section 301 of the Congressional Budget Act of 1974 is amended to read as follows:

"ANNUAL ADOPTION OF CONCURRENT RESOLUTION"

(v) Section 301(a) of such Act is amended by striking out "the first concurrent resolution on the budget" in the first sentence and inserting in lieu thereof "a concurrent resolution on the budget".

(vi) Section 301(b) of such Act is amended—

(aa) by striking out "first concurrent resolution on the budget" in the matter preceding paragraph (1) and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)"; and

(bb) in paragraph (1) by striking out all beginning with "the concurrent resolution" through "both" the second place it appears and inserting in lieu thereof "The Congress has completed action on any reconciliation bill or reconciliation resolution, or both, required by such concurrent resolution to be reported in accordance with section 310(b)".

(vii) Section 301(d) of such Act is amended by striking out "first" each place it appears.

(viii) Section 301(e) of such Act is amended—

(aa) by striking out "set for" in paragraph (1) and inserting in lieu thereof "set forth"; and

(bb) by striking out "first concurrent resolution on the budget" each place it appears and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)".

(c) Section 302(c) of such Act is amended by striking out "or 310".

(vii) The heading of section 303 of such Act is amended by striking out "first".

(viii) Section 303(a) of such Act is amended by striking out "first concurrent resolution on the budget" in the matter following paragraph (4) and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(ix) Section 304 of such Act is amended—

(I) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)"; and

(II) by striking out "pursuant to section 301".

(x) Section 305(a)(3) is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(II) Section 305(b) of such Act is amended—

(aa) in paragraph (1) by striking out "except that" and all that follows through "15 hours"; and

(bb) in paragraph (3) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(xi) Section 308(a)(2)(A) of such Act is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(x) Paragraph (1) of section 309 of such Act is amended by striking out "and other than the reconciliation bill for such year, if required to be reported under section 310(c)".

(xi) Section 310(f) of such Act is amended by striking out "subsection (a)" and inserting in lieu thereof "301(a)".

(xii) Section 311(a) of such Act is amended—

(I) by striking out "310(a)" the first place it appears and inserting in lieu thereof "301(a)"; and

(II) by striking out "310(c)" and inserting in lieu thereof "310(b)".

(2) MAXIMUM DEFICIT AMOUNT.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) POINT OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and inserting after subsection (b) the following new subsection:

"(c) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 317.

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted."

(ii) CONFORMING CHANGES.—

(i) Section 301(a)(4) of such Act is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (f)".

(ii) Section 301(e) of such Act, as redesignated by clause (i) of this subparagraph, is amended by inserting "and when so reported such concurrent resolution shall comply with the requirements described in paragraph (1) of subsection (c), unless such paragraph does not apply to such fiscal year by reason of paragraph (2) of such subsection" after "October 1 of such year" in the second sentence thereof.

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304 of such Act is amended—

(i) by inserting "(a) IN GENERAL.—" after "Sec. 304.", and

(ii) by adding at the end thereof the following new subsection:

"(b) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report for that would result from the adoption of such amendment, exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 317.

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted."

(C) DEFINITIONS.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(6) The term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, the receipts of the Federal Old-Age and Survi-

H 9578

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

vors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a fiscal year, and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year, shall be included in total revenues for such fiscal year, and the disbursements of either such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year.

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, \$180,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, \$144,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, \$108,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, \$72,000,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, \$36,000,000,000; and

"(F) with respect to the fiscal year beginning October 1, 1990, zero."

(3) RECONCILIATION.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) DIRECTIONS TO COMMITTEES.—Section 301(b) of the Congressional Budget Act of 1974 (as amended by paragraph (1)(B)(i)-(iii) of this subsection) is further amended—

(I) by striking out "may also require" in the matter preceding paragraph (1) and inserting in lieu thereof "shall also, to the extent necessary to comply with subsection (c)";

(II) by inserting "require" after the paragraph designation in paragraph (1);

(III) by inserting "require" after the paragraph designation in paragraph (2); and

(IV) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

"(1) specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a);"

(ii) CONFORMING CHANGES.—

(I) Section 310(a) of such Act is amended—

(aa) by inserting "or" at the end of paragraph (2);

(bb) by striking out "; or" at the end of paragraph (3) and inserting in lieu thereof a period; and

(cc) by striking out paragraph (4).
(II) Section 310(d) of such Act is amended by striking out "subsection (c)" and all that follows through "year" and inserting in lieu thereof "subsection (b) with respect to a concurrent resolution on the budget adopted under section 301(a) not later than June 15 of each year."

(III) Subsections (e) and (f) of section 310 of such Act are amended by striking out "subsection (c)" each place it appears and inserting in lieu thereof "subsection (b)".

(IV) Section 300 of such Act is amended by inserting immediately after the second item relating to May 15 the following new item:

"June 15..... Congress completes action on reconciliation bill or resolution, or both, implementing annual required concurrent resolution."

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) IN GENERAL.—Section 304(a) of such Act (as redesignated by paragraph (2)(B)(i) of this subsection) is amended by adding after the period the following new sentence: "Any concurrent resolution adopted under this section shall specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a) to the extent necessary to comply with subsection (b)."

(ii) CONFORMING CHANGE.—Section 310(d) of such Act (as amended by subparagraph (A)(4)(II) of this paragraph) is further amended by adding at the end thereof the following new sentence: "Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (b) with respect to a concurrent resolution on the budget adopted under section 304(a) not later than 30 days after the adoption of the concurrent resolution."

(i) LIMITATION ON AMENDMENTS.—
(A) CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) HOUSE OF REPRESENTATIVES.—Section 305(a)(6) of such Act is amended—

(I) by inserting "(A)" after the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in such concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any combination thereof."

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted."

(ii) SENATE.—Section 305(b)(2) of such Act is amended—

(I) by inserting "(A)" before the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof."

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted."

(B) RECONCILIATION BILLS AND RESOLUTIONS.—Section 310 of such Act is amended by inserting after subsection (b) (as redesignated by paragraph (1)(A)(ii) of this subsection) the following new subsection:

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(i) It shall not be in order in either the House of Representatives or the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recently agreed to concurrent resolution on the budget is not exceeded, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that a

motion to strike a provision shall always be in order.

"(2) Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted."

(5) ENFORCEMENT.—

(A) ALLOCATIONS OF BUDGET AUTHORITY AND OUTLAYS.—

(i) REPORTING DATE FOR ALLOCATIONS.—Section 302(b) of such Act is amended by striking out "Each such committee shall promptly report" in the last sentence and inserting in lieu thereof "Each such committee, within ten days of session after the concurrent resolution is agreed to, shall report".

(ii) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(I) new budget authority for any fiscal year;

(II) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in any fiscal year; or

(III) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for any fiscal year;

within the jurisdiction of any committee which has received an allocation of budget authority or new spending authority described in section 401(a)(2)(C) pursuant to section 302(a) of the Congressional Budget Act for a fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year.

(iii) ALLOCATIONS MADE BINDING.—Section 311 of such Act is amended by redesignating subsections (a) and (b) as subsections (b) and (c), respectively, and inserting immediately after "Sec. 311" the following new subsection:

"(a) LEGISLATION SUBJECT TO POINT OF ORDER AFTER ADOPTION OF ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

"(1) IN GENERAL.—At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) for a fiscal year, it shall not be in order in either the House of Representatives or the Senate—

"(A) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for budget outlays or new budget authority in excess of the appropriate allocation of such outlays or authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year; or

"(B) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, if the amount of budget outlays or new budget authority that would be required for such year if such bill or resolution were enacted without change or such amendment were adopted would exceed the appropriate allocation of budget outlays or new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, unless such bill, resolution, or amendment was favorably reported by the Committee on Appropriations of the House involved under section 401(b)(2) along with a certification that if such bill, resolution, or amendment is enacted or adopted, the committee will reduce appropriations or take any other actions necessary to assure that the enactment or adoption of such bill, resolution, or

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9579

amendment will not result in a deficit for such fiscal year in excess of the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) ALTERATION OF 302(b) ALLOCATIONS.—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations: Provided, That any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"(3) EXCEPTION.—Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted."

(B) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 311(b) of such Act, as redesignated by subparagraph (A)(ii) of this subsection, is amended by inserting before the period at the end thereof the following: "or would cause the levels of deficits set forth in such concurrent resolution to be exceeded, or would otherwise result in a deficit for such fiscal year that exceeds the maximum deficit amount specified for such fiscal year in section 3(7) (except to the extent that paragraph (1) of subsection (b) of section 310 does not apply by reason of paragraph (2) of such subsection)".

(C) REPORTING REQUIREMENT EXTENDED TO CONFERENCE REPORTS.—Section 308(a) of such Act is amended by striking out "the report accompanying that bill or resolution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "or whenever a conference report is filed in either House, the report accompanying that bill or resolution or the statement of managers accompanying that conference report".

(c) BUDGET SUBMITTED BY THE PRESIDENT.—(1) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974; and the President shall take such action under subsection (d)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 as is necessary to ensure that the deficit for such fiscal year does not exceed such maximum deficit amount.

"(2) Subject to paragraph (3) of this subsection, the deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraph (2) shall not apply with respect to any fiscal year for which a declaration of war has been enacted."

(2) REVISIONS AND SUPPLEMENTAL SUMMARIES.—Section 1106 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the budget submitted under section 1105(a) to which such revisions and summaries relate."

(d) EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(1) REPORTING OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(A) IN GENERAL.—The Director of the Office of Management and Budget and the Director of the Congressional Budget Office (hereafter in this section referred to as "the Directors") shall, with respect to any fiscal year (I) estimate the levels of total revenues and budget outlays that may be anticipated for such fiscal year, (II) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess is statistically significant, and (III) estimate the rate of real economic growth that will occur during such fiscal year and the rate of economic growth that will occur during each quarter of such fiscal year. The Directors jointly shall report to the President and to the Congress on November 1 of such fiscal year (in the case of the fiscal year beginning October 1, 1985) and on the September 25 preceding each such fiscal year (in the case of any succeeding fiscal year), identifying the amount of any excess, stating whether such excess is statistically significant, specifying the estimated rate of real economic growth for such fiscal year and for each quarter of such fiscal year, and specifying the percentages by which automatic spending increases and controllable expenditures shall be reduced during such fiscal year in order to eliminate any such excess. In the event that the Directors are unable to agree on an amount to be set forth with respect to any item in any such report, the amount set forth for such item in such report shall be the average of the amounts proposed by each of them with respect to such item.

(B) EXCEPTION.—Subparagraph (A) shall not apply to any fiscal year for which a declaration of war has been enacted.

(2) PRESIDENTIAL ORDER.—

(A) CONTENTS.—

(i) IN GENERAL.—Upon receipt of any report from the Directors under paragraph (1) of this subsection which identifies a statistically significant amount by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year, the President shall eliminate the full amount of the deficit excess by issuing an order that—

(I) subject to clauses (iii), (iii), and (iv) of this subparagraph, and notwithstanding the Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage (but not below zero) the amount of outlay increase under each such provision, and

(II) subject to clauses (ii), (iii), and (iv) of this subparagraph, eliminates one-half of such excess by sequestering from each affected program, project, or activity (as defined in the most recently enacted relevant appropriations Acts and accompanying committee reports) or from each affected account if not so defined, for funds provided in annual appropriations Acts or, otherwise from each budget account, such amounts of budget authority, obligation limitation, other budgetary resources, and loan limitation, and by adjusting payments provided by the Federal Government, to the extent necessary to reduce the outlays for each controllable expenditure by a uniform percentage: Provided, That any periodic payments to individuals or families which are in the nature of income support, supplementation, or assistance (including payments made pursuant to section 32 of the Internal Revenue Code of 1954 as amended or pursuant to chapter 11 or 13 of title 38, United States Code) and which are paid to such individuals or families directly by the United States (or by a person or entity acting as an agent of the

United States) shall not be reduced pursuant to this subclause to a level which is lower than the level that would be payable in the absence of this subclause, but in the case of compensation, pursuant to chapter 11 or 13 of title 38, United States Code, a cost-of-living adjustment enacted into law to become effective in the fiscal year that is the first fiscal year to which the order described in this clause applies shall be treated as an automatically-indexed program for purposes of subclause (i) of this clause; and shall transmit to both Houses of the Congress a message—

(III) identifying—

(aa) the total amount and the percentage by which automatic spending increases are to be reduced under subclause (i) of this clause;

(bb) the total amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered under subclause (ii) of this clause with respect to controllable expenditures;

(cc) the amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered with respect to each such controllable expenditure in order to reduce it by the required percentage; and

(dd) the account, department, or establishment of the Government to which each amount of budget authority, obligation limitations, loan limitations, and other budgetary resources described in subclause (ii) of this clause would be available for obligation; and

(IV) providing full supporting details with respect to each action to be taken under subclause (i) or (ii) of this clause.

Upon receipt in the Senate and the House of Representatives, the message shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(ii) EXCEPTION.—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under clause (i)(I) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through further uniform reductions under clause (i)(II).

(iii) LIMITATION.—No action taken by the President under subclause (i) or (ii) of clause (i) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(iv) LIMITATION.—Any automatic spending increases modified or suspended, or any amounts of budget authority, obligation limitation, other budgetary resources, or loan limitations sequestered by an order of the President under this Act are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemed to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order.

(v) Nothing in subclause (i) or (ii) of clause (i) shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is, or becomes, eligible for benefits under any provision of law shall be denied eligibility by reason of this section.

(B) DATE ISSUED.—

(i) POSITIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is zero or greater, the President shall issue the order required to be

issued under this subsection pursuant to such report not later than 14 days after transmittal of such report.

(ii) **NEGATIVE REAL ECONOMIC GROWTH.**—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 30 days after transmittal of such report.

(C) **EFFECTIVE DATE.**—

(i) **IN GENERAL.**—Except to the extent that it is superseded by a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection, an order issued pursuant to this paragraph shall become effective 30 days after its issuance. Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during a fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(ii) **WITHHOLDING OF BUDGET AUTHORITY FOR THIRTY-DAY PERIOD.**—During the 30-day period referred to in clause (i), the President shall withhold from obligation the amounts that would have been suspended or sequestered under such order with respect to such 30-day period if the order issued pursuant to this paragraph had become effective on the date of its issuance. If a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection becomes law on or before the last day of such 30-day period, amounts withheld from obligation pursuant to the preceding sentence shall be made available for obligation to the extent permitted by such reconciliation bill or reconciliation resolution. If such a reconciliation bill or reconciliation resolution does not become law during such period, the budget authority withheld from obligation under the first sentence of this clause shall be permanently cancelled as described in paragraph (2)(A)(iv) of this subsection.

(D) **PROPOSAL OF ALTERNATIVES.**—A message transmitted pursuant to this paragraph with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year. Upon receipt in the Senate and the House of Representatives, the message and any accompanying proposal shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(3) **CONGRESSIONAL ACTION.**—

(A) **REPORTING OF CONCURRENT RESOLUTIONS AND RECONCILIATION BILLS AND RESOLUTIONS.**—

(i) **IN GENERAL.**—Not later than 10 days after issuance of an order by the President under paragraph (2) with respect to a fiscal year, the Committee on the Budget of the House of Representatives and the Senate may report to its House a concurrent resolution. The concurrent resolution may affirm the impact of the order issued under paragraph (2), in whole or in part. To the extent that any part of the order is not affirmed, the concurrent resolution shall state which parts are not affirmed and shall contain instructions to committees of the House and the Senate of the type referred to in section 310(a) of the Congressional Budget Act of 1974, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

(ii) **RESPONSE OF COMMITTEES.**—Committees instructed pursuant to clause (i) of this subparagraph, or affected thereby, shall submit their responses to their respective Budget Committees no later than 10 days after the conference report on the concurrent resolution referred to in clause (i) is agreed to in both Houses, except that if in either House only one such Committee is so instructed such Committee shall, by the same date, report to its House a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a concurrent resolution adopted under clause (i) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

(iii) **BUDGET COMMITTEE ACTION.**—Upon receipt of the recommendations received in response to a concurrent resolution referred to in clause (i) of this subparagraph, the Budget Committee of each House shall report to its respective House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a concurrent resolution referred to in clause (i) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in response to such instructions, the Budget Committee of the relevant House shall include in the reconciliation bill or reconciliation resolution reported pursuant to this clause legislative language within the jurisdiction of the noncomplying committee to achieve the amount of deficit reduction directed in such instructions.

(iv) **POMT OR ORDER.**—It shall not be in order in the House of Representatives or the Senate to consider or agree to any bill or resolution reported under clause (iii) with respect to a fiscal year, any amendment thereto, or any conference report thereon if—

(I) the enactment of such bill or resolution as reported;

(II) the adoption and enactment of such amendment; or

(III) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the amount of the deficit for such fiscal year to exceed the amount of the deficit set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year or the maximum deficit amount for such fiscal year, unless the report submitted under paragraph (1)(A) projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters during such fiscal year.

(v) **TREATMENT OF CERTAIN AMENDMENTS.**—An amendment which adds to a concurrent resolution reported under clause (i) an instruction of the type referred to in such clause shall be in order during the consideration of such resolution if such amendment would be in order but for the fact that it would be held to be non-germane on the basis that the instruction constitutes new matter.

(vi) **DEFINITION.**—For purposes of clauses (i) and (ii), the term "day" shall mean any calendar day on which either House of the Congress is in session.

(B) **PROCEDURES.**—

(i) **IN GENERAL.**—Except as provided in sub-clause (ii), the provisions of sections 245 and 310 of the Congressional Budget Act of 1974 for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to consideration of concurrent resolutions, and recon-

ciliation bills and reconciliation resolutions reported under this paragraph and conference reports thereon.

(ii) **LIMIT ON DEBATE.**—Debate in the Senate on any concurrent resolution reported pursuant to subclause (i) of subparagraph (A), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to 10 hours.

(iii) **ENUMERATION OF AMENDMENTS.**—Section 310(c) of such Act (as added by subsection (b)(4)(B) of this section) shall apply to reconciliation bills and reconciliation resolutions reported under this paragraph.

(iv) **COMPLIANCE WITH INSTRUCTIONS.**—Section 310 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) **COMPLIANCE WITH RECONCILIATION DIRECTIONS.**—Any committee of a House of the Congress that is directed, pursuant to a concurrent resolution on the budget to recommend changes of the type described in paragraphs (1) and (2) of subsection (a) with respect to law within its jurisdiction, shall be deemed to have complied with such directions—

"(1)(A) the amount of the changes of the type described in paragraph (1) of such subsection recommended by such committee, and

"(B) the amount of the changes of the type described in paragraph (2) of such subsection recommended by such committee;

do not exceed or fall below the amount of the changes such committee was directed by such concurrent resolution to recommend under such paragraph by more than 20 percent of the total of the amounts of the changes such committee was directed to make under both such paragraphs; and

"(2) if the total amount of the changes recommended by such committee is not less than the total of the amounts of the changes such committee was directed to make under both such paragraphs."

(4) **DEFINITIONS.**—For purposes of this subsection:

(A) The term "automatic spending increase" shall include all Federal programs indexed directly, whether appropriated or contained in current law. This shall not include increases in Government expenditures due to changes in program participation rates. Such term shall not include any increases in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(B) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(C) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(D) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(E) The term "maximum deficit amount" has the meaning given to such term in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

(F) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(G) The term "controllable expenditures" means total budget outlays for any account, or any program, project, or activity enumerated by annual appropriation Acts and by applicable committee reports, except those described in subparagraph (A) and except

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9581

outlays for benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, outlays due to increases in program participation rates, outlays for prior-year obligations, and outlays for interest on the public debt. Such term shall also include funds for existing contracts unless—

(i) penalty provisions in such contract would produce a net loss to the Government; or

(ii) reduction of the contract violates legal obligations of the Government.

(H) The term "sequester" means the permanent cancellation of budget authority, obligation limitations, other budgetary resources, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

(I) The term "other budgetary resources" means unobligated balances, reimbursements, receipts credited to an account, and recoveries of prior-year obligations.

(J) The amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount. For purposes of the fiscal year beginning October 1, 1985, the preceding sentence shall be applied by substituting "7" for "5".

(K) BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS.—

(1) FISCAL YEARS 1986 THROUGH 1992.—

(A) IN GENERAL.—Section 710 of the Social Security Act (as added by paragraph (1) of subsection (a) of section 346 of the Social Security Amendments of 1983) is amended—

(i) by striking out all beginning with "the" the first place it appears down through "Disability Insurance Trust Fund, the" and inserting in lieu thereof "The";

(ii) by striking out "sections 1401, 3101, and 3111" and inserting in lieu thereof "1401(b), 3101(b), and 3111(b)";

(iii) by redesignating all after the section designation as subsection (b);

(iv) by inserting after the section designation the following:

"(a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government."; and

(v) by adding at the end thereof the following new subsection:

"(c) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, or for payments from any such Trust Fund to the general fund of the Treasury."

(B) APPLICATION.—The amendments made by subparagraph (A) shall apply with respect to fiscal years beginning after September 30, 1985, and ending before October 1, 1992.

(2) FISCAL YEAR 1986 AND THEREAFTER.—Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section

346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning after September 30, 1992) is amended by—

(A) inserting "(1)" after the subsection designation; and

(B) adding at the end thereof the following new paragraph:

"(2) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in paragraph (1) or for payments from any such Trust Fund to the general fund of the Treasury."

(F) BUDGET ACT WAIVERS.—Section 304 of the Congressional Budget Act is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) Except as provided in subsection (c), any provision of title III or IV may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate."; and

(2) by redesignating subsection (c) as subsection (d), and inserting after subsection (b) the following new subsection:

"(c) The provisions of section 305(b)(2) and section 306 of this Act may be waived or suspended in the Senate and the House of Representatives only by the affirmative vote of three-fifths of the Members of that House duly chosen and sworn."

(G) OTHER WAIVERS AND SUSPENSIONS.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate and the House only by the affirmative vote of three-fifths of the Members of that House duly chosen and sworn.

(H) SUPPLEMENTAL BUDGET ESTIMATE.—Section 1106 of title 31, United States Code, is amended by striking out "July 16" each place it appears and inserting in lieu thereof "September 16".

(I) FOUR OR ORDER.—Notwithstanding any other provision of law, it shall not be in order in the Senate or House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304 of the Congressional Budget Act of 1974, or any amendment thereto, or conference report thereon that contains recommendations with respect to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, with respect to revenues attributable to the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, or with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(J) APPLICATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section and the amendments made by this section shall become effective on the date of the enactment of this section and shall apply with respect to fiscal years beginning after September 30, 1985, and before October 1, 1991.

(2) EXCEPTION.—The amendments made by subsections (b)(1), (b)(2)(A), (b)(3)(A), (b)(5)(A)(i), (c) of this section shall apply with respect to fiscal years beginning after September 30, 1985, and before October 1, 1991.

(3) OASDI TRUST FUNDS.—The amendments made by subsection (e) shall apply as provided in such subsection.

(k) The provisions of this Act, other than those relating to the activities of the executive branch, are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(L) SENSE OF THE SENATE.—It is the sense of the Senate that any funding reductions or sequestering of controllable expenditures implemented by the various Federal agencies as a result of this Act shall be made uniformly and shall not disproportionately be made in the funding of programs targeted for rural and lesser populated areas.

(M) REPORT REQUIRED.—The Directors of the Office of Management and Budget and the Congressional Budget Office, and the Secretary of the Treasury, shall jointly report to the President and to the Committee on Finance and the Committee on Ways and Means on the projected level of revenues which would be raised by increased and improved tax enforcement and collection through audits, examinations, and other methods designed to eliminate tax cheating and increase revenue collections from individuals and corporations evading Federal taxation. The report shall include an analysis of measures which can be implemented to increase voluntary compliance with tax laws, including increased staff for taxpayer assistance; speedier processing of returns; improved information processing and collection; and public education designed to increase public trust and understanding of the Internal Revenue Service enforcement efforts. The report shall also include an estimate of the level of increased expenditures for Internal Revenue Service enforcement and compliance efforts at which additional expenditures would not yield additional revenues of at least 32¢ of revenue for every \$1 in expenditures. The report shall be issued on an annual basis no later than the date on which the President submits a proposed budget for each fiscal year to the Congress.

(N) TREATMENT OF CERTAIN COST-OF-LIVING ADJUSTMENTS.—During the time in which a sequester order is in effect, any cost-of-living adjustment for Social Security shall not count as income for purposes of determining Supplemental Security Income payments or payments from any other programs which are offset as a consequence of cost-of-living adjustments for Social Security.

(O) SECTION 1106(C) OF TITLE 31, UNITED STATES CODE, IS AMENDED—

(1) by striking out "The" the first place it appears and inserting in lieu thereof "(1) Notwithstanding any other provision of law, the";

(2) by inserting "(other than action that would require an increase in borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the applicable amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection, the term 'applicable amount' means—

H 9582

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

"(A) with respect to the fiscal year beginning October 1, 1986, \$144,000,000,000;
 "(B) with respect to the fiscal year beginning October 1, 1987, \$108,000,000,000;
 "(C) with respect to the fiscal year beginning October 1, 1988, \$72,000,000,000;
 "(D) with respect to the fiscal year beginning October 1, 1989, \$36,000,000,000; and
 "(E) with respect to the fiscal year beginning October 1, 1990, and each fiscal year thereafter, zero."

(p)(1) In preparing any report required under subsection (d)(1) for a fiscal year, the Directors shall comply with this subsection.

(2) The Directors shall—

(A) examine—

(i) each contract with a total amount of budget authority in excess of \$20,000,000 under which outlays will be made in such fiscal year to determine whether such contract includes provisions for adjusting outlays in such fiscal year under such contract as a result of inflation; and

(ii) any other Government activity which the Directors consider appropriate under which outlays in such fiscal year will be increased as a result of inflation; and

(B) assume, in determining the total amount of outlays which will be made in such fiscal year, that the adjustments for inflation made in contracts described in clause (i) of subparagraph (A) and activities described in clause (ii) of such subparagraph will be made on the best available estimate of inflation for such fiscal year.

(3) In the event that the Directors are unable to agree under paragraph (2) on an amount of outlays with respect to any particular contract or activity, the Directors shall use the average of the amounts proposed by each of them with respect to such contract or activity.

(q) **COMMODITY CREDIT CORPORATION LOANS AND GUARANTEED STUDENT LOANS.**—Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period: Provided, That in regard to commodity loans made by the Commodity Credit Corporation to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions: Provided further, That noncontract programs supported through the Commodity Credit Corporation shall be deemed to be controllable expenditures and shall be subject to reduction in the same fashion as other programs under the Presidential order: Provided further, That programs supported through the Commodity Credit Corporation shall be deemed to be the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the sequester order.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that Senate amendment No. 2 be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MOTION OFFERED BY MR. ROSTENKOWSKI
Mr. ROSTENKOWSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROSTENKOWSKI moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

TITLE II—DEFICIT REDUCTION PROCEDURES
SEC. 200. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This title may be cited as the "Balanced Budget and Emergency Deficit Control Act of 1985".

(b) **TABLE OF CONTENTS.**—

Sec. 200. Short title and table of contents.

PART A—CONGRESSIONAL BUDGET PROCESS

Subpart I—Congressional Budget

Sec. 201. Congressional budget.

Sec. 202. Amendments to Title IV of the Congressional Budget Act of 1974.

Sec. 203. New spending authority.

Sec. 204. Credit authority.

Sec. 205. Description by Congressional Budget Office.

Sec. 206. General Accounting Office study.

Subpart III—Additional Provisions to Improve Budget Procedures

Sec. 221. Congressional Budget Office.

Sec. 222. Current services budget.

Sec. 223. Study of off-budget agencies.

Sec. 224. Changes in functional categories.

Sec. 225. Jurisdiction of Committee on Government Operations.

Sec. 226. Continuing study of congressional budget process.

Sec. 227. Early election of committees of the House.

Sec. 228. Revisions and transfers in appropriation bills.

Subpart IV—Technical and Conformity Amendments

Sec. 231. Table of contents.

Sec. 232. Additional technical and conformity amendments.

PART B—BUDGET SUBMITTED BY THE PRESIDENT

Sec. 241. Submission of President's budget; maximum deficit amount may not be exceeded.

Sec. 242. Supplemental budget estimates and changes.

Sec. 243. Current services budget.

PART C—EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT

Sec. 251. Reporting of excess deficits.

Sec. 252. Presidential order.

Sec. 253. Exempt programs and activities.

Sec. 254. Exceptions, limitations, and special rules.

Sec. 255. Definitions.

PART D—BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS

Sec. 261. Treatment of trust funds.

PART E—MISCELLANEOUS AND RELATED PROVISIONS

Sec. 271. Waivers and suspensions; rulemaking powers.

Sec. 272. Recessions.

Sec. 273. Restoration of trust fund investments.

Sec. 274. Revenue estimates.

Sec. 275. Non-severability.

Sec. 276. Judicial review.

Sec. 277. Effective dates.

PART A—CONGRESSIONAL BUDGET PROCESS

Subpart I—Congressional Budget

SEC. 201. CONGRESSIONAL BUDGET.

(a) **DEFINITIONS.**—

(1) Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(6) The term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (notwithstanding section 710(a) of the Social Security Act), the receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a fiscal year, and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year, shall be included in total revenues for such fiscal year; the disbursements of each such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year; and the receipts, revenues, and disbursements of any other Federal program, project, or activity shall also be included in total revenues and total budget outlays, as the case may be, for such fiscal year, whether or not included in the totals of the budget of the United States Government.

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, \$161,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, \$110,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, \$57,200,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, \$4,200,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, zero; and

"(F) with respect to the fiscal year beginning October 1, 1990, zero.

"(8)(A) The maximum deficit amounts contained in paragraph (7) shall be altered in accordance with the provisions of this paragraph to reflect changed economic conditions.

"(B) Beginning with fiscal year 1986, the term 'maximum deficit amount' with respect to any fiscal year for which the formula in this paragraph requires a reduction in the deficit from the deficit of the previous fiscal year means an amount equal to—

"(i) the deficit for the preceding fiscal year (as determined or estimated by the Congressional Budget Office), minus

"(ii) 20 percent of the deficit for fiscal year 1985; except that the percentage specified in this subparagraph shall be—

"(I) increased by 1 percent for each 1/10 of a percent by which real gross national product growth for the fiscal year involved (as projected by the Congressional Budget Office) is greater than 3 percent, or

"(II) reduced by 1 percent for each 1/10 of a percent by which real gross national product growth for such fiscal year (as so projected) is less than 3 percent."

"(C) In the event that real gross national product growth for a fiscal year (as projected by the Congressional Budget Office) is 1 percent or less, there shall be no maximum deficit amount.

"(9) The term 'allocation for discretionary action' means an amount for control of congressional action to increase or decrease levels under current law of budget authority (excluding such authority to cover entitlement authority in the case of the Committee on Appropriations), direct loan obligations or primary loan guarantee commitments, spending authority as described by section 401(c)(2).

"(10) The term 'entitlement authority' means authority described by section 401(c)(2)(C)."

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9583

(2) Paragraph (2) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting before the comma the following: "or to collect offsetting receipts."

(b) CONGRESSIONAL BUDGET PROCESS.—Title III of the Congressional Budget Act of 1974 is amended to read as follows:

"TITLE III—CONGRESSIONAL BUDGET PROCESS

"TIMETABLE

"SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

"On or before:	Action to be completed:
First Monday after January 3.	President submits his budget.
February 15.....	Congressional Budget Office submits report to Budget Committee.
February 25.....	Committees submit views and estimates to Budget Committee.
April 15.....	Congress completes action on concurrent resolution on the budget.
May 15.....	Appropriation bills may be considered in the House.
June 10.....	House Appropriations Committee reports last regular appropriation bill.
June 15.....	Congress completes action on reconciliation legislation.
June 30.....	House completes action on regular appropriation bills.
October 1.....	Fiscal year begins.

"ANNUAL ADOPTION OF CONCURRENT RESOLUTION ON THE BUDGET

"SEC. 301. (a) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—On or before April 15 of each year, the Congress shall complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. The concurrent resolution shall set forth appropriate levels for the fiscal year beginning on October 1 of such year, and planning levels for each of the two ensuing fiscal years, for the following—

"(1) totals of new budget authority, budget outlays, entitlement authority, direct loan obligations, and primary loan guarantee commitments;

"(2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

"(3) the surplus or the deficit in the budget;

"(4) new budget authority, budget outlays, entitlement authority, direct loan obligations, and primary loan guarantee commitments for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1); and

"(5) the public debt.

"(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The concurrent resolution on the budget may—

"(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

"(2) include reconciliation directives described in section 310;

"(3) require a procedure under which all or certain bills or resolutions providing new budget authority or new spending authority described in section 401(c)(2)(C) for such fiscal year shall not be enrolled until the Congress has completed action on any reconciliation bill or reconciliation resolution or both required by such concurrent resolu-

tion to be reported in accordance with section 310(b); and

"(4) set forth such other matters, and acquire such other procedures, relating to the budget as may be appropriate to carry out the purposes of this Act.

"(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—If the Committee on the Budget of the House of Representatives reports any concurrent resolution on the budget which includes any procedure or matter which has the effect of changing any rule of the House of Representatives, such concurrent resolution shall then be referred to the Committee on Rules with instructions to report it within five calendar days (not counting any day on which the House is not in session). The Committee on Rules shall have the jurisdiction to report any concurrent resolution referred to it under this paragraph with an amendment or amendments which change or strike out any such procedure or matter.

"(d) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before February 25 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House and each standing committee of the Senate its views and estimates (as determined by the committee making such submission) with respect to all matters set forth in subsections (a) and (b) which relate to matters within the jurisdiction or functions of such committee. The Joint Economic Committee shall submit to the Committee on the Budget of both Houses its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any joint committee of the Congress may submit to the Committee on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsections (a) and (b) which relate to matters within its jurisdiction or functions.

"(e) HEARINGS AND REPORT.—In developing the concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. Each of the recommendations, as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, and on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. The report accompanying such concurrent resolution shall include, but not be limited to—

"(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

"(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, total direct loan obligations, total primary loan guarantee commitments, and total entitlement authority, as set forth in such concurrent resolution, with those estimated and requested in the budget submitted by the President;

"(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all ex-

isting programs (including renewals thereof, with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriations Acts, and such such division being subdivided between controllable amounts and all other amounts;

"(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

"(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and alternative economic assumptions and objectives which the committee considered;

"(6) projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

"(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments;

"(8) a comparison of Federal priorities by functional category including budget authority and outlays, direct loan obligations and primary loan guarantee commitments, and tax expenditures; and

"(9) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, including an explanation of how such matters compare with the views and estimates of the standing committees of its House.

"(f) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

"(1) If, pursuant to section 4(e) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(3) It shall be in order to amend the provision of such resolution setting forth such year only if the amendment (a) also proposes to alter the estimate, amount, and level (as described in subsection (a)) set forth in such resolution in germane fashion in order to be consistent with the economic goals (as described in sections 4(a)(2) and 4(b) of the Employment Act of 1946) which such amendment proposes can be achieved by the year specified in such amendment.

H 9584

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

"(g) COMMON ECONOMIC ASSUMPTIONS.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall set forth the common economic assumptions upon which such joint statement and conference report are based.

"(h) BUDGET COMMITTEES CONSULTATION WITH STANDING COMMITTEES.—The Committee on the Budget of each House shall consult with the standing committees of its House during the preparation, consideration, and enforcement of the concurrent resolution on the budget with respect to all matters which relate to the jurisdiction or functions of such committees.

"(i) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year under this section, or to consider any amendment to such a concurrent resolution, or to consider a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply if a declaration of war by the Congress is in effect.

"COMMITTEE ALLOCATIONS

"SEC. 302. (a) ALLOCATION FOR DISCRETIONARY ACTION.—For purposes of controlling congressional action as described by sections 311 and 312, the report accompanying a concurrent resolution on the budget for a fiscal year and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget for a fiscal year shall include an allocation for discretionary action for such fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total for such fiscal year and each of the two ensuing years, based upon such concurrent resolution as reported or as recommended in such conference report, of new budget authority (excluding such authority to cover entitlement authority in the case of the Committee on Appropriations), new spending authority as described in section 401(c)(2), new direct loan obligations and new primary loan guarantee commitments to each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions that would implement such action. The allocation provided under this subsection shall not extend beyond the assumed duration of the programs intended to be covered by the allocation.

"(b) REPORTS BY COMMITTEES.—As soon as practicable after a conference report on a concurrent resolution on the budget is agreed to—

"(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees the allocation for discretionary action allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution; and

"(2) every other committee of the House and Senate to which an allocation for discretionary action was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made, subdivide its allocation

among its subcommittees or among programs over which it has jurisdiction.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection only if it is given a discretionary action allocation in the joint explanatory statement accompanying the conference report on such concurrent resolution.

"(c) LEGISLATION SUBJECT TO POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, resolution, amendment, or conference report providing budget authority, spending authority as described in section 401(c)(2), or credit authority within the jurisdiction of any committee until such committee reports to the House the subdivisions required by subsections (b) and (e) for the applicable year in connection with the most recently agreed to concurrent resolution on the budget.

"(d) SUBSEQUENT CONCURRENT RESOLUTIONS.—In the case of a concurrent resolution on the budget referred to in section 304, the allocations under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

"(e) DIVISION OF BUDGET TOTALS AMONG COMMITTEES.—

"(1) For purposes of information, the report accompanying a concurrent resolution on the budget and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated division, based upon such concurrent resolution recommended in such report or in such conference report of the appropriate levels of total budget outlays; total new budget authority; total entitlement authority; total direct loan obligations; and total primary loan guarantee commitments among each committee of the House of Representatives and the Senate which has jurisdiction over such authorities.

"(2) As soon as practicable after any such conference report is filed—

"(A) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees its share of the estimated division of budget outlays set forth in such conference report; and

"(B) every other committee of the House and Senate with respect to which an estimated division of budget outlays is made in such conference report shall, after consulting with the committee or committees of the other House to which all or part of such division is made, subdivide its share of the estimated division of budget outlays among its subcommittees or among programs over which it has jurisdiction.

"(f) ALTERATION OF 302(b) ALLOCATIONS.—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations. Any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT IS CONSIDERED

"SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) as reported to the House or Senate which provides—

"(1) new budget authority for a fiscal year;

"(2) an increase or decrease in revenues to become effective during a fiscal year;

"(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

"(4) new spending authority described in section 401(c)(2) to become effective during a fiscal year; or

"(5) new credit authority for a fiscal year; until the concurrent resolution on the budget for such fiscal year has been agreed to pursuant to section 301.

"(b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution (or amendment thereto) which—

"(1) provides new budget authority which first becomes effective in the second fiscal year (or any fiscal year after the second fiscal year) following the fiscal year in which the bill or resolution (or amendment thereto) is to be considered by the House or Senate; or

"(2) provides for increases or decreases in revenues which first become effective in the second fiscal year for any fiscal year after the second fiscal year following the fiscal year in which the bill or resolution (or amendment thereto) is to be considered by the House or Senate.

After May 15 of any calendar year, subsection (a) does not apply in the House of Representatives to any general appropriation bill, or amendment thereto, which provides new budget authority for the fiscal year beginning in such calendar year.

"(c) WAIVER IN THE SENATE.—

"(1) The committee of the Senate which reports any bill or resolution (or amendment thereto) to which subsection (a) applies may at or after the time it reports such bill or resolution (or amendment thereto), report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution (or amendment thereto), and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

"(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

"(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) shall not apply with respect to the

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9585

bill or resolution (or amendment thereto) to which the resolution or agreement applies.

"PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET"

"SEC. 304. (a) IN GENERAL.—At any time after the concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

"(b) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—"

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year under this section, or to consider any amendment to such a concurrent resolution, or to consider a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply if a declaration of war by the Congress is in effect.

"PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET"

"SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—"

"(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at any time after the fifth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution by the Committee on the Budget has been available to Members of the House and, if applicable, after the first day (excluding Saturdays, Sundays, and legal holidays) following the day on which a report upon such resolution by the Committee on Rules pursuant to section 301(c) has been made available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable. A motion to reconsider the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

"(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946)

which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

"(5) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion, except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

"(6) Debate in the House of Representatives on the conference report on any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to reconsider the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

"(7) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

"(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—"

"(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that with respect to any concurrent resolution referred to in section 304(a), all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be reported. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

"(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there

shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

"(5) A motion to further limit debate is not debatable. A motion to reconsider (except a motion to reconsider with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to reconsider shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

"(6) Notwithstanding any other rule, an amendment or series of amendments to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

"(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—"

"(1)(A) With respect to any report of a committee of conference on a concurrent resolution on the budget called up before the House containing any procedure or matter which has the effect of changing any rule of the House of Representatives and which was not included in the measure as passed by the House, it shall be in order, at any time after the reading of the report has been completed or dispensed with and before the reading of the statement, or immediately upon consideration of a conference report if clause 2(c) of Rule XXVIII of the Rules of the House of Representatives applies, to offer a motion, which is of high privilege, that the House reject such procedure or matter. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(B) Notwithstanding the final disposition of any motion made under this paragraph, it shall be in order to offer further motions to reject with respect to other procedures or matters in the report of the committee of conference not covered by any previous motion to reject.

"(C) If any such motion to reject has been adopted, after final disposition of all such motions under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 4 of Rule XXVIII of the Rules of the House of Representatives, the conference report shall be considered as rejected and the question then pending before the House shall be—

"(1) whether to recede and concur in the Senate amendment with an amendment which shall consist of that portion of the conference report not rejected; or

"(2) whether to insist further on the House amendment.

If all such motions to reject are defeated, then, after the allocation of time for debate

on the conference report as provided in clause 2(a) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on the adoption of the conference report.

"(2)(A) With respect to any amendment (including an amendment in the nature of a substitute) which—

"(i) is proposed by the Senate to any concurrent resolution on the budget and thereafter—

"(I) is reported in disagreement between the two Houses by a committee of conference; or

"(II) is before the House, the stage of disagreement having been reached; and

"(ii) contains any procedure or matter which has the effect of changing any rule of the House of Representatives and which was not included in the measure as passed the House;

it shall be in order, immediately after a motion is offered that the House recede from its disagreement to such amendment proposed by the Senate and concur therein and before debate is commenced on such motion, to offer a motion, which is of high privilege, that the House reject the procedure or matter. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(B) Notwithstanding the final disposition of any motion made under subparagraph (A), it shall be in order to offer further such motions with respect to other procedures or matters in the amendment proposed by the Senate not covered by any previous motion to reject.

"(C) If any such motion to reject has been adopted, after final disposition of all motions to reject under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 5 of Rule XXVIII of the Rules of the House of Representatives, the motion to recede and concur shall be considered as rejected, and further motions—

"(i) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);

"(ii) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

"(iii) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur as provided in clause 2(b) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on such motion.

"(D)(i) With respect to any such amendment proposed by the Senate as described in subparagraph (A)(i) of this paragraph, it shall not be in order to offer any motion that the House recede from its disagreement to such Senate amendment and concur therein with an amendment, unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration.

"(ii) Immediately after any such motion is offered and is in order and before debate is commenced on such motion, it shall be in order to offer a motion, which is of high privilege, that the House reject any proce-

dures or matter which has the effect of changing any rule of the House of Representatives which is contained in the Senate amendment as proposed to be amended by such motion or which is contained in the proposed amendment to the Senate amendment, and which was not included in the concurrent resolution on the budget as passed by the House. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(iii) Notwithstanding the final disposition of any motion under clause (ii), it shall be in order to make further such motions with respect to other procedures or matters in the language of the Senate amendment, as proposed to be amended by the motion, or in the proposed amendment to the Senate amendment, not covered by any previous motion to reject.

"(E) If any such motion to reject has been adopted, after final disposition of all motions to reject under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 5 of Rule XXVIII of the Rules of the House of Representatives, the motion to recede and concur in the Senate amendment with an amendment shall be considered as rejected, and further motions—

"(i) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);

"(ii) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

"(iii) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur in the Senate amendment with an amendment as provided in clause 2(b) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on such motion.

"(F) If, on a division of a motion that the House recede and concur, with or without amendment, from its disagreement to any such Senate amendment as described in subparagraph (A) of this paragraph, the House agrees to recede, then, before debate is commenced on concurring in such Senate amendment, or on concurring therein with an amendment, it shall be in order to make motions to reject with respect to such Senate amendment in accordance with applicable provisions of this clause and to effect final determination of these matters in accordance with such provisions.

"(G) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

"(1) The conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

"(2) During the consideration in the Senate of the conference report on any concurrent resolution on the budget, debate shall be limited to 10 hours, to be equally divided between them, and controlled by, the majority leader and minority leader or their

designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

"(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

"(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

"(e) REQUIRED ACTION BY CONFERENCE COMMITTEE.—If at the end of 7 days (excluding Saturdays, Sundays, and legal holidays) after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—

"(1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or

"(2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution and inserts a substitute text.

"(f) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

"(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

"(2) a conference report on a concurrent resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

"LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDLED BY BUDGET COMMITTEES

"SEC. 306. No bill or resolution, and no amendment to any bill or resolution, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9587

"HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BY JUNE 10

"SEC. 307. On or before June 10 of each year, the Committee on Appropriations of the House of Representatives shall report bills and resolutions providing new budget authority under the jurisdiction of all of its subcommittees for the fiscal year which begins on October 1 of that year.

"REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

"SEC. 308. (a) **REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, OR PROVIDING AN INCREASE OR DECREASE IN REVENUES OR TAX EXPENDITURES.**—

"(1) Whenever a committee of either House reports to its House a bill or resolution, or committee amendment thereto, providing new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, or the committee shall make available such a statement in the case of an approved committee amendment which is not reported to its House, prepared after consultation with the Director of the Congressional Budget Office—

"(A) comparing the discretionary action levels in any such measure to the allocations for discretionary action in the reports submitted under section 302(b) for the most recently agreed to concurrent resolution on the budget for such fiscal year;

"(B) comparing the outlays estimated to result from any such measure for such fiscal year with the estimated subdivisions of outlays in reports submitted under section 302(e) for the most recently agreed to concurrent resolution on the budget for such fiscal year;

"(C) including an identification of any new spending authority described in section 401(c)(2) which is contained in any such measure and a justification for the use of such financing method instead of annual appropriations;

"(D) containing a projection by the Congressional Budget Office of how any such measure will affect the levels of such spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments under existing law for such fiscal year and each of the four ensuing fiscal years;

"(E) setting forth the level of new budget authority for assistance to State and local governments provided by any such measure; and

"(F) comparing the levels provided by any such measure with the levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such measure for such fiscal year.

"(2) Whenever a conference report is filed in either House and such conference report or amendment reported in disagreement or any amendment contained in the joint statement of managers to be proposed by the conferees in the case of technical disagreement on such bill or resolution provides new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), or new credit authority, or provides an increase or decrease in revenues for a fiscal year, the committee, after consultation with the Director of the Congressional Budget Office, shall make available to Members at least two hours prior to consideration of such conference report by the House of Representatives or Senate the matters described under subsection (a)(1).

"(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTION.—

"(1) The Director of the Congressional Budget Office shall issue to the committees of the House and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority, new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year. Such reports shall include, but are not limited to—

"(A) an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted concurrent resolution on the budget with levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year;

"(B) an up-to-date tabulation comparing levels of discretionary action for a fiscal year in bills and resolutions reported by committees or adopted by either House or by the Congress with allocations for discretionary action in reports submitted under subsection (a) and (b) of section 302, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year; and

"(C) an up-to-date tabulation comparing levels of budget outlays for a fiscal year estimated to result from bills and resolutions reported by committees or adopted by either House or by the Congress, or estimated to result from existing law within the jurisdiction of such committees with estimates of outlays in reports submitted under section 302(e).

"(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

"(A) shall be made available on at least a monthly basis, but in any case, frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of the budget;

"(B) shall include, but are not limited to, summaries of tabulations provided under subsection (b)(1); and

"(C) shall be based on information provided under subsection (b)(1) without substantive revision.

The chairman of the Committee on the Budget of the House shall submit such reports to the Speaker and they shall be printed as House documents.

"(c) **FIVE-YEAR PROJECTION OF CONGRESSIONAL BUDGET ACTION.**—As soon as practicable after the beginning of each fiscal year, the Director of the Congressional Budget Office shall issue a report projecting for the period of 5 fiscal years beginning with such fiscal year—

"(1) total new budget authority and total budget outlays for each fiscal year in such period;

"(2) revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period;

"(3) tax expenditures for each fiscal year in such period;

"(4) entitlement authority for each fiscal year in such period; and

"(5) credit authority for each fiscal year in such period.

"HOUSE APPROVAL OF REGULAR APPROPRIATION BILLS

"SEC. 309. It shall not be in order in the House of Representatives to consider any

resolution providing for an adjournment period of more than three calendar days during the month of July until the House of Representatives has approved bills and resolutions providing new budget authority under the jurisdiction of all the subcommittees of the Committee on Appropriations for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions.

"RECONCILIATION

"SEC. 310. (a) **INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.**—Any concurrent resolution on the budget shall, to the extent necessary to effectuate the provisions and requirements of such resolution, specify the total amount for such fiscal year, or the total amount for such fiscal year and the ensuing fiscal year, or the total amount for such fiscal year and the two ensuing fiscal years by which—

"(1) budget authority;

"(2) spending authority described in section 401(c)(2);

"(3) credit authority; or

"(4) revenues;

provided by laws, bills, and resolutions within the jurisdiction of a committee is to be changed and provide an estimate of the resulting change in budget outlays, and direct that committee to recommend legislation to accomplish a change of such total amount.

"(b) **LEGISLATIVE PROCEDURE.**—If a concurrent resolution is agreed to in accordance with subsection (a) containing directives to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

"(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House reconciliation legislation containing such recommendations; or

"(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations and submit such recommendations to the Committee on the Budget of its House, which, upon receiving all such recommendations, shall report to its House reconciliation legislation carrying out all such recommendations without any substantive revision.

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(1) It shall not be in order in either the House of Representatives or the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recently agreed to concurrent resolution on the budget is not exceeded, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that (A) in the House of Representatives a motion to strike a provision providing new budget authority or new spending authority as defined in section 401(c)(2)(C) of this Act may be in order, and (B) in the Senate a motion to strike a provision shall always be in order.

H 9588

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

"(2) Paragraph (1) shall not apply if a declaration of war by the Congress is in effect.

"(3) For purposes of this section, the levels of budget outlays and Federal revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

"(4) The Committee on Rules of the House of Representatives may make in order amendments to achieve changes specified by reconciliation directives contained in a concurrent resolution on the budget if a committee or committees of the House fail to submit recommended changes to its Committee on the Budget pursuant to its instruction.

"(2) PROCEDURE IN THE SENATE.—

"(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills reported under subsection (b) and conference reports thereon.

"(2) Debate in the Senate on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 30 hours.

"(c) COMPLETION OF RECONCILIATION PROCESS IN THE HOUSE OF REPRESENTATIVES.—It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period for more than three calendar days during the month of July until the House of Representatives has completed action on the reconciliation legislation for the fiscal year beginning on October 1 of the calendar year to which the adjournment resolution pertains, if reconciliation legislation is required to be reported by the concurrent resolution on the budget for such fiscal year.

"(f) LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.—Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304, or any amendment thereto or conference report thereon, that contains recommendations with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

"NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

"SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—Except as provided by subsection (b), after the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority, new spending authority described in section 401(c)(2), or new credit authority to become effective during such fiscal year, or reducing revenues for such fiscal year, or any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority, total budget outlays, total entitlement authority, total direct loan obligations, or total primary loan guarantee

commitments set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of total revenues set forth in such concurrent resolution.

"(b) EXCEPTION.—Subsection (a) shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the allocation for discretionary action for such committee of new budget authority, new spending authority as described in section 401(c)(2), new direct loan obligations or new primary loan guarantee commitments made pursuant to section 302(a) for such fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total of such fiscal year and the two ensuing years to be exceeded.

"(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, direct loan obligations, primary loan guarantee commitments, spending authority as described by section 401(c)(2), and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

"COMMITTEE ALLOCATION CONTROLS

"SEC. 312. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—After the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority, new spending authority as described in section 401(c)(2), or new credit authority to become effective during such fiscal year or in a subsequent fiscal year, or any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause an allocation for discretionary action to a committee made pursuant to section 302(a) for such fiscal year (or, if such allocation is for the total of such fiscal year and the ensuing fiscal year, then the two-year total; or, if such allocation is for the total of such fiscal year and the two ensuing fiscal years, then the three-year total) of new budget authority, new spending authority as described in section 401(c)(2), or new direct loan obligations and new primary loan guarantee commitments to be exceeded.

"(b) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, budget outlays, spending authority as described in section 401(c)(2), direct loan obligations, and primary loan guarantee commitments for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be".

Subpart II—Amendments to Title IV of the Congressional Budget Act of 1974

SEC. 311. NEW SPENDING AUTHORITY.

(a) CONTROLS ON LEGISLATION PROVIDING CONTRACT OR BORROWING AUTHORITY.—Sub-

section (a) of section 401 of the Congressional Budget Act of 1974 is amended by inserting "CONTROLS ON" before "LEGISLATION", by striking out "or resolution" and inserting in lieu thereof "resolution, or conference report, as reported to its House" and by inserting "conference report" after "resolution" the second time it appears therein.

(b) POINT OF ORDER.—Subsection (b) of such section is amended to read as follows:

"(b) CONTROLS ON PROVISIONS OF LEGISLATION PROVIDING OTHER NEW SPENDING AUTHORITY.—No provision of any bill, joint resolution, or resolution shall be reported by any committee, or be in order in any amendment thereto or conference report thereon, in the House of Representatives or the Senate, which provides new spending authority as described in subsection (c)(2)(D) or (E) unless that bill, joint resolution, or resolution, as reported, or amendment thereto or conference report thereon, also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts. A point of order with respect to such new spending authority (except as to conference reports) may be raised at any time."

(c) DEFINITION OF NEW SPENDING AUTHORITY.—Paragraph (1) of subsection (c) of such section is amended by inserting before the period at the end thereof the following:

"except for subparagraphs (D) and (E) of paragraph (2), for which 'new spending authority' for purposes of this section means spending authority not provided by law on the effective date of those subparagraphs, including any increase in or addition to spending authority provided by law on such date".

(d) DEFINITION OF SPENDING AUTHORITY.—Paragraph (2) of subsection (c) of such section is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon, and by inserting after subparagraph (C) the following new subparagraph:

"(D) to forego collection of proprietary offsetting receipts, the budget authority for which is not provided in advance by appropriation Acts to offset such foregone receipts; and

"(E) to make payments (including loans, grants, and payments from revolving funds) other than those covered by subparagraph (A), (B), (C), or (D), the budget authority for which is not provided in advance by appropriation Acts".

(e) ESTIMATES.—Such section 401 is further amended by inserting at the end thereof the following new subsection:

"(e) ESTIMATES.—For purposes of this Act, estimates of new entitlement authority shall be measured as the net increase or decrease from last as such law exists at the time of consideration of a bill, resolution, or conference report providing such entitlement authority. Estimates of new entitlement authority for entitlements financed by trust funds or revolving funds shall be based on estimated outlays from such funds".

SEC. 312. CREDIT AUTHORITY.

Section 402 of the Congressional Budget Act of 1974 is amended to read as follows:

"LEGISLATION PROVIDING NEW CREDIT AUTHORITY

"SEC. 402. (a) CONTROLS ON LEGISLATION PROVIDING NEW CREDIT AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or conference report, as reported to its House, or any amendment which provides new credit authority described in subsection (b)(1), unless that bill, resolution,

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9589

conference report, or amendment also provides that such new credit authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(b) DEFINITIONS.—

"(1) For purposes of this Act, the term 'new credit authority' means credit authority not provided by law on the effective date of this section, including any increase in or addition to credit authority provided by law on such date.

"(2) For purposes of this Act, the term 'credit authority' means authority to incur direct loan obligations or to incur primary loan guarantee commitments".

SEC. 213. DESCRIPTION BY CONGRESSIONAL BUDGET OFFICE.

(a) CONGRESSIONAL BUDGET OFFICE ANALYSIS.—Subsection (a) of section 403 of the Congressional Budget Act of 1974 is amended by striking out "and" at the end of paragraph (2), by striking out the period and inserting "; and" at the end of paragraph (3), and by inserting at the end thereof the following new paragraph:

"(4) a description of each method for establishing a Federal financial commitment contained in such bill or resolution".

(b) CONFORMING AMENDMENT.—The second sentence of subsection (a) of such section is amended by striking out "estimates and comparison" and inserting in lieu thereof "estimates, comparison, and description".

SEC. 214. GENERAL ACCOUNTING OFFICE STUDY.

Title IV of the Congressional Budget Act of 1974, is amended by inserting at the end thereof the following new sections:

"STUDY BY THE GENERAL ACCOUNTING OFFICE OF FORMS OF FEDERAL FINANCIAL COMMITMENT THAT ARE NOT REVIEWED ANNUALLY BY CONGRESS

"SEC. 405. The General Accounting Office shall study those provisions of law which provide spending authority as described by section 401(c)(2) and which provide permanent appropriations, and report to the Congress its recommendations for the appropriate form of financing for activities or programs financed by such provisions not later than eighteen months after the effective date of this section. Such report shall be revised from time to time.

"OFF-BUDGET AGENCIES, PROGRAMS AND ACTIVITIES

"SEC. 406. (a) Notwithstanding any other provision of law, budget authority, credit authority, and estimates of outlays and receipts for activities of the Federal budget which are presently off-budget, including all activities of the Federal Financing Bank, the Rural Electrification Administration and Telephone Revolving Fund and the Rural Telephone Bank, the Strategic Petroleum Reserve Account, the United States Synthetic Fuels Corporation and the United States Railway Association shall be included in a budget submitted pursuant to section 1105 of title 31, United States Code, and in a concurrent resolution on the budget reported pursuant to section 301 of the Congressional Budget Act of 1974 and shall be considered, for purposes of such Act, budget authority, outlays, and spending authority in accordance with definitions set forth in such Act.

"(b) All receipts and disbursements of the Federal Financing Bank with respect to any obligations which are issued, sold, or guaranteed by a Federal agency shall be treated as a means of financing such agency for purposes of section 1105 of title 31, United States Code, and for purposes of the Congressional Budget Act of 1974.

"(c) If any committee of either House reports any bill containing a provision or provisions having the effect of exempting any

department, agency, program or activity of the United States Government from the provisions of section 1105 of title 31, United States Code, or the provisions of the Congressional Budget Act of 1974, such bill shall be referred to the Committee on Government Operations in the House of Representatives or to the Committee on Governmental Affairs in the Senate, and such Committee shall have the jurisdiction to report any bill referred to it under this section with an amendment or amendments, which change or strike out any such provision or provisions.

"MEMBER USER GROUP

"SEC. 407. The Speaker of the House of Representatives, after consulting with the Minority Leader of such House, shall appoint a Member User Group for the purpose of reviewing budgetary scorekeeping rules and practices of the House and advising the Speaker from time to time on the effect and impact of such rules and practices. Estimates made by the House Budget Committee under section 311 and section 312 shall be made in accordance with such scorekeeping rules and practices".

Subpart III—Additional Provisions to Improve Budget Procedures**SEC. 221. CONGRESSIONAL BUDGET OFFICE.**

(a) APPOINTMENT OF DIRECTOR.—Paragraph (2) of section 201(a) of the Congressional Budget Act of 1974 is amended by striking out "Committees on the Budget" and inserting in lieu thereof "committees".

(b) REPORTING DATE.—Paragraph (1) of section 202(f) of the Congressional Budget Act of 1974 is amended by striking out "April 1" and inserting in lieu thereof "February 15".

(c) ADDITIONAL REPORTING REQUIREMENT.—Subsection (f) of section 202 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new paragraph:

"(3) On or before the first Monday after January 3 of each year, the Director, after consultation with the appropriate committees of the House of Representatives and Senate, shall submit to the Congress a report listing (A) all programs and activities funded during the fiscal year ending September 30 of that calendar year for which authorizations for appropriations have not been enacted for that fiscal year, and (B) all programs and activities for which authorizations for appropriations have been enacted for the fiscal year ending September 30 of that calendar year, but for which no authorizations for appropriations have been enacted for the fiscal year beginning October 1 of that calendar year.

"(4) Baseline projections of permanent authority prepared pursuant to this subsection, including but not limited to revenues, entitlements (including appropriated entitlements), other mandatory spending, and credit authority shall assume that current laws continue unchanged, except for the extension of temporary provisions for which continuation is routine. Baseline projections of discretionary appropriations shall assume a continuation of current year funding with an adjustment for inflation, except with respect to any report made under the Balanced Budget and Emergency Deficit Control Act of 1985."

(d) STUDIES.—Section 202 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new subsections:

"(h) **STUDIES.—**The Director shall conduct continuing studies to enhance comparisons of budget outlays, credit authority, and tax expenditures.

"(i) **TAX EXPENDITURES INVENTORY.—**On or before February 15 of each year, the Director, after consultation with the Joint Com-

mittee on Taxation, shall submit to the Congress an inventory of all provisions of law providing tax expenditures and the items of such inventory shall be regarded for purposes of this Act as tax expenditures".

SEC. 222. CURRENT SERVICES BUDGET.

The first sentence of section 605(a) of the Congressional Budget Act of 1974 is amended by striking out "On or before November 10 of each year (beginning with 1975)" and inserting in lieu thereof the following: "On or before the first Monday after January 3 of each year (beginning with 1985)".

SEC. 223. STUDY OF OFF-BUDGET AGENCIES.

Section 606 of the Congressional Budget Act of 1974 is repealed.

SEC. 224. CHANGES IN FUNCTIONAL CATEGORIES.

Section 602 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following sentence: "Committees of the House of Representatives and Senate shall receive prompt notification of all such changes".

SEC. 225. JURISDICTION OF COMMITTEE ON GOVERNMENT OPERATIONS.

Clause 3(j) of Rule X of the Rules of the House of Representatives is amended by inserting after item (5) the following new item:

"(6) Budgetary treatment of agencies or programs referred to the committee pursuant to section 406 of the Congressional Budget Act of 1974".

SEC. 226. CONTINUING STUDY OF CONGRESSIONAL BUDGET PROCESS.

Clause 3 of Rule X of the Rules of the House of Representatives is amended by inserting at the end thereof the following:

"(1) The Committee on Rules shall have the function of reviewing and studying, on a continuing basis, the congressional budget process, and the committee shall, from time to time, report its findings and recommendations to the House."

SEC. 227. EARLY ELECTION OF COMMITTEES OF THE HOUSE.

Clause 6(a)(1) of Rule X of the Rules of the House of Representatives is amended by striking out "at" and by inserting in lieu thereof "within the seventh calendar day beginning after", and by inserting at the end thereof the following new sentence: "It shall always be in order to consider resolutions recommended by the respective party caucuses to change the composition of standing committees".

SEC. 228. RESCISSIONS AND TRANSFERS IN APPROPRIATION BILLS.

(a) RESCISSIONS.—Clause 2(b) of Rule XXI of the Rules of the House of Representatives is amended by inserting before the period at the end thereof the following: ", and except rescissions of appropriations contained in appropriation Acts".

(b) TRANSFERS.—Clause 6 of Rule XXI of the Rules of the House of Representatives is amended by inserting before the period at the end thereof the following: ", and shall not apply to transfers of unexpended balances within the department or agency for which they were originally appropriated, reported by the Committee on Appropriations."

Subpart IV—Technical and Conforming Amendments**SEC. 231. TABLE OF CONTENTS.**

The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 with respect to title III is amended to read as follows:

"TITLE III—CONGRESSIONAL BUDGET PROCESS

"Sec. 300. Timetable.

H 9590

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

"Sec. 301. Annual adoption of concurrent resolution on the budget.

"Sec. 302. Committee allocations.

"Sec. 303. Concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues or the public debt limit is considered.

"Sec. 304. Permissible revisions of concurrent resolutions on the budget.

"Sec. 305. Procedures relating to consideration of concurrent resolutions on the budget.

"Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.

"Sec. 307. House committee action on all appropriation bills to be completed by June 10.

"Sec. 308. Reports, summaries, and projections of congressional budget actions.

"Sec. 309. House approval of regular appropriation bills.

"Sec. 310. Reconciliation.

"Sec. 311. New budget authority, new spending authority, new credit authority, and revenue legislation must be within appropriate levels.

"Sec. 312. Committee allocation controls".

SEC. 31. ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.

(a) **TABLE OF CONTENTS.**—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by—

(1) striking out the item relating to section 402 and inserting in lieu thereof the following new item:

"Sec. 402. Legislation providing new credit authority."

(2) inserting after the item relating to section 404 the following new item:

"Sec. 405. Study by the General Accounting Office of forms of Federal financial commitment that are not reviewed annually by Congress.

"Sec. 406. Off-budget agencies, programs, and activities.

"Sec. 407. Member user group"; and

(3) striking out the item relating to section 606.

(b) **TECHNICAL AMENDMENT.**—Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(1) by adding "and" after the semicolon at the end of subparagraph (A);

(2) by striking out subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) **TECHNICAL AMENDMENT.**—Subparagraph (2) of clause 4(b) of rule X of the Rules of the House of Representatives is amended by striking out "first concurrent resolution" and inserting in lieu thereof "concurrent resolutions".

(d) **TECHNICAL AMENDMENT.**—Clause 4(g) of rule X of the Rules of the House of Representatives is amended by striking out "March 15" and inserting in lieu thereof "February 25".

(e) **TECHNICAL AMENDMENT.**—Clause 2(U)(1) of rule XI of the Rules of the House of Representatives is amended—

(1) by striking out "(except as provided in subdivision (C))" in subparagraph (A) thereof; and

(2) by repeating subparagraph (C) thereof.

(f) **TECHNICAL AMENDMENT.**—Clause 2(U)(3)(B) of rule XI of the Rules of the House of Representatives is amended by inserting "(1)" after "section 308(a)" and by

striking out "new budget authority or new or increased tax expenditures" and inserting in lieu thereof "new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2) of such Act, new credit authority, or an increase or decrease in revenues or tax expenditures".

(g) **TECHNICAL AMENDMENT.**—Rule XLIX of the Rules of the House of Representatives is amended by striking out ", 304, or 310" in clause 1 and inserting in lieu thereof "or 304".

PART B—BUDGET SUBMITTED BY THE PRESIDENT

SEC. 31. SUBMISSION OF PRESIDENT'S BUDGET; MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.

(a) **SUBMISSION OF PRESIDENT'S BUDGET.**—The first sentence of section 1105(a) of title 31, United States Code, is amended by striking out "During the first 15 days of each regular session of Congress" and inserting in lieu thereof the following: "On or before the first Monday after January 3 of each year".

(b) **LEGISLATIVE RECOMMENDATIONS.**—Subsection (a) of such section is amended by inserting after the second sentence thereof the following new sentence: "Not later than two weeks after submission of the budget, the Office of Management and Budget shall submit to Congress the text of legislation necessary to implement budget proposals affecting revenues and spending authority as described in section 401(c)(3)(C) of the Congressional Budget Act of 1974".

(c) **MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.**—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

"(2) The deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraphs (1) and (2) shall not apply if a declaration of war by the Congress is in effect."

SEC. 32. SUPPLEMENTAL BUDGET ESTIMATES AND CHANGES.

(a) **CHANGE IN DATE OF SUBMISSION.**—The first sentence of section 1106(b) of title 31 of the United States Code is amended by striking out "April 11 and".

(b) **REVISIONS AND SUPPLEMENTAL SUMMARIES.**—Section 1106 of title 31 of such Code is further amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate."

SEC. 33. CURRENT SERVICES BUDGET.

The first sentence of section 1105(a) of title 31, United States Code, is amended by striking out "Before November 11 of each year" and inserting in lieu thereof the following: "On or before the first Monday after January 3 of each year".

PART C—EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT

SEC. 31. REPORTING OF EXCESS DEFICITS.

(a) **INITIAL ESTIMATES, DETERMINATIONS, AND CBO REPORT.**—

(1) **IN GENERAL.**—The Director of the Congressional Budget Office (hereafter in this part referred to as the "Director") shall with respect to any fiscal year—

(A) estimate the levels of total revenues and budget outlays that may be anticipated for such fiscal year as of August 15 of the calendar year in which such fiscal year begins (or as of the 9th day after the enactment of this Act in the case of the fiscal year 1985),

(B) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess will be greater than \$16,000,000,000, and

(C) estimate the rate of real economic growth that will occur during such fiscal year.

(2) **REPORT.**—The Director shall report to the President and to the Congress on August 20 of the calendar year in which such fiscal year begins for on the 14th day after the date of the enactment of this Act in the case of the fiscal year 1985, identifying the amount of any excess, stating whether such excess is greater than \$16,000,000,000, specifying the estimated rate of real economic growth for such fiscal year and whether the estimate includes two or more consecutive quarters of negative economic growth, and specifying, by program, project, activity, or account, the percentages by which automatic spending increases and controllable expenditures (whether or not such increases and expenditures are included in the totals of the budget of the United States Government) must be reduced during such fiscal year in order to eliminate any such excess. Such report must specify with respect to the fiscal year involved—

(A) the new automatic spending increases in the case of each program providing for such increases;

(B) the manner in which reductions are to be made under the program (with an explanation of the percentage to be applied in making such reductions) in the case of Medicare, child support enforcement, and guaranteed student loans; and

(C) the percentage reduction in outlays in each direct spending program, in new budget authority in the case of each discretionary account, in new loan guarantee commitments, in new direct loan obligations, and in accounts controlled by limitations or obligational ceilings.

(3) **ESTIMATES, DETERMINATIONS, AND SPECIFICATIONS.**—The estimates, determinations, and specifications of the Director under paragraphs (1) and (2) and under subsection (c)—

(A) shall be made by the Director in consultation with the Director of the Office of Management and Budget; and

(B) shall utilize the baseline, criteria, and guidelines set forth in paragraph (4), in section 254, and in the other relevant provisions of this part (using the same economic and technical assumptions as those which were used in the Director's August report in making such estimates, determinations, and specifications with respect to the fiscal year 1985).

(4) **BUDGET BENCHMARK.**—In computing the percentages by which automatic spending increases and controllable expenditures (whether or not included in the totals of the budget of the United States Government) must be reduced during a fiscal year as set

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

H 9591

forth in any report required under this subsection or subsection (c) for such fiscal year, the budget baseline shall be determined by—

(A) assuming current law for revenues, entitlements, and other mandatory spending;

(B) assuming the prior year's appropriations for discretionary expenditures unless a regular appropriation or a continuing appropriation for the entire fiscal year has been enacted;

(C) assuming that expiring provisions of law providing revenues, entitlements, and other mandatory spending do expire, except that excise taxes dedicated to a trust fund and agricultural price support programs administered through the Commodity Credit Corporation would be extended at current rates; and

(D) assuming (i) that Federal pay adjustments for statutory pay systems will be as recommended by the President, but in no case will be less than zero, and (ii) that Medicare spending levels for inpatient hospital services will be based upon the regulations most recently issued by the Health Care Financing Administration pursuant to sections 1886(b)(3)(B), 1886(b)(3)(A), and 1886(e)(4) of the Social Security Act.

(5) ORDER NOT REQUIRED IF CONGRESSIONAL ACTION HAS BEEN TAKEN TO ELIMINATE THE DEFICIT.—If by August 15 of the calendar year in which a fiscal year begins the Congress (with respect to that fiscal year) has agreed to a concurrent resolution on the budget, completed action on one or more reconciliation bills, and completed action on all regular appropriation bills, the Director (before submitting a report under this section) shall determine whether (using updated economic assumptions) the excess deficit identified as described in paragraph (2) would be eliminated under the congressional actions so taken. If the Director determines that such excess deficit has in fact been so eliminated or would be eliminated upon the enactment of such reconciliation bill or bills and such regular appropriation bills, the report submitted under this section with respect to the fiscal year involved shall so state and no order shall be issued under section 252 with respect to that fiscal year.

(b) GENERAL ACCOUNTING OFFICE REPORT.—On or before September 15 of the calendar year (except for the calendar year 1985) in which the fiscal year begins and in which the President has issued an order under section 252(a) on the basis of the Director's report under subsection (a), the Comptroller General shall report to the Congress on the extent to which such order embodies the determinations and specifications contained in such report, with particular reference to whether or not the reductions made by such order are uniform and applicable across the board as required by this part, either certifying that the order fully and accurately embodies such determinations and specifications or indicating the respects in which it does not.

(c) REVISED ESTIMATES, DETERMINATIONS, AND CBO REPORTS.—On October 5 of the fiscal year (or before December 15 in the case of the fiscal year 1986), the Director shall submit to the President and the Congress a revised report—

(1) indicating whether and to what extent, as a result of laws enacted after the submission of the initial report under subsection (a) of this section, the excess deficit identified in the report submitted under such subsection has been reduced or eliminated, and

(2) adjusting the determinations made under subsection (a) to the extent necessary. The revised report submitted under this subsection shall be based on the same economic and technical assumptions as those used in the report submitted under subsection

(a)(2), but shall take into account information which may have become available such as the levels of automatic spending increases and the Medicare increase rate.

(d) EXERCISE.—The preceding provisions of this section shall not apply if a declaration of war by the Congress is in effect.

SEC. 252. PRESIDENTIAL ORDER

(a) ISSUANCE OF INITIAL ORDER.—(1) On September 1 following the submission of the report by the Director under section 251(a)(2) which identifies an amount greater than \$10,000,000,000 (or in the case of the fiscal year 1986) by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year or on the 10th day after the submission by the Director of the report under section 251(a)(2) in the case of the fiscal year 1986, the President, subject to the exceptions, exceptions, limitations, and special rules set forth in sections 253 and 254, shall eliminate the full amount of the deficit excess by issuing an order that—

(A) notwithstanding the Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage (not below zero) the automatic spending increase under each such provision;

(B) reduces outlays under the foster care and adoption assistance programs, the guaranteed student loan program, and the medical program to the maximum more particularly described in subsections (g), (h), and (i) of section 254, but not by more than the percentage reductions to be applied under subparagraph (C); and

(C) eliminates the remainder of such excess by sequestering outlays for direct spending programs, new budget authority, new direct loan obligations, and obligation limitations—

(i) for funds provided in annual appropriations Acts, from each affected program, project, and activity (as defined in the most recently enacted applicable appropriations Acts and accompanying committee reports for the program, project, or activity in question—including joint resolutions providing continuing appropriations and committee reports accompanying Acts referenced in such resolutions) or from each affected budget account if not so defined, and

(ii) for funds not provided in annual appropriations Acts, from each budget account activity as identified in the program and financing schedule contained in the appendix to the Budget of the United States,

with the resulting reduction being proportional to total outlays in the case of direct spending programs and to new budget authority, new loan guarantee commitments, new direct loan obligations, or obligation limitations in the case of discretionary programs.

The percentage reduction for programs described in subparagraph (C) shall be calculated in the following manner: The outlay reductions made in the programs described in subparagraphs (A) and (B) shall be subtracted from the total required outlay reductions, and this amount shall then be divided by the total controllable expenditures in the accounts under subparagraph (C). The ratio so derived shall be applied to reduce new budget authority, new loan guarantee commitments, new direct loans, obligation limitations, and outlays for direct spending programs described in subparagraph (C). Provided, That for the purposes of sequestration of new budget authority for the Department

of Defense-Military, the procedure shall be as follows:

(I) The appropriate reduction in outlays for all controllable expenditures of the Department of Defense-Military, calculated in accordance with this paragraph, shall be computed.

(II) The identical amount of outlay reductions so computed shall be distributed across the affected budget accounts of the Department of Defense-Military in the proportion that total outlays for each budget account bears to total outlays for the Department of Defense-Military.

(III) Such amounts of new budget authority from each affected program, project, and activity, or budget account, of the Department of Defense-Military shall be sequestered as shall be necessary to reduce outlays for that budget account with proportional reductions in programs, projects, and activities by the amount determined under subdivision (II).

The order must embody and follow the determinations, percentages, and other specifications set forth in the report submitted under section 251(a), and must be consistent with such report.

(2) At the time the actions described in paragraph (1) with respect to any fiscal year are taken, the President shall transmit to both Houses of the Congress a message identifying—

(A) the total amount and the percentage by which each automatic spending increase program as defined in section 255(1) is to be reduced for that fiscal year pursuant to paragraph (1)(A);

(B) the total amount and the percentage by which the foster care, adoption assistance, and guaranteed student loan programs are to be reduced pursuant to the provisions of subsections (g) and (h) of section 254;

(C) the base from which the reduction is taken, the amount of the outlays for direct spending programs, new budget authority, new loan guarantee commitments, new direct loan obligations, and obligation limitations as appropriate which are to be sequestered for that fiscal year from each program, project, and activity or budget account for which funds are provided in annual appropriations Acts, or otherwise from each budget account activity as identified in the program and financing schedules contained in the Appendix to the Budget of the United States Government pursuant to paragraph (1)(C); and

(D) such other supporting details as the President may determine to be appropriate. Upon receipt in the Senate and the House of Representatives, the message (and any accompanying proposals made under subsection (c)) shall be referred to all committees with jurisdiction over programs, projects, and activities affected by it.

(3) The order issued by the President under paragraph (1) shall be effective as of October 1 of the fiscal year involved (or as of the 20th day after the date of the issuance of such order in the case of the fiscal year 1986), and the President shall withhold from obligation (pending the issuance of his final order under subsection (b)) any amounts that are to be sequestered under such order, except that for the month of October (or for the first full calendar month after the issuance of the order in the case of the fiscal year 1986) the President shall not withhold (and shall not recover) any portion of any such amount which represents an automatic spending increase becoming effective on October 1 (or on the first day of such first full calendar month) and with respect to which the adjustments required by the order

H 9592

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

cannot be accomplished prior to the end of that month. Reductions pursuant to the order shall be made with respect to automatic spending increase programs within 15 days, but in no case shall recoupment occur if reduction does not begin within this period.

(b) **ISSUANCE OF FINAL ORDER.**—(1) On October 10 of the fiscal year (or on December 20 in the case of the fiscal year 1986), after the receipt of the revised report submitted by the Director under section 251(c), the President shall issue a final order under this section to eliminate the full amount of the deficit excess as identified by the Director in the revised report submitted under section 251(c) but only to the extent and in the manner provided in such report. The order issued under this subsection shall include the same reductions as the initial order issued under subsection (a), adjusted to the extent necessary to take account of the percentage reductions determined by the Director in the revised report submitted under section 251(c), and shall be made in accordance with the same criteria and guidelines as those which were used in the issuance of such initial order under subsection (a).

(2) Subject to paragraph (3), the final order issued by the President under paragraph (1) shall become effective, to the extent that it modifies the initial order issued under subsection (a), on October 15 of the fiscal year to which it applies (or on the 30th day after the date of the report submitted under section 251(c) in the case of the fiscal year 1986, with the reductions required by such order being prorated on the basis of the number of remaining full months in such fiscal year). Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during the fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(3) If the revised report submitted by the Director under section 251(c) (on which the President's final order under this subsection is based) indicates that legislative actions have reduced the excess deficit identified in the initial report of the Director submitted under section 251(a) to \$10,000,000,000 or less (\$0 in the case of the fiscal year 1986), the order issued under this subsection shall so state and no reductions or sequestrations shall become effective (as a result of the order) for the fiscal year involved; and any amounts withheld pursuant to the initial order shall be restored.

(4) For purposes of applying this section and section 251 with respect to the fiscal year 1986, the Committee on Appropriations of the House of Representatives and the Senate may define the term "program, project, and activity", with respect to matters within their jurisdiction, for purposes of implementing the provisions of this section with respect to the fiscal year 1986. The order issued by the President shall sequester funds in accordance with such definitions.

(c) **PROPOSAL OF ALTERNATIVES.**—A message transmitted pursuant to subsection (a)(2) with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year.

(d) **REQUIREMENT THAT REDUCTIONS BE UNIFORM AND PROPORTIONAL.**—Any order issued by the President under this section shall be invalid unless it reduces all programs, projects, and activities covered by subsection (a)(1)(A), by a uniform percentage except that programs, projects, and activi-

ties of the Department of Defense shall be reduced according to the provisions of subsection (a)(1); and such order shall have no effect upon any program, project, or activity unless it reduces all programs, projects, and activities proportionately.

SEC. 252. EXEMPT PROGRAMS AND ACTIVITIES.

(a) **SOCIAL SECURITY BENEFITS AND TIER 1 RAILROAD RETIREMENT BENEFITS.**—Increases in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, or in benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall not be considered "automatic spending increases" for purposes of this title; and no reduction in outlays for any such increase, or for any of the benefits involved, shall be made under any order issued under this part.

(b) **NET INTEREST.**—Outlays for net interest shall not be considered controllable expenditures for purposes of this title, and no reduction in outlays for payment of such interest shall be made under any order issued under this part.

(c) **EARNED INCOME TAX CREDIT.**—Payments to individuals made pursuant to section 32 of the Internal Revenue Code of 1954 shall be exempt from reduction under any order issued under this part.

(d) **OTHER PROGRAMS AND ACTIVITIES.**—The following budget accounts and activities shall be exempt from reduction under any order issued under this part:

(1) Claims and judgments against the Government, including—
Claims, defenses (97-0192-0-1-051);
Claims, judgments and other relief acts (20-1895-0-1866);

Eastern Indian Land Claims Settlement Fund (14-2702-0-1-806);
Soldiers and Airmen's Home, payment of claims (84-8930-0-7-766);

Payment of Vietnam and USS Pueblo prisoner-of-war claims (15-0164-0-1-153);

(2) Salaries of judges (10-0200-0-1-752) (not including any portion of compensation which would result from increases in compensation above the levels in effect immediately prior to the effective date of this section);

(3) Compensation of the President (11-0001-0-1-802);

(4) Federal credit guarantee and insurance program (including outlays resulting from commitments in effect prior to the effective date of any order issued pursuant to section 252);

Veterans' Administration loan guaranty revolving fund (36-4025-0-3-764);
Agriculture Credit Insurance Fund (12-4140-0-3-351);

AID, housing and other guarantee programs (72-4340-0-3-151);

Overseas Private Investment Corporation (71-8039-0-3-151);

Rural Development Insurance Fund (12-4155-0-3-452);

International Trade Administration operations and administration (13-1250-0-1-376);

Economic Development Revolving Fund (13-4406-0-3-452);

Government National Mortgage Association, guarantees of mortgage-backed securities (86-4238-0-3-371);

Federal Housing Administration Fund (86-4070-0-3-371);

Credit Union share insurance fund (25-4468-0-3-371);

Federal Savings and Loan Insurance Corporation fund (82-4037-0-3-371);

Credit union share insurance fund (25-4468-0-3-371);

Pension Benefit Guaranty Corporation fund (16-4204-0-3-601);

Federal Crop Insurance Corporation fund (12-4085-0-3-351);

Federal Aviation Administration, Aviation Insurance Revolving Fund (69-4120-0-3-402);

Maritime Administration:
War-risk insurance revolving fund (69-4302-0-3-403);

Small Business Administration:
Lease guarantees revolving fund (73-4157-0-3-376);

Surety bond guarantees revolving fund (73-4156-0-3-376);

Export-Import Bank of the United States, limitation of program activity (83-4027-0-3-155);

Federal Emergency Management Agency:
National insurance development fund (58-4238-0-3-451);

National flood insurance fund (58-4236-0-3-453);

Nuclear Regulatory Commission, salaries and expenses (31-0200-0-1-276);

Check Forgery Insurance Fund (20-4109-0-3-803);

Rural electric and telephone revolving fund (12-4230-3-2-271);

Community Development Grant loan guarantees (86-0162-0-1-451);

Railroad rehabilitation and improvement financing fund (69-4411-0-3-401);

Synthetic Fuels Corporation (20-0112-0-1-271);

Small Business Administration—business loan insurance fund (73-4154-0-3-376);

Small Business Administration—pollution control equipment contract guarantee revolving fund (73-4147-0-3-376);

Low-rent public housing—loans and other expenses (86-4098-0-3-604);

Federal Ship Financing Fund (69-4301-0-3-403);

Geothermal Resources Development Fund (89-0200-0-1-271);

Federal Ship Financing—fishing vessels (13-4417-0-3-376);

Rural housing insurance fund (12-4141-0-3-371);

Indian Loan Guarantee and Insurance Fund (14-4410-0-3-452);

Rail service assistance (69-0123-0-1-401);

Tennessee Valley Authority—Seven States Energy Corporation;

Export-Import Bank (83-4027-0-3-155);

Federal insurance programs:
Veterans' Administration:

Servicemen's Group Life Insurance Fund (36-4000-0-3-701);

United States Government life insurance fund (36-8150-0-7-701);

National service life insurance fund (36-8132-0-7-701);

Service-disabled veterans life insurance fund (36-8013-0-3-701);

Veterans' special life insurance fund (36-8455-0-8-701);

Veterans' reopened insurance fund (36-4010-0-3-701);

Employees life insurance fund;
Federal Deposit Insurance Corporation

(51-8419-0-8-371);

(5) Payments to trust funds, including—
Payments to the Foreign Service Retirement and Disability Fund (11-1036-0-1-153 and 19-0540-0-1-153);

Payments to health care trust funds (75-0580-0-1-572);

Federal payment to the railroad retirement account (60-0113-0-1-801);

Payments to social security trust funds (75-0404-0-1-571);

Payments to the Civil Service Retirement and Disability Fund (24-0200-0-1-805);

Payments to military retirement fund (97-0040-0-1-054);

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

H 9593

Payment to State and Local Government Fiscal Assistance Trust Fund (20-2111-0-1-851);

Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds;

(6) Funds held for other governments and entities, including—

Foreign military sales trust fund (21-8242-0-7-155);

Bureau of Indian Affairs miscellaneous trust funds, tribal funds (14-9973-0-7-999);

District of Columbia appropriations to the extent they are appropriations of locally raised funds;

(7) Federal financing operations—

Exchange stabilization fund (20-4444-0-3-155);

Coinage profit fund (20-5811-0-2-803);

(8) Other—

Offsetting receipts and collections;

Payment to copyright owners (03-5175-0-2-376);

Health Education Loans (75-4307-0-3-553);

Health Professions Graduate Student Loan Insurance Fund (75-4305-0-3-553);

Postal Service Fund (18-4030-3-3-72);

Tennessee Valley Authority power program borrowing authority (64-4110-0-3-999);

(9) Outlays resulting from private donations, bequests, or voluntary contributions to the Government;

(10) Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are covered by direct appropriations for the fiscal year during which an order is in effect.

(e) **LOW-INCOME PROGRAMS.**—The following programs shall be exempt from reduction under any order issued under this part:

Food stamp program (12-3505-0-1-605);

Supplemental Security Income Program (75-0406-0-1-609);

Aid to families with dependent children (75-0412-0-1-609);

Child nutrition (12-3539-0-1-605);

Veterans' compensation (36-0153-0-1-701);

Veterans' pensions (36-0154-0-1-701);

Community health centers (75-0350-0-1-550);

Migrant health (75-0350-0-1-550);

Women, infants, and children programs (WIC and CSFP) (12-3510-0-1-605);

SEC. 254. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.

(a) **ADDITIONAL SEQUESTRATION REQUIRED WHEN AUTOMATIC SPENDING INCREASES WOULD OTHERWISE BE REDUCED BELOW ZERO.**—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under section 252(a)(1)(A) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through reductions under section 252(a)(1)(B) and section 252(a)(1)(C).

(b) **EXISTING PROGRAMS, PROJECTS, AND ACTIVITIES NOT TO BE ELIMINATED.**—No action taken by the President under section 252(a) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(c) **INCREASES IN PARTICIPATION RATES.**—Increases in Government expenditures due to changes in participation rates shall not be considered automatic spending increases for purposes of this title, and outlays required by increases in participation rates shall not be considered "controllable expenditures" or be subject to reduction under section 252(a).

(d) **RELATIVE BUDGET PRIORITIES NOT TO BE ALTERED.**—Nothing in subparagraph (A) or

(B) of section 252(a)(1) shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is or becomes eligible for benefits under any provision of law shall be denied eligibility by reason of any order issued under this part.

(e) **EFFECT OF REDUCTIONS AND SEQUESTRATIONS.**

(1) **REDUCTIONS OF AUTOMATIC SPENDING INCREASES.**—(A) If an automatic spending increase otherwise taking effect under any program during a fiscal year is reduced as described in section 252(a)(1)(A) through the suspension or modification (by an order issued under section 252) of the law requiring it, the full amount of such increase shall nevertheless be deemed to have taken effect in accordance with such law for purposes of determining the amount of the benefits involved under such program during the succeeding fiscal year.

(B) If an order is issued under section 252 for the fiscal year immediately succeeding a fiscal year described in subparagraph (A) and the automatic spending increase taking effect under the program involved during such succeeding fiscal year is to be reduced as described in section 252(a)(1)(A), such increase, as determined after the application of subparagraph (A), may be reduced under the order (in accordance with the requirements of sections 254 and 262) by any amount not exceeding the sum of: (i) the amount of the reduction in the automatic spending increase which was made for the year described in subparagraph (A); and (ii) the full amount of the automatic spending increase which would otherwise take effect during such succeeding fiscal year.

(C) No automatic spending increase which becomes effective in accordance with the law requiring it (except an increase allowed pursuant to section 252(a)(4)), and no part of such an automatic spending increase which (notwithstanding the issuance of an order under section 252 for the fiscal year involved) becomes effective in accordance with such law, shall be subject to any reduction or further reduction under an order subsequently issued pursuant to section 252 except as provided in subparagraph (B).

(2) **SEQUESTRATIONS.**—Any amount of outlays for direct spending programs, new budget authority, new loan guarantee commitments, new direct loan obligations, and obligation limitations which is sequestered as described in section 252(a)(1) (B) or (C) pursuant to an order issued under section 252 is permanently cancelled, with the exception of amounts sequestered in trust funds, which shall remain in the trust funds and become available in accordance with applicable law at the expiration of the sequestration period.

(f) **PRIOY-YEAR OBLIGATIONS.**—Outlays for prior-year obligations shall not be considered "controllable expenditures" or be subject to reduction under this part.

(g) **EFFECT OF ORDERS ON THE GUARANTEED STUDENT LOAN PROGRAM.**—(1) Any reductions in new outlays which are required to be obtained from the student loan programs operated pursuant to part B of title IV of the Higher Education Act of 1965, as a consequence of an order issued pursuant to section 252, shall be obtained equally from the application of the measures described in paragraphs (2) and (3).

(2) For any loan made during the period beginning on the date that an order issued under section 252 takes effect with respect to a fiscal year and ending at the end of such fiscal year, the rate used in computing the special allowance payment pursuant to section 438(b)(2)(A)(iii) of such Act for each of the first four special allowance payments for

such loan shall be reduced by not more than the lesser of—

(A) 0.10 percent, or

(B) the percentage by which such rate exceeds 3 percent.

With the resulting figure then being multiplied by the reduction percentage applicable to automatic spending increases under section 252(a)(1)(A).

(3) For any loan made during the period beginning on the date that an order issued under section 252 takes effect with respect to a fiscal year and ending at the end of such fiscal year, the origination fee which is authorized to be collected pursuant to section 439(c)(2) of such Act shall be increased by not more than 0.50 percent, with the resulting figure then being multiplied by the reduction percentage applicable to automatic spending increases under section 252(a)(1)(A).

(h) **SPECIAL RULES FOR MEDICARE PROGRAM.**—In applying section 252(a)(1) in the case of the health insurance programs under title XVIII of the Social Security Act—

(1) only paragraph (1)(A), and not paragraph (1)(B) or (1)(C), of such section shall apply; and

(2) in applying paragraph (1)(A) of such section, the only provisions of such title which are considered to require an automatic spending increase are the following:

(A) The provisions of section 1860(a)(1)(B), 1860(a)(3)(A), and 1860(e)(4) of such title (relating to increases in payment amounts for inpatient hospital services); to the extent that regulations issued pursuant to those provisions permit any percentage increase.

(B) The provisions of section 1842(b) of such title relating to payment for physicians' services, to the extent they permit an annual increase in the medical economic index (referred to in the fourth sentence of such section).

(i) **TREATMENT OF CHILD SUPPORT ENFORCEMENT PROGRAM.**—Any order issued by the President under section 252 shall accomplish the full amount of any required reduction in expenditures under the child support enforcement program (established by part D of title IV of the Social Security Act) by reducing the Federal matching rate for State administrative costs under such program as specified for the fiscal year involved in section 456(a) of such Act, to the extent necessary (as provided in the report submitted under section 251 of this Act) to reduce such expenditures by that amount.

(j) **TREATMENT OF FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS.**—Any order issued by the President under section 252 shall make the reduction which is otherwise required in expenditures under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction in the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments which is attributable to the increases taking effect during that year.

(k) **FEDERAL PAY.**—For purposes of any order issued under section 252, Federal pay under a statutory pay system (within the meaning of section 5307(c) of title 5, United States Code) shall be treated as constituting a controllable expenditure and shall be subject to reduction under the order to the same

H 9594

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

manner as other administrative expense components of the Federal budget; except that no such order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any such statutory pay system. Program managers should implement methods of realizing the savings required under a sequestration order other than furloughing personnel, which should only be implemented if the other methods are insufficient.

(l) **TREATMENT OF PAYMENTS AND ADVANCES MADE WITH RESPECT TO UNEMPLOYMENT COMPENSATION PROGRAMS.**—For purposes of section 252(a)(1)(C)—

(1) any amount paid to a State from its account in the Unemployment Trust Fund established by section 904 of the Social Security Act and any advance made to a State from the Federal unemployment account in such Fund under title XII of such Act, and any advances made to the Federal unemployment account from the general fund of the Treasury, shall not be subject to sequestration, and

(2) any amount—

(A) paid to a State for benefits under section 204 of the Federal-State Extended Unemployment Compensation Act of 1970, or

(B) made available for administrative expenditures in accordance with section 901(c) of the Social Security Act,

shall be subject to sequestration.

(m) **TREATMENT OF MINE WORKER DISABILITY COMPENSATION INCREASES AS AUTOMATIC SPENDING INCREASES.**—An order issued by the President under section 252 may not result in eliminating or reducing an increase in disability benefits under the Federal Mine Safety and Health Act except in the manner provided for automatic spending increases under section 252(a)(1)(A), and no such increase may, pursuant to such section, be reduced below zero.

(n) **COMMODITY CREDIT CORPORATION LOANS AND GUARANTEED STUDENT LOANS.**—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created. Payments and loan eligibility under any contract entered into with a producer by the Commodity Credit Corporation and any guaranteed student loan approved prior to the time a sequestration order has been issued shall not be reduced by a sequestration order subsequently issued, but any contract entered into after a sequestration order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender, or guarantee entity, shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order: Provided, That the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the order.

(o) **SPECIAL RULES FOR MEDICAID PROGRAM.**—In applying section 252(a)(1) in the case of the program of grants to States for medical assistance under title XIX of the Social Security Act—

(1) only paragraph (1)(A), and not paragraph (1)(B) or (1)(C), of such section shall apply; and

(2) in applying paragraph (1)(A) of such section, the only provisions of such title which are considered to require an automatic spending increase are the provisions of

sections 1902(a)(13)(A) and 1903(a)(1) of such title, and only to the extent that an increase in Federal payments to a State would otherwise occur under section 1903(a)(1) of such title as a result of an increase in payment rates established by a State with respect to the rate established for the previous fiscal year for inpatient hospital services or as a result of an increase in an index used by the State which applies to the rate of increase in payment for physicians' services over the previous fiscal year.

SEC. 254. DEFINITIONS.

For purposes of this title:

(1) The term "automatic spending increase" (except as otherwise provided in sections 253 and 254) means spending increases, indexed directly, either appropriated or contained in current law, under the following Federal programs:

Military Retirement
Railroad Retirement Tier II
Civil Service Retirement
Veterans' Compensation
Federal Employees' Compensation Act
Foreign Service Retirement
Public Health Service Retirement
Coast Guard Retirement
Black Lung Benefits
Special Benefits for Coal Miners
National Wool Act
Judiciary Survivors
Presidents' Pension
CIA Retirement
Federal Reserve Board Retirement
Comptrollers General
TVA Retirement
Special Milk
Longshoremen's and Harbor Workers' Compensation Benefits
Vocational Rehabilitation
Medicare

(2) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(3) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(4) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(5) The term "maximum deficit amount" has the meaning given to such term in section 3(7) or 3(8) of the Congressional Budget and Impoundment Control Act of 1974.

(6) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(7) The term "controllable expenditures" (except as otherwise provided in sections 253 and 254) means the outlays that result in the fiscal year involved (1) from new budget authority for such fiscal year, (2) from new direct loan obligations, (3) from new obligations from trust or revolving funds, (4) from outlays in the case of direct spending programs, and (5) from new loan guarantee commitments (excluding outlays to cover defaults).

(8) The terms "sequester" and "sequestration" mean the permanent cancellation of budget authority, obligation limitations, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

PART D—BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS

SEC. 261. TREATMENT OF TRUST FUNDS.

(a) **FISCAL YEARS 1986 THROUGH 1992.**—

(1) **IN GENERAL.**—Section 710 of the Social Security Act (as added by paragraph (1) of

subsection (a) of section 346 of the Social Security Amendments of 1983) is amended—

(A) by striking out all beginning with "the" the first place it appears down through "Disability Insurance Trust Fund, the" and inserting in lieu thereof "the";

(B) by striking out the comma after "Hospital Insurance Trust Fund";

(C) by striking out "sections 1401, 3101, and 3111" and inserting in lieu thereof "1401(b), 3101(b), and 3111(b)";

(D) by redesignating all after the section designation as subsection (b);

(E) by inserting after the section designation the following:

"(a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government."; and

(F) by adding at the end thereof the following new subsection:

"(c) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or for payments from either such Trust Fund to the general fund of the Treasury."

(2) **APPLICATION.**—The amendments made by paragraph (1) shall apply with respect to fiscal years beginning after September 30, 1985, and ending before October 1, 1992.

(b) **FISCAL YEAR 1993 AND THEREAFTER.**—Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section 346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning after September 30, 1992) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in paragraph (1) or for payments from any such Trust Fund to the general fund of the Treasury."

PART E—MISCELLANEOUS AND RELATED PROVISIONS

SEC. 271. WAIVERS AND SUSPENSIONS; RULEMAKING POWERS.

(a) **BUDGET ACT WAIVERS IN THE SENATE.**—Section 904 of the Congressional Budget Act of 1974 is amended by redesignating subsection (c) as subsection (d), and inserting after subsection (b) the following new subsection:

"(c) The provisions of section 305(b)(2) and section 306 of this Act may be waived or suspended in the Senate only by the affirma-

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9595

tive vote of three-fifths of the Members of the Senate duly chosen and sworn."

(b) **OTHER WAIVERS AND SUSPENSIONS IN THE SENATE.**—The provisions of this title may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members of the Senate duly chosen and sworn.

(c) **RULEMAKING POWERS.**—The provisions of this title, other than those relating to the activities of the executive branch, are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

SEC. 272. RECESSIONS.

(a) **EFFECT OF CERTAIN RECESSIONS.**—(1) If the average rate of civilian unemployment in the United States for any 2 consecutive calendar months in a fiscal year (as determined by the Director on the basis of the most recent figures available from the Bureau of Labor Statistics) is 1 percent above the average rate of civilian unemployment for the same two months, one year earlier, as determined by the Director, all points of order in the House of Representatives or the Senate which would otherwise lie during such fiscal year against the consideration of legislation (including any concurrent resolution of the budget), or against the consideration of any amendment thereto or conference report thereon, because such legislation or such amendment or conference report would cause the level of deficit set forth in the most recently agreed to concurrent resolution on the budget to be exceeded or would result in a deficit exceeding the maximum deficit amount in effect for such fiscal year under section 3(7) or 3(8) of the Congressional Budget and Impoundment Control Act of 1974, shall cease to have any effect (from and after the date of the Director's certification under paragraph (2)) for the remainder of such fiscal year.

(2) Whenever the Director so determines that the average rate of civilian unemployment in the United States for 2 consecutive calendar months in a fiscal year is 1 percent or more above the average rate of civilian unemployment for the same two months, one year earlier, the Director shall certify that fact to the President and (on the same day) to each House of Congress.

(b) **SPECIAL PROCEDURES IN THE EVENT OF RECESSION.**—If—

(1) the estimate of real economic growth set forth in a report transmitted by the Director of the Congressional Budget Office under section 251(a) for a fiscal year is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year; or

(2) the Department of Commerce preliminary reports of actual real economic growth (or any subsequent revision thereof) for each of any two consecutive quarters of such fiscal year or of the immediately preceding fiscal year indicate that the rate of real economic growth for such quarters is less than zero,

the Committees on the Budget of the House of Representatives and the Senate may report to their respective Houses a joint resolution which declares that the economy is in a recession and suspends or revises (in

whole or in part) the provisions of this Act or of the amendments made by this Act.

SEC. 273. APPROPRIATION OF TRUST FUND INVESTMENTS.

(a) **REISSUANCE OF OBLIGATIONS.**—The Secretary of the Treasury shall immediately reissue to the Social Security Trust Funds and other retirement funds (as defined in subsection (c)) obligations under chapter 31 of title 31, United States Code, identical in all terms to public debt obligations redeemed on or after September 1, 1985, and on or before the date of the enactment of this joint resolution that, as determined by the Secretary on the basis of standard investment procedures for such funds in effect on September 1, 1985, would not have been redeemed if H.J. Res. 372 (99th Congress, 1st Session), as deemed passed by the House of Representatives on August 1, 1985, had been enacted into law on August 1, 1985. The uninvested balances of such funds shall be debited for the principal amount of such reissued obligations.

(b) **APPROPRIATION TO TRUST FUNDS OF LOST INTEREST.**—The Secretary of the Treasury shall immediately pay to the Social Security Trust Funds and other retirement funds (as defined in subsection (c)), from amounts in the general fund of the Treasury not otherwise appropriated, amounts determined by the Secretary to be equal to the net amount of interest that would have accrued to each such fund but for noninvestments, redemptions, and disinvestments of such funds on or after September 1, 1985, and on or before the date of the enactment of this joint resolution that would not have occurred if H.J. Res. 372 (99th Congress, 1st Session), as deemed passed by the House of Representatives on August 1, 1985, had been enacted into law on August 1, 1985.

(c) **DEFINITION.**—For purposes of subsections (a) and (b), the term "Social Security Trust Funds and other retirement funds" means the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, the Railroad Retirement Account, the Civil Service Retirement and Disability Fund, and the Department of Defense Military Retirement Fund.

SEC. 274. REVENUE ESTIMATES.

Notwithstanding any other provision of this Act, all revenue estimates necessary to carry out the purposes of this Act after the present law base estimates made by the Congressional Budget Office at the beginning of each legislative session shall be made by the Joint Committee on Taxation and transmitted to the Congressional Budget Office for their use in carrying out the requirements of this Act and the Congressional Budget Act of 1974. All estimates of revenue effects of legislation enacted each legislative session shall be made by the Joint Committee on Taxation and shall be used exclusively by the CBO for all purposes related to this Act. The CBO shall consult with the Joint Committee on Taxation as to the use of these revenue estimates in carrying out this Act, and shall further, upon revision by CBO of economic assumptions upon which CBO estimates are based under this and any other Act, convey those revised assumptions to the Joint Committee on Taxation, for the use of the Joint Committee on Taxation in re-estimating revenue effects of enacted and considered legislation which shall be provided to the CBO to be used as the revenue estimates necessary for carrying out the purposes of this Act and the Congressional Budget Act of 1974.

SEC. 275. NON-SEVERABILITY.

(a) If, after all appellate review is exhausted, a court of competent jurisdiction finds

that any provision of this Act violates the Constitution or is otherwise invalid, then the provisions of this title shall immediately expire. No report required by that subsection shall be prepared or forwarded to the President and the President shall not exercise any power, authority, duty, or responsibility conferred upon or assigned to him by that part.

(b) If, after all appellate review is exhausted, a court of competent jurisdiction finds that any provision of this Act violates the Constitution or is otherwise invalid, then any provision of law which has been modified or suspended, and any budget authority which has been sequestered, shall immediately exist and operate as though the powers, authorities, duties, and responsibilities under part C of this title had never been exercised.

(c) The provisions of this section shall operate notwithstanding any other provision of this title.

SEC. 276. JUDICIAL REVIEW.

(a) **CIVIL ACTION TO CHALLENGE CONSTITUTIONALITY.**—(1)(A) At any time within 60 days after this title takes effect, any Member of Congress may commence a civil action against the United States in the United States District Court for the District of Columbia for declaratory and injunctive relief on the ground that section 251 violates the Constitution.

(B) If the President issues an order under section 252, any Member of Congress or any other person adversely affected by such order may commence a civil action in the United States District Court for the District of Columbia for declaratory and injunctive relief against the United States on the ground that such order violates the Constitution. Such court may, where appropriate, issue a preliminary or permanent injunction suspending the effect of the Presidential order.

(C) If the President issues an order under section 252, any Member of Congress may commence a civil action in the United States District Court for the District of Columbia against the President for declaratory and injunctive relief on the ground that the terms of the order do not comply with the requirements of this title.

(2) A copy of any complaint under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House shall have the right to intervene in such action within 30 days after receipt of the complaint.

(3) Any action under paragraph (1) shall be heard and determined by a three-judge court on an expedited basis.

(4) Any appeal from an order in any action brought under paragraph (1) shall be taken to the Supreme Court of the United States by a notice of appeal filed within 10 days of the order. The jurisdictional statement shall be filed within 30 days of such order. No stay of an order issued under paragraph (1)(B) shall be issued by a single Justice of the Supreme Court.

(5) In an action under this paragraph, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees at a rate not to exceed \$75 per hour.

(b) **PRESERVATION OF OTHER RIGHTS.**—The rights created by this section are in addition to the rights of any person under any other law.

SEC. 277. EFFECTIVE DATES.

(a) **IN GENERAL.**—Except as provided in subsections (b) and (c), this title and the amendments made by this title shall become effective on the date of the enactment of this

H 9596

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

title and shall apply with respect to fiscal years beginning after September 30, 1985.

(b) **EXPIRATION.**—This title and the amendments made by this title, except the amendments made by part A, shall expire September 30, 1991.

(c) **OASDI TRUST FUNDS.**—The amendments made by part D shall apply as provided in such part.

The **SPEAKER**. For what purpose does the gentleman from Wisconsin [Mr. Okey] rise?

Mr. **OBEY**. Mr. Speaker, I request a division of the motion.

The **SPEAKER**. The question will be divided.

The question before the House will be on receding. There is 1 hour of debate on that.

Mr. **ROSTENKOWSKI**. Mr. Speaker, is it proper at this point in time that I move to recede? That is the motion pending.

The **SPEAKER**. If there is no debate on receding, the Chair will put the question.

If the gentleman is desirous of an hour's time, the gentleman is entitled to 1 hour, and then he may divide the time.

Mr. **FOLEY**. Mr. Speaker, has the gentleman put the question on receding?

The **SPEAKER**. Does the gentleman want time? If the gentleman does not want time, then the House can go to the vote.

Mr. **ROSTENKOWSKI**. Mr. Speaker, I have not requested any time.

The **SPEAKER**. The question is, Will the House recede from its disagreement to Senate amendment No. 2?

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. **FOLEY**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 134, not voting 12, as follows:

[Roll No. 365]

YEAS—288

- | | | |
|------------|--------------|--------------|
| Akaka | Broyhill | Craig |
| Andrews | Bruce | Crane |
| Anthony | Bryant | Daniel |
| Archer | Burton (IN) | Dannemeyer |
| Armey | Byron | Darden |
| Arcain | Callahan | Daschle |
| Barnard | Campbell | Daub |
| Bartlett | Carney | Davis |
| Barton | Carper | de la Garza |
| Bateman | Chandler | DeLay |
| Bates | Chapman | Derrick |
| Bentley | Chappell | DeWine |
| Bevill | Chappie | Dickson |
| Bilirakis | Cheney | DiGiardi |
| Bliley | Chinger | Dorgan (ND) |
| Boehlert | Coats | Dornan (CA) |
| Boner (TN) | Cobey | Dowdy |
| Bonker | Coble | Dreier |
| Bosco | Coelho | Duncan |
| Boucher | Coleman (MO) | Durbin |
| Bealder | Coleman (TX) | Dyson |
| Breaux | Conest | Eckart (OH) |
| Broomfield | Coughlin | Edwards (NY) |
| Brown (CO) | Courter | Edwards (OR) |

- | | | |
|---------------|---------------|--------------------|
| Emerson | Livingston | Rosen |
| English | Llovet | Rouss |
| Erdreich | Loeffler | Russo |
| Fascell | Lott | Saxton |
| Fawell | Lowery (CA) | Schaefer |
| Feighan | Lujan | Schneider |
| Fiedler | Luken | Schuetz |
| Flelds | Lundine | Schulze |
| Flinn | Longren | Sensenbrenner |
| Flynn | MacK | Sharp |
| Fowler | MacKay | Shaw |
| Franklin | Madigan | Shelby |
| Frenzel | Manton | Shumway |
| Frost | Martin (IL) | Shuster |
| Fuqua | Martin (NY) | Sikorski |
| Gallo | Maspoli | Sijander |
| Getas | McCain | Sisk |
| Gephardt | McCandless | Smith |
| Gibbons | McConchey | Smith (OR) |
| Gillman | McCollum | Smith, Robert (NE) |
| Gingrich | McCurdy | Smith, Robert (OR) |
| Glickman | McDade | Snowe |
| Goodling | McEwan | Snyder |
| Gradison | McGrath | Solomon |
| Gray (IL) | McKernan | Spence |
| Green | McKinney | Spratt |
| Gregg | McMillan | Stallins |
| Greuberg | Meyers | Stenholm |
| Gunderson | Mica | Stennis |
| Hall (OH) | Michel | Strom |
| Hall, Ralph | Milner (OH) | Stupak |
| Hamilton | Milner (WA) | Sweeney |
| Hammerschmidt | Mohr | Swindall |
| Hartnett | Monson | Tank |
| Hatcher | Montgomery | Tauzin |
| Hefner | Moore | Teague |
| Hefner | Moorhead | Thomas (CA) |
| Hendrick | Morrison (WA) | Thomas (GA) |
| Henry | Murphy | Valentine |
| Hill | Murtha | Vander Jagt |
| Hill | Myers | Vasquez |
| Hopkins | Natcher | Volkmer |
| Horizon | Nelson | Vucanovich |
| Hubbard | Nielson | Walgren |
| Huckaby | Obey | Walker |
| Hunter | Olm | Walsh |
| Hutto | Oxley | Whitehurst |
| Hyde | Packard | Whitley |
| Ireland | Panetta | Whittaker |
| Jenkins | Parr | Whitson |
| Johnson | Pashayan | Wirth |
| Jones (NC) | Pease | Wise |
| Jones (OR) | Penny | Wolf |
| Jones (TN) | Petri | Wolpe |
| Kapur | Pickle | Wortley |
| Kasich | Porter | Wyden |
| Kemp | Price | Wylie |
| Kinross | Pursell | Yatron |
| Kloczka | Quillen | Young (AR) |
| Kolbe | Ray | Young (FL) |
| Kolter | Regula | Young (MO) |
| Kostmayer | Reid | Zachau |
| Kramer | Richardson | |
| Lagomastino | Ridge | |
| Lantos | Rinaldo | |
| Latta | Ritter | |
| Leach (IA) | Roberts | |
| Leath (TX) | Robinson | |
| Leahy | Rosen | |
| Lewis (CA) | Rogers | |
| Lewis (FL) | Roth | |
| Lightfoot | Rouhana | |
| Lipinski | Rovinsky (CT) | |

NAYS—134

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| Ackerman | Conce |
| Alexander | Conyers |
| Anderson | Cooper |
| Armstrong | Coyne |
| Applegate | Crockett |
| Aspin | Dellums |
| Atkins | Dicks |
| Barnes | Dingell |
| Basile | Dix |
| Bellenson | Domenici |
| Bennett | Downey |
| Berman | Dwyer |
| Boggs | Dymally |
| Bohland | Early |
| Bonior (MD) | Edgar |
| Borsari | Edwards (CA) |
| Borer | Evans (IA) |
| Brooks | Evans (IL) |
| Brown (CA) | Fazio |
| Burton (CA) | Florio |
| Bustamante | Foglietta |
| Carr | Foley |
| Clay | Ford (ME) |
| Collins | Ford (TN) |

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| Frank |
| Garcia |
| Gaydos |
| Gelderson |
| Gonzales |
| Gordon |
| Gray (PA) |
| Gusick |
| Hawkins |
| Hayes |
| Hertel |
| Howard |
| Hoyer |
| Hughes |
| Jeffords |
| Kanjarok |
| Kastenbaum |
| Kennedy |
| Kildee |
| LaPalce |
| Lehman (CA) |
| Lehman (FL) |
| Leahy |
| Levin (MD) |

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| Levine (CA) | Owens |
| Long | Pepper |
| Lowry (WA) | Perkins |
| Markey | Rahall |
| Martinez | Rangel |
| Matsui | Rodino |
| Mavroules | Roe |
| McHugh | Rose |
| Mikulski | Rostenkowski |
| Miller (CA) | Roybal |
| Mineta | Sabo |
| Mitchell | Savage |
| Moakley | Scheuer |
| Molloy | Schroeder |
| Moody | Schumer |
| Morrison (CT) | Schweiker |
| Mrazek | Smith (IA) |
| Nowak | Solari |
| Oaker | St Germain |
| Ocasio | Stanger |
| Ortiz | Stark |

NOT VOTING—12

- | | | |
|----------|----------|------------|
| Addabbo | Hansen | Neal |
| Badham | Holt | Nichols |
| Bereuter | Jacobs | O'Brien |
| Biaggi | Martinez | Stangeland |

□ 1225

Mr. **MAVROULES** changed his vote from "yea" to "nay."

Mr. **VISCLOSKEY** changed his vote from "nay" to "yea."

So the House receded from its disagreement to Senate amendment No. 2.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. **BIAGGI**. Mr. Speaker, I was not present for rollcall vote 365 on the motion to recede to Senate amendment No. 2. Had I been present, I would have voted "nay."

The **SPEAKER** pro tempore. The question now pending before the House is the motion offered by the gentleman from Illinois [Mr. Rostenkowski] to concur in Senate amendment No. 2 with an amendment.

On that motion, the gentleman from Illinois [Mr. Rostenkowski] will be recognized for 30 minutes and the gentleman from Tennessee [Mr. Duncan] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. Rostenkowski].

Mr. **ROSTENKOWSKI**. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, 3 weeks ago the Senate passed the so-called Gramm-Rudman amendment and attached it to the House-passed resolution increasing the permanent ceiling on the public debt. The Senate, in collusion with the President, decided to hold the entire Government hostage to a 55-page amendment that the Senate had not read and the President did not understand.

For the last 3 weeks, House conferees have attempted to dissect the resolution and assess its impact on our economy and the balance of institutional power. We managed to point out the gaps, the ambiguities, and the plain mistakes shot throughout the document. We made some headway in bringing minimal logic and fairness to the plan—all the while with our backs to the wall.

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9597

I come forward today with an amendment to Gramm-Rudman whose dictates the Senate and some of our House conferees rejected. In essence the amendment forces Congress to balance the budget—and to swallow the medicine now—rather than put off the political pain as would the Senate plan.

We wanted a fair deficit reduction proposal. The Senate wanted the Incumbent Protection Act of 1986.

While it is far from perfect, this amendment is a vast improvement over the Senate-passed measure.

This amendment would assure that the automatic deficit reduction effort begin this year—rather than wait until after the 1986 election.

This amendment allows for recession adjustments in the deficit targets. Gramm-Rudman makes no such allowance and would turn the mildest economic slowdown into a recession.

This amendment assures that the defense budget absorbs its fair share of cuts. The Senate and White House disagree over how much defense would or should be cut under Gramm-Rudman. Under this amendment, there is no ambiguity. Defense will be cut without any Presidential digression. If the President fails to recommend defense cuts, as Secretary Weinberger has suggested, none of the cuts would be effective.

This amendment provides that the Congressional Budget Office will determine if the cuts are triggered and how they should be implemented. Under Gramm-Rudman, the President could orchestrate the cuts through OMB.

This amendment spells out clearly what programs would be affected—and to what extent. Under Gramm-Rudman, the President could pick and choose among programs.

This amendment allows for cost-of-living adjustments to be restored after a sequestering order expires. Under Gramm-Rudman, COLA's are permanently lost.

Under this amendment, expedited judicial review of this process will be assured. If any part of it is found to be unconstitutional, the whole act will fall. Under Gramm-Rudman, CBO could be knocked out of the process allowing the President and OMB complete control.

Finally, this amendment attempts to protect the most critical low-income programs—by either exempting them entirely or by limiting the cuts. Gramm-Rudman allows no safety net.

Mr. Speaker, I understand feelings of my colleagues who believe that this amendment is as much a disaster as Gramm-Rudman. I am no happier than they are in bringing this legislative product to the floor. The fact is, however, some form of automatic spending reduction legislation is going to pass. We have worked in the conference to make this legislation more fair and more honest.

Many of my colleagues want to walk away from this whole debate. Believe me, I am tempted to do the same thing. I think we all know that we have fought the good fight. We did what we could under the circumstances. And I would caution the majority who consider the entire issue a sham that a no vote on this amendment is almost certain to lead to a full-blown Gramm-Rudman victory on the floor.

Under the House amendment, defense spending is classified as controllable. The amount of outlay cuts for defense and nondefense controllable programs is computed according to a single across-the-board formula. After subtracting the outlay reductions made in programs with cost-of-living adjustments—and a few other specified programs—the required remaining outlay reductions are allocated among other controllable programs—both defense and nondefense—in proportion to outlays from new budget authority.

In order to avoid excessive reductions in spending for defense readiness accounts, however, the House amendment contains a special provision regarding the distribution of outlay cuts within the defense function of the budget. This provision does not increase or decrease the amount of outlay reductions made in national defense; it distributes those reductions among the major components of the defense budget according to their share of total outlays—both new and prior. The amendment guarantees that defense procurement, which represents about 30 percent of total defense outlays, will receive 30 percent of the outlay cuts. It also guarantees that military personnel, which accounts for about a quarter of defense spending, will receive no more than a quarter of the defense reductions.

A short summary of the amendment is as follows:

THE DEFICIT TARGETS

The House amendment starts deficit reduction now, while the economy is growing, instead of waiting a year as proposed in the Senate amendment. The deficit target for fiscal year 1986 is set at \$161 billion, instead of \$180 billion (or \$192.6 billion using the Senate "fudge factor") in the original Senate amendment.

The House amendment also cuts the deficit more quickly if the economy continues moderate economic growth. The amendment sets forth deficit targets which lead to a balanced budget in 1990, a year earlier than the Senate amendment, if the economy grows according to the CBO economic projections. The targets are: fiscal year 1987, \$110.2 billion; fiscal year 1988, \$87.2 billion; fiscal year 1989, \$4.2 billion; and fiscal year 1990, balanced or surplus budget.

RECESSION ADJUSTMENTS

The House amendment avoids turning economic slowdown into recession, or recession into depression, and allows for economic recovery. The proposal adjusts the deficit targets according to the Congressional Budget Office (CBO) forecast of economic growth and the prior year's deficit. Large deficit reduction is required when the economy is strong; and less or none is required

when the economy is weak or entering recession.

The proposal also removes points of order which, under the original Senate amendment, would lie against consideration of legislation, including budget resolutions, which caused the deficit to exceed the deficit target if the unemployment rate is one percentage point or more higher than a year earlier. (This has been the case only in recessions.) If a recession were unanticipated, as is usually the case, Congress could respond. The original Senate amendment removes such points of order only in the case of an accurately forecast recession.

THE SEQUESTERATION PROCESS

The House amendment generally parallels the Senate amendment by providing for automatic deficit reduction if the deficit target is not met. CBO, in consultation with the Office of Management and Budget (OMB), will issue a report indicating whether anticipated spending and revenues will result in a deficit above the established target for the coming fiscal year. This report will also specify the uniform percentage by which all items subject to reduction are to be reduced.

On September 1, the President would be required to issue a sequestration order making the reductions stipulated in the CBO report. On October 1, funds would be deferred in accordance with this sequestration order. By October 3, CBO is directed to revise the trigger reports to account for laws that have been enacted; if enacted legislation is sufficient to lower the deficit to the original trigger level, sequestration is cancelled. If sequestration is not cancelled, a new Presidential order is issued and takes effect on October 15.

For FY 1986, an accelerated sequestration process is established, beginning with a deficit report by CBO 14 days after enactment. The Presidential order is issued two weeks later. As with the basic sequestration schedule, the 1986 process allows for a revised trigger report and an adjustment in the sequestration order if appropriate. If the sequestration procedures were signed into law on November 5, this process would mean that the sequestration order would take effect on December 5.

THE ROLE OF CBO AND OMB

The Senate amendment required both OMB and CBO to determine the deficit and stipulated that, in the event the directors of these two agencies could not agree, their findings were to be averaged. The House amendment requires that CBO determine the deficit and issue the trigger report in consultation with OMB.

THE CONTENT OF THE PRESIDENTIAL ORDER

The amount by which the deficit exceeds the maximum deficit amount would be eliminated by the issuance of an order that would achieve 50 percent of the savings from COLA programs. To the extent savings cannot be achieved from these programs, the remainder is achieved through reduction in all other programs which are not exempt. Cuts would be made in proportion to total outlays in the case of direct spending programs and in proportion to new budget authority in discretionary programs. In issuing the sequestration order, the President would be required to follow the trigger report.

RETRIGGERING THE SEQUESTERATION PROCESS

The sequestration process could be cancelled under two circumstances. If the revised trigger report indicated that Congress had taken sufficient action to lower the deficit to the original trigger level, sequestration would not occur. Secondly, if, by

August 15, Congress has passed a budget resolution, approved a reconciliation bill and passed all 12 appropriations bills, then CBO would determine, using updated economic assumptions, whether the target has been met. If so, neither the trigger report nor the sequestration order would be issued.

EXEMPT PROGRAMS

The House amendment specifies the programs which are exempt from sequestration. In addition to social security, interest on the national debt, the earned income tax credit (EITC) and other accounts specified by the Senate staff the following programs would be exempt: Food Stamp; Supplemental Security Income (SSI); Aid to Families with Dependent Children (AFDC); child nutrition; Veterans' pensions and compensation; community and migrant health centers; Women, Infants and Children (WIC), and the Commodity Supplemental Food Program.

It should be noted that reductions in Medicare and Medicaid would be limited to the indexed portions of these programs; beneficiary eligibility would not be affected.

CLARIFICATIONS OF THE SENATE AMENDMENT

The House amendment also makes a number of number of clarifications in the language of the original Senate amendment. These clarifications define the baseline that is used for the sequestration process, stipulate the programs which are subject to reduction and the manner in which they shall be reduced, and describe the specific accounts which are to be exempt. They also minimize Presidential discretion.

REVISIONS IN THE BUDGET PROCESS

The House amendment revises and accelerates the normal budget process, providing for an annual budget resolution and reconciliation. Specifically:

Congressional action on the concurrent resolution on the budget would be completed by April 15.

House action on regular appropriations bills would be completed by June 30.

Reconciliation would be completed by June 15.

In the event that Congress does not complete action on the budget resolution by the date specified in law, floor consideration of appropriation bills would be allowed beginning on May 15.

Conference reports on a budget resolution would be required to be within the maximum deficit level for the fiscal year. This would be enforced through a point of order which could only be waived by a majority of the members voting, a quorum present.

A point of order would be against the consideration of legislation until a committee has filed its 302(b) subdivision.

Amendments to reconciliation bills would be prohibited if they increase the deficit.

CONSTITUTIONALITY

The amendment authorizes expedited review of all constitutional issues, including whether the involvement of CBO in the sequestration trigger process violates the Constitution. If any provision of the legislation is found to violate the Constitution of the United States, then the provisions of this legislation would expire. Any Member of Congress would be authorized to bring court action within 60 days. The action would be heard on an expedited basis by a three-judge district court in the District of Columbia, with an immediate appeal to the U.S. Supreme Court.

The House amendment also provides for expedited judicial review of Presidential compliance with the provisions relating to the sequestration order.

CONGRESSIONAL EXPENDITURE MATTERS

The House amendment eliminates the joint OMB, CBO and Treasury Department reports specified in the Senate amendment and clarifies that the sequestration process sunsets after fiscal year 1991.

PROTECTION OF TRUST FUND INVESTMENTS

The House amendment provides that, on enactment, the Secretary of Treasury shall relieve to several Federal trust funds all investments that would have otherwise remained in these trust funds had H.R. Res. 372, as passed by the House on August 1, 1985 been enacted into law on that date. The funds specifically protected are: the Old Age and Survivors, Disability, and Hospital Insurance (OASDI) trust funds; the Supplementary Medical Insurance trust fund; the Railroad Retirement account; the Civil Service Retirement and Disability Fund; and the Department of Defense Military Retirement Fund.

Attached is a table comparing the House amendment to the latest Senate position.

DISTRIBUTION OF SPENDING CUTS

	House amendment		Latest Senate substitute ¹	
	Amount	Percent	Amount	Percent
\$100,000,000,000 available:				
OIA program	\$1.8	18	\$1.6	16
Other available	3.5	35	4.2	42
Total	5.2	52	6.2	62
\$25,000,000,000 available:				
OIA program	1.8	7	1.6	6
Other available	8.8	36	12.9	52
Total	11.6	46	14.5	58
Total	25.0	100	25.0	100

¹ As specified by House staff, the committee assumes that \$25,000,000,000 of defense programs would be sequestered under the House version. The Senate staff assumes that approximately \$2,000,000,000 of defense programs will be exempt from the sequestration process. The \$23,000,000,000 available to the House amendment would be cut by 25 percent. The Senate staff assumes that 25 percent of the \$25,000,000,000 would be cut, or 6.25 percent of total.

Mr. Speaker, I reserve the balance of my time.

Mr. DUNCAN, Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our fellow citizens are watching, and they are watching very closely. They are watching what we do here today. And make no mistake about it, they know what is going on. They may not understand precisely every word in the legislation, but they certainly understand the issues. They know about Gramm-Rudman-Hollings, and they like the idea. It is the first sign the people have seen in years that gives them hope we finally mean business when we talk about cutting the deficit.

The Michel amendment is very close to Gramm-Rudman-Hollings. It is not identical, but it is certainly a fraternal twin. I look on it as a stronger brother.

□ 1949

Mr. Speaker, the Democratic alternative is really not at all like Gramm-Rudman-Hollings. It is a very poor and distant relation. It is headed in only one direction: Toward higher taxes, the same old, tired theme that we have heard for so long. I do not like it, and I believe that the American people will not like it.

I believe they want the real thing, the Michel substitute. I urge my colleagues to join me in voting for it and getting down to business for a change.

Mr. BOSTENKOWSKI, Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. Brooks).

Mr. BROOKS, Mr. Speaker, the Gramm-Rudman budget proposal which the Senate sent over here is an unprecedented and irresponsible attack on our democratic form of government. The proposal takes away control from those officials elected to set national policy; Senators and Congressmen and the President.

It is a 5-year plan. Now, the Russians have got a 5-year plan and now we are going to have one. It is going to set our Nation on an unknown fiscal course with an automatic pilot at the helm. I do not believe that our 500-year experiment with elected officials running our Government should be shelved at this time.

The proposed House amendment is at least an effort at damage control. But at least it is a serious attempt to avoid the worst traps of Gramm-Rudman that endanger our Nation, its people, and our economy.

The House amendment contains some absolutely essential safeguards to preserve the integrity of our democratic system of government. Foremost among these is a provision ensuring that should one part of this proposal be found unconstitutional, the entire package would be invalidated. The triggering mechanism and the sequestration powers are so closely linked that they cannot be separated.

The Senate version would leave the Office of Management and Budget, the most notorious number cruncher in the history of many, to unilaterally determine whether or not the President will have the opportunity to sequester funds. We must not allow the possibility that only one finger will be on the trigger, that of OMB, in this or in any other administration.

The other vital provision in the proposed House amendment authorizes a quick judicial review of the act. It would provide an immediate review to determine whether CBO's involvement in the trigger process violates the Constitution. In addition, the House version would authorize expedited review of all constitutional issues through an action brought by any Member of Congress or other adversely affected person.

There is hardly anybody who can say with a straight face that Gramm-Rudman or any version of it is free of serious constitutional questions. It is vital that we have a mechanism in place to ensure that those questions get to court and be addressed directly.

Now the two provisions that I have just described offer enough reason to tip the scales in favor of a "yes" vote on the House alternative. Let us face it: Gramm-Rudman in some form is probably going to be enacted into law

November 1, 1985

within the next few days. The least we can do for our constituents, for the institution of which we are a part, is to ensure that the version enacted will have safeguards that offer some degree of protection to our democratic form of government.

Mr. DUNCAN. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota (Mr. FRENZEL).

(Mr. FRENZEL asked and was given permission to revise and extend his remarks.)

Mr. FRENZEL. I thank the gentleman for yielding me this time.

Mr. Speaker, about 3 weeks ago the Senate sent us the Gramm-Rudman-Hollings deficit reduction balanced budget proposal. For all that time, the House has worked in conference with the staffs of four or five committees giving, I think, more than ordinary care to this very difficult conference proposition. Some good work was done and some very refinement in what the Senate had sent over was accomplished.

Republicans and Democrats in the conference were able to make important contributions and amendments with respect to baselines and timetables, procedures and rules, and more specific items like Federal pay. Those were accepted not only by Republicans in the House but by the Senate as well.

There are some minor discrepancies relating to certain regional interests, like the special advantage of TVA and the disadvantage of Bonneville Power Authority, but I know that Members will have looked those over very carefully.

The major difficulties came where the Democrats in the House decided to stonewall on a half-a-dozen issues that they felt were of overriding importance. In one of those issues, they took the OMB out of the process. Once you do that, of course, you threaten the constitutionality of the whole bill. The Senate provision and the Michel amendment will have the OMB and the CBO working cooperatively and having their work certified by the GAO and other presidential appointees.

The other thing that the House did that will be clearly unconstitutional was to use the so-called Pocahontas rule, which deprives the President of his veto authority after the House and Senate might have achieved the targets by passing their bills, but before they had been signed into law by the President. It is a very unlikely combination of circumstances, so quite obviously, one can only conclude that the provision was intended to make the bill unconstitutional.

In addition, the Democrats put into their package nonseverability of the constitutionality of the entire bill, which means that if any small provision is deemed to be unconstitutional, the whole bill is unconstitutional. Quite obviously, Democrats have administered a poison pill to the House

Democrat version, of which no one seems to claim priority. That version is built not to succeed. It is sure to fail, because it is designed to fail.

Now, another major disagreement was that the Democrats sought to exempt a number of their pet articles from sequestration. These programs are typically low-income, means-tested programs which are good and worthy programs. But they should no more be exempt from sequestration than any other program of the Federal Government. We sought, insofar as possible, to subject everyone to the process. In that way we can have a some kind of generally uniform cut.

The Democrats also provided for a cutback of COLA's which probably is not a terribly important feature except that it perverts the system and makes it more difficult to achieve our target in future years.

Finally, Democrats wanted the bill to be effective this year. The Senate did not object, nor do House Republicans. In our Republican version, contrary to remarks made here today, we make the bill effective this year, seeking to achieve our own budget level, which was about \$178 billion. At this time, we are going to miss our own budget target by more than \$29 billion. If we can achieve that budget level through the Republican version of Gramm-Rudman in the first year, the Republic will be billions of dollars better off than under the Democrat proposal.

Now, the Republican compromise is as close to being constitutional as we can. It puts everything into sequestration except for Social Security. It is operative this year to meet our budget.

What happens if you vote for the Democrat plan? The Senate will reject that plan and it will reject temporary extensions of the debt ceiling.

So if you vote yes on the first vote, if you vote "yes" for the O'Neill plan, or whatever it is called, you will vote to divest the Social Security fund because that is inevitably going to happen. So I hope the Members vote "no" on the Democrat plan.

□ 1254

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin (Mr. Gary).

Mr. OBEY. Mr. Speaker, I simply want to urge adoption of the Rostenkowski alternative for the following reasons. There are three main differences between Gramm-Rudman and the Democratic alternative today.

The first is that the Rostenkowski amendment will take the medicine now. It provides for a deficit of \$30 billion less than the target under Gramm-Rudman. It provides for a deficit of \$28 billion less than the trigger provided under Gramm-Rudman.

Second, as this chart demonstrates, under the Democratic alternative we get to a zero deficit proposition 3 years earlier than Gramm-Rudman if the administration's estimate of the econo-

my is correct; we get to a zero deficit 1 year earlier than Gramm-Rudman if the Congressional Budget Office estimate is correct. Under CBO estimates we would incur under the Democratic alternative \$137 billion less in new public debt than you would incur under the schedule provided under Gramm-Rudman.

Third, we get to that zero deficit in a way which recognizes reality. Gramm-Rudman says that whether you are going uphill in the economy or downhill, whether the traffic is heavy or whether it is light, you are going to keep your foot pedal on the same speed, \$36 billion a year. We say that is nuts. We say that is a good prescription for a crackup.

We say instead you ought to cut the budget deficit more in years when the economy is growing fast like it is right now, and you ought to be more cautious about it when you are going very slow in the economy and when a very huge cut would tip the economy into a recession. We avoid the Herbert Hoover economies of 1929, 1930, and 1931, when they kept following the same policy regardless of economic circumstances.

Now, we are told in this last-minute minority, alternative that will be presented that there is a way to get out of the recession under the Republican amendment. Let me point out, however, that there is no provision in their proposition which will allow us to avoid a recession ahead of time as we have in our bill. And I would point out also that by affording their exception under the recession they admit that under Gramm-Rudman they can no longer guarantee that we will get to a zero deficit under Gramm-Rudman. I think that makes it clear which alternative is the most serious about deficit reduction under reasonable circumstances.

What they say is that if we get into a recession, then we will at that time decide if we will do something about it. They say, "Trust us. We will have a smart plan once the wreck occurs." We say, "Avoid the wreck by following this policy now."

The Rostenkowski plan is the only plan that cuts the deficit now. It is the only plan that rebates what we do to the real world of economic conditions we face. It is the only plan that is truly recession-sensitive. It is the only plan that cuts an additional \$287 billion out of new public debt. It is the only plan that says take the medicine now. It is the only plan that provides a more equitable treatment for the sick and the poor. It is the only plan that treats the elderly on Medicare more decently or at least as decently as we treat military contractors who already are paying no taxes.

I urge the Members not to cave in to the blackmail of the Senate, not to listen to the argument that we must only pass their alternative. Do not listen to that argument that says that

H 9990

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

because they have tied senior citizens to the tracks and the train is coming, that if we do not pay the blackmail, they will let the train run over them. It is like saying, "Save me before I kill again." I urge Members not to listen to that nonsense, to do what they know is economically responsible, to do what they know is fiscally responsible, to vote for the Rostenkowski alternative.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. HORROW].

Mr. HORTON. Mr. Speaker, I rise in opposition to the Rostenkowski proposal. I do so on the basis that I think this is a very complicated process that has been suggested. The Gramm-Rudman proposal was presented to the conference. As a member of the conference I sat through hour after hour after hour of meetings. During the conference we formed task forces, and we worked together on those task forces, Republicans and Democrats, to try to come up with a proposal that could be acceptable. I think it is unfortunate that we do not have before us now—and I think we were very close to it—a proposal that could be accepted by both sides, that could be presented here this afternoon on the floor so we could move forward and address other matters.

As a matter of fact, I voted with some of the Republicans and Democrats to accelerate the Gramm-Rudman and make it applicable to fiscal year 1986. I have no problem with immediate action to reduce the deficit. What we are finding is a situation in which we are never going to arrive at a balanced budget unless we do something drastic. That is what Gramm-Rudman process and trigger is all about. But there is available to us the opportunity for the Senate and the House and the executive to meet these budget deadlines and these budget goals that we set within a certain period without having to pull the trigger.

Excessive Federal deficits and a national debt that approaches \$2 trillion stand as the most serious domestic problems facing our Nation today. All Americans are affected. Future generations are affected, for it is they who must repay this debt.

No end is in sight to these spiraling deficits and debt. That is the problem we have been attempting to resolve these past few weeks. The mandatory deficit reduction packages and proposals we have considered have been criticized by people in both parties, and by individuals and organizations reflecting the entire spectrum of political thought. But the bottom line is this: discipline is needed in the Federal budget process. Discipline is needed because the current budget process doesn't work. It is just that simple.

Sequestration is the key element in the two proposals we will consider today. The central issue dividing me and other conferees was which programs would be subject to the seques-

tration process and which would be exempt. I have a large folder stuffed with letters from practically every organization imaginable expressing their concern over the need to reduce the Federal deficit, but not in their specific program. All of their arguments are good ones. They make sense. By and large, the programs authorized and funded by the Federal Government play essential roles in our society.

However, the deficits and debt remain as a constant and growing threat to the stability of our economy, and to our Nation's ability to compete in an increasingly competitive world market—today and in the future as well.

Let us not forget that the sequestration process is triggered only if we fail to meet the projected budget targets. We in Congress ultimately decide whether that trigger will be pulled.

But my point is this: if the trigger is pulled, then all must share in the reductions that are mandated. The \$93 billion in added exemptions provided by this amendment does not contribute to this principle of fairness and equity.

Mr. FAZIO. Mr. Speaker, will my friend, the gentleman from New York, yield?

Mr. HORTON. I only have 3 minutes, but I yield to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. The gentleman from New York [Mr. HORROW] in a very bipartisan way in the conference yesterday indicated concern about the Senate version of Gramm-Rudman as it related to Federal pay. He favored the provision that was in the House Democratic alternative. Would the gentleman comment as to whether he still feels that way?

Mr. HORTON. Yes, I will be very happy to. The Michel proposal accepted the proposal we presented yesterday. That is, that the House conferees presented with regard to pay. There will be no reduction in pay. What the gentleman is talking about is that the proposal that came over from the Senate to the conference last night proposed that there be reductions in pay, both for civilians and military employees of the Federal Government. I was and am opposed to that.

Mr. FAZIO. So the House position would prevail on that issue.

Mr. HORTON. And that has been cured in the Michel position.

Mr. FAZIO. Oh, I see.

Mr. HORTON. I would not have accepted the Michel position without having that pay problem resolved, and the pay problem is resolved. I was concerned about reduction of military pay.

Mr. FAZIO. Well, I shared the gentleman's concern.

Mr. HORTON. We have fought too hard to make certain that the military is adequately staffed, and if we came through with a cut in this sequestration, I think we could have been driving people out of the military.

Mr. FAZIO. Well, I appreciate that. The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HORROW] has expired.

Mr. HORTON. Mr. Speaker, may I ask the gentleman from Tennessee [Mr. DUNCAN] if he will yield 2 additional minutes to me?

Mr. DUNCAN. I do not have the time. However, Mr. Speaker, I will yield an additional one-half minute to the gentleman from New York [Mr. HORROW].

Mr. HORTON. Mr. Speaker, I would just like to point out that many of the things of concern to conferees have been included in the Michel proposal. There are very few differences, but the important thing is that the Treasury is going to disinvest Social Security unless we do something and do it today. The best way we can do it is to accept the Michel amendment.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I want to compliment the gentleman for clearing up the question in his answer to the gentleman from California [Mr. FAZIO], because he is eminently correct in how he explained the issue in our proposal.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HORROW] has again expired.

□ 1300

Mr. GEPHARDT. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Speaker, I will be brief.

The Rostenkowski plan is far superior to what we have from Gramm-Rudman in terms of the Budget Act and procedures. There is a clear difference, both in terms of timetables and in terms of the Budget Act.

Basically what this plan incorporates is 2 years of work by the Beilenson task force of the Rules Committee examining the Budget Act. It incorporates the best features of the work of that task force over a several year period. It accelerates the budget process at the beginning. We would have to pass a budget by April 15 as opposed to May 15 in current law. Reconciliation would have to be finished by June 15 and appropriation bills would have to be completed by June 30. It would greatly enhance the efficiency of the operation of the Congress and ensure that we would get on with our business in a timely manner.

Also, it addresses a serious inequity in the Gramm-Rudman proposal, that is the timing of sequestration. Under the Rostenkowski plan, now the CBO report would be due August 20. The President's sequestration order would then be due September 1 and Congress would have until October 1 to complete our response to the sequestration process. That means that we would

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

OFFICIAL

have completed everything that is required by the beginning of the fiscal year; as opposed to the Gramm-Rudman plan that would carry us past the fiscal year, would carry us through the month of October, and require Congress to be here up and until the date of the election. It is clearly a prescription for chaos. It cannot work because of the time constraints being placed on Congress.

Also, the Rostenkowski plan addresses other serious deficiencies in Gramm-Rudman. Gramm-Rudman would impose super majorities of three-fifths of those Members elected and sworn to be able to waive any points of order. That is unprecedented. We did not impose a super majority on this House under any procedure. Our plan would simply follow the normal procedures of the House requiring that this House can operate by majority vote.

Also the Gramm-Rudman proposal would provide for 302(b) allocations all the way down to the subcommittee level, which would be binding and would be very difficult to make workable. The Rostenkowski plan imposes allocations at the full committee level on spending at the 302(a) level.

Clearly the Rostenkowski plan is a more efficient, more workable plan than can achieve the objectives, and I urge its adoption.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Speaker, I rise in opposition to this amendment, and perhaps since we do name things around here, we should name this amendment "The Unbalanced Budget Act of 1985."

The amendment does not promise the American people a balanced budget by 1990. It promises them nothing. Only under Gramm-Rudman would Congress truly be forced to balance the budget by 1991 at a steady and achievable, though difficult, reduction of \$36 billion a year.

The amendment before us would balance the budget if, and only if, the economy continues to grow in a prescribed manner. If the economy slows down, if the economy remains static, we would never have a balanced budget. If the economy gets too strong under this particular amendment, Congress could be forced to cut \$30 billion or \$100 billion, something that no one on God's green Earth thinks the Congress would ever do.

If we use this year's numbers, and if this amendment were in force, this proposal, the Obey proposal, would cut \$4 billion less than Gramm-Rudman.

At 2-percent GNP growth, it would be \$15 billion less than Gramm-Rudman.

In a recession, the House could amend the bill.

The proposal also kicks in this year in just a few weeks in a way that would force the President to sequester,

instead of having this Congress make the difficult decisions. It chooses the process before it has a chance to work.

I was sitting with a few of my colleagues—I am going to throw this aside, because it is just more of the kind of chatter we are going to hear on both sides—thoughtful, reasoned debate, and my colleague said that this is foolish. We have chosen thoughtful people to argue as if this were real.

This is a cover. I want to personally say that I admire those liberals on the other side of the aisle that honestly have said from the start they detest Gramm-Rudman, they do not approve of it, and they are not going to vote for it. That is an honesty and integrity that I can respect; but what we have before us today from the Democratic side of the aisle is a cover. It is a lie, so that politically Democrats who have never wanted to cut a budget before, who never want to make the difficult decisions, can go home and say, "See, see?" And because it is going to be too complicated to understand.

Well, I believe the American people are going to know.

The Rostenkowski amendment is nothing but a cover in a political year and it is meant to destroy the single chance we have to truly cut the deficit with Gramm-Rudman. That should be clear to everyone when you vote.

There are going to be votes for this amendment that have never voted to cut any program before and those votes should be recognized.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. PURCELL].

Mr. PURCELL. Mr. Speaker, many of us this year put in a lot of hard hours trying to craft a budget to reduce the deficit. And the objective of the whole process we conferees have undergone for the last 2 weeks is to reduce the deficit—in a fair manner. To do that, programs must be reduced across-the-board. Such a reduction is achievable and it was proven this year. The 92 group budget did just what has to be done—reduce programs across-the-board—first through a comprehensive freeze, and then through reducing below a freeze programs in virtually all budget functions with an eye toward fairness. That budget, if enacted, would have provided \$51 billion in outlay savings in fiscal year 1986, verified by CBO, which by the way, everybody on the other side of the aisle is trying to say has such credibility, by excluding OMB from determining whether sequestration is necessary. And, with fairness in mind what did the 92 group end up with after we put back together all of the parts of the budget we dissected? Half our cuts came from defense, half from nondefense. With fairness in mind, it can be done.

Now we are looking at a plan that has so many exemptions, so many programs exempted from the across-the-board principle, that it violates what

we believe is the only common denominator to reduce this Federal budget—I repeat that, the only common denominator that I can find that is agreeable on both sides of the aisle to cut this deficit by reducing our spending, to achieve a balanced budget, and that is the across-the-board principle.

Now, this exemption list is so high today that it is now over 50 percent, of all Federal spending—it exempts fully 52 percent; 52 percent of all Federal spending would be exempt from reductions under the Rostenkowski proposal.

Now, that is a shell game. It is a political document, not a document that would provide for a credible budget, and it is not achievable.

So I ask my colleagues today, let us not support this plan. It is impossible for it to work—and that has been done purposefully—to prevent spending reductions.

The exemptions called for by the Democrats are all very good, politically attractive issues. But if you open the dam since gates to these programs, the reservoir is so full of spending programs, you're going to have a flood, a flood of spending which will overwhelm any efforts to halt it.

I do not think the American people are asking for a political document. They are asking for some courage and some guts here to cut the deficit and achieve a balanced budget. Now, let us get on with that, but let us do it fairly and across-the-board and treat every program equally and not exempt every program.

So I suggest today that we defeat this program and adopt the Mitchell amendment.

Mr. GEPHARDT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. OAKAR].

Mr. OAKAR. Mr. Speaker, this is no cover. This is the real thing. The amount of truth is here. Do you want to cut the deficit within a year by \$15 billion, or do you want to wait until after your election when it is most comfortable? If you want to cut the deficit now, you will vote for the Rostenkowski proposal.

Yes, we are not ashamed of the fact, we are proud of the fact that we will protect the most vulnerable people in this country. We are proud of the fact that we will protect children, give them a decent meal, and veterans' pensions, and yes, some health programs and some programs for pregnant women so that their children will be born healthy. We are proud of protecting these people. They are the most vulnerable.

And we are proud that we do protect to a limited extent, at least, the people who serve this country in the military and our civil servants because Gramm-Rudman would change the whole classification system of civil servants and the military.

Let me tell you, there is one more provision that we have in our proposal

H 0002

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

that no proposal has. I want you to pay strict attention to this, because your retirees when you go back home this weekend are going to ask you about this. Your railroad retirees, your military retirees, your civil service retirees, and your Social Security retirees are going to ask you if the Treasury Department dipped into their trust fund.

Let me tell you the answer is yes, and the gentleman from Oklahoma, JIM JONES is going to explain this a little further about Social Security.

But let me just take civil service and military retirees. We have seen an erosion of their trust funds to the tune of \$8 million a day since October 1, a grand total of \$248 million has been depleted from those trust funds because of the lack of investment, never to be recouped unless it has a provision which Congressman JONES and I put in the bill. Those moneys will be restored.

So I ask you to support the Rostenkowski amendment.

Mr. DUNCAN. Mr. Speaker, I yield 3½ minutes to the gentleman from Florida [Mr. MACK].

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding.

We are here today to supposedly bring to a conclusion the debate over doing something significant about the deficits that we have all talked about for several months.

The difference between the two amendments that we are talking about today is this. One has a goal certain, the other does not. One pretends that it has a goal certain starting at \$161 billion and working down through a series of numbers.

Ours has a specific number of \$171.9 billion, the deficit number in the budget resolution that you passed; and by the way, it has no fudge factor in it.

What it means is that there will be an automatic sequestering of funds across-the-board this year. So if you are going to use that as an excuse not to vote with us, that is no longer valid.

But let me tell you the little game that is going on, what I refer to as the typical backroom political activities here in Washington, the shell game. We heard one of the speakers get up here and talk about the fact that this was a balanced budget plan that was being offered by the Democratic Party. Well, that is true except the maximum—and this is from your proposal—the maximum deficit amounts contained in paragraph 7 shall be altered in accordance—notice the word “altered”—altered in accordance with the provisions of this paragraph to reflect changing economic conditions.

To arrive at the deficit target, you take the deficit for the preceding fiscal year, minus 20 percent of the deficit for the fiscal year 1985, except that the percentage specified in this subparagraph shall be either increased or decreased by 1 percent, depending on a one-tenth of a percentage increase or decrease from 3 percent,

which as you all can tell, I mean, there is no question that that will get us to a balanced budget by 1990.

Did I make that clear?

Again this is quoting language in your bill.

□ 1315

If that is not enough for you, what else has been done is that they have designed this thing knowing it will be unconstitutional. How did they do it?

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. MACK. No, I will not yield.

They have left OMB out of this proposal. In other words, no longer will the executive branch be involved.

They have also taken away the Presidential veto. What they say is that legislation that has passed in both Houses but not signed by the President can be included in the baseline, and once again, what have we ended up with? We have ended up with a shell game. You are fooling the American people once again.

We have heard it. We have all heard it year after year when we go back home. They say, “We do not believe anything that goes on in Washington.” What has been created by you is exactly the same kind of thing—a shell game that will no longer accomplish what we started out to do, to balance the budget by 1991.

They have exempted programs. Certainly, we are all concerned about people, but every time we exempt a program, and by the way, if you happen not to be one of the special interests that they protect, what that means is that you the remaining programs will have to take a double hit.

I would close with this: Our families, our children, the American workers, have been asking for something to be done. Do not give them one more political shell game.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. I thank the gentleman for yielding this time to me.

Mr. Speaker and Members of the House, after years of rhetoric and after years of struggling and wrestling with the issue, today we make a decision on how we want to achieve a balanced budget.

There is a Democratic alternative and there is a Republican alternative. Neither is perfect, neither may be workable and neither is terribly fair. But one of them will be chosen by this House, and there is a question of which one it should be. Let me say that both the Democratic plan and the Republican plan will cut spending. Both the Democratic plan and the Republican plan aim to balance that budget by 1991, but there is a very real difference between these two plans.

The Gramm-Rudman plan is a torpedo that is aimed at the ship of state. What the Democrats have said is that before this ship sinks, before the ship goes under the waves, we will try to put women and children into the lifeboats. We will take those who need health care in the beginning of their lives and we will provide that. For those who need health care at the end of their lives, we will try and provide it. For those who need nutrition to grow and to thrive and to become productive citizens, we will try to provide it. For the poorest of the poor in this country, we will try to provide sustenance for them.

That is not all of the people who need help in this country. We basically provide a triage for the poor. For those who are the most seriously affected by the disadvantages in this country, we have tried to take them off of this ship and put them into the lifeboats.

But the Republican plan has done just the opposite. It has targeted them for destruction. It has targeted those communities for destruction and for direct hits. How has it done that? Because they have continued to try to shift the exempt programs away from domestic and toward defense programs. They have continued to try to unbalance the cuts that Gramm and Rudman said they wanted to provide.

So the question is: Both plans will take us to a balanced budget in 1991, both plans will cut spending, both plans will reorganize this Government. The question is: When we do this, will we do it with some compassion and some understanding so those, the least fortunate of us, will have an opportunity to try to thrive in the American society?

Mr. DUNCAN. Mr. Speaker, I yield 3½ minutes to the gentleman from Ohio [Mr. GRADISON].

(Mr. GRADISON asked and was given permission to revise and extend his remarks.)

Mr. GRADISON. I thank the gentleman for yielding this time to me.

Mr. Speaker, we have been hearing from the other side all kinds of splendid arguments for voting in favor of the Democratic alternative. There are at least four reasons we have not heard much about.

First, if you are in favor of disinvestment of the Social Security trust funds, then by all means vote “yes.” There is much we do not know about the Democratic plan, but one thing for sure is that it will be rejected by the other body. That assures us that the Treasury will have no choice but to disinvest. Those of you who vote “aye” can count on spending the next year explaining to senior citizens why their trust funds were misused in this way.

A second reason to vote “aye” is to assure that we will have a plan that will not work. The Democratic plan is programmed to self-destruct, carefully written to assure unconstitutionality

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

H9663

by leaving OMB out of the process and by including a nonseverability clause.

A third reason to vote in favor of the other side's approach is to assure continued big deficits. The inclusion of floating, readjustable targets practically guarantees continued big deficits. And so does the provision for detraggering, if the Congress meets the deficit target but the President vetoes the legislation. This is like going to war with a water pistol. What we need is a trigger that shoots real bullets in order to force the Congress to implement its own budget goals.

And finally, an "aye" vote assures unequal treatment of spending programs. It throws out the window the notion of evenly shared reductions by adding to the list exempt from any cutbacks, and even treating Medicare, which is not an indexed program, as if it were. Do not be confused by the idea that these additional exemptions are meant to zap defense. Yes, defense will get a heavier hit, but so will a long list of nondefense programs.

As for this Member, I will vote "no" because I want a plan that will work. I will vote "no" because I want a plan that will end big deficits. I will vote "no" because I want to assure equal treatment of spending programs, and I will vote "no" because I oppose disinvestment of Social Security trust funds.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Texas.

(Mr. COLEMAN of Texas asked and was given permission to revise and extend his remarks.)

Mr. COLEMAN of Texas. I thank the gentleman for yielding.

Mr. Speaker, I would only point out that no plan exempts veterans' pensions except the Democratic plan, and I think that is of paramount importance. They are not a special-interest group. They are veterans who served this country and to whom we owe a debt of gratitude. We need to protect them.

Mr. RANGEL. Mr. Speaker, I cringe when I hear this program described as the Democratic alternative. I came to this House this morning opposed to this program, but the more I hear from the opposition, the more I am convinced that this is the only program that we really have that we can be proud to go back home and say that we are supporting.

We are talking about shell games. Is this a Democratic-controlled deficit that we are talking about? Did the Democrats reduce taxes by some \$750 billion? Was it the Democratic President who has brought a budget out of balance every year for the last 5 years? Was it the Democrats who really are

asking that we increase the debt ceiling to over \$2 trillion? Is it the Democratic President who is bringing us a deficit of over \$200 billion for this year? Is it the Democrats who are asking us to invade space in order to make certain that we take away from our kids, our aged, our sick, our blind, and our disabled?

If we are talking about some equity here, I came in here believing that this alternative lacked the sensitivity that it deserved for the American people. But I tell my colleagues this: When the vote is taken today, do not believe that it is just the Democrats who have the poor and the aged and the blind. Take a look at the people in your district and remember, when the final count was taken in terms of balancing the budget of the United States that at last it was one party that considered those who had nothing to do with making it unbalanced, and we are here to protect them today.

□ 1325

Mr. DUNCAN. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. DUNCAN] has 8½ minutes remaining and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 10 minutes remaining.

Mr. DUNCAN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, let me say I enjoyed listening, as I always do, to my good friend from New York [Mr. RANGEL].

The only thing he forgot in his remarks was that this House has been controlled by the Democrats every day since I have been here, and as long as I can remember. And that every single spending bill has gone first through Congress. Not one single President, be he Democrat or Republican, has ever spent one single penny that was not first authorized and appropriated by whom? Those same people that my friend from New York was alluding to. Yes.

Mr. Speaker, let me say that this is a serious business, very serious. We should not take it in jest. Let us consider what we have before us today.

We have a \$2 trillion debt. I do not care who you blame, whether you blame the President, whom you always try to blame, or whether you blame yourselves, we have a \$2 trillion debt. That is taking 15 cents out of every single dollar that comes into this Treasury just to service that debt, and it is up 50 percent in just 10 years. We have a serious problem.

Let me say that all of these programs that have gone through that have cost money, you voted for. I am glad to hear at least once that liberal spenders are saying that today we want to do something about it.

But where were you when you were being contacted by the chairman of the Budget Committee, when we were in conference on the budget wanting to find ways that we could cut in the budget bill that we finally passed on August 1? You were saying no, you could not cut those programs, and we came back with a \$171.9 billion deficit for fiscal year 1986. My, it was tough.

But is it going to be tougher today. If you ever pass the \$161 billion deficit ceiling that you allude to, I am ready to make those reductions and to put my vote where my mouth is. Are you? You have not been ready in the past. I can point out a couple who have, but only a couple. But it will be tough. Why? Because private sector forecasters are saying the fiscal year 1986 budget deficit will be \$200 billion. That means we will have to cut or sequester \$39 billion to get to that \$161 billion target—at an annual rate, that is \$53 billion in further cuts—we are already through part of fiscal year 1986.

Let me say a yes vote today for this hastily contrived Democrat plan is a no vote, for Gramm-Rudman and you cannot escape that. The other body will not accept it. You know it and I know it. We need to pass a proposal which stands a chance of being adopted by the Senate—namely the Michel proposal.

Now what does the Democrat plan do? It reduces to \$161 billion the deficit in fiscal year 1986, but at the same time you are adding \$59.5 billion in additional exempted programs, from the Gramm-Rudman sequestering provision. You cannot have it both ways. This is your proposal, not mine. In the conference I voted for the \$161 billion limit but not with all of these exempted programs added on, not \$50 billion. So if you are sincere, take out the \$50 billion.

No, you are not willing to do that. No one can support this \$161 billion figure with the billions of dollars in exempted programs because it is unachievable unless, of course, you want to run up the white flag and proclaim to the world that the United States no longer sustains a strong national defense. The Russians would love for this House to cut the legs off of our President just before he meets with their leader on arms reduction.

If you vote for the Democrat plan, you might just as well tell the President of the United States to stay at home, because we have taken all of your bargaining chips away from you.

Under the Democrat proposal, only 44 percent of the total budget would be subject to sequestering. With Gramm-Rudman 59 percent is available for sequester. Need I tell you where we will get the lion's share of these reductions will the Democrat plan? Out of defense, out of defense.

Is that what you want? That is what you will get under this proposal.

H-9604

CONGRESSIONAL RECORD—HOUSE

November 1, 1985

So if you want a proposal, I say vote down this hastily contrived plan.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

(Mr. PICKLE asked and was given permission to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, it is a sad commentary on our times that the Congress has not been able to discipline itself on spending. We would not be in this dilemma today if we had been able to cut spending. But today, our Government is in another fiscal crisis and is being brought to its knees because we haven't been able to address this issue. The people deserve better treatment from their Congress.

It seems obvious that some kind of sequestration procedure is going to pass. Neither of the alternatives are perfect, but the Rostenkowski proposal is more fair.

I take strong personal objection to the accusations by my friends on the other side of the aisle that this alternative is a shell game and a cover. The fact that our alternative would reduce the deficit to \$181 billion starting this year speaks far more eloquently of our sincerity and commitment to reduce the deficit than all the partisan charges that this is simply a shell game.

This deficit belongs to all of us in this room, not to any single political party. I hope the alternative will pass and the other body will send us back a bipartisan proposition that will enable us to meet our obligations to this Republic.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FARR].

(Mr. FARR asked and was given permission to revise and extend his remarks.)

Mr. FARR. Mr. Speaker, before us I think is one of the most important votes of our career because it impacts on every program, every jurisdiction, every constituent. And more importantly, it impacts on the checks and balances that were built into our Constitution. This is not a vote that we ought to take carelessly.

This proposal, from its beginning, was born in frustration, and it was born in panic. But that is not reason for the House of Representatives to act out of frustration or out of panic. We need to consider this proposal carefully and try to make it balanced and effective and fair.

We have tried to do this over the last few weeks in conference. It is not easy to do to resolve all of the problems in Gramm-Rudman. But at least we know what is in the Democratic alternative. They still do not know what is in their alternative. They are working late into the night to try to develop amendments. They have had four weeks to present something to the Congress, and yet they continue to make changes.

We know what is in our proposal and what needs to be cured. We want to make our proposal as we have, sensitive to the economy. That is important. We make it real. Yes, it is a \$161 billion figure, but we feel if we are going to do this, let us do it now, not later.

Third, we make it fair, because we do feel that the poorest of the poor need to be protected. If we are going to exempt 52 percent of the Federal budget, then by God, we ought to at least exempt the people who are the poor in this country.

And in addition to that, we protect the balance of powers. Yes, we use CBO. What is the matter with the CBO? The whole argument in the other body was that they want to make this ministerial for the President. Our proposal makes it ministerial because we retain control over what the order is that goes to the President.

We also guarantee that there will be a constitutional test of this proposal which is absolutely essential. This is not an issue on the deficit. We are all concerned about the deficit. This is an issue of the Constitution, of justice and of the balance of powers.

Vote for the Democratic alternative.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

(Mr. SCHUMER asked and was given permission to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the choice between the Democratic and Gramm-Rudman deficit reduction plans is one of the earliest choices this House has ever had to make. Neither plan, neither alternative, is very fair, very persuasive, or very permanent, and there is plenty of blame to go around. We have passed a lot of bills. The President has refused to veto every one of the bills. So there is plenty of blame to go around.

But the choice is only between two plans. There are three major differences between the two plans.

Our plan starts now, your plan starts after the election.

The second difference, our plan starts now, your plan does not start until after the election.

Finally, the third difference, our plan starts now, your plan does not start until after the election.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY].

(Mr. MONTGOMERY asked and was given permission to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I rise in support of the Democratic alternative.

You know, we, as individuals, really look after our own turf in Congress.

I say the veterans are treated more fairly under this alternative than under Gramm-Rudman.

Mr. Speaker, under this proposal, the disabled veteran and the low-income veteran is treated just like the

Social Security recipient, and that is the way it ought to be. There are 28 million living veterans and 60 million dependents of veterans, and they will be affected by being included in the cost-of-living increases under our alternative.

Mr. Speaker, I am proud to say under the Democratic alternative the veteran is not treated as a second-class citizen.

□ 1340

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. HUBBARD].

(Mr. HUBBARD asked and was given permission to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I speak at this time as a Democrat who strongly favors a constitutional amendment to balance the Federal budget. I am one of those Democrats that my friend, the gentleman from Ohio [Mr. ELLIOTT] referred to as a Democrat who votes time and again for budget reduction.

If I thought Gramm-Rudman was the best approach today to balancing the Federal budget, I guarantee I would vote that way, but surely the American people can see what is going on here. Gramm-Rudman puts budget cutting on hold until after the 1986 elections, the congressional elections, mind you; the people of America are sick and tired of rhetoric, and want action about this \$2 trillion debt.

Gramm-Rudman makes no reductions in the first year, and does not require the Reagan administration to prepare a balanced budget. The Rostenkowski alternative would accelerate deficit reduction a lot faster than Gramm-Rudman.

Under CBO estimates, the Rostenkowski alternative would require a balanced budget by fiscal year 1990, 1 year sooner than Gramm-Rudman. The Gramm-Rudman scheme has a lot of appeal because it appears to balance the budget, but Gramm-Rudman does not even begin to reduce the budget until fiscal year 1987.

If you are really sincere about voting for budget reductions and a balanced budget, and if you are conservative, you will vote for the Rostenkowski alternative.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LEATH].

(Mr. LEATH of Texas asked and was given permission to revise and extend his remarks.)

Mr. LEATH of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. HUGHES. Mr. Speaker, will the gentleman yield to me?

Mr. LEATH of Texas. I yield to the gentleman from New Jersey.

(Mr. HUGHES asked and was given permission to revise and extend his remarks.)

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

H9605

Mr. HUGHES. Mr. Speaker, I rise in support of the Rostenkowski amendment.

Mr. Speaker, earlier today, I voted "no" on the motion to recede from disagreement with the Senate amendment. I did so because, like many of my colleagues, I am not at all happy with either the Democratic or Republican alternatives before us today. We can and should do better and I would send it back to conference where we were making progress on a bipartisan alternative until about 3 days ago.

I am very disappointed that the Democratic alternative takes certain programs off the table almost entirely, in terms of exempting them from some of the stringent budget cuts that may become necessary if the Congress fails to reach an accord on the best way to meet deficit-reduction targets. I don't dispute the importance of those programs—AFDC, food stamps, SSI, and others—to the sick, the elderly, and the needy. I have supported those programs in the past and will take a back seat to no one when it comes to concern for the most vulnerable in our society.

On the other hand, I find it difficult to completely differentiate those exempted programs from a number of others that also serve very important functions in our society, such as law enforcement, the courts, the Coast Guard, education, and others. I'm not sure that we should be creating any sacred cows—and I don't see that there is a sufficient basis to do so—as we attempt to come to grips with the terrific imbalance between Federal spending and revenues.

Indeed, such exemptions for certain programs place a disproportionate share of the burden on others because every dollar we don't cut from AFDC or food stamps is an extra dollar that must be cut from drug enforcement, the courts, the FBI, higher education, border patrol, and so on. Beyond that, many of these nonexempted programs have fixed costs, which means that budget cuts must come out of manpower.

As my colleagues know, I have been very concerned about the problem of law enforcement in this country, especially at a time when we are seeing a rise in international terrorism, bumper crops of illegal drugs flooding our shores, and major crime rings are sometimes better equipped than some of the armies around the world.

The types of spending cuts envisioned under the Democratic plan might yield law-enforcement cuts upward of 25 percent. I find that difficult to justify when other programs are being spared entirely from the budget knife.

On the broader problem of bringing runaway Federal borrowing under control, however, I have little doubt that the Democratic alternative is dramatically superior to the Republican proposal in terms of both timetable and procedure. It contemplates that, if the economy is robust, deficit reduction can proceed at a quicker pace. On the other hand, if the economy is sluggish, the Democratic alternative slows the severe budget cuts that could otherwise turn a mild recession into a major one, or even a depression.

Assuming economic growth on the order of 3 percent over the next few years, how-

ever, the Democratic alternative gets us where we want to go a lot faster, with a deficit of \$87 billion by fiscal 1988, and just \$4 billion by 1989. The Republican approach, in contrast, has no cuts worth mentioning before fiscal 1988.

In terms of the procedures under the Democratic approach, responsibility for budget cutting would stay where it belongs—here in the Congress. It would amend our rules, so that any one Member of this body could make a binding objection if a budget was brought up which did not stay within our deficit-reduction targets. The targets could be overridden only by a three-fifths vote, the same as is set forth in the balanced-budget constitutional amendment which has been so fervently advocated by some of our colleagues.

If Congress does fail to do its job, the President would be required to follow a set formula in making the necessary budget cuts—just as would be the case under Gramm-Rudman—but without the dangerously broad exercise of discretion possible under Gramm-Rudman.

At the same time, the Democratic alternative allows for an expedited procedure for adjudicating constitutional challenges to the procedure.

In conclusion, despite its many shortcomings, the Rostenkowski alternative appears to be the approach which takes the most expeditious and responsible road to getting our fiscal house in order. I urge my colleagues to support it.

Mr. LEATH of Texas. Mr. Speaker, ladies and gentlemen, if there is anybody in this institution who really believes that we are going to vote for a perfect document in here today, you had better take a gut check.

Because, ladies and gentlemen, what we are doing and what we have done for 3 weeks now is to prove to the American people that there is no responsible way for us to abdicate our responsibility to govern.

That is the real thing that we are proving up here. Now, I applaud my friends Senators, GRAMM, RUDMAN, and HOLLINGS, for bringing us to this point, but I resent to some degree; I can understand partisan rhetoric as good as anybody, and I have done my share of it, but I resent, to some degree, as my friend, JAKE PICKLE, said when people say, "Oh, the Democrats are demagoguing with this \$161 billion.

Let me tell you something, neighbor: There is no demagoguery in the \$161 billion; it is going to bite Democrats; it is going to bite Republicans, and it is going to bite Ronald Reagan; and if you do not know that, you have not read it.

Now, I am amazed that after years of trying to cut this deficit to see my friends, some of them on the Republican side the other night when we first threw out the figure of \$161 billion just go crazy; "Oh, my Lord, we can't do that. That is what we have been telling the people for 20 years, that we can't do it." Now who has got an excuse that we cannot do it?

We need to attack this deficit while we have got an economy that can

stand this level of cuts, and I think that that is what this proposal does.

The goods news, Mr. Speaker, and the American people, is that I think regardless of which one of these passes, that the American people are going to ultimately be the winner, perhaps, but I happen to believe, too, in fairness, because I am a conservative Democrat and because we are conservatives we do not have to say that we have no compassion for poor people; they are our poor people in this country.

It does not make any difference what your political philosophy is; I would much prefer that we solve this problem based on fairness and equity across the board; we are not going to do that; we have said we were not going to do it by statute in the Gramm-Rudman proposal.

So for us to come in here and say that we are not going to do the same to a few poor people and to the veterans in this country, I think is blatantly wrong.

So I would urge that we vote for this alternative because it is a good one.

Mr. COLEMAN of Texas. Mr. Speaker, I resent the implication of the gentleman from Florida [Mr. MACK] that veterans are a special interest. We as a Nation owe our veterans for what they have sacrificed to protect our Nation and our way of life, and the gentleman and his colleagues should not forget the debt that we owe them. That is the wrong attitude and action for this Congress to take. Under the Democratic alternative, veterans pensions and disability compensation would be excluded from budget cuts. Under Gramm-Rudman or the House Republican alternative they would be cut. That is just one aspect of the Democratic budget balancing alternative which makes it better.

The Democratic alternative will bring the budget in balance in fiscal year 1990, not fiscal year 1991 as the Republican and Gramm-Rudman plans would. It would begin the budget cutting today, not next year. It would avoid the political posturing contained in the Republican alternative and in Gramm-Rudman which would allow 22 Members of the Senate to avoid facing up to the cuts until after their reelection campaigns in 1988. The Democratic plan does what virtually every economist believes must be done—cut the deficit now rather than requiring that it be done in the future.

The Democratic alternative is clear and defined in what programs are subject to cuts, the Republican alternative and Gramm-Rudman are not. The Democratic alternative would exclude Social Security from cuts and take it off budget where it belongs. The Republican alternative and Gramm-Rudman would exclude Social Security, but would still leave it on budget and vulnerable to future congressional cuts. The Democratic alternative specifically excludes those programs which benefit the poorest of the poor. The Republican alternative and Gramm-Rudman would not. The Democratic alternative would exclude Medicare from cuts beyond annual cost of

H996

CONGRESSIONAL RECORD—HOUSE

November 1, 1985

living adjustments to ensure that the elderly and disabled are not cut off the rolls. The Republican alternative and Gramm-Rudman would leave them exposed.

The Democratic alternative takes into consideration the economic realities of fiscal policy. The Republican alternative and Gramm-Rudman do not. The Democratic alternative would tie spending cuts directly to the performance of the economy. When the economy is growing, spending cuts would be increased. If the economy were to shift to negative growth, then spending cuts would be lessened until growth is resumed. Therefore, in times of economic growth, like we are experiencing today, more spending would be cut under the Democratic alternative, which we are doing today, than under the Republican alternative or Gramm-Rudman. Likewise, were the economy to slip into a recession and the structural deficit rose, Gramm-Rudman would require greater spending cuts and tax increases causing an even deeper recession. That is simply economic insanity and all Americans would suffer.

The Democratic alternative cuts the deficit now. It puts all the spending on the table, both social and defense. It spares only the poorest of the poor, Social Security, and our veterans, to whom we owe a debt. We must join together as a Nation and contribute to the elimination of the deficit. To paraphrase President Reagan, "If not us, who? If not now, when?" I firmly believe that to eliminate the deficits, we must put Gramm-Rudman into effect now, not later.

Mr. HAWTHORNESCHMIDT. Mr. Speaker, I rise in strong support of the basic thrust of the Gramm-Rudman-Hoffins proposal. I do so out of a deeply held belief that at long last the Congress can fulfill its imperative obligation to do something constructive about the horrendous deficit in our Federal budget.

For far too long, Mr. Speaker, we have voiced objections to the deficit. Now we have an opportunity to translate our voices into reality.

Mr. Speaker, I realize that efforts to change the proposal before us in any way—at least in the eyes of some—might appear to weaken it. While that is generally true, in my view it is not true as to one most deserving group of individuals.

Mr. Speaker, as the ranking member of the House Veterans' Affairs Committee, I must speak to the members that adequate compensation for service-connected disabled veterans, their dependents and survivors involves a moral commitment of our Nation of the highest order. No commitment can or should exceed it. Gramm-Rudman would exclude Social Security recipients from its otherwise broad umbrella. If that is to be the case—and I do not object to that exclusion—then surely we must assure the same consideration for our disabled veterans.

To that end, Mr. Speaker, I earnestly urge all of my colleagues to again place upon the public record a reiteration of our commitment to those who have given greatly of their minds and bodies that this Nation might endure. I urge complete exclusion from the provisions of Gramm-Rudman-Hoffins compensation for service

connected disabled veterans, their dependents and survivors.

As the President has said, "They have already paid their dues to our Nation." We ought not to ask that they do more. If any group is to be excluded from Gramm-Rudman, this one ought to be at the top of the list.

Thank you, Mr. Speaker.

Mr. STARH. Mr. Speaker, as one of the Members who tried to work with the Senate in developing a plan to reduce our Nation's enormous deficits, I urge my colleagues to support the plan developed by the House and to reject the Senate version.

Everyone knows we desperately need to reduce deficits. The present policy is immoral. It is burdening our children and their children with the taxes we refuse to pay for the services we demand. We are adding \$5,500 in new Federal debt per second to the burdens of the next generation.

This excessive deficit spending keeps the real rate of interest artificially high, has made the dollar overvalued compared to foreign currencies, and has resulted in unprecedented trade deficits which are destroying the industrial base of the Nation and causing millions to be unemployed.

We must act—and we must act now.

And that is why the House offer to the Senate is the better sense of the Gramm-Rudman amendment. It cuts the deficits now, to a level of \$145 billion from what will probably be a fiscal year 1990 deficit of about \$190 billion. It reduces next year's deficits to \$110.2 billion, compared to Gramm-Rudman's \$244 billion goal. It would reach a balanced budget by 1990, rather than Gramm-Rudman's 1991.

The House version of this bill will make this Congress and this President own their part, by making the hard choices we were elected to make. The Senate version postpones the pain and increases the injury to the economy.

The American people clearly support action faster than the Senate's bill. Yesterday, a Lou Harris poll was released showing that, while most people support Gramm-Rudman, even more people wanted it started immediately. By 61 to 34 percent, people say that they want the budget reduction process to start in 1986 rather than waiting until 1990 for major reductions. My own poll of my congressional district this spring showed my constituents willing to make changes—defense cuts, revenue-raising tax reforms, and domestic cuts—which resulted in an average deficit of about \$14 billion.

Mr. Speaker, the people are so far ahead of the Congress on this issue that we have become a laughingstock. The House proposal, at least, moves quickly toward what my constituents want.

Both versions protect Social Security benefits. But the Senate bill really doesn't. Anyone who votes for the Senate bill is cutting Social Security—and any rhetoric to the contrary is false. After telling us for nearly a month that Gramm-Rudman placed Medicare in category I, then shifting the size of its cuts under a sequestering order to the size of the Federal Department, last night the Senate offer placed Medicare in category I, meaning that pay-

ments to providers would be sequesterable, and that Social Security beneficiaries will be charged for extra doctor and hospital fees. If that isn't a reduction in Social Security benefits, I don't know what is. By permitting freezes in spending on Medicare, the House bill is tough. The Senate bill permits cuts and will cause the denial of care and less adequate treatment for millions of retirees.

The poll of my congressional district clearly showed that people did not want safety net, on programs for the poor, disabled, and sick to be cut. The House bill exempts basic-core safety net programs from cuts under sequestering. The Senate offer did not. The Senate bill did, however, exempt such programs as the Export-Import Bank, the Synfuels Corporation, the Nuclear Regulatory Commission, and other less-than-essential agencies from feeling the pain of cuts.

For these reasons—quicker, more decisive action on the deficits, and a better sense of Government priorities—I urge support of the House proposal and defeat of the Senate bill.

Mr. ROSEND. Mr. Speaker, I rise to state my firm opposition to any procedural device that pretends to deal with the budget deficit through "smoke and mirrors."

We stand united on the need to move immediately to bring the Federal deficit into line. There is only one way to accomplish that goal. We must act now to make cuts in spending—or we must increase revenues. The Gramm-Rudman proposal from the other body does neither of these.

Instead—while once again postponing these hard decisions—the proposal creates a procedural device that—if it works—would result in an unprecedented shift of legislative powers to the President. Although attempts have been made to limit the President's discretion under this bill, the simple fact is that Congress would be transferring substantial authority to the President to decide the manner in which spending cuts would be made.

Moreover, the cuts the President would make down the road will unfairly fall on poor and needy Americans. The claim made in the other body that cuts in spending will be across the board is simply not true. Much of the defense budget is exempted—as is interest on national debt and Social Security. Thus, safety net programs, such as food stamps, health care, and child nutrition, already shaken deeply since 1981, would bear a disproportionate burden of further cuts.

I am dismayed that the Congress would participate in this wholesale giveaway of powers that our Founding Fathers so carefully preserved for the benefit of Government closest to the people—the U.S. Congress.

When the Founding Fathers established this great Nation, one of their primary goals was to place government in the hands of the people—to protect against arbitrary government that necessarily results from all power being placed in the hands of a single person.

For this reason, our Constitution, which has endured and protected us for nearly

November 1, 1985

CONGRESSIONAL RECORD—HOUSE

499667

200 years, was based on the core principle of separation of powers.

Our Constitution establishes three branches of government—the Congress, which is charged with making the laws; the executive, which is charged with implementing the laws; and the judiciary, which is charged with interpreting the laws.

This separation of powers was not an idle one—our founders viewed it as essential to preserve our liberties.

Nor was this separation intended to be an efficient, "expeditious," expedient one. It was intended to force the leaders of this country to make tough choices that consider the contending needs, interests, and values of our citizens, and to do so in a public forum that can exact a political cost.

The Gramm-Rudman proposal is an assault—lawless and devoid of respect for the need to "balance the budget" and "reduce the deficit"—on this fundamental constitutional principle of separation of powers.

Gramm-Rudman leaves no doubt, either in its operative provisions or in its definitions, as to the consequences of the President's actions if authorized—the President is required to permanently cancel outlays of authorized and appropriated amounts which were enacted into law in accordance with constitutional procedures.

The Gramm-Rudman proposal seeks to circumvent constitutional requirements, by delegating unconstitutional lawmaking power to the President. The proposal attempts to authorize the President to undo a law by something less than a law—and is thus unconstitutional. While under the Constitution Congress can delegate the authority to implement laws, it cannot delegate the authority to repeal laws. This is precisely what the Gramm-Rudman proposal purports to do.

This defect is not cured by the rule given to CBO—in fact, it is made worse in view of the Supreme Court ruling in Buckley versus Valeo, which precludes the assignment of executive functions to legislative branch agencies.

The separation of powers issue involved here is far more than a technical question of the procedures required by the Constitution. The framers of the Constitution were adamant that spending and taxing be in the hands of the legislative body which would make the decisions and set the priorities.

Congress can exercise this lawmaking authority regarding the power of the purse, as any other lawmaking authority, only through enacting laws. Any other procedure, however "convenient" and "efficient," is not constitutional.

It is no idle concept that only through the power of the purse does Congress have any effective control of the executive—as has been repeatedly demonstrated through our history, recently in the Nixon impeachment cases, and even more recently as Congress has prohibited or demanded the expenditure of authorized funds for various purposes. This power of the purse was given to Congress both so it could preserve its own prerogatives and so it could limit the otherwise potentially unlimited power of the President.

The Founders of this country intended that the Congress exercise its lawmaking

authority to make spending and taxing decisions. The Founders we doubt knew the difficulty and discomfort that these decisions would produce. But these choices are among the most basic to be made by any government. It is precisely this reason that these decisions were placed squarely in the Congress, which cannot constitutionally refuse to make them, however politically advantageous or expedient it may be to do so.

1987 will be the 200th anniversary of the adoption of the Constitution. I urge my colleagues to carefully consider the nature and consequences of the decisions we are called on to make today. We must make the necessary—and very difficult—choices required to reduce the deficit. But at the same time, we must discharge our responsibility to preserve both the spirit and the letter of the Constitution upon which this Nation is founded.

The alternative before us today is an important one over that which came from the other body. It begins to make cuts in spending now and does not wait for a whole year. At the same time, this alternative recognizes the critical needs of the poor and exempt or minimizes the impact of budget cuts on safety net programs. The alternative also puts a measure of flexibility into the deficit targets to take into account varying economic conditions.

I do not believe, however, that we have resolved the constitutional problem with this measure. That is why the inclusion of a provision in this alternative proposal calling for quick judicial review is absolutely essential. And to prevent any unintended or unforeseen result in the overall working of this legislation, if any part is found unconstitutional, the whole measure must fall under the nonseverability clause contained in the alternative.

Mr. Speaker, I am inserting for the record a letter I wrote to the House conferees setting forth in greater detail my concerns with the constitutionality of this proposal. I also wish to insert another letter, sent to Congressman SENAR by the distinguished constitutional scholar, Lawrence H. Tribe, who is the Ralph S. Tyler, Jr. professor of constitutional law at Harvard Law School, which also discusses the doubtful constitutionality of this measure.

U.S. House of Representatives,
Washington, DC, October 16, 1985.

Hon. Dan Rostenkowski,
U.S. House of Representatives, Washington, DC.

Dear Dan: Because of your appointment as a conferee on House Joint Resolution 313, Extension of the Public Debt Limit, I am writing to express my serious concerns regarding the constitutional issues raised by the Gramm-Rudman proposal set forth in this resolution. While only the courts can definitively interpret the Constitution, it is nevertheless our responsibility to examine these issues in considering this proposal.

The Gramm-Rudman proposal requires the President to cut mandatory appropriations whenever the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) determine that the deficit in any of the covered years (1985-1991) exceeds the amount authorized by the proposal. The cuts ordered by the President would be made both to increase in automatic expenditures and to contribute to conditions, so that the target deficit figure

would be met. The President's order would become effective 30 days after its issuance.

The power delegated to the President under this proposal is a lawmaking power, one that carries with it permanent legal consequences. As the Gramm-Rudman proposal itself states:

"Any automatic spending increases modified or suspended, or any amounts of budget authority, obligation limitation, other budgetary resources, or loan limitations requested by an order of the President under this Act are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemed to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order." (Italic added)

In the definition section of the proposal, the term "requester" is defined as:

"The permanent cancellation of budget authority, obligation limitations, other budgetary resources, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage." (Italic added)

Gramm-Rudman thus leaves no doubt, either in its operative provisions or in its definitions, as to the consequences of the President's actions—the President is required to permanently cancel outlays of authorized and appropriated amounts which were enacted into law in accordance with constitutional procedures. Gramm-Rudman does purport to limit the President's freedom of action in making such cancellations. For example, the President is instructed that his actions may not "have the effect of eliminating any program, project, or activity of the Federal Government." Gramm-Rudman further provides that the President is not given new authority under its terms to:

"alter the relative priorities in the Federal Budget that are established by law, and no person who is, or becomes, eligible for benefits under any provision of law shall be denied eligibility by reason of this section."

However, none of these limitations alters the fundamental fact that the proposal confers on the President the power to cancel the amounts of authorized and appropriated funds, thus terminating legal rights established under constitutionally enacted legislation. To a substantial but indeterminate degree, the President and his Office of Management and Budget will be able to exercise interpretative discretion in determining exactly what aspects of programs are to be cut back, and to what degree. These are matters traditionally—and constitutionally—within the Congress' lawmaking power.

The provisions of the Constitution are explicit on the procedures necessary to enact legislation. These procedures require the involvement of both Houses of Congress and the President:

"All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives." Art. I, § 1.

"Every Bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States; . . ." Art. I, § 7, cl. 2.

"Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except in a question of Adjournment) shall be presented to the President of the United States; and before the same shall take Effect, shall be approved by him, or being disapproved by him, shall be approved by two-thirds of the Senate and House of Representatives, according to the Rules and

H 9608

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

Limitations prescribed in the Case of a Bill." Art. I, § 7, cl. 3.

Attempts to deviate from this lawmaking process have been unequivocally struck down by the Supreme Court. The most recent example is *I.N.S. v. Chadha*, 462 U.S. 919 (1983), where the Supreme Court ruled that "legislative vetoes" are unconstitutional. In *Chadha*, the Court stated that legislation can be enacted only one way—through the steps required by the Constitution: bicameralism (action by both Houses) and presentment to the President (who may sign the proposal or whose refusal to sign may be overridden by Congress).

Thus, in *Chadha*, the Supreme Court ruled that Congress cannot undo a law by anything short of a new law, and that all laws must be adopted through the constitutionally mandated procedures quoted above. The Court stated in the strongest terms that delegations of authority could not be so crafted as to avoid this constitutional procedure, which had been carefully devised to preserve not only the rights of the people but also the separation (and balance of power) among the branches of government.

The Gramm-Rudman proposal seeks to circumvent these constitutional requirements, as did legislative veto, except that Gramm-Rudman attempts to do so by delegating unconstitutional powers to the President, rather than to one or both Houses of Congress. Though its language merely directs the President to issue an "order" requiring a reduction in expenditures—a mandatory duty based on the projected economic conclusions of two bureaucratic agencies—the effect of these so-called orders is to repeal duly enacted statutes. The proposal attempts to authorize the President to undo a law by something less than a law—and is thus unconstitutional.

While under the Constitution Congress can delegate the authority to implement laws, it cannot delegate the authority to repeal laws. This is precisely what the Gramm-Rudman proposal purports to do.

However, the issue involved here is far more than a technical question of the procedures required by the Constitution, as to some extent was the case with legislative veto. The spending (in this case, "non-spending") authority delegated by the Gramm-Rudman amendment goes to the core of the concept of separation of powers and is one specifically addressed in the Constitution:

"The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States; . . ." Constitution of the United States, Art. I, § 8, Clause 1.

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law . . ." Article I, § 9, Clause 7.

The Framers of the Constitution were adamant that spending and taxing be in the hands of the legislative body which would make the decisions and set the priorities.¹

This explicit assignment to Congress of spending authority was not made lightly. In fact, it reflected the framers' familiarity with the long and bitter battles of the English Parliament to win control over revenues and expenditures. It also reflected the fram-

¹ In fact, the Constitution explicitly requires that tax bills originate in the House, that body closest to the people. "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills." Constitution of the United States, Art. I, § 7, Clause 1.

ers' own experience in which spending and taxing decisions had been made for the colonies by the royal governors—the equivalent of the Executive Branch.

Congress can exercise this Constitutional authority, as any other lawmaking authority, only through enacting laws; and the enactment of laws requires bicameral consideration and presentment to the President. Any other method, however "convenient" and "efficient", is not constitutional.

As the Court stated in *Chadha*:

"The fact that a given law or procedure is efficient, convenient, and useful in facilitating functions of government, standing alone, will not save it if it is contrary to the Constitution. Convenience and efficiency are not the primary objectives—or the hallmarks—of democratic government. . . ." (462 U.S. at 944).

It is no idle concept that only through the power of the purse does Congress have any effective control of the Executive—as has been repeatedly demonstrated through our history, recently in the Nixon impeachment cases, and even more recently as Congress has prohibited or demanded the expenditure of authorized funds for various purposes. This power of the purse was given to Congress both so it could preserve its own prerogatives and so it could limit the otherwise potentially unlimited power of the President. It is troubling that Congress would so casually consider abdicating this power. (CBO's role under the provision does not alter the reality of this transfer of power in any way. In fact, there is the same constitutional defect in assigning lawmaking functions to this legislative branch agency.)

There are numerous policy reasons to question the wisdom of granting so much power to unelected officials at OMB and CBO, who would have a great deal of discretion in deciding whether the provisions of Gramm-Rudman would become effective; an event triggered by their joint budget estimates. Additional power is given to the President and OMB, an agency located within the Executive Office of the President, who would decide what is meant by a "relatively controllable" or an "automatic spending" increase, and thus, how programs are to be cut. However, the most basic reason to oppose the Gramm-Rudman provision in its current form is based solidly in the Constitution and its basic premise of separation of powers.

The Founders of this country intended that the Congress exercise its lawmaking authority to make spending and taxing decisions. The Founders no doubt knew the difficulty and discomfort that these decisions would produce. But these choices are among the more basic to be made by any government. It is for precisely this reason that these decisions were placed squarely in the Congress, which cannot constitutionally refuse to make them, however politically advantageous or expedient it may be to do so.

The Founders of this country intended, and required, that these decisions be made through a politically accountable process—through the enactment of a law under the procedures required by the Constitution.

In 1978, the Supreme Court stated, in *Buckley v. Valeo*, 424 U.S. 1, 124:

"[T]he principle of separation of powers was not simply an abstract generalization in the minds of the framers: it was woven into the document they drafted in Philadelphia in the summer of 1787."

Twenty-three years earlier, in 1952, the Supreme Court emphasized the role of the President as the executor of laws, not the maker of laws:

"In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that

he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad. And the Constitution is neither silent nor equivocal about who shall make laws which the President is to execute. *Youngstown Sheet and Tube v. Sawyer*, 343 U.S. 579, 587-89 (1952)

For many years prior to the Supreme Court decision that the legislative veto procedure was unconstitutional, I had opposed the procedure on the basis that it attempted to short cut the constitutionally mandated requirements for adoption or repeal of a law. I have the same concerns about the Gramm-Rudman approach, though these concerns are greater because Gramm-Rudman strikes at the core power of Congress: the power of the purse.

I urge that we not hide behind this procedural and constitutionally questionable proposal.

Sincerely,

PETER W. RODINO, Jr.,
Chairman.

HARVARD UNIVERSITY LAW SCHOOL,
Cambridge, MA, October 22, 1985.

Hon. MIKE SYMAR,
U.S. House of Representatives, House Rayburn Office Building, Washington, DC.

DEAR CONGRESSMAN SYMAR: In accord with our conversation of Friday, October 18, I have examined the Gramm-Rudman deficit reduction proposal (H.J. Res. 372) with an eye to its constitutional validity. My conclusion is that it has several serious infirmities that merit the closest attention.

To begin with, by requiring the White House to submit annual budgets that comply with a predetermined deficit reduction schedule, the proposal quite directly and obviously infringes the President's explicit constitutional power to draft and to recommend legislation "as he shall judge necessary and expedient." U.S. Const. Art. II, Sec. 3.

While thus denying the presidency a power specifically reserved to that office by the Constitution, Gramm-Rudman simultaneously appears to grant the executive branch a legislative power that is the province of Congress alone. The proposal requires the President to bring future federal budgets into line with the deficit reduction schedule by reducing or eliminating cost-of-living allowances and similar automatic spending increases previously enacted in entitlement programs. The President must "suspend" such "automatic increases" and "sequester" certain appropriated funds; the bottom line of Gramm-Rudman is to bestow upon the executive the unilateral power to "extinguish[]" forever whatever "legal rights" any recipient had to the increased payments.

Although the Supreme Court has long held that an individual has no constitutional right to forestall legislative repeal of government benefits (see, e.g., *Flemming v. Nestor*, 363 U.S. 603, 611 (1960)), these statutory entitlements can be withdrawn only by Congress. For, as the Reagan Administration urged and the Burger Court held in its 1983 legislative veto decision, acts that have "the purpose and effect of altering the legal rights . . . of persons . . . outside the legislative branch" are inherently "legislative" in nature. *INS v. Chadha*, 462 U.S. 919, 952 (1983).

Those who drafted Gramm-Rudman are fully aware of the extent to which the bill transfers legislative power from Capitol Hill to the Oval Office. In seeking to compensate for this dubious delegation, the proposal's supporters have compounded its consti-

November 1, 1985

CONGRESSIONAL RECORD--HOUSE

H 9609

tutional infirmities. The resolution provides that presidential fiscal policy is to fit within a framework defined by the revenue projections, deficit calculations and economic forecasts jointly prepared by the Director of the Congressional Budget Office and the Director of the President's own Office of Management and Budget. That a legislative officer—the Director of the CBO—plays an important part in making the unavoidably discretionary decisions that suspend operation of the entire law during recessions, and that trigger presidential action to slash outlays and impose ceilings so as to comply with the deficit ceilings.

Giving such executive duties to a legislative officer is almost certainly unconstitutional. The Supreme Court unanimously ruled nearly a decade ago that, although Congress may designate its own agents to assist in the investigative tasks that support the lawmaking function, no one who exercises power as an officer of the United States may be appointed by the legislative branch. *Buckley v. Valeo*, 424 U.S. 1 (1976) (per curiam). For the Court, the Constitution's Appointments Clause is no mere matter of "etiquette or procedure," but a vital structural check upon the power of Congress. *Id.* at 125.

Every Member's oath to uphold the Constitution imposes a duty to consider the constitutionality of Gramm-Rudman before voting on it. See U.S. Const., Art. VI. Not taking this obligation seriously does not entitle Congress to hide behind the hope that the courts might either avoid the issue, or, at the other extreme, might take upon themselves the heat for restructuring Congress's relation in a constitutional way. Thus Congress cannot responsibly enact Gramm-Rudman without expressly providing for an immediate judicial test of the bill's validity. Through a civil suit brought by affected Members of Congress, and without directing the courts to strike the measure down in its entirety—rather than attempting to sever the void portions and save or amend the rest—of the CBO provision, or any other key part of the bill, is held invalid.

Yours truly,

LAWRENCE H. TRING,
Tyler Professor of Constitutional Law.

Mr. BUSTAMANTE. Mr. Speaker, today is All Saints Day. And on this special day, we will take action on that sacred beast call the Gramm-Rudman amendment.

We must remember that it is an "amendment," passed through the Senate without any hearings. It is the height of irresponsibility to consider such a drastic deficit reduction measure without the benefit of hearings and without some indication of its overall economic impact. I don't believe there is any Member of Congress who can even specify what percentage of the budget will be subject to these cuts.

I continue to be concerned about the human aspect of the reductions proposed in Gramm-Rudman. The Democratic alternative attempts to achieve parity on spending cuts among all programs but takes into consideration the special circumstances of the less fortunate in our society. Gramm-Rudman ignores these needs. At the same time, the Democratic alternative is a sensible mechanism which allows for greater reductions in the heat of economic times and adjusted deficit targets in the worst of times.

The Democratic alternative initiates the deficit reduction now—this fiscal year. It

does not postpone the process to see the election-day returns.

Deficit reduction is an issue of national concern. That we all agree on. Members on either side of the aisle have asked us to show some political courage. Well, I ask them to show some courage by making the cuts now. Let us all demonstrate our collective will by beginning the deficit reduction process this year—not a year from now or 2 years from now when we "might" be all safely in our seats.

Mr. RANGEL. Mr. Speaker, the U.S. Congress has always gained itself an approaching every issue brought before it in a thorough and comprehensive manner. Our series of debate assure us that the American people's interests receive full consideration.

Keeping this in mind, it is evident that the Gramm-Rudman amendment would like to push through the Gramm-Rudman deficit reduction package without a thorough debate in Congress. This is obvious when one realizes that the bill was rushed through the other body with little or no legislative scrutiny. The President was given sweeping powers to act unilaterally on social programs without the advice and consent of Congress. In effect, the executive branch was given the power of the purse.

It has been left up to the House of Representatives to look at what Gramm-Rudman actually means. We have the duty to look at each provision to see how the poor are affected, how much of the pie Defense contractors will get, and what kind of tax holidays will be available to the rich. We have, Mr. Speaker, a duty to tell the American people how serious this bill really is.

I hope my colleagues will be courageous enough to stand up to the administration, and to seriously question Gramm-Rudman. I would like to submit the following article for inclusion in the CONGRESSIONAL RECORD.

The article follows:

From the Washington Post, Oct. 11, 1984
SAYS US FROM GRAMM-RUDMAN'S SIGNATURE
(By Haynes Johnson)

One day, in the year before his death, Robert H. Humphrey escorted me into his small, private Senate library in the Capitol, closed the door, and began a tape-recorded conversation that lasted several hours. The purpose was not social; I was gathering material for a book about the politics of Washington and the workings of government during the Carter years, and the former vice president was a prime source of information.

He was, of course, a great student—and practitioner—of government. When I asked what had been the greatest change since he came to the Congress, he instantly replied:

"Up until the time of Woodrow Wilson, with the exception of Teddy Roosevelt, we had congressional government. Congress was the predominating influence. That changed. The president became the predominating influence. Now Congress has asserted itself again. I can't overemphasize the importance of this. Congress is no longer afraid of the executive—particularly when you look at things like the budget. I've heard dozens of people up here say, 'Well, I know that Carter's got that in his budget, but what's our budget?'"

"And I'll tell you something I hear people say now that you never heard before: 'We see them come and go, and I'm still here.'"

They're talking about presidents, you know. I've run through seven of them myself."

With that 1977 conversation in mind, I keep wondering how Humphrey would have reacted to the shameful political charade played out last week in Washington, by the very body of legislators that he so loved, the Senate. He can't know for sure, but my bet is he would have been saddened—and outraged.

The overwhelming vote by the Senate to require a balanced budget by 1991 is more than abdication of responsibility and a sign of political failure on its part. It is a blank check for the president, signaling a dramatic reversal in the shift of powers back to the presidency from the Congress, a shift in the opposite direction from that pushed by Humphrey.

It's also a riveting example of the failure—abject capitulation is a better term—of the Democratic Party to offer a measured, responsible political alternative to the Reagan presidency and its tilted budget priorities that to a large extent got us into the present deficit debacle. They showed themselves to be stampeded, and they ran.

As Sen. Bill Bradley (D-NJ), one of the most thoughtful of the Democrats, put it last week in an article in *The Washington Post*, "this legislation shows Congress at its worst." I believe Bradley's words, written on the eve of the vote, will stand out admirably after all the fudging and political posturing of last week have been forgotten.

"Instead of once again grappling on a bipartisan basis with the tough decisions, particularly on taxes," he said, "Congress appears poised in a moment of treachery and timidity to give Ronald Reagan the sole power to order the priorities of the national government. It will be an action that we will all live to regret."

Behind this action lies a more significant political development: the ratification, if you will, of the Senate's willingness to place its powers and authority in the hands of the president because he backs the will to act. By this action, Reagan has won. Much of the political history of relations between Congress and president that people such as Humphrey cited as important will have to be rewritten. It's quite recent history, too.

During the Vietnam-Watergate years, concern centered on the "imperial presidency" and the growing accumulation of power in the hands of the chief executive. Fears were expressed that a rogue, self-styled Congress was becoming a rubber stamp for the White House. But there also were the years in which Congress fought—and won—a battle to regain its lost powers.

The fight took two forms. In both foreign and domestic affairs Congress fought to limit the power of the president to act without its consent. In foreign affairs, congressional enactment of a War Powers Resolution in 1973 directly checked the president's power to act alone in involving the United States in armed conflicts. It was the result of congressional determination to avoid further Vietnam. In domestic affairs, the establishment in 1974 of Congress's own budget office gave the legislators greater power over the purse. Until then, Congress had been a hostage of executive departmental proposals that shaped the federal budget. Through its own budget office, gathering its own information, Congress sought and did regain much of its authority over the dispensing of federal funds.

As House Speaker Thomas P. (Tip) O'Neill (D-Mass.) expressed the importance of that shift to me, during an interview several years ago in which he passionately pounded on his desk to make even stronger his point:

H0010

CONGRESSIONAL RECORD — HOUSE

November 1, 1985

The change in Congress had come. We had recaptured our powers to the extent that we were almost an equal voice. The press didn't read it. Jimmy Carter didn't read it. They didn't appreciate the power and the strength of the Congress of the United States. Jimmy Carter thought he was going to be another president with the powers of a Nixon or a Kennedy or a Johnson, and he didn't have 'em when he arrived here."

It is now left to O'Neill and other members of the House to save the Senate and the country from the damage that threatens to be done.

Mr. ROYBAL. Mr. Speaker, as chairman of the House Select Committee on Aging, I want to rise to express my strong support for this measure to prevent any further disinvestment of the Social Security Trust Funds.

Already, the Treasury Department has made its first invasion into the trust funds and broken the trust placed by 30 million elderly. Now is the time to put a stop to this invasion and to show America's elderly that the Social Security Trust Fund is sacred.

Further, this measure would give the Senate sufficient opportunity to properly consider the House's more reasonable and considered approach to balancing the Federal budget.

Mr. GROTBORG. Mr. Speaker, it's time for this body to ask itself a very simple, but critical question: Is it our intent to buckle down and adopt a real plan to reduce the Federal deficit, or are we going to continue to play games, hold up mirrors, blow smoke and then announce to the world that lo and behold we have solved the most crucial problem facing this country?

The latter, Mr. Speaker, could just as easily be summed up in three words: The Rostenkowski amendment.

Where I come from we put up buildings with labor, steel and concrete. We don't line up engineers and laborers only to have them sit around waiting for building materials that never come.

The Rostenkowski amendment strips away the basic building materials we need to eliminate the Federal deficit. It exempts another \$93 billion in programs from the sequestering process, requiring heavier cutbacks in other programs such as Amtrack, student loans, overseas private investment corporation, Export-Import Bank, agriculture credit insurance, rural electrification administration loans, veteran loan guarantees, Small Business Administration Programs, Synfuels, maritime subsidies, health professions training, farm price supports and soil conservation.

We can't from one side of our mouths say we are making a meaningful attempt to cut the deficit, and then out of the other side say we are exempting more than 50 percent of the budget from the deficit-cutting effort.

That's what the Rostenkowski amendment does. It exempts itself right out of its very purpose, reducing the Federal deficit.

Further, Mr. Speaker, it is by design set up to fail by establishing a completely unrealistic deficit goal of \$161 billion in fiscal 1986, which does nothing more than set the table for substantial tax increases, or, for entirely abandoning the deficit cutting process within the next year.

The kicker is that we all know this amendment is going to be rejected by the other Chamber and the White House, which will leave us in a crisis situation requiring an additional, temporary extension of the debt ceiling or the disinvestment of Social Security.

The Rostenkowski amendment is painted on a backdrop of holding this country's elderly population hostage and I for one am not willing to sit back and have Social Security tampered with for the purpose of advancing a deficit-cutting proposal that on its face is designed to fail.

As I said, Mr. Speaker, the Rostenkowski amendment is held up by smoke and mirrors. Maybe when the smoke clears the majority party can look into the mirror and ask itself whether it wants to play politics and raise taxes, or whether it wants to construct a realistic program to finally reduce the bloated Federal deficit.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. DUNCAN] has 4½ minutes remaining and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 2 minutes remaining.

The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield the remaining time to the gentleman from Mississippi [Mr. LOTT].

[Mr. LOTT asked and was given permission to revise and extend his remarks.]

Mr. LOTT. Mr. Speaker, I would like to remind my colleagues first of all that Gramm-Rudman-Hollings-Mack proposal is a bipartisan proposal that passed the Senate by a vote of 75 to 24, and it included some votes for it from HOLLINGS in the Democratic Party to KENNEDY. We need to remember that.

When this whole matter started out here in the House on October 11, our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL] did not come down here and say "Take it whole hog or else." He said go to conference and see if we can work together on this thing and come back with a package that answers some of our questions, and if we can't do it in a bipartisan way here in the House.

So we went to the conference, and it started off, I thought pretty well; in my task force we were working in a bipartisan way; we were making some progress. We worked with the gentleman from California [Mr. BILLENSON], we worked with the gentleman from Texas [Mr. FROST]. In my task force, I will guarantee you, we made a lot of progress, and we were about 95 percent together.

I think some of the other task forces were making progress, but then something happened. The earth moved. Everything shifted, and it became evident we could not get a bipartisan agreement. It collapsed.

I hesitate to call this the Rostenkowski package; I know that he probably is not even comfortable with it. I do not know what to call it, but I know this: Our effort to find a bipartisan

agreement fell apart over the last 2 to 3 days.

I think maybe that the first vote we had today tells the truth of the whole matter. Take a look at it: A majority of the Democrats, 131 to 116, in voting the way they did on the motion to recede, said they were for no package.

The truth of the matter is the majority on this side really wants this whole issue to just go away and "Let's forget about it. We don't want another process that will try to make us live within our means." That is the truth of what is involved here, and there is the vote.

Now this program does begin in 1986, to the tune of 171.9. All we are saying is, let us live within our means of what we have already agreed to do. That is all we are asking. We are not going to do that.

The experts on budget will tell you we are going to be \$20 or \$30 billion above that. That is part of the problem with this whole effort here today, the package we are considering is a package for no process. No process.

The mechanisms that are included here are not intended to work. No. 1, it is set up whereby we take out OMB, realizing there will be a constitutional challenge on just CBO being involved, and if that is stricken out because of the non-severability clause, the whole process goes down.

So the hope is, we will destroy the whole process under this package because of the constitutional question. I think a lot of people would have to admit that. Also, it is front-end loaded. The idea is, let us go so deep in this first year that there is no chance of doing it, and we will chunk this whole thing within the next 6 or 7 months.

So it is set up not to work. We have this list of exemptions, I guess. As far as knowing what is in your package, there is our package; where is yours? I asked last night that the gentleman from Illinois [Mr. ROSTENKOWSKI] let us at least see it.

We have not seen it. Come on, now. You were moving your package right up until the last minute; here is your little list of exemptions.

Let me give just a few examples of what programs are not in the exemptions: Head Start. Now, the gentleman from New York [Mr. RANGEL] would want Head Start to be exempted, I think. What about cancer research? We do not exempt cancer research. Housing? Agriculture, defense, education, trade adjustment assistance—I mean, where does it stop?

Yes, I have my programs I would like to have exempted. You have your programs. We could get together and we would exempt defense, we would exempt agriculture, we would exempt veterans, we would exempt every thing—we are right back in the same dang pot we have been in. We cannot exempt anything.

That is the high moral ground. The gentleman from Texas [Mr. LEATH] is

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9611

right; we should not exempt anything, but remember this: We are not voting to cut one program, we are not voting here to cut one single program. We are just voting to set up a process, to try to make us move toward a deficit reduction plan. That is all we are asking.

If we have the courage to cast the tough vote, if we will agree on our priorities, if we will do the job, the trigger will never kick in; and in the other package here, the trigger, it is fallacious; it would never be pulled.

We have got to have a trigger, and it has got to be so bad that we will do our job rather than have our head blown off by this trigger.

□ 1350

That is exactly what we are trying to do. I am serious. I know a lot of others on both sides of the aisle are serious. I believe we will come up with something eventually. But just think about where we are right now. If we pass this package, what is going to happen? It is going to go over to the Senate, and, by a bipartisan vote, they are going to say, "No, thanks." They are going to put our package, which they can accept, on it and send it back, and then we will have nothing, and Social Security will be disinvested, and our package is the same as yours on Social Security.

Let us vote against this package, and vote for the one that will get the job done.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. LUNDINE].

(Mr. LUNDINE asked and was given permission to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, I rise in support of the Rostenkowski alternative.

I strongly believe in fiscal responsibility and discipline. In fact, during the Carter years, I voted against more than half of the budget resolutions because they did not go far enough to reduce the deficit—deficits as low as \$29 billion. Five years later, we have more than doubled the size of the national debt, adding \$211.9 billion in fiscal year 1985 alone.

These megadeficits are totally irresponsible and unsustainable. The budget deficit is driving up the value of the dollar as we borrow more and more foreign capital to finance our debt. We are losing jobs and mortgaging the future of our children so that we may enjoy tax cuts and a booming consumer economy today.

Normally, I vote for debt ceiling legislation as a matter of course, treating it as a housekeeping measure. It has always seemed clear to me that it is irresponsible not to vote to pay for debt resulting from decisions and commitments already made. Nevertheless, given the fiscal catastrophe facing us, the idea of linking a plan to bring the budget into balance to debt ceiling legislation has some validity and I am prepared to support this concept.

I think we can bring the budget into balance in 5 years. Having definite goals for

accomplishing this is necessary and I support the enactment of an automatic mechanism which will cut spending if the Congress and the President remain stalemated and are unable to agree under the regular budget process.

However, on the points of difference between the House and Senate on the provisions of this mechanism, it strikes me that the other body is being stubborn and uncompromising. They have refused to take separate votes on issues that divide us in order to protect their members from accountability. They have failed to yield on at least five points of extreme importance.

First, the other body's provisions shield their members from making any of the tough choices until after the 1986 election. Surely, if continuing megadeficits are an urgent priority, one for which we risk closing down the Federal Government, then it is equally urgent that the process begin now—not after the 1986 election. I believe we should at least set a target equal to that agreed to in the fiscal year 1986 budget resolution and I am prepared to go \$10 billion below that level beginning this year.

Second, the question of what program should be exempt from automatic spending cuts remains unresolved. One might question why any program why any program should be exempt. However, if they are, it is clear to me that those expenditures for programs that go to help the very poorest people—about 5 percent of the budget—must be on this exempt list in addition to Social Security.

Third, the other body is arguing that larger portions of the defense budget be shielded from automatic spending cuts, while a larger portion of the Medicare Program be put on the table. This argument reflects an indefensible set of priorities in my view.

Fourth, the current provisions jeopardize our ability to fight a recession. Enacting a mechanism which would require deficit targets and automatic spending cuts in times of recession is irresponsible economic policy. Tying the hand of Government during a recession would not only prolong the economic misery, but would put the very possibility of recovery in question. The mechanism we adopt must permit flexibility to allow greater cuts in times when the economy is healthy and less drastic austerity when it is not.

Finally, the question of who makes the determination of whether we are meeting the goals—the Congressional Budget Office [CBO] or the Office of Management and Budget [OMB]—must be resolved. While this is not a matter of great importance to me, it does seem to me that over the years CBO has acted on a nonpartisan basis and has proven quite accurate in their projections. On the other hand, OMB, during both the Carter and Reagan administrations, has been blatantly political. In my view, the trigger should be set objectively not by an agency serving one of the parties in the dispute. For these reasons, I support the House positions on these questions.

We are in a time of real emergency in our fiscal affairs. During such times, it is generally necessary to put aside partisan interests. However, I am tired of hearing Congress being blamed time and time

again. President Reagan has failed to provide the strong leadership necessary to steer a responsible fiscal course. Instead, the passage of his sweeping tax cuts and unprecedented increases in spending for the military have brought us to this point. The President has yet to submit a balanced budget for our consideration. At the same time, 32 out of 35 appropriations bills passed by Congress have come in under his recommended spending level.

I am not suggesting that Congress is blameless. It is time for all parties to stop the stubborn insistence on their own priorities. In this regard, I have been willing in the past to show where cuts can be made in programs like rural housing that are of great importance to me and to my district. Every part of the budget must be scrutinized if we are to reach the goal of a balanced budget.

My greatest fear is that in the polarization of interests between the advocates of defense and the defenders of the poor, programs that assure a better future for our Nation and a rising standard of living for our children will be sacrificed. Our support for education, for science and technology, and for economic development must be continued. Support for these programs is an investment in our future and the future of our children.

We must not underestimate the challenge before us. Reducing the deficit will require difficult and painful choices. However, failure to make the decisions today, will undermine the Nation's health and wellbeing for years to come. We must not delay action on the deficit any longer.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Committee on Agriculture.

(Mr. DE LA GARZA asked and was given permission to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, I rise in support of this amendment.

Mr. Speaker, for all my colleagues to have an opportunity to study for any further action on this legislation as it relates to agriculture, I submit the following:

The proposed revision of subsection (q) will—

(1) incorporate the three provisions of the Senate amendment that—

(a) make all Commodity Credit Corporation (CCC) contracts that apply to a particular crop of a commodity subject to the same terms and conditions;

(b) clarify that noncontract support programs of the CCC are subject to reductions; and

(c) ensure that reductions among CCC programs use an equal percentage rate of reduction.

(The proposed revision does not include the clause in the Senate amendment providing that each CCC contract to which subsection (q) applies must explicitly provide for a reduction for the entire contractual period. This clause appears to be surplus language, and, if included, could have a perhaps unintended adverse effect on multiyear CCC contracts, such as those involved in multiyear set-asides and multiyear milk diversion agreements.)

(2) add a new provision that incorporates the Boren legislative history, to permit re-

ductions in outlays under CCC programs to be achieved in the fiscal year following a fiscal year to which a sequestration order applies:

(3) in connection with the new provision described in item (2) above, provide no other account or program will have to bear an increased reduction for the fiscal year to which an order applies as a result of the operation of a delay in achieving outlay reductions in a particular CCC program;

(4) add new provisions that provide guidelines for the implementation of reductions in CCC price support and income protection programs, designed to ensure that such reductions are made in a way so as to minimize any distortions in agricultural production and marketing practices;

(5) add a new provision that clarifies that agricultural commodity programs that are subject to a reduction under a sequestration order for a fiscal year as a "controllable expenditure", will not be subject, as well, to modification or suspension under such order as an "automatic spending increase"; and

(6) add new provisions to protect the powers and authority of the CCC from unintended restrictions under a sequestration order, including classification that any sequestration order would not affect CCC's borrowing power nor limit or reduce any supplemental appropriation that provides the CCC with budget authority to cover net realized losses.

The wording of the amendment would have submitted:

(a) COMMODITY CREDIT CORPORATION.—

(1) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—

(A) Subject to subparagraph (B), after an order is issued under section 202 for a fiscal year, any payments made by the Commodity Credit Corporation—

(i) under the terms of any contract entered into in such fiscal year and after the issuance of the order; and

(ii) out of an entitlement account, to any person (including any producer, lender or guarantee entity) shall be deemed to be a controllable expenditure and shall be subject to reduction under the order.

(B) Each contract of the type described in subparagraph (A) entered into with producers or producer cooperatives with respect to a particular crop of a commodity shall be subject to the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of an order, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for the next succeeding crop of the commodity, under the authority provided in paragraph (2).

(2) **DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—**Notwithstanding any other provision of this Act, if a sequestration order is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (1) may provide for reductions in outlays for the account involved to occur in the fiscal year following the fiscal year to which the order applies. However, no other account, nor other program, project, or activity, shall bear an increased reduction for the fiscal year to which the order applies as a result of the operation of the preceding sentence.

(3) **REDUCTION IN NONCONTRACTUAL PRICE SUPPORT PROGRAMS.—**Price support provided for an agricultural commodity through the Commodity Credit Corporation by a method other than a payment of the type described in paragraph (1) shall be deemed to be a controllable expenditure, and with respect to a fiscal year for which an order is issued

under section 252, such price support shall be subject to reduction under the order.

(4) **UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.—**All reductions described in paragraphs (1) and (3) required to be made in connection with an order issued under section 202 with respect to a fiscal year—

(A) shall be made so as to ensure that outlays for each account, or program, project, or activity, involved are reduced by a percentage rate that is uniform for all such accounts, programs, projects and activities, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order; and

(B) with respect to commodity price support and income protection programs, shall be made in a manner and under such procedures that ensure that—

(i) uncertainty as to the scope of benefits under any such program is minimized;

(ii) any instability in market prices for agricultural commodities resulting from the reduction is minimized; and

(iii) normal production and marketing relationships among agricultural commodities are not distorted.

In meeting the criterion set out in clause (iii) of subparagraph (B) of the preceding sentence, the President shall take into consideration that reductions under an order may apply to programs for two or more agricultural commodities that use the same type of production or marketing resources or that are alternative commodities among which a producer could choose in making annual production decisions.

(5) **NO DOUBLE REDUCTION.—**No agricultural price support or income protection program that is subject to reduction under a sequestration order for a fiscal year as a controllable expenditure under this subsection may be subject, as well, to modification or suspension under such order as an automatic spending increase.

(6) **POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.—**Nothing in this Act shall restrict the use by the Commodity Credit Corporation of its authority, and the discharge by the Corporation of its responsibilities, in achieving the purposes for which the Corporation was created, including—

(A) its authority and responsibility to buy and sell commodities in world trade;

(B) its borrowing authority;

(C) its authority and responsibility to use the proceeds of transactions as a revolving fund to meet its obligations; or

(D) its authorities and responsibilities otherwise to operate as a corporation.

Further, nothing in this Act shall limit or reduce, in any way, any appropriation Act that provides the Commodity Credit Corporation with budget authority to cover the Corporation's net realized losses.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND asked and was given permission to revise and extend his remarks.

Mr. BOLAND. Mr. Speaker, I rise in support of the Rostenkowski amendment.

I believe that the vote we will soon take on the Gramm-Rudman proposal will be a watershed event in the history of this institution and Nation.

We are about to fundamentally alter the way in which spending decisions are made in the Federal Government, and in so doing

we embark on a cruise into uncharted and dangerous waters. Gramm-Rudman, in some form, is coming, and the relationship between the executive and legislative branches will never be the same.

I served on the conference committee on Gramm-Rudman. I wish every Member of this House could have had that experience. I think that is the only way to begin to understand the radical departure we are being asked to make. In the roughly 2½ weeks the conferees lasted, we subjected Gramm-Rudman to its first hearings—a reversal of the normal legislative process that tells you a lot about the form in which this proposal was received. Those sessions clearly demonstrated that precise drafting was not the hallmark of Gramm-Rudman. Quite simply, no one knew how it was supposed to work. The hours that House conferees subsequently spent in task forces trying to make sense out of Gramm-Rudman revealed that the questions raised by a close examination of this proposal were of mind-boggling complexity. These questions, some constitutional, some procedural, and some mechanical, are not matters to be resolved in 3 weeks. But that was our mandate, because of the absolute necessity that the debt ceiling be raised, and the unwillingness of Gramm-Rudman's proponents to consider doing it in any other way.

Your conferees were instructed by this body to bring back to the House a system by which deficits would be reduced automatically. Many of us have serious reservations about the wisdom of substituting an automatic pilot for independent judgment on spending priorities and decisions, and yet that substitution is the foundation of Gramm-Rudman. The Democratic proposal we offer today takes the automatic pilot feature of Gramm-Rudman and modifies it to do four things:

First, take effect this year, so that the American people can judge for themselves whether program decimation is the only way they want the deficit to be reduced;

Second, insure that the constitutional issues raised by Gramm-Rudman's sequestration system can receive expeditious judicial consideration with the knowledge that if an element of it were found unconstitutional, the whole process would be invalidated;

Third, guarantee that the Congressional Budget Office would be responsible for the reparation of the economic estimates and reports used to measure our compliance with the deficit targets, thereby retaining some meaningful role for Congress in the sequestration triggering process; and

Fourth, exempt some programs which serve exclusively low-income people from sequestration. The simple fact is, that these programs have borne the brunt of the deficit reduction efforts of the last 4 years. They will undoubtedly bear the brunt of similar congressionally-initiated budget control efforts in the future. To hold them open to sequestration on top of that, ignores the fact that these programs provide basic services to people who have no alternatives. I make no apologies about wanting to exempt food stamps and AFDC, SSI, Child Nutrition and similar programs from

November 1, 1985

CONGRESSIONAL RECORD — HOUSE

H 9613

sequestration. I thought they comprised the safety net our president used to so warmly embrace, and so movingly promise to maintain. We can not preserve all of the safety net today. But let it be clearly understood that whatever is preserved is the result of the actions of Democrats, and not the advocates of Gramm-Rudman.

Those four elements, it seems to me are the minimum necessary to inject some degree of rationality into the Gramm-Rudman process.

Mr. Speaker, in my opinion the adoption of the Gramm-Rudman concept will be an action this Congress will come to deeply regret. I know we are going to get Gramm-Rudman in some form. Under those circumstances, I am going to vote for the Rostenkowski alternative. Of the two, it better protects the interests of this institution and the interests of the majority of those we represent. I only hope that the advent of the Gramm-Rudman automatic pilot system for making spending decisions will hasten the day when all of us; Congress, the President, and the American people, will take a more honest view of the causes of our deficit problems, and what needs to be done to solve them.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL], chairman of the Committee on Energy and Commerce.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I rise today in support of the Rostenkowski proposal and in opposition to the Gramm-Rudman proposal, whether it is the version as passed by the other body or that version refined by the White House and our colleagues on the other side of the aisle.

Whatever the form, Gramm-Rudman is the most extensive giveaway of congressional authority in American history. We, as Members of Congress, should remember that if we are to retain the power to legislate we cannot allow this power to be diluted. James Madison, in Federalist 58, stated that the power of the purse represents "the most complete and effectual weapon with which any Constitution can arm the immediate representatives of the people." Make no mistake about it, Gramm-Rudman would dilute the Congress' power over the purse.

Not only is Gramm-Rudman flawed constitutionally, the basic premise is irrational in other ways. Gramm-Rudman ignores 20th century economic reality. We have spent the past 50 years in this country trying to build mechanisms into our Government that will stabilize the economy in times of crises. Our people have endured painful experience in order for our Government to learn the difficult lessons of economic stabilizations. Gramm-Rudman throws all of this out of the window.

Gramm-Rudman has no realistic provision to deal with recessions, regardless of the fact that they may or may not have been predicted. Gramm-Rudman could actually trigger a recession or push a mild recession into a deeper recession.

Gramm-Rudman also promotes Government inefficiency. Because of its mechanis-

tic approach, it is difficult to achieve savings without irrational results. Gramm-Rudman requires across-the-board reductions which means that the more one cuts, the more expensive Government becomes on a per unit procurement basis. Because no one program can be totally eliminated, reduced resources must be stretched to cover all existing programs, ensuring that no service is performed at a very satisfactory level. In addition, some programs will be cut to the point that they no longer perform the function for which they were designed. But these programs will continue to siphon off much needed funding from programs that could remain viable.

The list of winners under Gramm-Rudman is very short. The list of losers is very long. That list of losers includes practically every segment of American society. It means that kids who need immunizations will not get them. It means that poor women who need prenatal care will not get it. It means that the farm crisis will only get worse. It means, in short, that Government no longer really protects those who are unable to protect themselves. It also means we are going to have less money to inspect nuclear powerplants, to provide air traffic controller services, to provide testing by the Food and Drug Administration, to maintain highway safety, to operate the Coast Guard and for a multitude of other services to which most of us in this country have become accustomed.

Gramm-Rudman could result in arbitrary and destructive cuts in vital defense programs. While the purchase of many large weapon systems may be protected by multiyear contracts, funding for operations and maintenance could be severely impacted. This could result in lessened battle readiness for our troops.

Gramm-Rudman also means arbitrary and destructive cuts in programs for the aged, for the young, for the sick, and for those less fortunate in our society. The Democratic alternative would protect food stamps, supplemental security income [SSI], aid to families with dependent children [AFDC], child nutrition programs, the Women, Infants, and Children [WIC] Program, and the Commodity Supplemental Food Program.

Gramm-Rudman would make arbitrary and destructive cuts in programs that ensure the health of all our citizens. The Democratic alternative would protect National Institutes of Health funded research into cancer, aids, heart disease, strokes and other great killers, and community health centers, as well as health programs for migrant workers.

Gramm-Rudman would cut COLA's for veterans. The Democratic alternative would protect veterans' pensions.

Gramm-Rudman would destroy the legislative process as we have known it for the past 40 years. It adds a fourth layer to an already crowded budget cycle. Not only would the legislative committees authorize, the Appropriations Committees appropriate, and the Budget Committees prepare budget resolutions during the first 9 months of the year, but the Congress would be required to redo the whole thing in an omnibus reconciliation bill at the end of the year.

Congress, of course, could allow a Presidential sequestration order to stand rather than try to challenge it, as it is unlikely that a measure varying greatly from the Presidential order will be signed. A Presidential veto then becomes even more powerful because any President supported by one-third plus one Member of either body could control the budget. Gramm-Rudman could not be repealed even though a majority of both Houses thought it was disastrous, unless the President agreed or both Houses could get two-thirds to override his veto.

Gramm-Rudman is a disaster for the legislative process. It severely distorts the check and balance system in our Constitution. It would make Government less efficient and it could lead to a recession.

The Democratic alternative, perhaps, is not a perfect vehicle, but it would protect many of those in our country who are not able to protect themselves. It attempts to deal with the complexities of our economy. It reserves to Congress better control over the legislative process. It would allow an expedited review of all the constitutional issues. And, while not perfect, this Democratic alternative deserves our support and would urge of you to vote for it.

Gramm-Rudman is not the answer to the deficit problem we face in America today. It is a political gimmick. It should be defeated.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. ANDREWS].

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I rise in favor of the Rostenkowski amendment.

Today we face a difficult but necessary decision on the future of our country. We must decide how we will cut the crippling Federal budget deficits that threaten the future security of our Nation. Beyond the rhetoric, beyond all personal interests, beyond the recriminations and fingerpointing, we need to resolve this crisis. In 4 years, the annual deficit has grown from \$59 billion to \$220 billion and we are faced with a national debt of over \$2 trillion. This is a debt that has doubled in only four short years.

These deficits present us with many problems, the worst being their invisibility. You cannot point to a deficit; you can, however, show how it hurts all Americans. These deficits raise interest rates, making it hard for our economy to grow and for our people to export the products of their labor. That translates into Americans out of work and families short of the necessities of life. A young family cannot afford to buy a home, a blue collar worker loses his job and a senior citizen sees his savings erode. These deficits raise our national debt which mortgages the future of our children and grandchildren. These symptoms of the Federal deficit are cruel and insidious. But we cannot attack the symptoms; we must cure the disease. We must balance the Federal budget and bring these deficits down.

H 9614

CONGRESSIONAL RECORD -- HOUSE

November 1, 1985

This budget crisis has been my number one priority since my election, as it has been for other members of Congress who know the deficit's effects on jobs, trade, interest rates and the economy as a whole. Last fall, I cosponsored a balanced budget plan that would have required the President and the Congress to submit a balanced budget before the start of the next fiscal year. That plan did not pass, as we all know. Now we must decide again. We have before us two tools to cut the budget. Let us choose wisely.

Last week I voted to send House conferees to the House-Senate conference to work out a bipartisan balanced budget plan we can all support. I strongly support the concept of a strictly funded, strictly enforceable mandatory program of deficit reduction which holds Congress to deficit targets every year until the budget is balanced. We have gone too long talking about deficit reduction without acting. Only bipartisan action, only tough, hard decisions about specific cuts in specific programs are going to get us to a balanced budget. The Gramm-Rudman approach promises to make the tough decisions easier and thus deficit reduction more likely.

The Rostenkowski alternative to the Gramm-Rudman plan before us today is not perfect. There can be no perfect, or comfortable, way to do what we are trying to here today. But the Rostenkowski alternative considerably improves Gramm-Rudman, addressing some important shortcomings that have come to light over the past several weeks. If the other body rejects this alternative, let us hope it will act in a bipartisan way to contribute to a sound, responsible resolution of this debate.

No. 1: The Rostenkowski alternative would begin the process of deficit reduction now instead of next year by requiring Congress to cut the deficit to \$161 billion in fiscal year 1986. Gramm-Rudman sets a target of \$180 billion for this fiscal year a figure which requires no more cuts than Congress has already made this year. There is absolutely no reason to wait, especially now at a time when our economy can absorb these levels of cuts. Further, if our economic projections for fiscal year 1987 turn out to be too optimistic, we will be faced with very severe cuts next year that will be very painful.

No. 2: The Rostenkowski alternative provides flexibility in the deficit reduction targets in the event of an economic downturn. Our objective here is to preserve the long-term economic health of our Nation. To ignore the devastating effects of deep budget cuts during recessionary periods would be to ignore the objective of our budget-cutting efforts.

No. 3: The Rostenkowski alternative provides specified and detailed guidelines to the President in his administration of spending cuts in the event of a sequestration order. Gramm-Rudman allows the President an unprecedented amount of latitude to pick and choose the cuts he wants to make.

No. 4: The Rostenkowski alternative would ensure that the nonpartisan Congressional Budget Office is the institution, not the executive branch's Office of Management and Budget, which issues the criti-

cal report projecting economic growth for the coming fiscal year, projected levels of spending, revenues and deficits as a result of congressional action.

No. 5: The Rostenkowski alternative provides for expedited judicial review of constitutional questions regarding the automatic deficit reduction process. I believe that review is absolutely critical. We cannot, even in the name of deficit reduction, run roughshod over the Constitution.

Mr. Speaker, I am gratified to see the House voting on this piece of legislation today. I urge my colleagues to support the Rostenkowski alternative to Gramm-Rudman.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield the remaining 2 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker and Members of the House, this may be the most important vote you will cast in this Congress or perhaps in any Congress in which you will serve.

Let us understand why we are here today talking about this kind of a mechanism. We are here today because we have a President who will not lead to get rid of deficits and because we have Members in the other body who do not want to vote for a \$2 trillion debt ceiling without a figleaf to hide what they are doing.

And the worst part is that the other side is saying, "Let's not do it now. It is a good idea; we need it, but let's not do it now."

The President said, "If not us, who? If not now, when?" Does that not apply to what we are doing today? Our alternative does it now.

Two other quick points. No. 1, what are your values? That is what is at stake here today. Who do you want to protect? We are talking about 50-percent defense, 50-percent nondefense. The question is, who do you exempt? Members of the other side came down here and, in 1-minute speeches yesterday, said, "We are going to protect the elderly." Yet, in the proposal they made yesterday, they put Medicare in category No. 2 so that it gets cut beyond the COLA.

Shame on you for making the speeches and then making that proposal.

Second, it has to do with powers. If you vote for their alternative rather than ours, what it says is you do not care what powers you give to the President. He has all the power. You have rearranged the Constitution. You have said he can do anything he wants, and there is no way to go to court to stop him.

When Ben Franklin was leaving the hall after writing the Constitution, a group wanted to know if we were going to have a republic or whether we were going to have a monarchy. He was happy to say we had decided to have a republic.

Then he walked on, and he turned back, and he said, "My friends, we have a republic if we can keep it."

The vote today on this alternative is whether or not you want to keep it.

The SPEAKER. All time has expired.

Mr. ROSTENKOWSKI. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

Mr. SPEAKER. The question is, Will the House concur in Senate amendment No. 2 with an amendment?

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 249, nays 180, not voting 5, as follows:

[Roll No. 386]

YEAS—249

Abernethy	English	McKee
Akaka	Erdreich	Monson
Alexander	Evans (IL)	Markey
Anderson	Faucell	Martinez
Andrews	Fazio	Matsui
Annunzio	Feighan	Mazouzi
Anthony	Finger	McCollister
Applegate	Florio	McCloskey
Aspley	Foglietta	McCurdy
Atkins	Foley	McHugh
Asst. Comm.	Ford (MI)	Mica
Barnard	Ford (TX)	Mikulski
Barnes	Fowler	Miller (CA)
Bates	Frank	Mineta
Beale	Frant	Mitchell
Bellison	Fuqua	Monkney
Bennett	Garcia	Moakley
Berman	Gaydos	Montgomery
Beverly	Gepferson	Moody
Blago	Gephardt	Morrison (CT)
Boggs	Gibbons	Mrazek
Bofend	Glickman	Murphy
Bowser (TN)	Gonzalez	Murtha
Bonker (OR)	Gordon	Natcher
Bonker	Gray (IL)	Nelson
Borah	Gray (PA)	Nichols
Bocco	Guarini	Nowak
Boucher	Hall (OH)	Oaker
Borer	Halt, Ralph	Oberstar
Breaux	Hastings	Oby
Brooks	Hammerschmidt	Olin
Brown (CA)	Hatcher	Ortiz
Bruce	Hawkins	Owens
Bryant	Hayes	Panetta
Burton (CA)	Heiner	Pearse
Bustamante	Hefner	Penny
Byrone	Hefst	Pepper
Casper	Herbst	Perkins
Carr	Howard	Pickle
Chapman	Hoyer	Price
Chappell	Hubbard	Rahall
Clay	Huckaby	Rangel
Coelho	Hughes	Ray
Coleman (TX)	Hutto	Reid
Collins	Jacobs	Richardson
Conyers	Jenkins	Robinson
Casper	Jones (NC)	Rodino
Coyne	Jones (OH)	Roe
Daniel	Jones (TN)	Rosen
Darden	Kaptur	Rose
Daschle	Kastenmeier	Rostenkowski
de la Garza	Kennedy	Rovinsky (GA)
Dellums	Kildee	Roy (MI)
Derrick	Klečka	Russo
Dicks	Kolter	Sabo
Dingell	Kostmayer	Savage
Dixon	LaFalce	Schauer
Donnelly	Lantos	Schroeder
Dorgan (ND)	Leath (TX)	Schumer
Dowdy	Lehman (CA)	Selberling
Dowdy	Lehman (FL)	Shaw
Dunham	Leahy	Shelby
Dwyer	Levin (MI)	Silverski
Dymally	Levine (CA)	Slutsky
Dyson	Lipinski	Stanton
Early	Lloyd	Strom
Eckart (OH)	Lynn	Strom
Edgar	Lowry (WA)	Smith (VA)
Edwards (CA)	Luken	Smith (IA)
	Lundgren	Solari

November 1, 1965

CONGRESSIONAL RECORD—HOUSE

H 9615

Spratt
St. Germain
Stagers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Taub
Thomas (GA)

Torres
Torrison
Town
Trafficant
Traxler
Udall
Valentine
Vento
Vicianey
Volkmer
Walgren
Watkins
Waxman
Weaver

Wales
Wheat
Whitely
Whitten
Williams
Wilson
Wirth
Wise
Weiger
Wright
Wyden
Yates
Yatron
Young (MO)

NAYS—180

Archer
Armey
Bartlett
Barton
Belenzer
Bentley
Bereuter
Bilbrakis
Billie
Boehler
Boutler
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Callahan
Campbell
Carnoy
Chandler
Chappie
Chewey
Chinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courtler
Craig
Crane
Crockett
Dannemeyer
Doub
Davis
DeLay
DeWine
Dickinson
DioGuardi
Dorman (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Frenzel
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Green
Gress

Grothberg
Gunderson
Hartnett
Hendon
Henry
Hiler
Hills
Holt
Hopkins
Horton
Huntler
Hyde
Island
Jeffords
Johnson
Kanjorski
Kasich
Keap
Kindness
Kolbe
Kramer
Lagomastino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Longren
Mack
Madigan
Martia (IL)
Marth (NY)
McCain
McCandless
McCollum
McDade
McEwen
McGrath
McKernan
McKinney
McMillan
Meyers
Michel
Miller (OH)
Miller (WA)
Moffatt
Monson
Moore
Moorehead
Morrison (WA)
Myers
Nielsen
O'Brien
Oxley
Packard

Parris
Pashayan
Petri
Purter
Pursell
Quillen
Regula
Ridge
Rinaldo
Ritter
Roberts
Rogers
Roth
Rosenman
Rowland (CT)
Rudr
Saxton
Schaefer
Schmidler
Schuette
Schulze
Shannon
Shaw
Shumway
Shuster
Sjlander
Sloan
Slaughter
Smith (NE)
Smith (NY)
Smith, Denny
(OR)
Smith, Robert
(NH)
Smith, Robert
(OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Strong
Stump
Sundquist
Sweeney
Swindell
Tauke
Taylor
Thomson (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Wylie
Young (AK)
Young (FL)
Zachau

NOT VOTING—5

Addabbo
Badham
Hansen
Marlenee
Neel

□ 1405

So the House concurred in Senate Amendment No. 2 with an amendment.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the third amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 3: Page 1, after line 7, insert:

SEC. 4. ACHILLE LAURO HIJACKING.

(a) the Senate finds that—
(1) the four men identified as the hijackers of the Achille Lauro were responsible for brutally murdering an innocent American citizen, Leon Klinghoffer, and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) the United States urges all countries to aid in the swift apprehension, prosecution, and punishment of the terrorists; and

(3) the United States should not tolerate any country providing safe harbor or safe passage to the terrorists.

(b) It is the sense of the Senate that—
(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution, and punishment of these terrorists;

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists; and

(4) the United States identify those individuals responsible for the scheme of the Achille Lauro and the cold-blooded murder of Leon Klinghoffer, as well as those countries and groups that aid and abet such terrorist activities, and take the strongest measures to ensure that those responsible for this brutal act against an American citizen are brought to justice.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

NOTICE OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROSTENKOWSKI moves that the House recede from disagreement and concur in the Senate amendment No. 3.

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, the motion simply recedes to the Senate amendment concerning the Achille Lauro hijacking incident. That is all the amendment does.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The motion was agreed to.

A motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF H.R. 3669, PREVENTING THE DISINVESTMENT OF SOCIAL SECURITY TRUST FUNDS AND OTHER TRUST FUNDS

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the bill (H.R. 3669) to prevent the disinvestment of the Social Security trust funds and other trust funds, and ask

for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

EXPLANATION OF REQUEST TO CONSIDER H.R. 3669

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute.)

Mr. ROSTENKOWSKI. Mr. Speaker, I would just like to inform the House that what the gentleman from Pennsylvania [Mr. WALKER] has just objected to results in the continued disinvestment of Social Security trust funds.

I thought that this exercise was mainly so that we would not reach into those trust funds and harm what we consider a sacred trust.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from Oklahoma.

Mr. WALKER. Mr. Speaker, will the gentleman yield to me, since he referred to me?

Mr. JONES of Oklahoma. Mr. Speaker, I would hope that an unanimous consent this could be reconsidered and that the gentleman from Pennsylvania would reconsider.

We have a situation that this weekend the Secretary of the Treasury has indicated that he will invade the Social Security reserve to the tune of \$15 billion.

Now, that will leave \$6 billion in the reserve funds to pay beneficiaries of the Social Security trust fund.

There is a court case pending before the U.S. District Court. The plaintiffs are the AARP, the Save Our Security. There are several plaintiffs, such as former Secretary of HEW, Arthur Flemming, and others who are recipients. The attorney is Edot Richardson. They are arguing that the Department of the Treasury has no legal authority to invade the Social Security trust fund to pay anything other than the beneficiaries of Social Security.

I am part of that suit, and I think they are right.

If the court should rule tonight—and they kept the case pending from last night, depending on what Congress does on the debt limit—in favor of the plaintiffs, then you send this Government into a very difficult situation that could cause default. I would hope that the gentleman would reconsider to prevent a default and to prevent the Social Security trust fund from being invaded for purposes other than paying benefits to the beneficiaries of Social Security.

Mr. WALKER. Mr. Speaker, will the gentleman yield, since he referred to me?