

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, February 3, 1995.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 3, 1995 at 4:30 p.m. and said to contain a message from the President whereby he informs the Congress of his intent to add Armenia to the list of beneficiary developing countries for the purposes of the generalized system of preferences program.

With great respect, I am

Sincerely yours,

ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

ADDITION OF ARMENIA TO LIST OF BENEFICIARIES UNDER THE GENERALIZED SYSTEM OF PREFERENCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-26)

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

To the Congress of the United States:

The Generalized System of Preferences (GSP) program offers duty-free treatment to specified products that are imported from designated beneficiary countries. It is authorized by the Trade Act of 1974, as amended.

I am writing to inform you of my intent to add Armenia to the list of beneficiary developing countries for purposes of the GSP program. I have carefully considered the criteria identified in sections 501 and 502 of the Trade Act of 1974. In light of these criteria, I have determined that it is appropriate to extend GSP benefits to Armenia.

I am also writing to inform you of my decision to terminate the designation of The Bahamas and the designation of Israel as beneficiary developing countries for purposes of the GSP program. Pursuant to section 504(f) of the Trade Act of 1974, I have determined that the per capita gross national products of The Bahamas and of Israel have exceeded the applicable limit provided for in section 504(f). Accordingly, I have determined that it is appropriate to terminate the designation of The Bahamas and Israel as GSP beneficiaries.

This notice is submitted in accordance with sections 502(a)(1) and 502(a)(2) of the Trade Act of 1974.

WILLIAM J. CLINTON,
THE WHITE HOUSE, February 3, 1995.

UNITED STATES BUDGET, FISCAL YEAR 1996—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-3)

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

To the Congress of the United States:

The 1996 Budget, which I am transmitting to you with this message, builds on the Administration's strong record of economic progress during the past two years and seeks to create a brighter future for all Americans.

When I took office two years ago, the economy was suffering from slow growth, inadequate investment, and very low levels of job creation. We moved quickly and vigorously to address these problems. Working with Congress in 1993, we enacted the largest deficit reduction package in history. We cut Federal spending by \$255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small business eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. And while we placed a tight "freeze" on overall discretionary spending at 1993 levels, we shifted spending toward investments in human and physical capital that will help secure our future.

As we fought for our budget and economic policies, we moved aggressively to open world markets for American goods and services. We negotiated the North American Free Trade Agreement with Canada and Mexico, concluded negotiations over the Uruguay Round of the General Agreement on Tariffs and Trade, and worked with Congress to enact implementing legislation for both.

Our economic plan helped bring the deficit down from \$290 billion in 1992, to \$203 billion in 1994, to a projected \$193 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President. Measured as a percentage of our economy—that is, Gross Domestic Product (GDP)—our plan will cut the deficit in half.

By reassuring the financial markets that we were serious about getting our fiscal house in order, our plan also lowered interest rates while holding inflation in check. That helped to stimulate private investment and exports, and sparked the creation of 5.6 million new jobs—more than twice the number in the previous four years.

Now that we have brought the deficit down, we have no intention of turning back. My budget keeps us on the course of fiscal discipline by proposing \$81 billion in additional deficit reduction through the year 2000. I am proposing to save \$23 billion by reinventing Cabinet departments and two other major agencies, to save \$2 billion by ending

more than 130 programs altogether, and to provide better service to Americans by consolidating more than 270 other programs. Under my plan, the deficit will continue to fall as a percentage of GDP to 2.1 percent, reaching its lowest level since 1979.

Despite our strong economic record, however, many Americans have not shared in the fruits of recovery. Though these Americans are working harder and harder, their incomes are either stagnant or falling. The problem is particularly acute among those with less education or fewer of the skills needed to compete in an increasingly global economy. To build a more prosperous America, one with rising living standards for all Americans, we must turn our attention to those who have not benefited from the current recovery.

My budget proposes to do that.

PROMOTING A RISING STANDARD OF LIVING FOR ALL AMERICANS

I am proposing a Middle Class Bill of Rights, which will provide tax relief to middle-income Americans. The Middle Class Bill of Rights includes a \$500 per child tax credit for middle-income families with children under 13; expands eligibility for Individual Retirement Accounts and allows families to make penalty-free withdrawals for a range of educational, housing, and medical needs; and offers a tax deduction for the costs of college, university, or vocational education. Also as part of my Middle Class Bill of Rights, I am proposing to revamp our confusing array of job training programs by consolidating some 70 of them. In my G.I. Bill for America's Workers, I propose to offer dislocated and low-income workers "Skill grants" through which they can make their own choices about the training they need to find new and better jobs.

The G.I. Bill for America's Workers is the final element of my effort to improve the education and skills of Americans, enabling them to compete in the economy of today and tomorrow. In the last two years, we enacted Goals 2000 to encourage States and localities to reform their education systems; revamped the student loan program to make post-secondary education affordable to more Americans; and pushed successfully for the School-to-Work program that enables young Americans to move more easily from high school to training or more education.

And I am proposing to pay for this Middle Class Bill of Rights with specific spending cuts. In fact, I am proposing enough spending cuts to provide more than twice as much in budget savings—\$144 billion—as the tax cuts will cost—\$63 billion—over five years.

CREATING OPPORTUNITY AND ENCOURAGING RESPONSIBILITY

By itself, the Federal Government cannot rebuild America's communities. What it can do is give communities some of the tools and resources to address their problems in their own way.

My national service program provides incentives for Americans of all ages to volunteer their services in local communities across the country, and earn money for their own education. The budget proposes to invest more in our urban centers as well as in rural areas, and to continue our efforts to build stronger government-to-government relations with American Indian and Alaska Native Tribes. And I will work with Congress to enact comprehensive welfare reform that embodies the principles of work and responsibility for able-bodied recipients, while protecting their children.

My Administration has worked with State and local law enforcement agencies to help retake the streets from the criminals and drug dealers who, in far too many places, now control them. Congress enacted my crime bill last year, finally answering the cries of Americans after too many years of debate and gridlock. We pushed successfully for the "three strikes and you're out" rule for violent criminals, and we are making significant progress on my promise to put 100,000 more police on the street. Congress also passed the long-overdue Brady Bill, which provides for background checks that will keep guns out of the hands of criminals. In this budget, I am proposing new funds with which States and localities can hire more police, build more space in prisons and boot camps, invest in prevention programs for first-time offenders, and provide drug treatment for many more drug users.

My Administration inherited deep-seated problems with the immigration system, and we have gone a long way toward addressing them. This budget proposes the strongest efforts yet, including funds for over 1,000 new Border Patrol agents, inspectors, and support staff. While working to fulfill the Federal Government's responsibility to secure our borders against illegal immigration, the budget also proposes funds to assist States that are unduly burdened with the health, education, and prison-related costs associated with illegal immigrants.

We must redouble our efforts to protect the environment. My Administration has sought more innovative, effective approaches to do so, and this budget would build upon them. In particular, I am proposing to work more with State and local governments, businesses, and environmental groups on collaborative efforts, while seeking more funds for high-priority programs.

Because investments in science and technology pay off in higher productivity and living standards down the road, I am seeking significant new funding for the Advanced Technology Program at the Commerce Department's National Institute of Standards and Technology, NASA's New Technology Investments, the Defense Department's Technology Reinvestment Project, biomedical research at the National Institutes of Health, and research and development at the National Science Foundation. I am also seeking to

strengthen our coordinated efforts through the Administration's National Science and Technology Council and to improve the payment system for federally-sponsored research at colleges and universities.

I remain committed to comprehensive health care reform. The problems that prompted me to send Congress the Health Security Act in November 1993 have not gone away. Health care costs have continued to soar for individuals, businesses, and all levels of government. More Americans are losing their health coverage each year, and many others are staying in jobs only out of fear of losing their own coverage. I am asking Congress to work with me on a bipartisan basis, to take the first steps toward guaranteeing health care coverage to every American while containing costs.

PROJECTING AMERICAN LEADERSHIP AROUND THE WORLD

We have begun the post-Cold War era and welcome one of its most significant fruits—the continuing efforts of Russia and the newly-independent states to move toward democracy and economic freedom. We propose to continue our support for this fundamental change that clearly serves the Nation's long-term interests.

My proposals for international affairs also promote and defend this Nation's vital interests in Central Europe, the Middle East, and Asia. The budget supports the important role we play in fostering our historic peace process in the Middle East.

With the global economy offering the prospect of new markets for American goods, we are redoubling our efforts to promote an open trading system in Asia, as well as in Latin America and the rest of the globe. I am, for instance, proposing increased funding for our trade promotion agencies, such as the Export-Import Bank, which strengthen our trade position. I am also asking for continued support for the bilateral and multilateral assistance to less-developed nations that can prevent humanitarian crises, as well as support for a strong American response to these crises.

Our military strength works in synergy with our foreign policy. Our forces defend our interests, deterring potential adversaries and reassuring our friends. My Defense Funding Initiative, a \$25 billion increase in defense spending over the next 6 years, marks the third time that I have raised defense spending above my initial funding plan in order to support and maintain the most capable military force in the world. I am determined to ensure a high level of readiness of U.S. military forces, to continue to improve the pay and quality of life for the men and women who serve, and to ensure that our forces are modernized with new systems that will be available near the end of the century.

MAKING GOVERNMENT WORK

None of our efforts can fully succeed unless we make Government work for

all Americans. We have made great progress with the National Performance Review (NPR), which I established early in the Administration and which Vice President Gore has so ably run at my direction.

Specifically, departments and agencies across the Government have made substantial progress on each of the NPR's four themes: putting customers first, empowering employees to get results, cutting red tape, and cutting back to basics. The departments and agencies have established customer service standards and streamlined their operations. They also are working with my Office of Management and Budget to focus more on "performance"—what Federal programs actually accomplish. And they are doing all this while we are cutting the Federal workforce by 272,900 positions, bringing it to its smallest size since John Kennedy was President.

We also greatly improved the Federal regulatory system, opening it up more to public scrutiny. We plan to build upon our efforts, to make sure that we are protecting the public while not unduly burdening any one industry or group. We also overhauled the Federal procurement system, cutting mountains of red tape and enabling the Government to buy high-quality goods and services at lower cost.

Despite such progress, however, we are only beginning our efforts. I recently announced a major restructuring of the Departments of Housing and Urban Development, Energy, and Transportation, the General Services Administration, and the Office of Personnel Management. The budget contains details of these restructurings and our related proposals that affect hundreds of other programs.

In the coming months, the Vice President will lead Phase II of our crusade to reinvent Government—an effort to identify other agencies and programs to restructure or terminate, to sort out responsibilities among the Federal, State, and local levels of government, and to choose functions better performed by the private sector.

CONCLUSION

Our agenda is working. By cutting the budget deficit, investing in our people, and opening world markets, we have begun to lay the foundation for a strong economy for years to come. And by reinventing the Federal Government, cutting red tape and layers of management, we have begun to make Government more responsive to the American people.

This budget seeks to build upon those efforts. It seeks to spread the benefits of our economic recovery to more Americans and give them the tools to build a brighter future for themselves. It also seeks to continue our reinvention efforts—to eliminate or restructure agencies and programs, and to better sort out responsibilities

among the Federal, State, and local levels of government.

These proposals will help us to create a stronger economy and more effective Government. I will ask for Congress's help in these efforts.

WILLIAM J. CLINTON,

THE WHITE HOUSE, February 6, 1995.

VOTE FOR THE LINE-ITEM VETO

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

Mr. SANFORD. Mr. Speaker, I stand before you and the rest of this body to encourage the adoption of the line-item veto. In fact, I have a scary couple of numbers here in front of me.

What do \$1.75 million for national pig research have in common with \$1.7 million for plant stress have in common with \$600,000 to ease fish migration up a western river? The thing they all have in common is I cannot do anything about them.

I came here to affect the way Government is spending money, and yet the way Congress works is that I cannot get my hands on them.

The line-item veto would allow the President to do what 43 Governors can do, and that is to reach in, say this is a piece of fat, it does not make sense and it needs to go.

Please vote with me for the line-item veto.

LINE-ITEM VETO ACT

The SPEAKER pro tempore. Pursuant to House Resolution 55 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

□ 1445

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2), to give the President line-item veto authority over appropriation Acts and targeted tax benefits in revenue Acts, with Mr. HOBSON (chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Friday, February 3, 1995, the amendment offered by the gentleman from Wisconsin [Mr. OBEY] had been disposed of and the bill was open for amendment at any point.

Pursuant to the order of the House of Friday, February 3, 1995, only the following further amendments, if offered, will be considered:

An amendment by the gentleman from Utah [Mr. ORTON] debatable for 1 hour;

An amendment by the gentlewoman from California [Ms. WATERS] debatable for 30 minutes;

An amendment by the gentleman from Louisiana [Mr. TAUZIN] debatable for 30 minutes;

An amendment by the gentleman from Ohio [Mr. TRAFICANT] debatable for 30 minutes;

An amendment in the nature of a substitute by the gentlewoman from New York [Ms. SLAUGHTER] debatable for 1 hour; and

An amendment in the nature of a substitute by the gentleman from Texas [Mr. STENHOLM] debatable for 1 hour.

No amendment to the specified amendments are in order. Debate on each amendment will be equally divided and controlled by the proponent and an opponent of the amendment.

The chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment.

The chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

For what purpose does the gentleman from Utah [Mr. ORTON] rise?

AMENDMENT OFFERED BY MR. ORTON

Mr. ORTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ORTON: At the end of section 4, add the following new paragraph:

(5) The term "discretionary budget authority" includes authority to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriations Acts.

The CHAIRMAN pro tempore. Pursuant to the unanimous consent request, the gentleman from Utah [Mr. ORTON] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Utah [Mr. ORTON].

PARLIAMENTARY INQUIRY

Mr. GOSS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. Will the gentleman please state his parliamentary inquiry.

Mr. GOSS. Mr. Chairman, I just wanted to make sure that we understood the rule the Chair read in its entirety. It was also our understanding, I believe the gentleman would agree, there would be no secondary amendments offered on votes that were going to be held and amendments that were going to be held for rolling; is that a correct assumption?

The CHAIRMAN pro tempore. Under the rule, no secondary amendments are in order.

Mr. GOSS. I thank the Chair.

Mr. ORTON. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I am a Member who has supported the line-item veto since before being elected to Congress. This is not a partisan issue, and the line-item veto did not begin with the Contract With America. Many Members on both sides of the aisle support the line-item veto and many new Members have come to the floor of the House today to support the line-item veto.

I would ask those new Members especially to carefully consider the amendment which I now offer. It will be very difficult to explain a "no" vote against this amendment which does not weaken but strengthens the President's line-item veto.

The purpose of H.R. 2, the line-item veto, is to single out specific projects of pork barrel spending which are tacked on to larger billions. In fact, last Friday Chairman CLINGER, in accepting the Obey amendment said that the purpose of the bill was to "get at pork wherever and whenever it may occur." My amendment does that in a very simple and straightforward manner. It states, "the term discretionary budget authority includes authority to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriations Acts."

□ 1450

The most visible type of pork-barrel spending are the earmarked projects tucked neatly into large appropriation bills. H.R. 2 will subject this type of pork to line-item veto.

We are also aware of targeted tax expenditures wherein a limited group of taxpayers get a special deduction or credit. H.R. 2 will subject some of this pork to line-item veto.

However, there is a third type of pork which H.R. 2 does not reach without my amendment. It is direct spending which is not appropriated in advance but, rather, is obligated under contract authority. The most common types of contract authority spending are transportation projects authorized by the Transportation and Infrastructure Committee which are not appropriated but, rather, spent directly from the trust funds.

Most funding under the Federal Aid Highways Program goes out to the States by formula based upon total highway miles, transportation tax revenues, et cetera. This spending is included in the annual 602(b) caps, and the Appropriation Committee limits the total amount which can be expended under such contract authority.

However, the Transportation Committee also earmarks certain demonstration projects. Demonstration projects are not subject to appropriations limitations but are subject to the