

US House passes \$1.5t budget

WASHINGTON, Mar 12: The House of Representatives on Friday passed President Clinton's 1.5 trillion dollar budget which contains strict spending limits that leave little room for administration initiatives, reports Reuter.

The 222-164 vote was along strict party lines. No Republicans voted for it.

The budget, little changed from the way Clinton proposed it for the 1995 fiscal year starting October 1, will go to the Senate. It does not require a presidential signature because it only sets limits on internal congressional rules.

Clinton's plan has stringent spending limits. So although the president offered spending initiatives in the budget, as he had pledged to do, they shrank to a tiny portion of the spending plan.

Constrained by the spending rules, Clinton proposed initiatives of only 4.1 billion dollar in outlays and the House cut them to 3.7 billion dollar.

His initiatives include 36

million dollar for community development financial institutions, 207 million dollar for modernising the internal revenue service, 4 million dollar for the job corps, 11 million dollar for drug-free schools — and small amounts of money for dozens of other programmes.

Those amounts fade into insignificance against the overall 1.338 trillion dollar of income. 175 billion dollar short of the roughly 1.514 trillion dollar in outlays for the deficit reduction plan.

The big outlays in this budget are 337 billion dollar for social security, 271 billion dollar for the military, 214 billion dollar for interest and 161 billion dollar for medicare.

Among those expenditures, only the size of military expenditure was adjusted by the budget.

The military won 2.4 billion dollar more than the amount agreed to in the five-year 500-billion dollar deficit

reduction plan passed by congress last summer. The military can spend the money in future years.

The money was adjusted upwards at the request of Clinton, after the pentagon complained that it could not live with the cuts required by the deficit reduction plan.

On Thursday, the house overwhelmingly backed Clinton's decision to increase military spending. On Friday, it rejected a more sweeping proposal offered by New York representative Gerald Solomon to achieve 700 billion dollar in cuts over the next five years and reach a balanced budget.

A House will consider a balanced budget amendment to the constitution Wednesday.

Minnesota Democrat Tim Penny had called for support for the Solomon measure, adding:

"We need to know if we have a similar number of legislators who are ready to vote for a tough budget." He said. "How many of them will vote today for a balanced budget?"

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