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## **PRESIDENT'S "EMERGENCY" SPENDING REQUESTS TARGET THE SURPLUS**

*RONALD D. UTT, PH.D.*

President Clinton's recent request to finance \$17.75 billion in emergency supplemental spending with the surplus budget revenues contradicts his own demands that the entire surplus be earmarked for Social Security. Congress should carefully review the President's requests; fund legitimate emergency needs with spending reductions in lower priority programs; and save the surplus for tax cuts, debt reduction, or Social Security reforms.

Late in September, President Clinton submitted a series of requests to fund new "emergency" spending initiatives—including Bosnia (\$1.9 billion), federal computers (\$3.25 billion), embassy security (\$1.8 billion), agriculture relief (\$9.8 billion), and defense initiatives (\$1.0 billion)—that are over and above the amount of money that Congress already approved for this and the previous fiscal year.

While embassy security needs are pressing and some help for farmers might be appropriate under the emergency provisions of the budget law, the President's commitment to Bosnia and the government's Year 2000 computer problem are relatively long-standing policy issues that he should have incorporated into his initial budget request last January. These problems and the urgent, legitimate needs of some farmers affected by drought or flood should be addressed by achieving savings elsewhere in the budget.

With this request, the Administration appears to have abandoned its own goal of using the entire

budget surplus to "save" Social Security. In his State of the Union Address last January, the President emphasized the importance of preserving the expected surplus by proclaiming: "What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first.... I propose that we reserve 100 percent of the surplus—that's every penny of any surplus" for Social Security.

On October 2, 1998, he repeated this demand: "I made it clear and I want to make it clear again: I will veto any tax plan that drains the new surplus. We simply have to set aside every penny of it, not only to set a good financial example around the world, but to save Social Security first." Yet the President is now proposing that the equivalent of 24 percent (\$14.4 billion) of this year's Social Security trust fund surplus be spent instead on Bosnia, government computer repairs, and a variety of other initiatives.

With only a few working days remaining before Congress adjourns for elections, Members should move to complete the fiscal year (FY) 1999 budget and any supplemental funding for legitimate emer-

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gencies. In doing so, Congress should call the President's trust fund bluff and finance genuine emergencies with money taken from lower priority federal spending programs.

Americans have demonstrated a long-standing willingness to make sacrifices for national emergencies, and this should be no exception. If the emergencies were justified, Americans undoubtedly would be willing to tighten their belts and forego, say, a year or two of government-funded art by reallocating the planned spending for the National Endowment for the Arts to meet pressing embassy security needs. They also probably would agree to a postponement of federal spending for bike paths, bus and train museums, highway landscaping, wooden bridge preservation, and intermodal centers in the costly and controversial highway bill that Congress passed last summer.

And if ordinary individuals were willing to postpone spending on these and similar programs in order to fund solutions to real emergencies, many U.S. corporations would be compelled to forego until safer financial times the tens of millions of dollars they receive for such low-priority initiatives as Advance Technology Program grants or MARAD ship subsidies. Farmers, too, most likely would be willing to give up temporarily a portion of their milk, mohair, and peanut price support subsidies, or money earmarked for such programs as the Food Animal Residue Avoidance Database and the Tho-

mas Jefferson Initiative for Crop Diversification, to fund legitimate emergencies.

An alternative approach would be to share the burden equitably and require every federal program to give up about one-third of 1 percent of its FY 1999 budget—freeing up about \$5 billion to \$6 billion overall to fund the nation's real emergencies. Federal program managers and Cabinet secretaries should be able to identify a third of a percent in spending reductions in wasteful, redundant, or obsolete programs under their control.

It is important that Congress insist that legitimate emergency spending needs be met from the current FY 1999 budget. The President's novel accounting concept to have this money spent "retroactively" out of the budget for FY 1998, which ended last week on September 30, would allow no offsets—because the money that once was in that budget has already been spent, and all that remains is the residual surplus.

If Congress rightly insists that any emergency spending be charged to the budget for FY 1999—which is, conveniently, the fiscal year in which the emergency money would be spent—then offsets from low-priority programs can be made, and the surplus protected for tax cuts, debt reduction, or Social Security reform.

*Ronald D. Utt is Grover M. Hermann Fellow in Federal Budgetary Affairs at The Heritage Foundation.*