

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

spending caps. Therefore, and this is critical, any dollar spent on a demonstration project is a dollar which cannot be given to the States under the general formula law. Demonstration projects are priorities set by Washington, DC, while projects funded under the general formula are priorities set by State and local governments.

In a "Dear Colleague" letter opposing my amendment, last Friday it was suggested that contract authority is spent from trust funds and does not contribute to the deficit. Therefore, it should not be subject to the line-item veto. I would suggest this is ridiculous.

Should we be any less concerned over wasteful spending from the trust funds than we are wasteful spending from the general Treasury? Cutting wasteful spending could result in better spending or reducing taxes.

H.R. 2 was designed for precisely this sort of spending. There were hundreds of demonstration projects in the 1991 ISTEA bill which totaled over \$6 billion. Here is what President Bush said about it:

The authorization levels in the bill are excessive. H.R. 3566 earmarks \$1.2 billion for 27 projects on 20 priority corridors and \$3.8 billion for 460 other highway demonstration projects which could ultimately cost over \$23 billion. Many of them are not the highest State priorities and would not survive the normal process of selection on their merits. More than three-quarters of the mass transit new start projects earmarked by the bill either failed to meet basic cost-effectiveness criteria or lack sufficient information for meaningful evaluation.

The gentleman from Illinois [Mr. FAWELL], known for his work on the pork busters coalition, said,

I cannot support this version of reauthorization, because it contains 455 highway demonstration projects totaling \$5 billion. These projects are given contractual authority for the next six years creating what amounts to a pork entitlement program. Secretary of Transportation Samuel Skinner has recommended a veto of the bill because of these demonstration projects.

The majority leader, the gentleman from Texas [Mr. ARMEY], said that this bill again spends, first, on where it is needed in the parochial interest, special interests, in the local interest, what they call pork-barrel spending.

The chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], filed an amendment to H.R. 2 in the RECORD which would do the same thing as my amendment, extend line-item veto to contract authority. I am not aware whether or not he will offer his amendment. I hope he will. I would support it.

Of the 1991 ISTEA bill, the gentleman from Ohio [Mr. KASICH] said, "This bill includes \$4.9 billion in demonstration projects that I feel should not be included in this bill."

Mr. Chairman, the American people are sick and tired of this place. They are sick and tired of perks. They are sick and tired of demonstration projects. They are tired of pork, and we have got to clean it up.

The other people that are getting the shaft in this bill are the American taxpayers who are sick and tired of pork.

The gentlemen from Indiana [Mr. BURTON] listed project after project which he suggested were ridiculous saying, "The fact of the matter is there are 455 pet projects in this bill. Now, not all of them could be considered pork-barrel projects, but much of it, much of it is."

Mr. Chairman I wish to speak just for a moment about a matter of great concern. It is very sensitive and I raise it for only one purpose, to demonstrate why this amendment should be adopted.

I want to share with my colleagues a telephone call which I received from a mayor in my district last Friday. The mayor called to question my amendment and expressed concern over funding for a highway project in the city. The mayor states that the staff of the chairman, the gentleman from Pennsylvania [Mr. SHUSTER], had let it be known that they are looking at transportation projects in my district, and if I offered this amendment, there will be retaliation. It was suggested that we would neither get any further contract authority nor authorization for appropriations for future funding of projects in my district.

The only difference between appropriated spending, which H.R. 2 covers, and contract authority, which H.R. 2 does not cover, is the committee which hands out the pork.

I understand why members of the Committee on Appropriations would oppose line-item veto, and I understand why members of the Committee on Transportation would oppose my amendment.

Contract authority for direct spending which can be given to Members to reward proper voting or taken away to punish Members is exactly the kind of spending the line-item veto is designed to cover, and I urge adoption of my amendment.

The Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Pennsylvania [Mr. SHUSTER], the chairman of the Committee on Transportation and Infrastructure.

Mr. SHUSTER. Mr. Chairman, I thank my good friend for yielding this time to me.

Mr. Chairman, I believe that this amendment should be overwhelmingly defeated for four reasons. First of all, it is very poorly drafted. There are unintended consequences which could flow from this if it were to be adopted. This amendment does not simply reach to projects. Rather, entire highway programs could be canceled by any President. A President could decide to wipe out a rural highway program, not a particular project, but an entire program. He could decide to wipe out an entire urban funding program, not a specific urban project, but a whole urban program. So it is poorly drafted

and it should be defeated for that reason alone.

Further, it should be defeated, second, because highway and aviation programs already have spending controls. They are among the few programs around this place which are deficit proof. In fact, the Secretary of the Treasury must certify every year that the money is going to be there to pay for the programs or the money cannot be spent. That is the second reason why this should be defeated.

And, third, this amendment should be defeated because it saves no money. The law clearly says that the money from those trust funds not spent will remain in the trust funds. So the only thing that can be done is it can be re-allocated by some faceless, nameless bureaucrats or it can be left in the trust fund to build up a surplus, and then the American people, who paid their gas tax and paid in their airline ticket tax, will not get the benefit of those trust funds.

And, fourth, rather than targeting this kind of a spending program which is a pay-as-you-go program, we should be working to have more programs like this in the House.

My good friend mentions projects in his own district and a mayor calling him. Well, I am a little surprised. I am told the gentleman has five projects which were in ISTEA, and if he is so opposed to projects, then I would think that he would not want his community to benefit from these projects. If these projects are terrible pork-barrel projects, then I think he would step forward and say, "They should not be in my district."

So for all of these reasons, we should overwhelmingly defeat this amendment.

And, finally, let me point out that this amendment does not touch any of the projects to which the gentleman referred to. It only will touch the future, and as I have said before, and I will emphasize again, any Member of Congress who comes before our committee with a project, a high-priority project for his State or his district, must have a letter from the Secretary of Transportation of his State endorsing the project.

These projects must be worthwhile projects, and if they are not, we will not permit them to go forward.

So for all of those reasons, for the protection we have provided and for the overwhelming reason that this amendment goes far beyond individual projects, for all of those reasons, this amendment should be overwhelmingly defeated.

□ 1500

Mr. ORTON. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SHUSTER] has expired.

Mr. ORTON. Mr. Chairman, I yield myself 1 minute to ask the gentleman a question.

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield, I would be happy to respond.

Mr. ORTON. Mr. Chairman, could the gentleman tell me from which funding the Bud Shuster Highway in Pennsylvania, which runs parallel to—

Mr. SHUSTER. I am delighted; yes, I will be happy to answer.

Mr. ORTON. It is my time—which runs parallel to the Pennsylvania Turnpike, and runs a four-lane highway through a town of 1,700 people; is that from contract authority? Was that from the general formula funding that the State determined? Or where did that funding come from?

Mr. SHUSTER. Mr. Chairman, will the gentleman yield for an answer?

Mr. ORTON. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I presume he is referring to Route 220. That came from contract authority as a high-priority project. It has been in operation for 5 years, and in the past the old highway experienced six fatalities a year, and since that new highway has been built, there have been zero fatalities.

On top of that, 53 businesses have been located, and 4,000 jobs have been created. These are the kinds of projects we need in this country; more of them, not less of them.

The CHAIRMAN. The time of the gentleman from Utah [Mr. ORTON] has expired.

Mr. ORTON. Mr. Chairman, I yield myself an additional 30 seconds.

Mr. ORTON. Mr. Chairman, I suggest that this Member, nor other Members I know supporting this amendment, do not question whether the projects which are funded are valid projects, good safety projects, or et cetera. The question is:

This is authority which a chairman, or a ranking member or members of one committee, can choose where to spend this money in their own districts or in other districts, and it is not being selected by the States. It is not subjects to the same criteria—

The CHAIRMAN. The time of the gentleman from Utah [Mr. ORTON] has expired.

Mr. CLINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. PETRI].

(Mr. PETRI asked and was given permission to revise and extend his remarks.)

Mr. PETRI. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Utah for a variety of reasons.

First, the amendment includes contract authority within the definition of "discretionary budget authority." In a letter to Members of the House, Mr. Orton has cited only spending from the aviation and highway trust funds as examples of programs his amendment would cover. But what other programs might be affected? We really do not know what the effect of this amendment might be.

Second, it is important to note that rescinding aviation or highway trust fund dollars does not result in any real savings. Instead, these

funds would simply languish in the trust funds since, by law, these funds which have been collected from the users of our highway and aviation systems may not be used for any purpose other than transportation. In addition, these programs are deficit-proof since outlays are restricted to the amount of receipts taken in. Those interested in deficit reduction should look elsewhere in our budget.

Third, Members should be aware that this amendment does not simply affect highway projects—in fact, entire highway programs where funds are provided in multi-billion-dollar lump sums and distributed to States by formula would be subject to rescission. One of the major purposes in establishing the highway trust fund almost 40 years ago, was to provided to the States assurances that they could rely with some certainty on the level of Federal highway funding which would be received over the years. This is essential for administering an efficient highway program where each project involves literally years of study, planning, design, engineering and construction. If States could never be certain which programs might be rescinded at any given time in the future—perhaps interstate maintenance or the National Highway System Program or others—the effect on State programs would be devastating.

Mr. Chairman, it is my understanding that the chairman and ranking Democrat of the Government Reform and Oversight Committee as well the chairman of the Rules Committee are all opposed to this amendment. The rest of the membership should be as well, and I urge a "no" vote on the Orton amendment.

Mr. CLINGER. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, the gentleman from Utah [Mr. ORTON], my friend, would not want to misstate the facts. The facts are, when he says that a chairman and a ranking member can do this, that is baloney. A ranking member and a chairman first must get it through the subcommittee, must get it through the full committee; our committee, 61 members, the largest committee in the House; and then must come to the floor, and this Congress must vote in favor of that legislation, or it will not pass.

So, it is very misleading, and I am sure my good friend does not intentionally mean to do that, to suggest that two Members can make this happen.

Mr. ORTON. They, however, cannot vote item by item.

Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, I am amazed. Just 4 days ago, the House Republican leadership effectively killed the Skelton amendment which would have exempted major national defense programs from the line-item veto. By opposing the Skelton amendment just last Thursday and opposing the Orton amendment today, Mr. Chairman, the Republican leadership of this House and everyone who follows it is saying this: "It's OK for a President to be able to veto strategic missile defense, and the B-2 bomber, and the F-22, the C-17,

the V-22 helicopter. It's OK to veto military pay increases. But it's not OK to be able to veto a bridge, or a road, or pork-barrel highway projects if you call them demonstration projects."

The Republican leadership is saying, "We won't fight to protect major defense programs, but we will go the wall to protect pork-barrel projects and highways if you just call them demonstration programs."

Mr. Chairman, any Member who voted against the Skelton amendment on Thursday, an amendment that would have protected national defense, should think twice before opposing this amendment today.

I say to my colleagues, "If you believe in a strong national defense, if you have a military base in your district or defense jobs in your district, I wish you good luck in trying to explain to your constituents why you voted today to protect bridges and roads but voted just last Thursday, 4 days ago, not to protect national defense from the line-item veto."

Mr. Chairman, I think most Americans will be shocked to find out that the Contract of America now says that highway pork is more important than national defense. Our motto "Don't Tread on Me" has taken on a new meaning. It means now a President can veto defense, but cannot veto highway pork. For years, for years, my Republican colleagues have attacked Democratic pork. Now, less than 30 days into this new session, are we seeing the beginning of new Republican pork? It might have a different label on it, but it has got the same fat level as the old pork, and it surely is just as well going to clog the arteries of our taxpayers' pockets.

When new Republican Members of Congress were elected by saying there would be no sacred cows in the Federal budget, surely the American people did not think sacred cows would be replaced by sacred pork. As one retired Republican Member said not too long ago, to paraphrase, "Members, you can't hate pork but keep protecting the bacon."

Vote no on pork. Vote "yes" on the Orton amendment.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the distinguished minority leader, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Chairman, I rise to speak against this amendment which would threaten our Nation's vital infrastructure programs. Our Nation's budget problems are not caused by excessive spending on highways, transportation, and airports. These programs, as has been stated, are financed through self-supporting trust funds and, by law, cannot spend more than they take in. If anything, we should spend more on our Nation's infrastructure needs, not less.

The American people know the dismal state of our highways, subways, and bridges. They drive on them every day. Many of our bridges are more than

50 years old, and of course some have actually collapsed while motorists were driving on them.

The greatest expansion on our Nation's road network was begun more than 40 years ago in one of the greatest demonstrations of Government working on behalf of the people and promoting the market and private sector through the Interstate Highway System in the 1950's, and delays due to our Nation's infrastructure problems cost American businesses more than \$100 billion a year. We could help the working men and women of this country, and we can help our commerce by spending what is needed to make sure that our roads, our bridges, our highways, our transportation systems, our airports, meet the standards that are necessary to make this economy, a free market economy, grow.

So, Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. SABO], the ranking minority member of the Committee on the Budget.

Mr. SABO. Mr. Chairman, Members, I rise in support of this amendment, maybe for reasons different than others. I do it for the sake of consistency, not for the sake of pork versus goodness, or whatever else may be talked about today. But the reality is the base bill today transfers incredible power to the President to modify spending decisions by the Congress, and the President, with the support of one-third of the Congress, can maintain those decisions. When the gentleman from Pennsylvania [Mr. SHUSTER] says that a President might be able to wipe out a highway program, he is right, but that also applies to a whole host of other worthwhile expenditures.

Why have one covered and the other exempt? I know of no good reasons.

Mr. Chairman, I am not one—

Mr. SHUSTER. Mr. Chairman, will the gentleman yield on that point?

Mr. SABO. Let me finish a minute. I am not one who talks about pork. I think there is good cause at times for demo projects. I do not condemn them. I have been involved with them. Sometimes they are contract authority, sometimes they are authorized and appropriated money. I have got a couple right now that are partially one, partially the other. The authorized part would be subject to line-item veto; the contract authority would not. There is absolutely no reason for the distinction.

Mr. SHUSTER. Mr. Chairman, would the gentleman yield on that point since he mentioned my name?

Mr. SABO. I yield to the gentleman because the gentleman is right in what he says in terms of the ability of the President with the support of one-third of the Congress to wipe out a whole program, but that would also include education programs, legal aid, a variety of other things.

Mr. SHUSTER. Mr. Chairman, the gentleman used my name.

The difference is this is out of a trust fund. This is contract authority. There can be no deficit spending. That is the distinction here, and that is why this amendment should be overwhelmingly defeated.

Mr. SABO. Reclaiming my time, Mr. Chairman, all expenditures by the Federal Government go into making up what our outlays are each year.

□ 1510

We have hundreds of trust funds in the Federal budget. If we said every one of them was exempt, we would be talking about tiny portions of the budget. The reality is that if our judgment is to pass this base bill, it should apply to appropriated dollars, it should apply to contract authority, frankly it should apply to new or expanded entitlement authority, and it should also apply to tax expenditures and tax cuts.

If we really wanted to have a fair bill, it would be in toto. There is no reason for the sake of consistency to say that it should apply to appropriated dollars which would be going to good programs, maybe bad programs, maybe some in between, and the same with the contract authority—lots of good programs, some maybe not so good—but what we are saying in this bill is we want to subject those kinds of expenditures to the scrutiny of the President, who can prevail if one-third of the House or the Senate will stay with him.

Mr. Chairman, for consistency's sake, let us have it apply uniformly.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Iowa [Mr. LATHAM], a member of the Committee on Transportation and Infrastructure.

Mr. LATHAM. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to oppose the Orton amendment to the Line-Item Veto Act.

The line-item veto is, as many Members of this House have stated, an idea whose time has come. The American people have reached their boiling point over unnecessary and wasteful Federal spending; \$10 million here, \$20 million there of special interest spending have added billions to our national debt over the years. No part of discretionary spending should be off-limits to the line-item veto.

The Orton amendment, however, shoots at the wrong target. Discretionary transportation spending is already on the table and will be scrutinized under the line-item veto. The President will be able to wield his veto knife against special interest transportation spending that comes at the expense of veterans, children, the elderly, or other important highway projects.

However, no money would be saved under the Orton proposal. Program transportation funding is allocated from money in the highway or aviation trust funds, and spending for these pur-

poses is the only allowable purpose for these funds. Thus, a Presidential veto of contract authority spending would merely send money back to the trust funds.

Rather than sending money back to the Treasury, these contract authority funds would continue to collect in the trust fund. Adding the Orton amendment to the line-item veto bill would be giving the President a deficit-masking tool, not a budget cutting tool.

This amendment would move us in exactly the wrong direction. I know that my colleague from Utah has been an advocate for fiscal responsibility in this House, but this amendment is simply off-the-mark. I urge my colleagues to vote "no" on the Orton amendment and yield back the balance of my time.

Mr. ORTON. Mr. Chairman, I yield myself 1 minute to speak in response to the gentleman's statement.

Mr. Chairman, I am sure my friend and colleague would not want to misspeak or misrepresent the facts. In fact, discretionary spending for transportation programs includes the contract authority spending. It does come under the 602(b) allocations. It is all part of discretionary spending, only this part would not be subject to the veto. That is the difference.

I would also suggest to the gentleman that under the current language of the line-item veto, H.R. 2, any amount which is vetoed by the President goes back into the appropriation cycle to be reallocated among other programs. Without a deficit reduction trust fund, it does not lower the deficit either.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I rise in support of the Orton amendment for the same reason that the gentleman from Minnesota [Mr. SABO] a moment ago did, and that is for the sake of consistency.

Having been involved in the line-item veto and being opposed to giving any President one-third plus one minority override on any of the issues, and then working gradually to this point, I come to the expedited rescission process in which I am perfectly willing to give any President 50 percent plus one line-item veto over any project in the 17th District of Texas.

Having listened to the arguments of the appropriators for years opposing either line-item veto or modified rescission for getting into the decisions that the appropriators make and then listening to the members of the Committee on Ways and Means make the various all-substantial and very good arguments as to why the President should not get involved in tax matters, and now listening to the Public Works Committee giving all the very valid reasons why this should not be applied

to public works, I come to the same basic conclusion, and that is why we will be offering our amendments later this afternoon to strengthen H.R. 2 to allow the President to go into any bill at any time, whether it is contract authority, tax authority, or spending authority, and to make an independent judgment as to whether or not that project is as good as we might have believed it to be when we came to the Public Works Committee and asked in this case for contract authority. I am perfectly willing to do that, and if we are going to do it for one, I think we should do it for all.

We have heard the statement made that the trust funds are somehow different. They are not different, Mr. Chairman. Trust funds come from taxes that are in fact paid by the American people for the purposes for which we pay them into the trust fund.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I say to my friend they are user fees. It is not a general tax paid by all Americans, but rather by the traveling public who buys a gallon of gasoline or pays a ticket tax. They are user fees, and, therefore, they are fundamentally different from other taxes.

Mr. STENHOLM. Mr. Chairman, I reclaim my time and say they are not fundamentally different because they are user fees, because the users have the right to believe those funds are being expended in the most efficient way possible. Therefore, the argument we make, I think, is extremely valid.

What we are saying today in H.R. 2, and hopefully as amended, with all the amendments added, is that we all agree the basic thrust we want to see is that the President of the United States have the right to go into appropriation bills, Ways and Means tax bills, and now Public Works bills, and if he has a different opinion, then we shall have to vote up or down on the floor on those individual projects.

This is what the argument is about. As I say, in my particular feeling, I get nervous about one-third plus one, but I do not get nervous about a 50 percent plus one independent judgment.

Mr. CLINGER. Mr. Chairman, I am very pleased to yield 4 minutes to the gentleman from California [Mr. MINETA], the former chairman and now ranking member of the Committee on Transportation and Infrastructure.

(Mr. MINETA asked and was given permission to revise and extend his remarks.)

Mr. MINETA. Mr. Chairman, I really appreciate our colleague, the gentleman from Pennsylvania [Mr. CLINGER] leading the committee on this issue, as well as my very fine colleague, the gentleman from Pennsylvania [Mr. SHUSTER], and I rise in very, very strong opposition to the Orton amendment.

I think there are two things that bother me about the discussion that is going on. One is that there is no recognition whatsoever about the user taxes that are being generated right now through a gasoline or a ticket tax, and they are treating those dollars the same as general tax revenues.

There is no tax for a V-22, a C-17, or for defense in general, but there is a dedicated fund, a highway trust fund or an aviation fund that has revenue coming either from a ticket tax on passengers on airlines or on the gasoline and diesel tax from the users of the highway system.

There is another thing that is starting to bother me, and that is that there is no distinction between a dollar spent for operations and a dollar spent on capital items. A dollar spent on capital items is an investment that brings back or generates economic growth and other kinds of activities.

Those who have advocated a line-item veto have argued that if we are going to get serious about deficit spending, we have to have this tool—the line-item veto—to bring spending down.

This amendment would extend the line-item veto to contract authority programs, which is to say the trust fund supported aspects of the highway, transit, and airport programs.

But all this contract authority spending is fully supported by dedicated revenues into the trust funds. This is all spending which does not contribute one dime to the deficit. These are the ultimate in pay-as-you-go programs. This is what we want more of the Federal budget to look like.

Whether you think the line-item veto is a good idea or not with respect to most Federal spending, it just makes no sense with regard to contract authority. Our contract authority programs already are prohibited by law from contributing to the deficit. That's iron-clad protection against deficit spending. You might say that with regard to the contract authority programs, we already have the balanced budget amendment in place. A line-item veto on contract authority is not needed and makes no sense.

If this amendment were adopted, entire programs could be reduced or eliminated, even though they are now entirely pay-as-you-to. The programs we are talking about are key to our States, our communities, and our businesses. I'm talking about programs like the interstate construction program, the interstate maintenance program, the National Highway System, the minimum allocation, the congestion mitigation program, and a variety of other highway, transit, airport, and safety programs, all of which are 100 percent fund supported. Any of these programs could be reduced or eliminated in their entirety by the line-item veto, even though we were already taxing our constituents more than enough

to fully fund these programs through the trust funds.

This is ultimately an issue of truth in taxing. When we approved these trust fund taxes, and when most of our constituents agreed to support these trust fund taxes, it was the promise that these monies could and would be spent on needed transportation improvements. That's what the trust in trust funds is all about. If we now create a situation where the taxes will go on being collected, but the line-item veto can be used to block spending those taxes back out as promised, we will have fundamentally broken trust with our constituents, and that would be profoundly wrong.

I strongly urge my colleagues to oppose this amendment.

□ 1520

Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. CONDIT].

(Mr. CONDIT asked and was given permission to revise and extend his remarks.)

Mr. CONDIT. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Utah [Mr. ORTON]. The measure we are debating today, the line-item veto, attempts to put some control over Federal spending. The line-item veto as drafted in H.R. 2 controls appropriation spending. The line-item veto as drafted in H.R. 2 applies to targeted tax benefits. The line-item veto as drafted in H.R. 2 does not apply to contract authority, that is, Federal trust funds such as the Federal highway and airport trust funds.

Why should the line-item veto apply to appropriations funding and funding from the tax fund, but not apply to spending from the Federal trust fund? As the gentleman from Utah [Mr. ORTON], has already pointed out, the highway reauthorization bill, what we call ISTEA, contains numerous highway demonstration projects that were nothing but pork-barrel projects in the districts of powerful Members.

Mr. Chairman, if we are to have an effective line-item veto, it must apply to all forms of Federal spending. Without the Orton amendment, a good portion of Federal pork-barrel spending will be off limits. That is unfair and unwise and unworkable.

We need to have this be applicable to all spending here. We need to make sure that we are able to scrutinize every bit of Federal spending, and the Orton amendment will ensure us we have the opportunity to do that.

We have an obligation, if we are going to pass this line-item veto, to make sure it works and works in a fair fashion. I would urge all my colleagues, my colleagues on the Democratic side, my colleagues on the Republican side, who absolutely know that this is fair and right, You have been here before, even your own colleagues have proposed this, and it is a fair amendment, and we ought to pass it.

Mr. Chairman, as an original cosponsor of H.R. 2, I rise in strong support of the line-item veto.

Since the early 1980's, our national debt has soared. The national debt expands by \$1 trillion every 4 years. The debt has skyrocketed to such an extent that interest payments on the debt are one of the largest items in the Federal budget. Something must be done to change course.

Before coming to the floor, I was up in my office watching the debate and I have to tell you that I have a hard time understanding what some have said about H.R. 2. Many of the opponents of the line-item veto have criticized this bill because they believe that it gives too much power to the President. Even though I disagree, I can understand this argument. But others have said that our Nation has survived tougher times than we find ourselves in today without having to upset the constitutional balance between the executive and the legislative branches. It is this argument that I do not understand. Do the Members of this body realize that we have a \$4.6 trillion debt? Do the Members of the body realize that we are getting closer and closer to financial insolvency every day? Do the Members of this body realize that future generations will have to pay 82 percent of their income in taxes because we have left them with this terrible debt? From the comments on the floor today I am not sure.

I firmly believe that if we do not take decisive and dramatic action to reduce and eliminate our wasteful spending habits, we will condemn our children and grandchildren to pay for our excesses. As a father and a grandfather, I can tell you that this would be wrong and unfair.

For these reasons, I am a strong supporter of a pure line-item veto. The current budget process is woefully inadequate in this regard. It is true that the President can propose budget rescissions. However, we in Congress can thwart the will of the President and allow pork barrel spending to be spent by simply ignoring the President's rescission requests.

H.R. 2 will fundamentally change this process by requiring us to consider the President's rescissions. But most importantly, H.R. 2 will require us to muster a two-thirds vote to restore a spending program that the President has targeted for elimination. It is this two-thirds requirement that distinguishes H.R. 2 as the true line-item veto.

Finally, Mr. Chairman, the line-item veto is a commonsense issue. President Clinton supports it. Forty-three State Governors have this authority. And most importantly, the American people believe that we should give it to the President.

Mr. CLINGER. Mr. Chairman, might I inquire how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] has 18 minutes remaining, and the gentleman from Utah [Mr. ORTON] has 8½ minutes remaining.

Mr. CLINGER. Mr. Chairman, I am very pleased to yield 2 minutes to the gentleman from Pennsylvania [Mr. MASCARA].

Mr. MASCARA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the Orton amendment. While I do not

doubt the sincerity of the motives of the gentleman from Utah [Mr. ORTON], I know firsthand how harmful enactment of this amendment could be to a section of the country, southwestern Pennsylvania, struggling to overcome the economic upheavals of the 1980's and the early 1990's.

For the past 25 years, citizens of my southwestern Pennsylvania district have struggled to win approval and funding for a road called the Mon-Fayette Expressway. Like the playing field in the movie "Field of Dreams," they hope if this highway is built, businesses and jobs will follow.udies all around the world have indicated a strong correlation between highway and infrastructure development and economic development. I served for 15 years as a member of the southwestern Pennsylvania Regional Planning Commission, where I served as chairman of the planned policy committee which had the responsibility of fulfilling the obligations under the 1990 Clean Air Act amendments and the 1991 Intermodal Surface Transportation Efficiency Act.

Passage of the Orton amendment would allow this President or some other President to reach into a bill, and, with the stroke of a pen, wipe out this highway. I do not think that is right.

While I support the concept of the line-item veto, I must say that the trust fund programs targeted by the Orton amendment are not part of the problem this legislation is trying to solve.

The highway trust fund that will hopefully be used one day to fund the Mon-Fayette Expressway is totally financed, as some of my colleagues said earlier, by gasoline taxes, paid by motorists and truckers across this country. For every 1 penny, there is \$1 billion going into that plan. So I ask Members on the Republican side and the Democratic side to oppose this amendment.

Mr. CLINGER. Mr. Chairman, I am very pleased to yield 4 minutes to the gentleman from West Virginia [Mr. RAHALL], a member of the Committee on Transportation and Infrastructure and ranking member on the Subcommittee on Surface Transportation.

Mr. RAHALL. I thank the distinguished chairman for yielding and appreciate his leadership, as well as the leadership of our Committee on Transportation and Infrastructure Chairman, the gentleman from Pennsylvania [Mr. SHUSTER] and our ranking member, the gentleman from California [Mr. MINETA].

Mr. Chairman, I, of course, rise in opposition to the spending amendment. I could perhaps understand the rationale for its introduction if its author were a new Member of the majority party. But I am rather dumbfounded by the rationale of its current author, considering his background and his work in the past with our Committee on Transportation and Infrastructure. The gen-

tleman certainly comes to this debate with no clean hands, protest notwithstanding.

As most of us know, the airport, highway, and transit projects are financed through the trust funds supported by users fees, as has been repeated during this debate. This is entirely different from last week's debate on exempting defense from the line-item veto. Defense has no dedicated user financed trust fund.

Expenditures from these highway trust funds are achieved through contract authority contained in authorizing bills under our jurisdiction on the Committee on Transportation and Infrastructure. Our highway and aviation programs are already covered by spending controls. I repeat, they are already covered by spending controls. Annually our appropriators impose obligation limitations on transportation contract authority which in turn controls outlays for these programs.

Second, rescissions of highway and aviation contract authority will not save any money. By law the funds not expended from these trust funds remain in the trust fund and may not be used for any other purposes. These are dedicated funds, derived from user fees.

□ 1530

We ought to be putting more trust into these highway trust funds, not detracting from the trust in these highway trust funds.

This is about truth in taxing, Mr. Chairman, using the people's money for what they believe the money is going toward when they pay that fee at the gas pump or buy that airline ticket. It is what they truly believe their money is going for, improved airports and security at our airports, improved highways.

This is about truth in taxing, putting trust back into these highway trust funds, being honest with the American taxpayer about where his or her money is going, not into some black hole in Washington known as deficit reduction, for which they may never see any positive results.

These trust funds are deficit proof. By law, by the Byrd amendment, they cannot spend more money than they take in. They should not, therefore, be target for deficit reduction.

Road building in our respective States is a jobs issue as well. When we build roads, we provide jobs in both the short term and in the long term.

And finally, enactment of this amendment would cause havoc in our transportation programs. State and transportation contractors have no assurance that once a project is initiated, the funds necessary for its completion would be there. There would be no smooth flow of funds to our States to conduct transportation policy and build projects with any amount of certitude.

Who can conduct a transportation and road building project like that? And talk about unfunded mandates. If

the President vetoes an entire highway safety program or the national highway system program, who is going to build these projects in the States, these lifelines to many a community? Obviously States are going to have to pick up the tab themselves. Talk about unfunded mandates.

This is not the type of way, this is not the manner in which we should be conducting transportation policy in this country, especially as we look into the 21st century and try to adopt a new and sound policy of intermodalism.

I tell my colleagues that this vote will send an important message, not individually, I might add, but collectively, to this body and to the world as we begin writing a transportation policy this year.

Mr. CLINGER. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. OBERSTAR], a very prominent member of the Committee on Transportation and Infrastructure and ranking member of the Subcommittee on Aviation.

Mr. OBERSTAR. I thank the gentleman for yielding and congratulate him on the dignified manner in which he has conducted the debate from his position as chairman.

The Orton amendment strikes at two of the Federal programs that have been the most successful, the most universally accepted and which are deficit free and do not contribute to deficit and by their very constitution and establishment cannot run a deficit and never have and never will.

Contract authority, which is the underlying principle of the aviation trust fund, and the highway trust fund were invented in 1956, with the establishment of the highway user tax because the founders of the interstate highway program realized that we needed a dedicated revenue stream, one that States could count upon year after year to build these projects that took years to design and engineer and years more to construct and to complete. We cannot complete a bridge or a highway from one day to the next, from one fiscal year to the next. It takes several, years and that is why they established the principle of contract authority to make sure that there would be this dedicated revenue stream to complete these projects after their initiation. And then the same concept was adopted in the 1970's with establishment of the aviation trust fund and the airline ticket tax which finances our airport improvement program.

We specifically, in the airport improvement program, the gentleman from Pennsylvania and I worked together on this for years, kept individually designated projects out. But that did not stop States from designating one project having more significance than another. And the same with the highway program. States made choices as to where those dedicated revenues are going to go. They make choices of one project over another. State legislatures make those decisions. Governors

make those decisions. We, too, are the people's elected representatives. And we have a responsibility to the people that elect us and who pay their taxes into the highway trust fund and who expect that dedicated revenue stream to operate.

Now, under this amendment, the president would have the authority to abolish the contract authority itself. The money then could not be spent on any other purpose. It would not be spent on highways or airports. It would just sit there and build up surplus to offset the deficit and make the President's program, whichever President that happened to be, look better.

I do not think we want that. I do not think our people sent us here to just be a rubber stamp for a President. We are not a rubber stamp Congress. We have the responsibility to represent, and that is to represent the people who sent us here, to stand for something, and that something is a highway trust fund that has built the finest system of highways that is the envy of other countries in the world and the finest network of airports that is the envy of other countries in the world. And we should not undermine it by adopting this provision, I hate to dignify it with that term, that would undermine the very purpose of building infrastructure, serving the economy of this country, serving the needs of transportation and movement of people and goods throughout America.

Defeat the Orton amendment.

Mr. ORTON. Mr. Chairman, I yield myself 10 seconds to suggest that the President, under H.R. 2, could also veto the entire funding for the Central Intelligence Agency. I do not know why he would do that, or the transportation funding.

Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I thank the gentleman from Utah for yielding time to me.

There is an old country song that goes, "I was country when country wasn't cool."

I was for the line-item veto long before being for the line-item veto was cool, and those who support the line-item veto, who believe that it really ought to work in this country to enforce congressional will power, to stop deficit spending, and stop pork-barrel projects, ought to be for the line-item veto in its purest form, ought to make sure we exempt no discretionary spending that is deficit spending from this bill.

I joined many of my colleagues in voting to make sure we did not exempt military spending, defense spending from this bill, and I am amazed today that we are debating whether to leave an exemption for highway funding in this bill. How can we be consistently for the line-item veto and all it means for us to enforce the balanced budget and to end deficit spending, to stand up, as I did and others did, against ex-

empting defense spending from this bill, and then be for exempting highways and bridges?

Well, my colleagues know there is a little log-rolling goes on once in a while. I am not saying highways and bridges are not important, any more than I thought defense was not pretty important for our country. But when we start exempting things that are discretionary spending from the line-item veto, designed to stop deficit spending in our country, we are on a slippery slope, rather, that I think destroys the whole purpose of the line-item veto.

Those in America who believed in that contract provision are going to be sadly surprised when they wake up tomorrow morning and find out we adopted a bill that leaves out highway funding as an item for the line-item veto when we would not leave out defense spending. They are going to be sadly surprised that some Members who support the line-item veto do not really support it in all its purposes.

Mr. CLINGER. Mr. Chairman, may I again inquire as to the amount of time remaining on both sides?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] has 8 minutes remaining, and the gentleman from Utah [Mr. ORTON] has 6½ minutes remaining.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], a principal, prime cosponsor of this legislation and a member of the Committee on Government Reform and Oversight.

□ 1540

Mr. BLUTE. Mr. Chairman, I rise in strong opposition to the amendment offered by the distinguished gentleman from Utah [Mr. ORTON]. While I am sure that gentleman's intentions are of the highest order in offering his amendment, this is simply a bad idea which will have dire unintended consequences.

The line-item veto is a tool that allows for the surgical removal of wasteful spending items from large spending and tax bills. The whole idea behind this device is to save money. However, the gentleman's amendment has zero potential to save even one dime.

Contract authority allows for money to be spent from trust funds. If a contract authority item is vetoed out of an authorizing bill, the money would go back into the trust fund, where it would simply continue to sit. There would be no saving associated with such a move.

The whole matter of trust funds has become the focus of much discussion and debate in the Congress. There is certainly no clear consensus on whether and how these funds should be spent down.

There are two schools of thought. Some would like to see the trust funds stockpiled to match the size of our Federal deficit. Others feel these funds should be spent on the types of things for which they are intended.



Mr. Chairman, this is neither the time nor the place to conduct the next round in this debate. As we work to reduce our debt, we also have to make sure our transportation infrastructure is modernized through prudent investments.

Thus, these expenditures are key to future economic growth, and thus key to future Government revenues. If Members want to see our debt explode, watch as our economy declines, as our transportation infrastructure declines, and we are unable to move goods and consumers in an effective way.

Our goal with this legislation, Mr. Chairman, is to save money and to reduce the amount of waste that taxpayers have to pay for each year. This amendment does absolutely nothing toward that goal, Mr. Chairman. I urge my colleagues to defeat this misguided amendment.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BAKER], a very valued member of the Committee on Transportation and Infrastructure.

Mr. BAKER of California. Mr. Speaker, this is not a question of protecting pork in highway infrastructure bills. This is a question of protecting the highway fund, paid for by motorists into a trust fund which cannot be overspent and which is earmarked for highway and rail projects. At last accounting, the highway trust fund had involuntarily loaned to the general fund \$13 billion for cash flow for that \$210 billion deficit this year.

Therefore, Mr. Chairman, the purpose of the line-item veto, bringing deficit spending in line, does not exist in the highway trust funds which are already in line. Indeed, both the Bush budget debacle of 1990 and the Clinton tax increase of 1993 robbed the gas taxpayers of over an additional \$6.5 billion a year, which will not build rail or road projects, which was, rather, sent to the Bermuda Triangle known as the general fund budget balancing act.

No more transportation funds to the general fund. Vote no on this amendment.

Mr. CLINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. LIPINSKI].

(Mr. LIPINSKI asked and was given permission to revise and extend his remarks.)

Mr. LIPINSKI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strongest possible opposition to the Orton amendment to H.R. 2. Although I support efforts to cut excessive Federal spending, the amendment offered by the gentleman from Utah could have a devastating effect on our Nation's transportation system.

The Federal Government supports investment in our Nation's infrastructure because it is a critical need beyond the scope of any individual State. The aviation and highway trust funds are designed to ensure that transportation needs are consistently met throughout

the country. The trust funds are simply the wrong target for this effort.

Mr. Chairman, highway and aviation programs are already covered by spending controls. Each year, the Appropriations Committee sets obligation limitations on transportation contract authority. These limitations in turn control outlays from the programs. Contract authority, like any funding appropriated by Congress, is simply a piece of the pie—not a lifetime supply of pie.

In addition, rescissions of highway and aviation contract authority will not actually save any money. Because of the importance of transportation funding, the law clearly establishes that funds from the transportation trust funds cannot be used for any other purpose—even deficit reduction.

The transportation trust funds are the wrong target for deficit reduction. By law, they cannot spend more than they take in. Rather than trying to slash them, we should be looking to the aviation and highway trust funds as a model for other programs. Every Federal program should pay for itself as these trust funds do and not contribute to the deficit.

Under this amendment, all the aviation and highway grant programs could be in jeopardy of rescission by the President. Nearly all highway and aviation funds are statutorily provided in multibillion dollar blocks of formula distributed funds. The President might only have the option of eliminating an entire program in order to reach a particular project. Surely we do not wish to advocate that. That would be cutting off your nose to spite your face.

The bottom line is that this amendment is a really bad idea. Its impact would be devastating for transportation programs—as well as any nontransportation programs which use contract authority. We can cut spending and given the President a line-item veto today, but we cannot pass this amendment. Although it may be well-intentioned, the impact on the Nation's transportation system is intolerable. Vote “no” on the Orton amendment.

Mr. CLINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Chairman, I rise in opposition to the Orton amendment.

Mr. Chairman, this amendment would include under the definition of “discretionary budget authority” in the bill the concept of “contract authority.”

This runs contrary to all existing definitions under the Budget Act which clearly distinguishes between discretionary budget authority and contract authority.

This exercise reminds me of a riddle Abraham Lincoln used to pose: If you call a tail a leg, how many legs does a horse have?

While many would answer, five, Lincoln responded that the answer is still four because calling a tail a leg doesn't make it a leg.

By the same token, calling contract authority “discretionary budget authority” doesn't make it so. Contract authority is the authority given to agencies to enter into contracts. It does not obligate the money to be spent and therefore does not involve discretionary appropriations.

If we begin to give the President the authority to selectively item veto what is in effect enacted, authorization language, we are raising serious constitutional questions, and we are

going against the grain of this bill as it is currently drafted.

We have already agreed by way of language in the bill and the report that we are talking about allowing the President to reduce or eliminate dollar amounts in appropriations bills. And we have explicitly adopted language to ensure that the President cannot eliminate legislative language.

According to testimony last month of Walter Dellinger, Assistant Attorney General for the Office of Legal Counsel in the Department of Justice, the pending line-item veto bill does not raise constitutional questions because, in his words, “The President would merely be authorized to decline to expend certain appropriated funds, not alter or repeal an enacted law.”

To permit the President to sign a law containing contractual authority, then turn around and propose to cancel it by way of the line-item veto process, goes contrary to the law-making process of the Constitution.

In the words of the Department of Justice testimony, it violates the “specific textual requirement of Article I, section 7 of the Constitution governing the manner in which laws are made” because it “amends a duly enacted law which is inconsistent with Article I, section 7.”

Mr. Chairman, we have already adopted an amendment that provides for an expedited judicial review of the constitutionality of this act.

I would hate to see us jeopardize the constitutionality of the bill as it now stands by inserting a clear red flag in the form of permitting the President to cancel duly enacted contractual, legislative language in a manner other than through the normal lawmaking-veto process established by the Constitution.

I therefore urge rejection of this amendment.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from New York [Mr. QUINN], a long time sponsor of this legislation.

Mr. QUINN. Mr. Chairman, as a member of the House Committee on Transportation and Infrastructure, I, too, rise in strong opposition to the Orton amendment.

The amendment blurs the Budget Act's clear distinction between mandatory and discretionary funding. Proponents of the measure today have said we must be consistent, that we must vote for the line-item veto and not have any exceptions. The exceptions that we talk about this afternoon, however, make a clear distinction how that money is raised.

This is a trust fund, a dedicated trust fund where residents and constituents that I represent do not want to see their money and their tax dollars go to Washington and be put in the rest of the black hole where their money goes, and never see a return. A dedicated trust fund like this gets a bang for their buck. They know it is going to be used for highway or aviation programs. That is certain. They know it will not be put in with all the rest of the money where those Washington tricks are played.

I urge all my colleagues to vote no on the Orton amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] has 4



minutes remaining, and the gentleman from Utah [Mr. ORTON] has 6½ minutes remaining.

Mr. ORTON. Mr. Chairman, I yield myself 10 seconds to point out that these user fees, as they are being called, just a couple of years ago in the President's budget when they raised gas taxes, were ranted and railed against as gasoline taxes against the people. Now they are user fees.

Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I rise to support the Orton amendment.

Mr. Chairman, I want to make clear from the start that the issue is not whether or not projects being built with contract authority are good ones or bad ones. That is beside the point. Some of them are good and some of them are bad, no doubt.

The question simply, to me, Mr. Chairman, is whether or not we are going to treat all spending the same when it comes to making spending vulnerable to the President's ability to review it. Mr. Chairman, the issue is simply why should contract authority be exempt when money spent through direct appropriations is not exempt from the President's review?

As the ranking Democrat on the Committee on Appropriations, I stood on this floor last week and offered an amendment which was accepted by this committee which enabled the President to review every single project approved for fiscal 1995 in the appropriations process.

I happen to think most of those projects are perfectly defensible. I happen to think that most of the projects that are financed by the Committee on Transportation and Infrastructure under contract authority are perfectly defensible. However, that is not the question.

I also think that we can make the same argument with respect to deficit reduction on appropriated earmarks that the gentleman has made with respect to contract authority. It is alleged that because we do not add to the deficit, because this represents trust fund spending, therefore, these projects ought to be exempt.

Mr. Chairman, I would point out not a single appropriation earmark adds to the deficit, either, because each of the appropriation subcommittees comes to the floor within a budget ceiling. They cannot exceed it. That means if we provide an earmark, those dollars come from other projects that would otherwise be funded.

It seems to me, Mr. Chairman, in both cases the issue is not whether the spending adds to the deficit. The issue is whether or not, if an occasional project is acutely embarrassing, whether the President ought to have the right to reach that project or not.

Mr. Chairman, I say if we are going to require each and every project in the appropriations process to be subject to

presidential review, then we ought to do the same thing for contract authority.

To me the issue is not whether these projects add to the economy or not. I suspect most of them do, just as most of the appropriated earmarks do. The issue is not whether or not these projects are useful. Most of them probably are.

The issue is whether or not we are going to exempt one kind of spending from presidential review when we are subjecting all other kinds to that review. And it seems to me, especially when we recognize that in any fiscal year the amount of money being provided under contract authority is at least four to five times as large as that being provided under appropriations, that we ought not to exempt the kind of spending which is four and five times as large as the appropriated direct spending which was made subject to this review just last week. I would urge a vote for the Orton amendment.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Florida [Mr. MICA] a member of the Committee on Government Reform and Oversight.

(Mr. MICA asked and was given permission to revise and extend his remarks.)

Mr. MICA. Mr. Chairman, I am probably one of the most fiscally conservative Members of this body. I am a strong supporter of the legislation before us to provide the President with a line-item veto authority. However, quite frankly, I do not think that this particular amendment proposed by the gentleman from Utah [Mr. ORTON] really deserves our support at this point.

The reason is, first of all, while his intent may be good and sound good, the policy, in fact, is bad policy. We could have some serious unintended consequences by instituting this legislation.

Most importantly, Mr. Chairman, the rescission of highway and aviation contract authority will not save any money. By law, funds that are not expended from these trust funds remain in the trust fund, and may not be used for any other purpose, so we are not saving any money with adoption of this amendment.

Therefore, I oppose this amendment, and I urge my colleagues to also oppose it when it come before the House.

□ 1550

Mr. ORTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the gentleman from Minnesota [Mr. SABO] and the gentleman from Wisconsin [Mr. OBEY] have said it better than I could. This is not a question of pork. Any qualified projects will stand the scrutiny of the line-item veto and, in fact, will survive. The question is, why should we be treating spending under an appropriations bill any different than treating spending under a transportation bill? Should we be any less concerned about

earmarked spending from gas tax trust funds than we are from general revenues?

I would just suggest some quotes from some of my colleagues during this debate on H.R. 2. The gentleman from Pennsylvania [Mr. CLINGER] said that we have rejected the argument about whether to exempt spending from the judiciary and said that "no program rose to this level where it should be exempted from consideration."

The gentleman from New York [Mr. SOLOMON] said, "And we should not exempt anybody."

The gentleman from Florida [Mr. GOSS] said, "If there is belt tightening, it is everywhere."

The gentleman from Massachusetts [Mr. BLUTE] said, "If we start exempting all of these areas, we are going to run into real problems."

The gentleman from Texas [Mr. DELAY] said, "If we are going to exempt defense, then it is hypocritical not to exempt child issues. We do not need to be exempting any one program from another."

Mr. Chairman, the critical point: Money that is vetoed under appropriation bills does not reduce the deficit. It goes back and is subject to the same 602(b) allocations and is reallocated among other appropriated spending. Spending under contract authority which would be vetoed would not reduce the deficit. It would go back into the trust fund and would therefore be eligible to be spent through the general formula funding.

In ISTEA we funded a little over \$100 billion of spending from the trust funds under the general formula. We funded about \$6 billion in demonstration programs. Those demonstration programs, some of them are very, very good. Some of them may not be so good.

If we want to give the President the authority to look into appropriation bills, to circle out those items that are embarrassing, that are wasteful, that should not be spent, why on Earth should we not allow the President to look into contract authority authorized by the Committee on Transportation and Infrastructure to do the same thing? To look at those projects, demonstration projects, most of which are good and valid projects, but to circle out those items which are embarrassing, which should not be spent, which cannot be justified.

How can we say simply because this money is raised from a gasoline tax and is in a trust fund to be spent only for transportation projects that we do not have to be concerned about how wisely those transportation funds are spent?

We are not trying to attack the transportation trust fund program or to stop funding for transportation programs. What we are saying is the President ought to be able to look at how wisely we are spending those transportation trust funds, and it is not any

less responsible of us to look at appropriations versus transportation contract authority.

I would urge adoption of my amendment.

Mr. CLINGER. Mr. Chairman, I yield 10 seconds to the gentleman from Florida [Mr. GOSS] to respond.

Mr. GOSS. I thank the gentleman for yielding me the time.

Mr. Chairman, I just wanted to point out, it is true I did say that if there is belt tightening, it should be shared by all. But I would like to point out, H.R. 2 talks about discretionary budget and talks about numbers. It does not talk about policy because as so many have articulately expressed, we are concerned about shifting the balance of power.

Mr. CLINGER. Mr. Chairman, I yield briefly to the gentleman from Pennsylvania [Mr. SHUSTER] to respond to another matter that was raised.

Mr. SHUSTER. Mr. Chairman, I thank my good friend for yielding me the time.

My friend from Utah made the allegation that a member of my staff called the mayor of Provo, UT, to pressure him to get him to withdraw this amendment.

I have not only talked to my staff, I have just gotten off the phone from talking to the office of the mayor of Provo, UT. No one from my staff spoke to the mayor of Provo, UT.

I am sure my good friend in the heat of the moment made an honest mistake, but I would simply like the record to reflect that.

Mr. ORTON. Mr. Chairman, will the gentleman yield to me so that I can at least answer or respond?

Mr. CLINGER. I yield 10 seconds to the gentleman from Utah.

Mr. ORTON. I thank the gentleman for yielding me the time.

Mr. Chairman, I did not make an allegation that they called the mayor of Provo, UT. If you will read the RECORD, it is clear what I said, and the information came from various lobbying sources who lobbied this city in behalf of a mayor in my district, and the comments were made to the lobbyist.

Mr. CLINGER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise in opposition to this amendment. I believe I am also speaking on behalf of the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules, in opposing this amendment.

I think one of the things that has been sort of part of this whole debate is the suggestion at least that there are many, many projects out there that may not be worthy and that the President should be given an opportunity to look into those and deal with them in this veto. But I think it needs to be pointed out that when we are talking about trust funds here, 96 percent of those funds go to the States, directly to the States. They are distributed by formula, they are not earmarked, and that is the overwhelming amount of

the money that is involved in these trust funds, come from us to the States. Only about 3 to 4 percent for very high-priority projects and ones that have been carefully vetted, all of which have been approved by the State departments of transportation, are approved by the State DOT's before they are approved, before they are funded. I think it is distorting the debate a bit to suggest that there are massive numbers of projects the President might want to reach.

The other item I would just respond to is the transportation trust funds presently have or have had a cash surplus of \$33 billion. One of the suggestions the Committee on Transportation and Infrastructure has had over the years is that that has been used to mask, to hide the deficit, to make the deficit look better, and to make the general fund look better. It has been a smoke-and-mirrors device that has been used over the years because the trust funds cannot spend more than they take in. I think we do not need to contribute to this problem by providing a veto of contract authority.

Mr. Chairman, rescissions of highway and aviation trust authority are not going to save any money. I think that is the bottom line. This is a deficit reduction provision. The Orton amendment will do nothing to reduce the deficit. I urge opposition to this amendment.

Mr. GILCHREST. Mr. Chairman, I rise in opposition to the Orton amendment.

Mr. Chairman, there is only one good reason to provide line-item veto authority to the President—to reduce the deficit. Providing a line-item veto just for the sake or doing so would be an example of Congress cutting off our nose to spite our face. The amendment before us, while well-intentioned does exactly that.

Contract authority comes out of trust funds which are fenced off for explicit transportation purposes. If the President were to line-item veto a highway project or an airport grant, it would have no impact on the deficit. It would merely require that a given amount of money sit unused in the trust fund until the next fiscal year.

Our transportation trust funds represent a user fee to our highway and airway travelers. They pay for improvements to the Federal transportation infrastructure through taxes levied on fuel and airline tickets. The expenditure of this money is the Government fulfilling a contract with these travelers. If we instead use this money for deficit reduction, we will have turned an ostensible user fee into a tax, changing the rules in the middle of the game.

As an aside, Mr. Chairman, I might point out that the language of the bill requires a Presidential finding that his veto of the line item would reduce the deficit. Although I am not an expert on this, I would wonder how the President could make such a finding when the line-item in question was contract authority.

Mr. Chairman, a line-item veto for contract authority makes no sense. It doesn't save any money and it doesn't reduce the deficit. Let's defeat the Orton amendment and preserve the integrity of the transportation trust funds.

Mr. DUNCAN. Mr. Chairman, I rise in opposition to the Orton amendment but in strong support of the underlying bill, H.R. 2.

As I mentioned on the floor yesterday, I have introduced line-item veto legislation almost identical to H.R. 2 on the first day of every Congress since I was elected in 1988.

I think it is fair to say that there are not many Members of this House who support giving the President true line-item veto authority more strongly than I do.

But Mr. Chairman, this amendment is aimed very specifically at the aviation trust fund and the highway trust fund, which were created with the understanding that the money they contained would be used exclusively for aviation and highway projects.

The ultimate goal of this amendment appears to be to get at the money in these trust funds so that it can be used for nontransportation purposes, which violates the very concept of a trust fund.

I strongly believe that these funds should be off-budget and should be used for the purpose for which they were created, namely to fund various airport and highway improvement projects and to strengthen our overall transportation system.

When these trust funds were originally established, it was made clear that the money they contained would be set aside for such projects.

If we are going to turn around and violate that pledge, then we should just be honest and stop referring to them as trust funds at all.

Mr. Chairman, the money that is in these trust funds comes from fees that are paid by the users of our Nation's airlines and highways.

I believe that this money should continue to be used for the types of improvement projects that we have promised these users it will be used for.

At a time when use of our airlines is increasing rapidly each year and use of our highways is at an all time high and still climbing, it does not make sense to make an end run around these funds.

If this amendment is approved, we will end up hurting our transportation system at the very time that we should be doing everything we can to make it stronger.

Mr. Chairman, there is almost no one in this House who is more fiscally conservative than I am or who has voted to cut spending more often than I have.

But I must oppose this targeted attack on our aviation and highway trust funds and I urge my colleagues to join me in opposing the Orton amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. ORTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ORTON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Friday, February 3, 1995, further proceedings on the amendment offered by the gentleman from Utah [Mr. ORTON] will be postponed.

The CHAIRMAN. Are there other amendments to the bill?

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. WATERS: The first sentence of paragraph (3) of section 4 is amended by inserting "or which the President determines would yield at least 20 percent of its benefit to the top 1 percent of income earners" before the period.

The CHAIRMAN. Pursuant to the order of the House, the gentlewoman from California [Ms. WATERS] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I am offering today is about fairness. I am trying to bring a measure of accountability to this process.

Mr. Chairman, we all know the impression of how law is made in Congress. Many people believe special interests have too much influence and that the rich are getting their way with too many politicians.

□ 1600

Unfortunately, this impression is often too close to reality. My amendment would give the President the authority to veto any provision which gives the lion's share of benefits to the rich.

Make no mistake about it, my amendment makes this bill stronger. My amendment would increase the chance that H.R. 2 would reduce the deficit.

Specifically, my amendment would change the definition of targeted tax benefit in the bill to include any tax benefit which would accrue more than 50 percent of its benefit to the top 10 percent of income earners. As I said, this is only fair and this is common sense.

Anyone looking at this legislation, or listening to us debate it, may concede that a targeted tax benefit should include one that goes mainly to the wealthy. This amendment goes to the heart of the legislation. We know from the pollsters who have brought us all of this information about the Contract With America that a majority of Americans support the line-item veto, but the important question is why? The answer is because the American people believe that special interests and corporate America exert too much influence on our spending and revenue decisions.

My amendment would merely bring any tax break which disproportionately benefits the rich under the provisions of the line-item veto. It would not prohibit Congress from passing such a tax break, it would not require the President to veto such a tax break, it would simply give the President,

Democrat or Republican, the option of striking such a regressive, narrow tax break from a bill.

My amendment would not change the procedure of the bill in any way. The President, through the Office of Management and Budget, would make a determination of the beneficiaries of the tax legislation we send him. Under my amendment, if it is determined that any tax change would severely disproportionately benefit the rich, the President would be given the option of vetoing that portion of it.

The majority of Americans are tired of struggling to make ends meet while they see the economic elite get more and more from Government. While economic factors in the past 20 years have exacerbated the trend toward inequality, tax policy has made matters worse.

Since 1977, the effective tax rate for the top one-fifth of wage earners went from 27.2 to 26.8 percent, a net reduction of \$450 in tax liability. For the top 5 percent, the effective tax rate has dropped from 30.6 to 28.3 percent, which translates into a \$5,311 tax cut. Finally, the top 1 percent, those earning over \$675,000 per year, have seen a reduction in their tax rate from 35.5 percent down to 29.3 percent, the equivalent of nearly \$42,000 in net tax reduction.

Amazingly, in the same time period the after-tax income of the families in the top 1 percent of income has increased from 7.3 percent of all U.S. earnings to 12.3 percent. This has taken place at the same time as the income of the bottom four-fifths has declined. It is no wonder that despite the economic recovery, most Americans still feel quite insecure and they think the Government is not on their side. These trends have caused Americans to distrust Washington. The tax policies enacted here in the past 15 years are a direct contributor to this mistrust.

The bill before us, as currently drafted, is just too narrow. The targeted tax benefit only includes those tax breaks which affect 100 or fewer entities. While I agree that any tax benefit which benefits as few entities as this certainly qualifies as a targeted tax benefit, a broader definition better serves Congress, the President, and most importantly, the American people.

Words, symbols, and definitions are important when public officials communicate to the people. Any tax break in which half the revenue would go to the top 10 percent of income earners in this country is a targeted tax benefit. It only makes common sense.

I do not know how many tax breaks would fall into the category I am proposing today, but that is not important. What is important is that we set a standard. It is important that American taxpayers know that any tax provision which benefits the rich, excessively, will be carefully—not carelessly—considered by the President and Congress. Without my amendment I am afraid we are not doing all that we can

to protect American taxpayers from special breaks for the wealthy and well-connected.

Let us send a powerful message to the American people today. Let us show them that the days of corporate influence, the days where rich people can pick the pockets of the Federal Treasury are over. Let us make it a little more difficult for the wealthy to get more than their fair share.

In conclusion, I appeal to my colleagues who support the bill before us to adopt this amendment. It strengthens the underlying legislation. This amendment would help reduce the budget deficit. My amendment could save billions in taxpayer money.

So please, before Members vote, think about the budgetary consequences of what I am proposing, and at the time that we do vote I am asking my colleagues for an "aye" vote.

Mr. Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] is recognized for 15 minutes.

Mr. CLINGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I commend the gentlewoman from California because she is well known for the efforts that she has exerted over the years to bring greater equity, I think, to the Federal Government and deserves commendation for that. But I think I was a little surprised by this amendment which, in my view, would create some unexpected perhaps, and unnecessary tensions where none existed before. I think we have to focus on what the very limited provisions in this bill, in H.R. 2, is designed to get at.

We have had in the past, we are all familiar with where there have been egregious examples of abuse in allowing certain tax advantages to be written into the legislation which benefit a very few, very few fat cats, if you will, or others, and this provision is designed to attack that very narrow problem. There should not be an effort, I think, in this bill to basically determine tax policy, and I think that is what the gentlewoman's amendment would do. It would really broaden very dramatically the scope of what we are proposing in this bill which is very narrowly to focus it, rifle shot it, I guess, instead of a shotgun approach to this issue saying yes, the President should be able to identify those outrageous examples of tax preferences that are given. Whether it is wine makers in California or whoever it might be, this is an effort to say the President should have an opportunity to deal with those kinds of examples, and eliminate them.

But to broaden it to the extent that the gentlewoman has, and I understand what she is trying to do, but I think she is basically giving the President an ability to second-guess Congress on policy matters by vetoing out entire

tax provisions out of the code. I think that goes beyond.

So I think because the gentleman's amendment creates a previously unforeseen differential, and that is what is really involved, and because it obscures the purpose of H.R. 2, which is to ensure the ability to assure everyone pays his fair share, this amendment, Mr. Chairman, should be defeated.

Mr. Chairman. I reserve the balance of my time.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message from the President.

#### MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. QUINN) assumed the chair.

#### FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1610

#### LINE-ITEM VETO ACT

The Committee resumed its sitting.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Pennsylvania is to be commended for his attempt to protect that part of the bill that speaks to the 100 entities, and I understand that that is a very small attempt to talk about fairness in a certain way. Certainly we need to do that.

We need to say that if there is any tax legislation that will benefit as few as 100 entities, then something is wrong with that, because both you and I and others know far too well that we have had legislation in this Congress that benefited one or two persons, and certainly it is usually those who are well connected, the rich and the powerful who have influence with a particular elected official who are able to do that.

And I am saying, yes, let us have that measure of protection, but let us go a little bit further. I think it is important for us to go a little bit further, because it has been documented time and time again that the top 1 percent in this society have a disproportionate share of the wealth. And as I cited in my opening remarks, the tax income of the families in the top 1 percent of income has increased from 7.3 percent of all U.S. earnings to 12.3 percent.

I think we can in this legislation put a stop to that. We are simply saying if there is anything that is put together that allows that top 1 percent to further benefit, if there is anything that is done that allows the top 10 percent to have over 50 percent of the tax

breaks, then we need to give the President the opportunity to veto it, and this is no small matter.

The gentleman from Pennsylvania identifies that this would in some way have too great an influence on tax policy. That is precisely what I wish it to do. I wish it to do that, because at some point in time we must send a signal to the American people that somebody is doing the business of the average working person in this Congress. The average working man or woman does not have a lobbyist here. They cannot be represented but by the people they elect to represent them.

Sometimes we get a little bit too insulated, and oftentimes when we produce tax policy, as we did in 1981 during the Reagan years where we allowed the selling of tax credits and major corporations in America ended up paying no taxes, if I recall during that time, many of the top corporations, Fortune 500 corporations in America, ended up paying no taxes. General Motors ended up paying no taxes. They even got a tax rebate.

At the same time, the taxes of the average working person have increased, and so I am saying we can take a big step as we give the line-item veto to the President of the United States and say:

Mr. President, it looks fishy if what we have done allows the top 10 percent to get over 50 percent of the tax breaks in anything that we have done. So we want to make sure that we protect against that.

And we are going to allow this line-item veto to operate under those circumstances. I do not think it is too much to ask. I know we do not oftentimes think like that. We do not oftentimes think that we can take the broad strokes on behalf of just average working Americans, but I am saying with this line-item veto, which is rather novel, which is quite different, that it is big enough. It is creative enough to allow room for some more creativity.

And I am simply saying that we can broaden the measure of protection and not just do a very small thing such as protect against 100 entities, but we can protect the majority of Americans if we have the will to do so.

So, Mr. Chairman, I would ask that my amendment be adopted.

Mr. Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, I want to congratulate the gentlewoman for addressing this amendment, as well, on this subject. It is a subject we took up under the Slaughter amendment on these targeted tax credits, and how we do it.

I do not agree with the amendment. I hope the fact they have the amendment indicates that perhaps the gentlewoman will support the line-item veto legislation with or without the amendment.

Ms. WATERS. Mr. Chairman, if the gentleman will yield, all things are possible.

Mr. GOSS. That is good. We are making progress.

Mr. Chairman, I think there are a couple of things that need to be clarified.

The last time I heard about a change in the tax rate it seems to me there was a special top rate including a surtax of up to 39.6 percent for the people at the top end of the scale, and actually those cuts that I believe the gentlewoman was referring to back in 1981 for the rich were cuts for every American who were paying taxes.

But I am glad that she has brought that up on Reagan's birthday, because I think the idea of trying to get spending under control and reduce taxation is something President Reagan stood for.

With regard to the amendment itself particularly, I am a little concerned that we have a very vague definition here, "income earners." Now, that would presumably excuse coupon clipper from this, or people from rents, royalties and other types of income, perhaps pensions, that are not earned income under that definition. I am not sure where stock options or other things like that would come in.

Certainly when you start talking about large corporations under the definition that is being used in H.R. 2, I would point out that large corporations pay an awful lot of wages to blue collar workers who depend on those to keep food on the table and shelter over their head. So I think maybe it has been mischaracterized a little bit for what it would do, and I would, therefore, be opposed to it. But I am glad the gentlewoman has an interest in this subject.

Ms. WATERS. Mr. Chairman, I yield myself the balance of my time. I would just simply close.

I thought it was very important that we try and strike a blow for the people. I really do believe that we are at a time in our society when people are very unhappy with the way public policy is made, with elected officials in general.

I have watched over the past 10 years or so as we have exported jobs of Americans to third world countries for cheap labor; I have watched wage earners be able to buy less with their dollars; I am watching young people with an inability to purchase their own home, to have a down payment, I am watching as the rich get richer basically, and the poor get poorer.

I really do believe that somehow we have to use this forum to begin to engage each other in a debate about what are we going to do for the average wage earner. What are we going to do to represent their interest?

I know that many people believe that we know best and that somehow whatever we do is all right. I do not think so anymore.