for the possibility that our soldiers may have to go into combat to rescue our allies; and that may not be without risk.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Pursuant to the unanimous-consent agreement, the Senator from North Dakota is recognized for 5 minutes.

Mr. CONRAD. I thank the Chair. I think there was actually 10 minutes provided for me under the order.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

SOCIAL SECURITY TRUST FUNDS

Mr. CONRAD. Mr. President, on March 10, the columnist Charles Krauthammer had a column in the Washington Post entitled ''Social Security Trust Fund Whopper.'' The gist of his column, which really was an attack on Senator DORGAN and myself for our role in the balanced budget amendment debate, was to suggest that it does not really matter whether you take Social Security trust fund moneys or not.

His argument was, in the first case, that Social Security is a pay-as-you-go system.

Mr. President, Mr. Krauthammer is just flat wrong. Social Security is not a pay-as-you-go system. He must have missed completely the 1983 act, because in that legislation Social Security was taken off a pay-as-you-go system. It was taken off the pay-as-you-go system because there was a general recognition that we had the baby boomer generation coming along, and that if we stayed on pay-as-you-go—and for those who perhaps are not familiar with the language that we use around here with respect to pay-as-you-go, that simply means you raise the amount of money necessary in any one year to fund the benefits in any one year.

In 1983, that was all changed. We took Social Security off pay-as-you-go. We did it for the purpose I earlier described, the purpose of getting ready for the baby boom generation, the time when the number of Social Security eligible people will double in this country. And so in 1983 we set a course of running surpluses in Social Security. The idea was to save that money in preparation for the time when the baby boom generation retires. And for that reason, in the most recent year, we have run a $69 billion surplus in Social Security.

Obviously, if we were pay-as-you-go, there would be no surplus, but there is a surplus and there are continuing surpluses. If those funds are used to balance the operating budget of the Federal Government, then obviously they will not be available when it comes time to pay out benefits to those who have made payments on the promise that they would get benefits when they retire.

Mr. President, the second major error in Mr. Krauthammer's column is he suggests it does not really matter from where you borrow.

It makes a great deal of difference. It makes a difference because Social Security is financed by a dedicated tax, a tax that is levied on employers and employees in this country to fund Social Security. That is a regressive tax. It is a payroll tax. Mr. President, 73 percent of American taxpayers pay more in Social Security taxes than they pay in income taxes. It matters a good deal whether or not one takes those funds and uses them for other Government expenses rather than saving them for the purposes for which they were intended.

The difference it makes, I think, can be most easily explained with a simple example, one perhaps closer to home to Mr. Krauthammer himself. Let us say he works for the Washington Post, gets paid by them, puts part of his money into a retirement account, and the Washington Post falls on hard times. It runs into a situation in which they are losing money. Instead of moving to honestly balance their budget, they go raid the trust funds, the retirement funds of their employees, including Mr. Krauthammer. As we say in our answer yesterday in the Washington Post to his column, then ''. . . even [Mr.] Krauthammer might understand the fallacy of looting trust funds to pay [the] operating expenses [of a company.]'' Because then he would be directly affected.

Mr. President, I ask unanimous consent to have printed in the RECORD a column Senator DORGAN and I wrote in answer to Mr. Krauthammer, that appeared in the Washington Post of yesterday.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 16, 1995]

UNFAIR LOOTING

(By Byron L. Dorgan and Kent Conrad)

Charles Krauthammer's uninformed defense of an indefensible practice [''Social Security Trust Fund Whopper,'' op-ed, March 10] demonstrates that is is possible to be a celebrated pundit yet know nothing of the subject about which one is writing.

In attacking us for our position on the balanced-budget amendment, Krauthammer misses the mark by a country mile on two very important points. First, he insists incorrectly that ''Social Security is a pay-as-you-go system'' that ''produces a cash surplus'' because ''so many boomers are working today.'' Second, he ignores the fact that Social Security revenues were never meant to pay for expenses incurred in the federal operating budget. Missing both fundamental points undermines the credibility of Krauthammer's conclusions.

Here are the facts:

First, Social Security is not a pay-as-you-go system. If it were, Social Security benefits would exactly equal taxes, and there would be no surpluses. But there are. This year alone Social Security is running a $69 billion surplus.

Apparently, Krauthammer completely missed the 1983 Social Security Reform Act, which removed the system from a pay-as-you-go basis. In 1983 Congress recognized that in order to prepare for the future retirement needs of the baby boom generation, we should raise more money from payroll taxes now than is needed for current Social Security benefits. We did that because when the baby boomers retire, there will not be enough working Americans to cover Social Security benefits on a pay-as-you-go basis. We will need accumulated surpluses to pay these benefits.

Second, Social Security revenue is collected from the paychecks of working men and women in the form of a dedicated Social Security tax, deposited in a trust fund and invested in government securities. This regressive, burdensome tax (almost 73 percent of Americans who pay taxes pay more in social insurance taxes than in income taxes) isn't like other taxes. It has a specific use—retirement—as part of the contract this nation made 60 years ago with working Americans.

Because this tax is dedicated solely for working Americans' future retirement, it shouldn't be used either for balancing the operating budget or masking the size of the budget deficit. Krauthammer not only irresponsibly condones the use of the Social Security surpluses to do these things, he thinks we should enshrine this procedure in our Constitution.

He apparently does so because he doesn't understand the difference between balancing an operating budget and using dishonest accounting gimmicks to hide operating losses. To illustrate the difference and how it works to loot the Social Security trust funds, let's use an example a little closer to home for Krauthammer.

Assume that Krauthammer is paid a lucrative salary by The Washington Post, which puts part of that salary into a company retirement plan. Then let's assume The Washington Post comes upon hard times and starts losing money each year.

Here's where honesty matters. The Post has two choices. It could face up to its problems and move to balance its budget. Or it could follow Krauthammer's prescription and disguise its shortfall by raiding the employees' retirement fund to make it appear that the operating budget is balanced. Of course, the retirement fund would have nothing but IOUs in it when it comes time for Krauthammer to retire. At that point, even Krauthammer might recognize the fallacy of looting trust funds to pay operating expenses.

Absurd? Sure. But the flawed Republican balanced-budget amendment plan would in the same way keep on looting Social Security trust funds to balance the federal operating budget. instead, we should take the honest course and begin the work now to bring our federal operating budget into balance without raiding the Social Security trust funds.

Contrary to Krauthammer's assertion, the only fraudulent point about this issue was his uninformed column.

Mr. CONRAD. I thank the Chair and I thank my colleague from Arizona as well for this time. I appreciate his giving me this time this morning.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I say to my friend from North Dakota, who is still on the floor, I think we have a significant difference of opinion here between himself, his other colleague from North Dakota, and Mr. Krauthammer. I suggest we set up some kind of debate scenario—one of the talk shows or one of the Sunday programs. I think it

would be very valuable to the American people to hear both sides. I am sure Mr. Krauthammer would agree to such a scenario and I would be glad to help set it up. Because it is a very important, fundamental issue we are discussing.

I know the Senator from North Dakota and his colleague from North Dakota have very strongly held views on this issue. I think, because the balanced budget amendment will come up again, that it is very important we continue this debate. I yield to the Senator from North Dakota if he would wish to respond.

Mr. CONRAD. Mr. President, I thank the Senator from Arizona. I like that idea. In fact, I think we ought to have a debate about this all over the country. I think it would provide a real education to the American people as how the finances of Government actually work. I think if people understood that we were talking about putting into the Constitution of the United States a policy that would take retirement trust fund moneys and use them to balance the operating budget that they would say that is not a good principle, not a good policy to put in the Constitution.

Senator DORGAN and I both come from financial backgrounds, as the Senator from Arizona knows. It is perhaps for that reason that we are most sensitive to this notion of using trust fund moneys for the operating expenses of the Government or the operating expenses of any institution. If we were in the private sector and anybody stood up and suggested, ''I have a plan to balance the budget of this company. I know we have been running deficits. The answer I have come up with is to take the retirement funds and throw them into the pot,'' that person would be on their way to a Federal facility and it would not be the Congress of the United States. They would be on their way to jail because that is fraud.

I feel very strongly about this question. I think as the American people have a chance to learn more about this question they will conclude that is not the way we want to conduct our business. But that does not take away for one moment from the need to balance the budget. We have an urgent need to do it, whether or not we have a balanced budget amendment. Frankly, I think a balanced budget amendment would help if it was properly crafted. But if we do not have one we still have to get about the business of balancing this budget.

I know that is something the Senator from Arizona believes. I recognize the Senator from Illinois, who is here, who is the moving sponsor of the balanced budget amendment. Nobody is more dedicated, more sincere, or more serious about addressing this problem because he recognizes, as I think the Senator from Arizona does, and as I do, that if we do not do it, if we do not balance the budget, we are going to be in deep trouble in the years ahead. We are heading for a circumstance, according to the Entitlements Commission, where in the year 2012, every nickel of Federal revenue goes for entitlements and the interest on the debt. Obviously we cannot do that.

I yield.

Mr. SIMON. Will my colleague yield?

Mr. MCCAIN. I will be glad to in just one second, as soon as I respond to the Senator from North Dakota, if I might say to my friend from Illinois.

I certainly hope the Senator from North Dakota realizes that we cannot balance the budget even if we had a balanced budget amendment, which I believe we eventually will, without a line-item veto for the President of the United States. I look forward to working with him on this issue.

Since the distinguished Democratic leader is here on the floor, I would like to say to him I saw his remarks on C–SPAN this morning. I appreciate his spirit of willingness to work together. We want to work together with the minority leader. I think the minority leader's statement, the statement of the Senator from South Dakota, that we are in agreement that a line-item veto is necessary, is a very important and helpful statement.

I apologize to him if he feels there has not been enough consultation with his side of the aisle. I intend to engage in that consultation as we shape the so-called substitute which will really be the subject of debate next week. I hope he understands that there were some significant differences on this side of the aisle. My friend from Alaska will articulate those in his usual forceful and persuasive fashion. So I hope he understands we first had to get a significant consensus on this side.

I look forward to working with him as we work toward the goal which he so eloquently stated this morning is important for America and the balanced budget.

Before the distinguished minority leader speaks, I think the Senator from Illinois wanted to make remarks?

Mr. SIMON. Yes, Mr. President, I thank my colleague for yielding.

If I may, this will sound like a politician talking when I say I think Senator CONRAD and Charles Krauthammer each has a very valid point. The point that Senator CONRAD makes that we should be balancing the budget without using the Social Security trust fund to do so I think is a very valid point, and it is a point that he and his colleague, Senator DORGAN, have made very forcefully.

The point Mr. Krauthammer makes is that the great threat to Social Security is debt, because we are headed toward monetizing our debt and devaluing our dollar. We are headed down the Mexican route right now. The only way I see of stopping that is the balanced budget amendment.

So, what I favor is passing that balanced budget amendment. I hope, somehow, we can get some statutory modifications that can satisfy some who, like Senator CONRAD, are very genuinely sincerely concerned about the Social Security trust funds and protecting them. His point is valid. The Krauthammer point, that the real threat to Social Security is debt, is also a very valid point.

I thank my colleague from Arizona for yielding.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is controlling timing.

Mr. MCCAIN. Mr. President, I congratulate the Senator from Illinois for his usual excellent standard of understanding both points of view. That is one of the reasons he has been so helpful in many an issue around here.

I would say to the Senator from North Dakota, if I may, we are on the line-item veto. I know the minority leader is here and the Senator from Alaska has been waiting to speak.

Mr. CONRAD. Mr. President, I just ask for 30 seconds to make an observation?

Mr. MCCAIN. Sure. I yield to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I just wanted to say in response to the Senator from Illinois, I believe Krauthammer is partially right. Debt is a significant threat to Social Security. But there is a second threat. The second threat is raiding the trust funds to cover operating expenses.

Just as a financial principle, I do not think we want to put in the Constitution that taking trust fund money to pay for operating expenses is the right way to go.

I agree completely with the Senator from Illinois on the debt being a significant threat to Social Security as it is to the economic future of our country. That is the underlying problem that fundamentally we must address and I think we have an obligation, especially when we talk about the Constitution of the United States, to do it in an honest way.

Mr. SIMON. Will my colleague yield for 1 minute?

Mr. MCCAIN. If my friend from Illinois will promise me that will be the end of this debate on the balanced budget amendment, I will yield.

Mr. SIMON. I promise.

Mr. President, let me say to my friend from North Dakota that the balanced budget amendment does not get into all kinds of details. The balanced budget amendment does not change one iota from the way we handle the trust funds right now. It does not change our present practice. I favor statutorily changing it. I agree with Mr. Krauthammer that the great threat to Social Security is debt. I think any real analysis has to come to that conclusion. But I favor statutory protection along the lines that Senator CONRAD suggested.

Mr. MCCAIN. Mr. President, what is the parliamentary situation as far as

the division of time remaining is concerned?

The PRESIDING OFFICER. The Chair advises the Senator from Arizona that he has 2 hours and 2 minutes under his control and the Senator from South Dakota has 2 hours and 28 minutes under his control.

Mr. MCCAIN. Mr. President, the distinguished Democratic leader has kindly consented to allow Senator STEVENS, who has been on the floor, to speak before him. I would like to yield such time as he may consume to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator from Arizona. I reiterate to my good friend, the minority leader, that I would be pleased to recognize his right to the floor if he wishes to take it. I will be happy to defer to the leader, if he wants to proceed. Very well. Thank you very much. I also thank, Mr. President, my friend from Arizona.

Mr. President, next week the Senate will proceed to legislation to give the President a line-item veto over any item that is in an appropriations measure. I think the Senator from Arizona and the Senator from Indiana, as I said last night, deserve a great deal of credit for pressing forward on this matter.

In the last Congress I voted twice for a sense-of-the-Senate resolution that would support the concept of a line-item veto. If a cloture vote is needed to proceed to this bill, I intend to vote for cloture on the motion so that the bill may be considered on the floor. It is my hope—I have been expressing that hope rather forcefully, as the Senator from Arizona has indicated, in conferences we have had on the bill—that the bill will be amended to include the other major forms of spending of our taxpayers' money: first, entitlements, and, second, targeted tax benefits. Those two forms of spending, as well as appropriations, I think lead at times to items that could be, and should be, eliminated by the President with a line-item veto.

I intend to vote for cloture on the bill and for the bill itself if it is amended so that it covers the full realm of Federal spending. I think we have to be serious about giving the President new tools to cut the deficit. As a matter of fact, during this very critical period of our history, I think the President should have a series of tools so that he cannot put the blame on Congress for an increase in the deficit as we have seen in the past.

By expanding this bill to allow the President to veto provisions in authorizing bills that create new entitlements and to delete revenue measures that might give a tax break to individuals or special groups, I think we will give the President the ability to stop some of the red ink that has poured money out of the Treasury through otherwise hidden provisions.

According to the President's budget request for 1996, discretionary defense, international, and domestic spending will account for 34 percent of the budget. Direct spending through entitlements like Medicare, food stamps, Social Security, other mandatory spending programs, will account for 50 percent of the budget. Interest on the debt will be about 16 percent of the budget. If this bill is not expanded to allow the President to veto new entitlement programs or additions to existing direct spending programs, the new tools would be limited, and about 50 percent of the total spending would be put off limits. I have in the past tried to bring about changes so that these line-item veto bills would include all areas of spending. I am hopeful that we are coming close to that now.

If you look at the income tax area, both personal and corporate, that accounts for about 49 percent of the projected revenue base for the next year, 1996. Excise taxes account for 7 percent. Social Security income and the borrowing account for the remainder of the Federal revenue stream. But each time Congress provides a special break for some individual or corporation through a transition rule or target tax provision, it effectively reduces revenue and, therefore, increases the deficit.

I believe the President ought to be able to veto special tax breaks just like the so-called pork that may be included in the appropriations bills.

I would like to point out for the record, however, Mr. President, that the Appropriations Committees of the House and Senate have not once in the last 10 years increased spending through what we call reprioritization or what some Members and the press call pork. As an appropriator now for over 25 years, I believe what appropriators have done in most instances is reorder the spending priorities of the President. The President sends up his budget, and we have changed it in many ways. That is what I think our constituents elected us to Congress to do—to represent their view in what priorities should be for Federal spending.

When Congress decides to spend money for theater missile defense to protect the United States against terrorist attack rather than spend the same money for peacekeeping in Somalia or Bosnia, or to spend money to provide access to parks or increase cancer research instead of spending money for housing for Park Service employees or to research different types of infections, some call it pork. Again, I call it reprioritization. When we reprioritize these budget items, that does not increase Federal spending. But they may be the subject of concern for some people.

I agree that some of the reprioritizations are a concern. If we are going to give the President a line-item veto, the President should have a line-item veto over such changes. All I have asked is that the President also have authority over the full spectrum of how the Congress spends taxpayers' money.

Congress has historically given the President less money to spend than he has asked for. We are talking now about annual appropriations bills. Those of us who are on those committees are accused of pork barrel politics when we reorder the priorities of the President. If a person would look at article I, section 8 of the Constitution, I think it is plain that is what Congress was supposed to do. That is our job. The Constitution gave Congress the power to pay the debts and provide for the common defense and the general welfare of the United States. I believe that says Congress should set the priorities of where we put the taxpayers' money. And in the final analysis, the President can agree or disagree by vetoing the whole bill.

If we need to strengthen the President's ability to selectively disagree, through a line-item veto, so be it. But I think it should be across the board.

We in Congress also set priorities through tax breaks and direct spending. One only needs to look at the highway bill to see what direct spending can do. In one bill alone, over $6 billion was earmarked for demonstration projects throughout the country. Those projects could not be changed by the President. He had only the opportunity to agree or disagree with the overall highway bill. To be fair, I think we ought to give the President the power to really do something about that bill also, and I hope that the bill we finally vote on will include all forms of congressional spending: appropriations, entitlements, and other mandatory spending, and targeted tax breaks.

Congress has under the Constitution a balance with the President. We write the policy. The President carries it out. But to keep the President from being a simple servant of the Congress, to really give him independence, the Constitution gave the President the power to veto congressional legislation. Now, I agree that in many ways that power has been limited because there are times when Congress wraps up in a bill things a President might delete if he had the same power as the Governors normally have in our States, the power of the line-item veto.

It does seem to me that what we need to do is recognize there has been a change, not only in terms of passage of time but in terms of the size of the problems we face, for both the Congress and the President. Given the current deficit, it is clear that the balance established by the Constitution has not worked as well as it was intended. Extraordinary measures, extraordinary tools, are needed to control Federal spending.

For that reason, I am willing to support a trial period of giving the President additional veto authority. I only ask that authority apply to all forms of Federal spending. And I ask the Senate: What good would it do to give the

President the power to veto individual items in appropriations bills alone when they affect only 34 percent of Federal spending? And I believe the record will show Congress only changes about 10 percent of the items the President sends up in any given year.

The President, in my opinion, could veto all discretionary spending, defense included, and still not balance the budget. Giving the President the power, therefore, to have a line-item veto over that 34 percent will not really contribute in the long run very much to controlling the deficit.

But, Mr. President, I really speak for fairness. I represent a very large State with a very small population. There are only three of us here representing Alaska in the Congress. California has 54 people, I believe, to represent the large population there in California. And those people not only say more when the President is elected, but they say more in terms of the votes in the House.

I think the Constitution recognized that difficulty and, through the establishment of the Senate, gave small population States a real voice in the outcome of the deliberations of the Congress. The Constitution also imposed checks and balances between the President and the Congress to prevent the abuse of authority.

If you want to look at the difference between the proposed bill and the amendment I hope to see included, I believe tax breaks and entitlements are very important to large States, much more so than small States. We are very rarely, really, impacted by targeted tax expenditures or by entitlement legislation. Small States such as mine depend upon the priorities Congress sets on the use of discretionary spending through the appropriations process.

Look at the Coast Guard; look at the FAA; look at the Department of the Interior accounts; look at the Housing and Urban Development wastewater treatment accounts. We are very much affected by those controllable expenditures. All we ask is for a right to help determine what the priorities should be on the amount that Congress and the President agree to spend in those areas.

I cannot remember increasing an account to reprioritize funds for Alaska. Congress, if it gives the President a line-item veto on only the 34 percent that is discretionary spending, would end up by affecting the people in small States that rely upon that discretionary spending. Entitlement accounts, such as the highway account with its demonstration programs, as I just mentioned, affect very large population States. I do not remember a congressionally created highway demonstration project in my State. But I do recall a great many reprioritized discretionary spending accounts that have affected my State.

I remember—and I have a memo on this—there was a period of years where the Park Service had requested additional money for housing for their people in Alaska. In 1993, the National Park Service requested $4.65 million and we fully funded that request. In 1994, the Park Service requested another $6.377 million for housing for its personnel in Alaska. We fully funded that request. In 1995, the Park Service requested $7.023 million for 1995 for additional housing in Alaska. For the third year in a row the Park Service was seeking a multimillion-dollar account.

At my request, Congress reduced that account in the third year to $800,000 and shifted $6.2 million to other programs in Alaska run by agencies within the Department of the Interior. In most instances, they were moneys that the agencies had requested but had been stripped out by the Office of Management and Budget in the budgeting process.

At my request the Congress agreed to reprioritize that money to increase funding for the cadastral survey program. With the largest amount of Federal lands in the country, we are surveying out the lands that have been ordered by Congress to be given to the Alaska Natives in our State, or to our State itself, and that account is falling way behind. It will be 2050 before our land is surveyed at the spending current rate.

I believe the Appropriations Committees have a right to recommend that Congress reprioritize some of these accounts, and to ask others to join us in doing so. We do not do that alone. Any Member can come to the floor and oppose any of those reprioritizations and I think they should if they disagree.

I do believe that there are many who share my views that the bill should be expanded. I am not going to name them here, because I think that would be unfair. I think they should speak for themselves.

I am not talking about expanding anything other than the scope of the line-item veto and, in my mind, moving it to a consensus where there will include all appropriations bills, all new entitlements or direct spending, and all targeted tax benefits and targeted tax rates. When that consensus comes along, I think you will see the same group of people who voted overwhelmingly for the Cohen sense-of-the-Senate resolution last year, and likewise the same group of people who voted for the Bradley-Hollings sense-of-the-Senate resolution last year, also.

I think it is time to give the President more power to help us control Federal spending. If we amend this bill to allow the veto on any form of Federal spending, then I intend to support the bill and fight for its enactment. As I said, at this time, I intend to vote for cloture on the motion to proceed, if such a vote is needed, to give us the chance to do that.

And I really do hope and pray I will be able to vote for the final bill. I think we all need new tools to reduce this deficit.

Mr. President, in closing—and I think I have taken more time than I should—I am hopeful that all Members of Congress will look to the tremendous task that faces us this fall when we may be forced to increase the debt ceiling. We already have a debt ceiling of $4.9 trillion. It is my information that the national debt is bouncing up toward that limit now. I do not believe the people of this Nation will accept lifting that debt ceiling to $5 trillion or above unless they are convinced that we are doing everything we can to create the new tools and the new attitudes that are necessary to reduce the deficit and ultimately, hopefully, reduce the debt.

I am the father of six children and I now have seven grandchildren. I hope to have many more. And I hope to be able, while I am still in the Senate, to help take action to reduce this debt and reduce the burdens that will be on our children and grandchildren if we do not.

Mr. President, again, in closing, I want to thank my friend from Arizona. He is right about one thing. I think he is as much of a fighter for what he believes in as I am for what I believe in.

You know, gladiators sometimes contact and almost, apparently, wound one another, and yet can walk off the floor and be good friends. I hope my friend realizes that.

I intend to keep fighting for what I believe and I am sure he will, too.

Thank you very much, Mr. President.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, first of all, I wish to thank the Senator from Alaska for not only the friendship that he has displayed to me in his efforts on behalf of the people of Alaska, but also the people of my State.

I know of no one who has fought harder for his State, and I know of no one who has served as long and as honorably in this body as the Senator from Alaska has. I am especially gratified to note that the Senator from Alaska is willing and has shown an extreme willingness during some very difficult debate on this issue to compromise, to see the other viewpoint and, frankly, to make some changes that are difficult for him, given his strictly held beliefs and his unique position as representative of the largest State in America geographically, but one of the smallest as far as population is concerned. He has a special obligation due to lack of representation in the other body.

I believe that he has contributed enormously as ranking member and chairman of the Defense Subcommittee to this Nation's national security, a debt that future generations will owe him. I appreciate the spirit of comity with which we are addressing this issue. I know there will be issues in the

future in which the Senator from Alaska and I will seriously disagree, but we will do so in a spirit of respect.

I thank the Senator from Alaska for his statement this morning on this issue. I know he will be involved as we take up the substance of the bill in the future.

Mr. COATS. Mr. President, will the Senator from Arizona yield?

Mr. MCCAIN. Mr. President, I yield.

Mr. COATS. I would like to gather the attention of the Senator from Alaska for just a moment, if I could. I want to second the comments of my colleague from Arizona relative to the Senator from Alaska.

One of the tests I used to judge the character of individuals that I serve with is what I call the foxhole test. If I am in a foxhole surrounded by the enemy and the situation is desperate, who would I want there back by my side?

I know of no individuals that are as tenacious, and who I would rather have by my side in a desperate situation, than the Senator from Arizona and the Senator from Alaska. I respect them both, even when they differ. I respect their tenacity. I respect the strength of their convictions.

I just want to say to the Senator from Alaska that he has made an enormous contribution to this effort which we are undertaking. It was the Senator from Alaska's perseverance on the issue of the standard, the reach of the line-item veto to include not only discretionary domestic spending, which the Senator has labored mightily to restrain and to be responsible, but to extend that reach to other accounts.

It is solely on the basis of that Senator's persistence that we opened up the discussion again. We are now in the process, and I think very, very close, to crafting an even better and more effective bill.

I very much appreciate the efforts of the Senator from Alaska, his spirit in which he pursued the issue and then his spirit in working with Members to define the issue. I think we will have a stronger proposal shortly before the Senate, and a great deal of credit goes to the Senator from Alaska. I thank him.

Mr. MCCAIN. Mr. President, may I also add it has enlivened some otherwise dull and dreary meetings the Senator and I have been attending.

I know that the distinguished minority leader is coming to the floor for his statement, unless the Senator from Illinois wishes to speak.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I yield myself such time as I will consume.

Mr. President, I sympathize a great deal with the remarks of Senator STEVENS. I want to have a line-item veto that I can vote for.

I also agree with Senator STEVENS that we ought to be looking not only at appropriations, we ought to be looking at tax breaks. I personally would like to give the President, in theory what I would like to do is maintain a good balance of power. But there are constitutional problems with doing that.

I, in theory, would like to give the President authority to have a line-item veto or to reduce an appropriation, and that it would take a specific vote of a majority of the House and a majority of the Senate to override that. That forces a vote on our part. That way we cannot have some of these abuses that we hear about.

But I think probably more significantly, the ability to reduce an appropriation would save more dollars, frankly, than just the ability to line-item veto something. Senator STEVENS is correct. The majority of years Presidents request more money than we appropriate. The American public would be surprised to learn that. Six of the eight Reagan years, for example, the President requested more money than we appropriated. So Congress has been responsible in this area. The President ought to be able to force a vote on some of these things.

A very practical problem we faced in Illinois, the State library made a technical error and Illinois libraries were going to lose $11 million in Federal funds. I looked around for a bill I knew the President would sign, and I tacked that on.

Now, what I favor is a system where if the President did not approve that, he could force Members to vote. Frankly, if I cannot get 51 Members of the Senate or a majority in the House to support it, it should not pass. I think that is the direction that we ought to go.

The difficulty with that is, apparently to do that statutorily, we run into a constitutional impediment. That is why my former colleague from Illinois, Senator Dixon, and I, had a constitutional amendment which would have made that possible. I still favor that idea. The difficulty with the proposal by my colleagues, Senator BRADLEY and Senator HOLLINGS, of having separate bills for every item is, first, it will be a lot of paperwork; second, it does not deal with the problem of reductions in appropriations; third, Congress is going to be very creative and we will lump sum a lot of things together so we do not have as many lines in all that. I hope we can get something worked out.

Senator STEVENS is correct, also, in saying the total amount saved is not going to be large. My guess is if we get something that is worked out, we will be fortunate if we save $5 or $6 billion a year. That is no small amount, but with a $200 billion deficit, that is nowhere near the kind of money that we need. That is why we need the balanced budget amendment so we look more comprehensively.

I hope again, Mr. President, we can work something out. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I am pleased to have this opportunity to speak on behalf of the line-item veto.

Most Members—as a matter of fact, 66 of the Members of this body—were willing to express a strong preference for a balanced budget amendment just a few weeks ago. Someday, we will get the 67th Member and have a balanced budget amendment. It is because the American people overwhelmingly endorse the concept of a balanced budget that I rise today to discuss extending the line-item veto authority to the President.

The truth is that a balanced budget amendment is a statement of an aspiration or a goal. It is an objective. The line-item veto, however, is something different. It is one of the ways that we can achieve the aforementioned goal. It is the mechanism by which we achieve that end.

The line-item veto then is a tool which will allow us to achieve a goal, and the goal is fiscal integrity. Fiscal integrity is very important. As a matter of fact, the dramatic events that followed our vote on the balanced budget amendment, as it related to the value of the dollar, demonstrate that the world understands the importance of fiscal integrity. When the U.S. Senate failed to pass the balanced budget amendment, the value of the dollar on international markets plummeted. We need to put our fiscal house in order. One important way to do that is to put the line-item veto in the hands of the President of the United States.

The line-item veto, then, is a tool. It gives the President the authority to do what needs to be done to knock those items out of the budget that we simply do not have the resources to afford. Of course, along with any authority goes responsibility. If we give this authority to the President of the United States, we should call upon him to exercise that authority and if, in fact, he does not exercise that authority, then the people can hold him accountable.

Too much of our problem in the budgetary universe right now is finger pointing. The President points to the Congress and says, ''They appropriated it, and I couldn't veto part of it. I had to take all or none of it, so I took it all.'' So the President does not accept responsibility. Then, the Congress says to the President, ''Well, you signed the budget; it's your fault.''

We need to endow the President of the United States with both the authority and the responsibility to knock things out of the budget which we simply cannot afford understanding our present resources.

Mr. President, one of the reasons I speak with so much confidence about the line-item veto is that I spent 8 years as Governor of the State of Missouri. There, we had both the goal and the aspiration of a balanced budget because our State constitution requires it. These, then, were the tools that

made it possible for the Governor to implement and achieve his goal.

Having this authority meant that it was my responsibility to look at our budget and to eliminate those things which we could not afford, to defer those things which we could not afford. I guess I want you to know that I believe that frequently legislators and governmental officials have aspirations and eyes that are bigger than their resources. When I was a boy, my mom used to say to me, ''Your eyes are bigger than your stomach. You are loading up your plate and you are not going to be able to finish the meal.'' The truth of the matter is, when we load up our plate with more spending than we have resources to pay for them, somebody ought to be able to take that back off our plate or else we are placing ourselves, or by extension the Nation, in serious jeopardy. Not only as a military power, but as a financial power; not only as intellectual leaders, but as leaders in terms of fiscal integrity.

Mr. President, our eyes have been bigger than our pocketbooks, and we need to give the President the right to take some of the stuff off our congressional plate. During my 8 years as Governor, we did just that. We had to knock things off the plate. I remember having to veto special services to prisoners, not because the services to the prisoners were particularly bad. I had to veto those items because we could not afford them. I remember when the general assembly wanted to increase funding for the State fair to elevate our capacity to showcase the wonderful hand crafts and industrial and agricultural products of our State. But I had to say, ''Well, that would be a great thing to do and I understand how much you considered that and how important that was, but I had to draw a line through that item because we couldn't afford it.''

One of Missouri's biggest industries is tourism, especially with the advent of Branson, the new country music capital of the world. We wanted to promote tourism in the State. We wanted to welcome people aggressively when they came to Missouri.

I remember being a part of a number of those programs. I remember going to a tourist information center and washing cars for tourists one day to show them how important we thought they were in coming to the State of Missouri. But when a couple of tourist information centers showed up on the budget that we did not have the money for, I regrettably had to draw the line through those things. It was not a matter of saying those things were not good. It was not a matter of saying the legislature did not have the right motivation. It was a matter of exercising the fiscal discipline necessary to balance the budget.

It was not popular when I looked at the budget one year, and we were not having a good year—the legislature passed a substantial increase in the salaries of State employees. They worked hard and I respected them. I said, ''We simply can't make those increased salaries due to insufficent funds. I have to exercise the line-item veto.'' The point is that there are times when you simply want things, but you have inadequate resources with which to pay for them.

Mr. President, these efforts on behalf of the American taxpayer are not unique to me. Forty-three States give their Governor the authority and responsibility of the line-item veto. Forty-three different Governors do it. It is something that is expected. It is done successfully.

Mr. President, every kitchen table in America has a line-item veto. I have a chart which illustrates what happens with ordinary families. They sit down and figure out what they would like to have, and then calculate whether or not they have the money and resources to do. The things you can afford to do, you do; and the things you cannot afford to do, you eliminate. In short, you set priorities.

You know you are going to pay your rent. But if things are not going too well, the trip to Disney World is probably a candidate for the line-item veto. When you say you cannot afford the trip to Disney World, that is not necessarily indicating that it is bad to go to Disney World. You are simply indicating that financial considerations may find you at an out-state park, instead of Orlando.

Mr. President, you are also going to have to pay the taxes. You would like to have the retirement fund, but you might not commit as many funds. The new car probably gets cut. Cable television may lose the premium channels. Boy, it would be hard to cut off ESPN's analysis of ''March Madness.''

In the end, you have to set priorities. The average kitchen table in America does it; 43 Governors do it; why shouldn't the U.S. Congress give the President the authority to do it?

Now, Mr. President, there are some things that are far less worthy than the things I just listed. Some of the things that wind up in the Federal budget are nothing more, nor less, than people simply allocating resources to favored interests in their own State. That is what people outside the beltway call pork; and that is what the President of the United States should have the authority to eliminate.

One of the reasons this out-of-control spending must stop is that we have a $4.5 trillion debt; $4.5 trillion is a lot of money, but it is somewhat hard to comprehend. But simply put, it is almost $18,000 of debt for every man, woman, and child in America. Consequently, for a family of four—if my mathematics are correct—their share of the Federal debt amounts to $72,000.

Of course, the average family would probably have a real problem considering any new spending if they were forced to labor under an extra $72,000 of debt that had to be paid off. One of the problems with this amount of debt is that it adds yet another big expense that is not listed on this table—and that is interest.

Now, Mr. President, if your household's interest payments get to be quite large, they impair you from being able to do the things you would otherwise want to do. In the United States, our $4.5 trillion Federal debt is requiring the Government to spend money on interest instead of the other essential services and programs the American people have indicated they want. Things which are as essential to Government as braces would be for a child, or maintenance and repairs would be to a house, or a retirement fund would be to a person's future.

Mr. President, there has been a great deal of talk about Social Security on the floor of the Senate. However, the biggest single threat to Social Security is the national debt which is consuming our ability to pay for the things we really need. And if the national debt continues to increase, our corporate retirement fund in America—Social Security—is going to be impaired. Not because we do not have some language in a law, but because we have spent our—and the next generation's resources—recklessly.

It is with that in mind that I rise to support the concept of the line-item veto. It is a needed tool in the hands of those that the American people call upon to manage our Government responsibly. We must again establish fiscal integrity in the public sector. We must show this Nation and others that our Government can be responsible.

I thank the Chair.

Mr. MCCAIN. Will the Senator yield for a question?

Mr. ASHCROFT. Yes.

Mr. MCCAIN. I wish to thank the Senator. He brings credibility to this debate, having served as Governor of a large and very important State.

One of the arguments that is used and will be used in the Chamber against the line-item veto is that the President of the United States will somehow use the line-item veto to coerce and blackmail individual Members of the Legislature into doing things that they otherwise would not do, in fact even alleged in violation of their principles. I do not want the Senator to take too long because there are many questions, but that is one of the most often used arguments against using the line-item veto. I wonder if the Senator from Missouri would give an answer on that particular aspect of the line-item veto.

Mr. ASHCROFT. I thank the Senator from Arizona for posing the question.

Let me just go to the bank of experience—which is the best teacher. We have 43 States with the line-item veto, and if the kind of abuse the Senator describes were really available to a person wielding the power of a line-item veto, I would expect to know of at least one State where someone was seeking to repeal the line-item veto. If it were

subject of great abuse—and was subject to such tremendous arbitrary and capricious misuse, or even political retribution or punishment—you would think there would be an outcry across the country among the States that have it now.

But, it is because the way the line-item veto is working in the States that have it now which is in turn making the Nation want it. Citizens across the country see how it works well in their home State. So the Governors, I do not think, have been labeled as having abused their power under the line-item veto.

Let me point out why I think it is true that the Governors do not abuse the power, Mr. President. It is because no State Governor—and no President of the United States—can put a single dollar into the Government's budget. Most State constitutions—and that of the United States of America—require that revenue measures commence in the House of Representatives or its equivalent in the legislative branch.

The President or a Governor will have projects that he knows are important to him and that he will want to be included in the budget. But the President knows if he operates arbitrarily and capriciously with the legislative branch, then he cannot rely on the legislative branch to include his projects and priorities. When there is that kind of mutuality of reliance to get good projects done, neither of the parties in the process can afford to be capricious, arbitrary, or unreasonable in the way they handle their responsibilities.

I emphasize that Presidents have legislative packages they think need to be undertaken. They cannot pass them or enact them themselves. They require individuals in the legislative branch to do that for them. If Presidents were to abuse the legislative branch by arbitrarily or capriciously wielding the line-item veto, there would be more recourse than they would want to endure emanating from the legislative branch.

So let me note two things, Mr. President. In theory, there is really no sound basis for the argument that there would be abuse of the line-item veto by the President. But second, we do not have to rely on theory alone. We can look to the real life example of about 43 States where the line-item veto is successfully used by the executive over and over again, and where there is real negotiation between parties of fragmented political power—meaning the legislature and the executive branches of Government. Neither have power to do everything themselves—they must negotiate between them—and those negotiations result in government being carried on.

The key difference between the States, where you have the line-item veto, and the Federal Government, where you do not have the line-item veto—and there is one key difference, Mr. President—is that we now have balanced budgets in the States. We do not have a balanced budget in the Federal Government.

So I do not fear an inappropriate use of the line-item veto by the President. If he were to use it inappropriately, I think the legislative branch would say to him ''you are not going to have our cooperation when you need it because you have acted inappropriately.''

Of course, there is an ultimate arbiter of the conduct of the President of the United States: That is the American people. If they saw the President of the United States abusing his power in such a manner, he would not be President for long.

Mr. MCCAIN. Mr. President, I thank my friend from Missouri for an eloquent statement, not only on that particular aspect of the issue but on the entire line-item veto.

I do not know of anyone who brings more credibility to this debate than a person who has had his most recent experience as Governor of a State that is doing very well and, I might add, to state the obvious, has its budget balanced and, I might add, was running surpluses for the 10 years under the Governor, which Senator ASHCROFT was.

May I ask the time remaining on both sides?

The PRESIDING OFFICER. The Senator from Arizona controls 1 hour and 15 minutes.

Mr. MCCAIN. And the other side?

The PRESIDING OFFICER. The Democratic side controls 2 hours and 24 minutes.

Mr. MCCAIN. Mr. President, we do not want to end up in a situation this afternoon where all time on this side has been used and none of the other side. I do have speakers who wish to speak, but at this time, until we get more balance in the time remaining, I suggest the absence of a quorum, understanding the time will be taken from both sides during the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I understand we are under a time agreement. I ask unanimous consent to be recognized for whatever time I may consume.

The PRESIDING OFFICER. The Senator has that right.

Mr. DORGAN. Mr. President, I noticed some snickers at the chart I brought to the floor today, which is surprising to me because the chart is a color chart and I think you will find it an interesting chart.

I have been listening this morning to the discussion on the floor of the Senate about a column that was written by Mr. Krauthammer in the Washington Post. My colleague from North Dakota, Senator CONRAD, came in discussed it a bit today and discussed the response that appeared in the Washington Post yesterday to that column. I have also heard some discussion this morning about the line-item veto. I wanted to try to discuss both of them, and do so in a manner that relates to the two of them.

One of the things that I think is important, as we addressed what we know to be the critical issues facing our country, is that we do so in a straightforward way and honest way, and when we talk about fiscal policy and budgeting, and Federal spending deficits. It seems to me that there seems to be a lot of discussion that is not quite square or right on the mark. Carpenters call it a half bubble off plumb. When you hear some of the things that are discussed around here, you kind of wonder how all that adds up.

I thought maybe I would bring a chart to describe the discussion I have heard on the floor the last several weeks and in the Krauthammer column in the Washington Post to describe how it does not add up.

Let me just recreate the circumstances of the discussion with respect to balancing the Federal budget, and with respect to the protection of the sanctity of the Social Security trust funds. We had on the floor of the Senate a proposal to change the Constitution of the United States to require a balanced budget. Of course, everyone understands that will not have changed the Federal deficits. If we amended the Constitution 1 minute from now requiring a balanced budget, we would still have the same budget deficit then as we have now because the only way to reduce the Federal budget deficit is to make individual decisions about taxing and spending. That is the only way the budget can be brought into balance.

There is, I think, no disagreement among Members of the Senate about the value of balancing the budget. There are certain virtues it seems to me in life that are timeless truths, and one of them is you cannot continue to spend more than you have. Our Federal Government is at a fiscal policy that spends more than it has. The result is it charges in the form of Federal deficits these deficits and debts to its kids and grandkids.

A proposition was brought to the floor of the Senate to amend the Constitution, as I said. The way the proposition was written, it was that all expenditures and all receipts are counted for the purpose of whether the budget was brought into balance. Senator CONRAD, I, and some others raised some questions about that because we felt that was in conflict with another legislative goal that we had established beginning in 1983, over 10 years ago. We wanted to save in the Social Security trust fund by accumulating surpluses

so that we would have money in surplus after the turn of the century when the baby boomers retired.

The result was, for example, in this year by a determined policy as a result of something we had previously decided, we would have a surplus of $69 billion in this year alone in the Social Security account. Why? Because when the America's biggest baby crop retires, when the war babies retire, after the turn of the century—we are going to have some problems in the Social Security account. We decided to save for that time. We decided to raise more revenue from Social Security, more dedicated taxes than we need now, put it in a trust fund, and save it. Therefore, this year, $69 billion more than is necessary to expend Social Security will be raised, and that will be put in a trust fund.

It is raised as a dedicated tax from paychecks of American workers and the businesses who employ them. That dedicated tax goes from the paychecks into a trust fund. It is not a tax that is collected from workers in this country to pay for defense, to pay for foreign aid, to pay for roads, to pay for schools. It is not a tax for that. It is a dedicated tax to be used only for one purpose: To put in a Social Security trust fund because we are going to need that money.

Those who defended a constitutional amendment to balance the budget said we have no intention of taking the money out of the Social Security trust funds. They announced that they had no intention of using those Social Security trust funds or raiding or looting the Social Security trust funds.

They repeated that time after time on the floor of the Senate. And then of course, we got into some discussion off the floor of the Senate and the same people who said we have no intention of using those Social Security trust funds to balance the budget said to us, ''Look, fellas, let's all be honest about this. We can't balance the Federal budget without using the Social Security trust funds.''

And in the room behind me about 10 feet away, we were presented with a sheet of paper, handwritten by the proponents of the constitutional amendment, something that said we will stop using the Social Security trust funds to balance the budget in the year 2012. A subsequent proposal was, we will stop using the Social Security trust funds in the year 2010. And, finally, we will stop in the year 2008. Thirteen years from now, we will stop doing something we proclaim we had no intention of doing.

Well, I figured that, because it is hard to explain, maybe I could take just the year 2002, which was the year in which the budget is to be in balance either by the constitutional requirement that would have been imposed had that amendment passed or by statute if we pass a statute. In the year 2002, the budget is to be in balance.

In that year, alone, just for that year, we have decided that we would accrue a surplus or accumulate a surplus in Social Security, and it is estimated that the surplus will be $111 billion, because we are going to need that money later. So we put some savings away in Social Security and we are going to use it later. That is the year 2002.

With the constitutional amendment to balance the budget, all expenditures and all receipts would be included, which means that $111 billion in the year 2002 would then be included in the receipts. So what you had was a Hobson's choice in the year 2002. Look at this chart. Either you say you had a balanced Federal budget, which would be this—we have in the year 2002, under this seesaw accounting approach, we have a zero balance. In other words, we have eliminated the Federal deficit.

But, of course, what you have done is, rather than have the $111 billion surplus in the Social Security account, you have taken that $111 billion and used it here to get to zero. Or, if you say no, we have no intention of using that—our position, incidentally, is that cannot be used and should not be used.

If you do not use that money in the year 2002 what happens? You do not have a zero budget balance. It is a fraud to say you have balanced the budget. You have a $111 billion deficit. Yes, you do have the $111 billion surplus in Social Security. That is the surplus that you promised people who paid the tax in would exist. But you now have a $111 billion operating budget deficit.

The constitutional amendment which would have required this kind of accounting would have done one of two things. It would have either used this, the Social Security surplus, to balance the operating budget deficit, which means that the surplus effectively does not exist, so you have broken a promise to workers and to retired people; or, you would have retained the promise of the surplus and not balanced the budget. You cannot do it both ways.

You know, Mr. Krauthammer and others might have gone to a different school than we did, but double-entry accounting does not mean you can use the same money twice. In some cases, there are criminal sanctions for that. That is not what double-entry accounting means. You cannot say, yes, we have savings and, yes, we are using that over here to show a balanced budget. That is not honest accounting. That is dishonest budgeting and everybody knows it.

And that is the point that the Senator from North Dakota, Senator CONRAD, was making and it is a point I wanted to make. And I think is a point probably best made using a seesaw accounting illustration here to demonstrate that you cannot have it both ways. You cannot use a tenth of $1 trillion in two different accounts at the same time.

LINE-ITEM VETO

Mr. President, I also wanted to talk about the next debate we will have, which will be on the line-item veto. The line-item veto is an important issue and I believe the Senate will pass the line-item veto and I will support line-item veto legislation.

I listen to the discussion on the floor of the Senate about the line-item veto. Once again, its proponents are overselling it. There is some notion that if there were a line-item veto in place today, we would not have a problem with the budget deficit.

I happen to think we ought to have a line-item veto, because I think it is good public policy. But frankly, I do not think it will make much of a difference at all with respect to the budget deficit. The line item veto in S.4 would apply to appropriations. But the fact is that we have capped appropriations, by law, and they are therefore not growing very much. This budget deficit is driven by increases in entitlement spending, especially health care price increases, that are not voted on. They are entitlements whose costs ratchet up every single year in dramatic ways.

I heard a previous speaker say, you know, the Congress comes here and spends all this extra money. Well, what happens is, the health care accounts in Medicaid and Medicare are exploding on us, skyrocketing. There is not even a vote on those increases. Those are entitlements. The increases are automatic. We simply pay the bill for Medicare for those that are entitled.

When doctors charge more, hospitals charge more, when technology increases and you have breathtaking new capabilities of saving lives and when, in some months, 200,000 new Americans become eligible for Medicare, you can see what is happening to those accounts in the Federal budget. They are rising substantially, and nobody casts a vote on whether to do it or not.

Until and unless we get a handle on the skyrocketing health care costs, we are not going to be able to solve this gripping Federal deficit problem. So we must do both. We must solve the deficit problem and we must do it, in part, by getting a handle on skyrocketing health care costs.

So I just want to say, I do not think that people ought to believe those who would oversell the line-item veto. It will not control the budget deficit.

Will it, in some cases, soak some of the wasteful projects out of some of the appropriations bills? I think that possibility exists. I think that it would be a useful instrument to have. Most Governors have it. Frankly, I think the President should have it.

The debate we are going to have in the coming weeks will be: What kind of a line-item veto shall this Congress and this Senate adopt?

I believe the appropriate line-item veto is one that we will introduce next Tuesday. It is similar to S. 14, which has been previously introduced in the

Senate. It provides that the President shall be able to rescind, or send back for review, any single line in an appropriations bill and send it back to the Congress and, by a majority vote of the House and Senate, both of which are required to vote, the House and Senate will make a determination upon the President's rescission or veto.

Second, I think that we would make a mistake if we pass a line-item veto and deal only with expenditures. Most of us understand that there are a couple of ways that Congress deals with spending and taxing and deficits. One is to determine the amount of money spent and the second is to determine what kind of a tax system is imposed to collect the revenues.

I believe very strongly that we also ought to include tax provisions in the line-item veto. The fact is, some come to the floor and propose tax expenditures, some propose direct expenditures, others propose tax concessions that result in effectively reducing the tax base and spending tax revenues we otherwise would have had. I think that also ought to be subject to a line-item veto.

A line-item veto bill that includes only spending but does not include tax concessions is, I think, a weak bill, one that says, let us do something, but let us not do enough; let us move part of the way, but let us not move all the way to exhibit some control and some responsibility.

So I really think that it will be a mistake if this Senate turns next to the line-item veto and decides the only vetoes by Presidents of lines in legislation that we are going to respond to will be appropriations and not tax provisions. I believe that line-item veto legislation should allow Presidents to single out individual lines in appropriations bills and individual provisions in tax legislation and force the Congress to own up to those expenditures and those tax concessions.

When we do that, if we do that, if we provide, in combination, in a line-item veto bill that covers both expenditures and tax expenditures, I think we will have served a useful purpose for the American people. I think we will have contributed to more responsible legislation, both in expenditures and also in our Tax Code.

Some would say, ''Well, we would like a line-item veto that deals only with spending in appropriations bills and would require a two-thirds vote in both the House and the Senate to essentially overcome the Presidential veto.''

I think, frankly, a majority vote in the House or the Senate is more appropriate. But I think it is even more important to pass legislation that includes, as I said, tax concessions or tax expenditures along with regular expenditures in the appropriations bill, as well.

We will have that debate, I think, at the end of the day. The American people will find that the Congress, both the House and the Senate, will support a line-item veto. I expect a line-item veto bill to go to the President for signature this year, and I think it will advance the national interest by leading to more responsible legislation.

I do not think it will do very much about the Federal deficit. I wish it would. I wish I could oversell it like some do. But it will not. The only way we will get a handle on the Federal deficit, and we must, is if all Members, in a serious, honest way, decide to embark on the same journey together.

I was on the floor of the Senate yesterday expressing some surprise that those in the Senate who were the loudest about wanting to amend the Constitution to require a balanced budget were back, and they came back with their charts showing what the pollsters had recently told them.

The pollsters said—no surprise to me—that tax cuts are now popular. Poll the American people and say, ''Would you like a tax cut?'' They say, ''Oh, yes; I would like a tax cut.'' That elicits a pretty predictable answer. We had charts all over the back of the Chamber showing the results of the latest polls. The American people support tax cuts.

Well, that is not a revelation to me. But it is interesting to me that those same people who said that we have a responsibility to balance the budget, and they wanted to change the Constitution to require it be done, are now saying that the next step they want to take is to cut the Federal Government's revenue.

I think our next step is an obvious one to everybody, conservatives and liberals alike: We must cut Federal spending, and we must use the money to cut the Federal deficit. When we have done that job, and only then, when we have completed that work, then we can talk about tax cuts.

But to suggest when we have the kind of Federal deficit we have and an accumulated $4.7 trillion Federal debt, that our next step is to do the popular thing, to be human weather vanes, to find out what people think and rush off to start cutting taxes might be popular, but frankly it is not right.

Everybody here in this Chamber who is serious about reducing this crippling budget deficit and putting this country back on the right course toward expansion, economic hope, and opportunity once again ought to join hands and say, ''Our job now is to cut spending, use the savings to cut the deficit, and resolve this crippling deficit and debt issue for this country. When we have completed that job, then our task, in unison, in a bipartisan way, is to find out how we can relieve the tax burden on middle-income families.'' But let Members not put the cart before the horse, even if it may be popular to do so.

Mr. President, having spoken a bit about the constitutional amendment to balance the budget and the line-item veto and some thoughts about the most recent popular proposals in tax cuts, I do want to say that what we have had, I think, is a troubling series of years in American politics recently in which we have fractured the spirit of cooperation. When I say ''we,'' I think everybody in this country has been involved in that in one way or the other.

The fact is, our country is involved in tough-spirited international economic competition, the winners of which will see economies with expansion and opportunities, and the losers of which will suffer the British disease for a century—low economic growth, less opportunities, less expansion.

I think the American people expect of Members, and I think will demand of all Members of all political persuasions, that we understand that we play on the same team; we represent the same interests and ought to fight for the same goals.

No one in this Chamber can believe that our current fiscal policy helps this country. Our current fiscal policy of spending more money than we have, consistently, is one that weakens our country. We must join together, whether it be through a line-item veto approach or through budget initiatives that should come by the middle of the next month, to begin correcting this country's fiscal policy problems in a serious and honest way.

I pledge, as one Member of this side of the aisle, to be as constructive as I can in marching toward those solutions, hopefully, in a bipartisan way.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ASHCROFT). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak as if in morning business for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ABOLISHING THE DEPARTMENT OF EDUCATION

Mr. BINGAMAN. Mr. President, in recent days three of the announced candidates for President on the Republican side have announced their intention and commitment to eliminate the Federal Department of Education if they are elected. In my view, Mr. President, that is a sad commentary on the priorities that some of those in leadership positions have in this country today.

I remember when President Reagan ran in 1980, part of his platform was to eliminate the Federal Department of Education. I thought the suggestion was misguided at that time. I strongly believe that it is even more misguided here in 1995. This is the last decade of