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Senate

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The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Our prayer this morning will be delivered by our former beloved Chaplain.

PRAYER

The guest Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

In a moment of silence, let us remember Chick Reynolds, from our official reporters office, who is very ill.

God is our refuge and strength, a very present help in trouble.—Psalm 46:1.

Loving Father, this a place of great power, and powerful people often suffer in silence. They grieve alone, weep alone, confront personal inadequacy alone. Our culture does not permit people of power to admit weakness or vulnerability. We pray for those who may be hurting. Where there is alienation, bring reconciliation; where there is illness, bring healing; if there be a child in trouble, restore that one to the family; where there is financial difficulty, provide out of Thy boundless resources; where there is grief, give comfort.

Dear God, give us grace to be kind to one another. Help us to be sensitive and caring. Let Thy love be shed abroad and Thy peace rule in our hearts. In the name of Him who was love incarnate. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. THOMAS. Mr. President, this morning, the leader time has been reserved and the Senate will immediately resume consideration of S. 4, the line-item veto bill. In accordance

with the consent agreement reached last night, the cloture vote on the majority leader's substitute amendment to S. 4 will occur at 6 p.m. this evening. All Senators should be aware that there are several pending amendments to the substitute. Therefore, rollcall votes may occur throughout the day today.

Also, the majority leader has indicated that a late night session can be expected in order to complete action on the line-item veto bill this week.

LINE-ITEM VETO

Mr. THOMAS. Mr. President, under the order, the freshmen have an hour reserved this morning to talk about the line-item veto. I am happy to join in that.

The first to present views will be the president of the class, the Senator from Oklahoma.

I yield him as much time as he may consume.

Mr. INHOFE. I thank the Senator from Wyoming for yielding this time on this very significant subject.

The PRESIDENT pro tempore. The distinguished Senator from Oklahoma is recognized.

Mr. INHOFE. Thank you, Mr. President.

Mr. President, I have been listening attentively to the discussion that has been taking place in the Chamber on the line-item veto. I think there may be some misconceptions floating around as to who really wants a line-item veto and how much they want it, and who perhaps does not want it.

I have heard over and over again, as I was sitting in the chair where the President pro tempore is presiding, Senators standing up and saying, "Our President, President Clinton, wants the line-item veto. We need to give it to him so he will have the ability to veto

those items and spending bills that are out of line."

I suggest that, even though the President has made the statement, "I want a strong line-item veto bill and I want it very soon," that that is the same thing he said about a balanced budget amendment to the Constitution. And we were to find out later that he was the one who led the opposition to the balanced budget amendment on the telephone, lobbying those Democrats who had previously committed themselves to a balanced budget amendment. I suggest this may even be happening today.

The reason I say that, Mr. President, is not to make an attack on President Clinton or to question anything that he has said. But the idea of the President having the ability to use this new device, a line-item veto, to take top spending things, pork items, out of a bill does not seem to make any sense to me.

If you look back to 1993, when President Clinton came up with his budget and tax hike, it was characterized by many people, including PATRICK MOYNIHAN, as the largest tax increase in the history of public finance or any place in the world. It was a \$267 billion tax increase, with all kinds of spending increases. The taxes went back retroactively to January of 1993, and that is the first time I can remember that happening. It increased the top rate to 36 percent. Then it went in and started taxing Social Security recipients.

Now, this was kind of interesting because in arguing against the balanced budget amendment, they were trying to use Social Security as the argument against the balanced budget amendment when in fact this President in 1993 increased dramatically the taxes on Americans' Social Security. Of course, it was not a good argument anyway, because if we do not do something to get the budget under control,

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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whether we use the balanced budget amendment or line-item veto or anything else, there will not be anything left in Social Security anyway in another 15 years.

In that same bill, he increased the taxes on gasoline by 4.3 percent. He increased the corporate rate up to 36 percent. And in spite of all the increases in taxes, 267 billion dollars' worth, it would increase the debt by \$1.4 trillion over a 5-year period.

My question would be: Would he have line-item vetoed any of those items? No, because this was his bill.

Then he came out with the stimulus plan. This was a \$16.3 billion increase in spending, with all kinds of pork. I was very happy that a filibuster, led by Senator DOLE, was successful in giving him his first defeat.

But if you look at what he tried to pass—a \$1 billion summer jobs program; \$1.1 billion for a variety of items, such as AIDS and food distribution; a \$1.2 billion subsidy to Amtrak and to subways and light rail packages that are located in the districts of certain friendly people, I suspect; a \$2.5 billion pork-barrel bunch of items—swimming pools, parking lots, ice rink warming huts, an Alpine ski lift, and other pork-barrel projects.

Now, the question is, if this had passed and he had the ability to use a line-item veto, would he have done it? No. The answer is a resounding no, because this is what he was promoting.

So, I think that we need to look at this in a little different context, and that is, we are going to have one of two different kinds of Presidents of the United States. Either we are going to have one like President Clinton, who is the biggest tax-and-spend President in contemporary history, or in a couple of years, when this agony is over, we are going to have a conservative President.

Now, regardless of whether we have a Democrat or Republican, or a conservative or liberal, a line-item veto is very helpful to us. Because if it is a liberal President who is for taxing and spending, such as our current President, then this takes away his excuse for signing big spending bills.

What have we seen historically in this country? We have seen bills coming in with 25, 30, or 50 items unrelated to each other, all this pork, such as that which was included in his stimulus bill, and he says—

I have to sign it, because if I do not, we will not get the veterans' cost-of-living adjustments or we will not get a Social Security adjustment, or something that people want, and that is good and is consistent with the philosophy and the desires of a majority serving in both bodies.

So this would take away the ability of someone who is trying to use that for an excuse to pass pork-barrel legislation so that he could not do it, and would make him accountable.

Let us say we have a conservative President. It would work equally well there, because a conservative President could go through and he could line out

this pork stuff and could send it back for an override.

I will conclude by saying that we often overlook the real reason for a line-item veto. It is not that it is going to be the cure-all. It is not going to balance the budget. It is not going to do all these things.

It is a vehicle to be helpful. However, what it does do is make the President and the House and the Senate accountable. If we have a liberal President or a conservative President, that President will have to be accountable for his acts, because with this ability to line out items and veto specific items, a President can no longer say that he has to do it.

Then the glorious thing about it is it goes to the House or the Senate and there is a veto attempt to override, and that way we have to go on record—Members of the House, Members of the Senate, and the President.

None of those now have to be accountable to the people back home. I have often said, none of this silliness, the foolishness that goes on in Washington would happen if people were held accountable for their acts. That is exactly what the line-item veto would do. So regardless of what kind of President we have, regardless of the philosophy of Congress, a line-item veto does make Congress accountable. And that serves the American people best.

I yield the floor.

Mr. THOMAS. Mr. President, let me simply say I endorse this notion of accountability. If there is anything that is necessary in this Government and something that this bill will help to do, it is accountability.

I yield now to the Senator from Pennsylvania for as much time as he may consume.

Mr. SANTORUM. I thank the Senator from Wyoming, and I appreciate the indulgence of my friend, Senator GRAMS, from Minnesota, who has let me jump ahead to speak.

I have just two major points to make here this morning. One of the reasons I wanted to come down here, one of the reasons the freshmen were so excited about talking about this line-item veto bill, because this is actually a bill where the Senate version of the Contract With America bill is actually stronger than the House version. The Senate bill is actually a tougher bill, is actually a bill that goes after more spending, that provides more power, in fact, to the President, to keep Congress in check here of providing pork or other kinds of preferential treatment to selected individuals or institutions in this country.

That is an exciting thing to stand here on the Senate floor and argue for. I am very pleased with the work that was done by the folks here, Senator DOMENICI, Senator MCCAIN, Senator COATS, and Senator STEVENS, in putting this bill together. It is a stronger bill.

It does not just go after appropriations or annual appropriations, which

all the traditional line-item veto bills have done. But it goes after what are called tax expenditures, or tax provisions that are targeted at specific individuals or specific companies. It does not go after tax cuts. It allows tax cuts to go into place without threat of Presidential lining out, but it does go after sort of those favored treatment things, those little goodies that have slipped into tax bills that heretofore have never been included in any line-item veto proposal.

It goes after entitlement spending. New entitlement spending is now separated out so we can have an opportunity to go after that which has never before been done. This is a much better bill, one that I think everyone can be supportive of, and I think we will get strong support.

My final comment is I just hope that this institution does not disintegrate, as it did on the balanced budget amendment, into playing partisan politics on things that people in the past have agreed to. I have a list of Members on the Democratic side of the aisle who, in the last 4 or 5 years, have voted consistently in many cases for line-item veto bills, for bills similar to this one—like the Bradley bill a few years ago, which got, I think, 16 Democratic supporters.

This is a bill that should and was drafted to attract bipartisan support. If this bill does not succeed on cloture today—if we have a cloture vote today, which I anticipate, I guess we will—if it does not succeed, it is not because the other side does not agree with what we are doing. It is because the other side does not agree to do anything and they want to play partisan politics and put partisanship above policy and the better future for our children and for this country.

Mr. THOMAS. Mr. President, I would just like to say briefly, I think it is significant that the freshmen have joined together in the Senate to come to speak again on this issue. Most have indicated our support. I think this is a demonstration of those who are newly elected who are taking a look, first, at what the voters said in November; and second, are not encumbered by the debates that have gone on here before, but rather are interested in making some changes in process so that there can be changes in results.

I now yield 10 minutes to the Senator from Minnesota.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Minnesota.

Mr. GRAMS. Mr. President, I want to take a few moments during this very important debate over the line-item veto to remind my colleagues here in the Senate of the revolution that is taking place next door.

In the House Chamber, our colleagues are making history. They are throwing out 40 years of bloated, irresponsible government and replacing it with new

ideas, a new spirit, a new partnership with the American people.

They have passed the balanced budget amendment in the House. They have passed regulatory relief and legal reform. They have voted to strengthen our national defense, to crack down on crime, and to rein in Government spending.

In fact, so far, they have passed every piece of legislation they promised to pass in the Contract With America. At the breakneck pace the House is keeping, our colleagues there will meet their self-imposed 100-day deadline and still have a week to spare.

People back home ask me what it is like to be part of this revolution. I say, "I don't know, because I am in the Senate." The House is passing history, and too often all we seem to be passing is time.

We would like to tell ourselves we are the more deliberative body, that here in the Senate, passion is tempered by prudence. Nobody is going to ride roughshod over the Senate, we boast. But not meeting our responsibilities is not a new definition of being deliberative. Maybe what we are doing is exactly what our Founding Fathers intended Congress to do. But maybe, though, some just did not hear the message in November, when Americans took the promises of the Contract With America with them to the polls, and there they cast their ballots for change.

"But I did not sign any contracts. I haven't even read it," I heard some of my Senate colleagues protest. Maybe not. But he might just as well have, Mr. President, because when the American people think about the U.S. Congress, there is no thick, black curtain separating the House from the Senate. They just see Congress, and it is Congress as a whole—not just the House of Representatives, not just House Republicans—that will be held to the promises in the contract.

Of course, if the American people seem a little suspicious when it comes to our promises, well, maybe they have a right to be. We have already let them down once this year. The first plank in the contract, the Fiscal Responsibility Act, calls for a balanced budget amendment to the Constitution. The House passed it, but the Senate voted it down. Even though 85 percent of the American people said they wanted it, and said our financial future may depend on it, we voted it down.

The voters have a right to be furious. They thought we had promised a balanced budget amendment. Now, how can we possibly explain that it was really the House, not the Senate, without sounding a lot like political trickery?

Try to explain that Congress as a whole does not have to balance its budget, that somehow Congress is special, or it can act irresponsibly and it does not affect the taxpayers of this country.

The Fiscal Responsibility Act now also calls for a line-item veto. Again, a vast majority of Americans, 64 percent of them, consider the passage of a line-item veto as a high or a top priority. It is one of the bold print provisions of the Contract With America—a nonretractable promise—and it, too, has already passed in the House. But like the balanced budget amendment, it may also face trouble here in the Senate.

Now, Mr. President, whether they like it or not, Senate Republicans are tied to the legislative coattails of the Contract With America right alongside our House colleagues, because it is what Americans want Congress to do.

Senate Democrats will be held accountable as well, because for the most part, the American people do not care whether a certain piece of legislation is a Republican bill or whether it is a Democratic bill. They care about legislation that is going to help their families and protect the future for their children and their grandchildren.

Now, the line-item veto is one of those bills, a bill that is not about politics, a bill that is simply about doing the right thing. If we do our job right, young people will someday hear stories about how the revolution of November 8, 1994, transformed the Nation. Old timers will look back to this Congress and wonder at the courage that it took to effect such a tremendous change. Or maybe the 104th Congress will go down in history as one-termers who promised change but failed to deliver.

If the line-item veto and the \$500 per child tax credit go the way of the balanced budget amendment, you can guess what the history books will be saying about us.

Mr. President, this is your contract, this is my contract, this is America's contract, and whether my Senate colleagues signed it or not, this is their contract, too.

Mr. President, I yield back the remainder of my time.

Mr. THOMAS. Mr. President, I now yield 10 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, the tree of liberty is nourished by elections, which water and grow the process of good government. Last November, we got a real shower. The people of the United States of America said that they wanted us to change the way we do business in Washington, DC. They wanted us to live by the laws that we established for others, and so we provide for congressional accountability. They wanted us to stop telling State governments and city councils how to spend their money. Soon, S. 1 will be signed into law by the President. But there is another very important aspect of what the people told us. They said they wanted us to live within our means, like every household must live within its means.

Last month, we failed to pass the balanced budget amendment. It was a tragedy, but that was the loss of a battle, not the war. Now, the American people are waiting—and the world community is waiting—to see whether or not we, as a government, will live within our means, as well as embrace the kind of tools which will allow us to get the job done.

Every kitchen table in America has a line-item veto, Mr. President. We sit down with the resources we have and we look at the list of things we would like to buy, and we scratch off the things we can't afford. That is the line-item veto. It is that simple.

It means nothing more than saying that we will not spend money we do not have, and we will mark through things which we cannot afford. Unfortunately, the U.S. Congress has never seen it that way. We send the President a great big wish list and indicate that he has to either throw away the entire list or else sign it into law. Ridiculous. Few Americans would approach the kitchen table and say, "If we can't have the frills, we don't want the food." We all know that there are things, both good and bad, that we can't always afford.

So it is important for us to respond to the voters' desire to change the way Washington works. The American people have spoken. They have spoken clearly. It is time now for us to act.

Now, there are a variety of voices being raised against the line-item veto. While these voices are loud, they are also misleading. They have been saying that if we have the line-item veto or the balanced budget amendment, we will hurt Social Security.

Mr. President, the biggest threat to Social Security is a Nation which does not have the fiscal and financial integrity to address and deal with its national debt. When we force the President to have an all-or-nothing approach to the budgets we forward, we increase the likelihood of fiscal mismanagement.

This has several negative effects. First, it increases the interest that we pay to service the debt. A 1-percent rise in interest rates on the national debt costs us \$35 billion a year. Second, it decreases confidence in the dollar. We saw what happened when we failed to pass the balanced budget amendment. When people are insecure about America's economy and about our fiscal discipline, they are less likely to finance our debt. In the end, it is our inability to meet these fiscal obligations that is the single greatest threat to Social Security.

Another argument against the line-item veto, Mr. President, is that it would impair the rights of children; that somehow, if we have fiscal integrity and financial management, we will hurt our children. The truth of the matter is that we are spending the yet unearned wages of the next generation today. We are destroying their future.

We are eroding the financial foundation of the country that they will ultimately lead. We are mortgaging their future, and it is wrong. We need a strong country that will provide a foundation and framework in which those children can be prosperous. The line-item veto would help do just that.

Mr. President, others have argued that we are eroding the Constitution. I, however, would argue that the Constitution came into existence as a protest against the improper taxation of Americans without representation. If we do not control spending, we are taxing the next generation. If we have a balanced budget and if we move toward it with a line-item veto, we are acting in a way that is entirely consistent with the actions and the intent of the Framers.

This is the U.S. Senate. It is not a packing house. This debate is not about the Constitution, it is a debate about whether we are a packing house, or a place of public policy.

So, we must recognize the voice of the people in their call for change. We must provide the President an opportunity to knock out inappropriate spending without vetoing an entire bill. We must protect Social Security with financial integrity. We must protect our children by not mortgaging their future. We must protect the idea of the Constitution by not taxing the next generation without representation. We must eliminate pork. We must, in the end, serve all the people.

Thank you, Mr. President.

Mr. THOMAS. Mr. President, I now yield to the Senator from Ohio for 10 minutes.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Ohio.

Mr. DEWINE. Mr. President, I rise today to offer my strong support for the legislative line-item veto. The line-item veto will be a very effective tool in helping this country achieve a balanced budget.

Let us be clear, though, Mr. President. This is not some sort of magic potion that is going to solve all of our problems. We are going to be faced with very, very difficult choices that we as Members of the Senate and House will have to make in the upcoming months in regard to our budget. But while it is not a magic potion or magic wand, it is a reasonable, rational tool, a tool that will help us achieve this very important fiscal goal. This legislation will give the President the power most Governors already have, the power to cut wasteful spending items and special tax breaks out of the budget.

I believe, though, that this power which most Governors have today and which I hope the President will have after we pass this bill is valuable not because of what the Chief Executive actually vetoes. Rather, the true importance of the line-item veto lies in its value as a deterrent. I believe the passage of this bill will change the climate in which Congress operates just

as it has affected the climate in which most of our State legislators operate.

Think of all the wasteful taxing and spending provisions that will never be included in legislation, never be included simply because Congress knows that the provision will not stand up to public scrutiny, will not stand up to scrutiny in the light of day.

This I believe is the real value of the line-item veto at the State level, and it would be equally valuable at the Federal level.

Talk to the Governors. My colleague from Missouri, who just sat down, was a Governor, and he outlined for us several days ago some of the provisions that he had to veto as a Governor and why he made those decisions and how he felt that was an effective tool. Governors I have talked to say the same thing.

When you really pin the Governors down, what they will tell you usually—it is what Governor Voinovich has told me—is that the value of the line-item veto is not so much in what they do veto but, rather, in the fact that the legislature does not put certain items in the bill because they know the Governor has that veto, and so that is really the true value, it is the value of the deterrent.

Frankly, I do not expect to see a huge number of vetoed items when we pass this legislation. We may, but I do not think so. The very existence of the line-item veto will prevent these items from ever being included in these bills in the first place.

Mr. President, I know there are some of our colleagues who are concerned that any form of a line-item veto would effectively transfer power from this body and from the House to the executive branch, to the President. I understand those concerns. But I think if we look at this from a historical point of view, what we will really find is that the passage of this legislation is merely restoring the balance of power to where it was many, many years ago.

As a practical matter, I believe passage of this bill will return us to the situation that originally existed in Congress when Presidents in the early days of this country were presented with simpler and shorter bills. I believe the Framers of the Constitution had that in mind when they wrote the Constitution, and when the original provision about the veto was put into law.

Over the last several decades, the Federal legislative process has really gotten out of hand. For too long the process has been distorted and perverted by the practice of enacting huge omnibus bills which the President is forced to accept or reject in their entirety. This historic change I believe has been for the worse.

Appropriations bills, tax bills, entitlement bills, the passage of these bills is followed, many times within a week or two, by a story in the paper outlining all the hidden projects, all the hidden provisions that somehow were put in a bill at the last moment, maybe in

a conference committee. If these special projects or special tax breaks had to stand alone in the clear light of day, they simply would not withstand public scrutiny and, quite frankly, would never be included at all.

The line-item veto will help take us back to the original legislative process, an original legislative process in which we can count on the President to represent the national interest in deciding on the value of legislation. Today the President is hindered in this important constitutional duty. He must either accept or reject outright these huge taxing and spending bills that contain literally thousands of separate line items. Some of the line items, Mr. President, are necessary. Some are desirable but not necessary. Some are questionable, and some are downright indefensible. Congress regularly says to the President take it or leave it. If you think the national interest requires the passage of some of what is in the bill, you have to sign all of the bill.

By now we are all familiar with thousands of examples of Federal spending items, special tax breaks that would never have been approved if those responsible for them were truly held accountable to the American people. The line-item veto is tailor-made to solve this problem. Eleven former Presidents have endorsed it. Forty-three of our Nation's Governors have it, and it works. In 1992, the Cato Institute surveyed current and former Governors, and 92 percent of them believed that the line-item veto would help restrain Federal spending.

I think they are right. That is why I will be voting for the legislative line-item veto.

Mr. President, I thank the Chair and I yield back the remainder of my time.

Mr. THOMAS. Mr. President, I yield myself as much time as I may consume.

I think it is interesting and important that the newer Members of the Senate have come here today to talk about the line-item veto. They have talked about accountability, accountability in Government. Nothing can be more important than that.

They have talked about change, change based on issues, not change based on partisan political things.

They talked as well about responsibility of the President to take a look at these items as they are returned from Congress. They talked about the fact that families do this every day. Families have to set priorities. Families have to go through their budget and say here are some things that are less important than others, we cannot afford them all, and we have to line-item veto.

They have talked about business as usual, which I guess is a reasonable thing and predictable thing for new Members of the Senate to talk about because they have not been a part of business as usual. Indeed, they came here—having talked about these issues at home, having talked about them

with the voters—with a dedication to change. They talked about items that appear in large budgets that are passed because they are in large budgets, that would not pass on their own merits, that would not even be considered if they were to stand alone.

So I think it is important that this point of view be stressed. I think it is important this group of Senators who come with a little different view of the world, perhaps, in terms of not having been here, express their views in these particular areas.

We have the Senator from Michigan, who will be here shortly.

This is one of the items that does speak to change, one of the items that we have been considering and we are hopeful there will be passage of this week. We are hopeful that some accommodation will be made.

Let me talk a little bit, however, about the broader context, it seems to me, that line-item veto fits into. We have talked about it for a week. I suspect we will talk about it for much of this week. It has been talked about last year. It has been talked about in previous years. It is not a new item, not a new issue. We have talked about the details. Maybe it is useful to talk a little bit about how it fits into a broader context, and to understand that it does have something to do with the overall role of Government, the overall size of Government, the overall impact of Government on people's lives.

There is a legitimate difference. There is a legitimate reason to have debates about the things that go on here. There are those who believe more Government is better; that the Government should be expanded; that there should be more spending; that the Government should have more programs. There is another point of view, the one that I share, the one that I think was the message of this November's election. That is the Federal Government is too big and that it costs too much and that it is overly intrusive into all aspects of our lives.

That is a legitimate debate. In fact, that is the core of much of the debate that goes on here, what you perceive to be the role of Government and what, indeed, then, goes with that. If you see more Government, then there are going to be more regulations. If you see more Government there are going to be more taxes, or more debt, or both. But, in fact, if you see the role of Government as one of a referee, one whose primary responsibility is defense, and ensuring fairness, ensuring opportunity, then you see the Government as somewhat smaller, as something less intrusive. And that is really the underlying debate in much of what we talk about, the role of Government—and, of course, who pays for it.

That has been true in the procedural issues that we have talked about, the issues that have to do with changing the process, with changing the structure of the way decisions are made. Frankly, if you expect to have a dif-

ferent result you are going to have to do something different. If you want to continue to do everything in the same way as you have in the past, then the expectation is the results are going to be the same. If we continue to use the same process there is no reason to expect that the debt or the deficit is going to be smaller.

We will be voting this summer on a new debt limit. That new debt limit will be \$5 trillion or more—\$5 trillion debt. Each of us as citizens shares in that debt. The interest payment on that debt will soon be the second largest item, line item in the Federal budget. This year I think it is somewhere in the neighborhood of \$260 to \$265 billion interest on the debt. So the procedural things we have talked about have to do with changing the results.

The balanced budget amendment is a procedural change, one that in my view needs to be made. Line-item veto, another of those—not to balance the budget, it will not balance the budget—but it changes the character of budget considerations; it changes how you look; it changes some of the responsibilities.

We have to change budgeting, change it so we start from a base that is the same as last year's spending, not a baseline that goes up. That is what has caused much of the discussion around the country, that everything is being cut. The fact is it is not being cut. There was a group in my office yesterday talking about an educational program, about the cuts. The fact is the cut is 25 percent of the increase. It is not a cut. But based on budgeting it seems to be a cut. So we continue to spend more with the sort of notion that we have had a cut, and indeed we have not had a cut at all, we have had an increase.

These are the kinds of changes that do need to be made. Line-item veto needs to be there because things are done differently. Someone the other day on the floor showed an early—150 years ago—bill on appropriations: On one page. On the other hand, we looked at one that is 2½ pounds now.

My favorite story, of course, is always the Lawrence Welk Museum that is in the highway bill. In the House we had no opportunity to talk about the Lawrence Welk Museum. We did not want to vote against the highway bill. The Lawrence Welk Museum would have never gotten any attention at all had it had to stand on its own merit, but it was there and line-item veto is what that is all about.

So we do have big bills. We have big deficits. And the fact of the matter is it is difficult. All of us have a certain parochial interest. That is the way it is. I represent Wyoming. The President represents Vermont. We all have a parochial interest, and should. So we are for things that are for our State. It is very difficult to be against somebody else's proposal, because you want their help. That is a fact of life. It is a fact

of life. So we do need a line-item veto. And there are pork-barrel activities.

So, Mr. President, it begins to be increasingly important that we do take a look at these structural changes. The argument that we do not need to change things, we can just change them because they should be changed—the evidence does not support that. How many years has it been since we balanced the budget—25? Maybe five times in 50 years? So that does not work.

Now is the time to make that tough decision. And we have an opportunity here to do that. We have an opportunity to pass a bill that has had support in this Chamber, more than enough to pass it, and now is the time.

Mr. President, I now yield to the Senator from Arizona for as much time as he may consume.

Mr. KYL. Mr. President, I thank the Senator from Wyoming for yielding this time to me. I appreciate his work on trying to finally get this line-item veto passed.

Mr. President, I think most people agree that the top priority of the Federal Government today is to reduce the size of the budget deficit. Not to do so is to relegate all of us—especially our children—to a lower standard of living.

Balancing the Federal budget will not be easy. Some popular programs will have to be cut. Others will have to be eliminated as Congress finally begins to set priorities—to distinguish between needs and wants—just like families across America must do every day.

When a family runs short of money, it does not sacrifice food from the table or the roof overhead to go to the movies every weekend, to buy new furniture, or put a new stereo in the car. The choices that a family has to make are often far more difficult—whether to buy new clothes for the kids or supplies for school; whether to buy food or medicine; whether to fix the roof or repair the car. When resources are limited, the family eliminates the extras and then tries its best to meet its basic needs. Even that can be trying. The head of the household has to make tough choices that will not necessarily be very popular with the rest of the family, but that is what it takes to try to make sure the family can survive and prosper.

Like the family, the Federal Government cannot satisfy every want; it cannot even answer every need. With interest payments on the national debt eating up a substantial part of the Federal budget—about \$300 billion this year alone—we are finding ourselves with less and less every year for many basic Government programs. Hurt most are those who are dependent upon Government services—the poor and the elderly—and our children and grandchildren whose future will be marked by a lower standard of living as they struggle to pay off the debts we are accumulating today.

The line-item veto is no panacea, but it is an important first step in gaining control over the budget.

Mr. President, this is the "1995 Congressional Pig Book Summary," a list of 88 projects that will cost taxpayers more than \$1 billion. Compiled by the nonpartisan organization, Citizens Against Government Waste, it represents just a fraction of more than \$10 billion in pork-barrel spending that the group identified in last year's appropriations bills. These are the kinds of projects that are likely to be the target of a line-item veto: Russian wheat aphid and swine research; highway demonstration projects; civilian sporting events funded out of the defense budget; and a program that has used funds in the past for a golf video and pony trekking centers in Ireland.

These are the kinds of projects that are typically hidden away in annual spending bills. They are enough to demonstrate legislators' ability to bring home the bacon and curry favor with special interest groups back home. But, they usually don't amount to enough to prompt the President to veto an entire bill bringing large parts of the Government to a standstill in the process. The result, as Citizens Against Government Waste put it, is that it all adds up to a raw deal for taxpayers.

The line-item veto is designed to bring accountability to the budget process. Instead of forcing the President to accept wasteful and unnecessary spending in order to protect important programs, it puts the onus on special interests and their congressional patrons. It subjects projects with narrow special interests to a more stringent standard than programs of national interest. After a Presidential veto, the special interests would have to win a two-thirds majority in each House.

That is the shift in the balance of power which the line-item veto represents. It is a shift in favor of taxpayers, and it is long overdue. If the government were running a surplus, the taxpayers might be willing to tolerate some extra projects. But the Government is running annual deficits in the range of \$200 billion for as far as the eye can see. There is no extra money to go around. There is not even enough to fund more basic needs.

Mr. President, when you find yourself in a hole, the first rule of thumb is to stop digging. Our Presidents have indicated a willingness to use the line-item veto—begin climbing out of the hole we have dug for ourselves and future generations. Let us pass the line-item veto.

Mr. President, I want to conclude by complimenting my colleague from the State of Arizona, Senator JOHN MCCAIN. He has worked for about 10 years in opposition to pork-barrel spending on the floor of the Senate. He accumulated what he calls an enviable record of defeat. Frequently, his efforts to cut out pork are defeated by almost

2 to 1. But he keeps at it, and over the years he figures that, while he may not have won every vote, his efforts to bring to light some of these projects may at least have prevented some Members from inserting this pork in the appropriations bill in the first instance because of the fear that they might be embarrassed if their special-interest projects are brought to light.

That is what the line-item veto would do. It not only gives the President the ability to line out projects that have been inserted, but it provides a disincentive for Members to put those projects in the bill in the first instance because now, with the President being capable of lining them out and bringing them to public attention, Members know that they had better be able to defend everything that they ask to be inserted into these bills.

So it has a good effect on Members and their constituents, who come to them asking for special interest projects to say, "Maybe in the past, I would have been able to do this, and I would like to do it to be of help to you, but you know that if we do it, all of the world will know that the President could line it out, and then I would have to get two-thirds of my colleagues to override the veto. Do you really want that much public attention paid to this special project?"

So there is a deterrent effect, if you will, in the line-item veto. That is one of the things that JOHN MCCAIN has talked about when he has stumped for this proposal in the last 10 years. I think a great deal of credit goes to Senator COATS, Senator MCCAIN, and most recently, Senators STEVENS and DOMENICI, who had different points of view but got together with the supporters of this basic version of the line-item veto proposal to work out a compromise that is acceptable to virtually all.

The President is supportive of the line-item veto. All of the Republicans are ready to call an end to the debate at the appropriate time, and have a vote on the line-item veto. We certainly call on our colleagues from the other side of the aisle who support frugality in Government and understand we need to balance the budget and want to end pork-barrel spending to support us in this effort to vote for the line-item veto.

Mr. President, I see that my colleague from Tennessee, Senator FRIST, is here. I am sure he has some comments on the subject, as well. If the Senator from Wyoming is agreeable, I will yield at this time to the Senator from Tennessee.

Mr. THOMAS. Mr. President, let me first thank the Senator from Arizona and say that I have observed him in his work in the House. He has been a real supporter of change with the line-item veto and with the balanced budget amendment, and has been a leader in the House, and continues to be that.

I now yield for 4 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Thank you, Mr. President. I would like to commend Senator THOMAS and Senator SANTORUM for leading the charge of the 11 freshmen Senators in support of the line-item veto. It is important that the newest Members of this body continue to voice the message from Americans on November 8.

Mr. President, no single measure would do more to restore fiscal sanity to our budget process than the line-item veto. We, like our Republican colleagues in the House, must continue to push for reforms that will bring real change to the way business is done in Washington. There is no doubt in my mind that the press and defenders of the status quo will think of all kinds of reasons why the line-item veto is not a good idea. But the truth of the matter is, the President must be provided with precise tools to control Congress' insatiable appetite for spending the taxpayer's money.

Mr. President, I understand that in years past, Democrat opponents of the line-item veto charged that the Republican support of the concept was a partisan power grab. The thought was that the Republicans in Congress, then in the minority, wanted to transfer power to their Republican President. And now, a Democrat President supports the measure, but there is still staunch opposition.

Now the opponents claim that enactment of the line-item veto would be an unprecedented power shift. In fact, the President had the power to stop unnecessary spending, through a process called impoundment, until the Congress stripped the Presidency of this power in 1974. Granting a line-item veto is not unprecedented. Rather, supporters of the line-item veto want to restore the rightful budgetary powers of the President.

Opponents also claim that the line-item veto will not work. Well, Mr. President, that is just not true. Forty-three of our Nation's Governors have this power, and they have shown over and over again that they can and do save money with this tool.

Mr. President, again, I strongly support this measure, and I urge the Members of this body to join the 11 freshmen in our strong support for the Dole substitute.

Thank you, and I yield the floor.

Mr. THOMAS. Mr. President, thank you very much for the time for this group to express its support of this issue.

It seems to me that we have an opportunity to make some decisions here. We are here as trustees for the American people, as trustees who have a responsibility to be financially responsible, fiscally responsible, and morally responsible for spending. The easier thing to do is to continue as we have. Now is the chance, however, to change.

To borrow from Robert Frost who said, "Two roads diverged in the woods

and I chose the one less traveled by, and that has made all the difference.”

This may be the road less traveled by, but it will indeed make all the difference.

Thank you, Mr. President.

LEGISLATIVE LINE-ITEM VETO ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 4) to grant the power to the President to reduce budget authority.

The Senate resumed consideration of the bill.

Pending:

(1) Dole amendment No. 347, to provide for the separate enrollment for presentation to the President of each item of any appropriation bill and each item in any authorization bill or resolution providing direct spending or targeted tax benefits.

(2) Feingold amendment No. 356 (to Amendment No. 347), to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of non-emergency matters in emergency legislation.

(3) Feingold/Simon amendment No. 362 (to Amendment No. 347), to express the sense of the Senate regarding deficit reduction and tax cuts.

(4) Exon amendment No. 402 (to amendment No. 347), to provide a process to ensure that savings from rescission bills be used for deficit reduction.

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey, Mr. BRADLEY, is recognized to offer an amendment on tax expenditures, on which there shall be 45 minutes of debate, with 30 minutes for Senator BRADLEY and 15 minutes for Senator MCCAIN, the Senator from Arizona.

AMENDMENT NO. 403 TO AMENDMENT NO. 347

(Purpose: To modify the definition of targeted tax benefit)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. WELLSTONE, Mr. ROBB, Mr. GLENN, and Mr. KOHL, proposes an amendment numbered 403 to amendment No. 347.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, strike lines 13 through 20 and insert the following:

(5) the term “targeted tax benefit” means any provision which has the practical effect of providing a benefit in the form of a different treatment to a particular taxpayer or a limited class of taxpayers, whether or not such provision is limited by its terms to a particular taxpayer or a class of taxpayers but such term does not include any benefit provided to a class of taxpayers distinguished on the basis of general demographic

conditions such as income, number of dependents, or marital status.

Mr. BRADLEY. Mr. President, I yield myself 10 minutes.

Mr. President, we begin this Congress with, I think, two obligations. The first is to change the way we do business, and the second is to cut Government spending. I think reform has been bottled up for years.

So, Mr. President, I believe now is the time to adopt a line-item veto and have the line-item veto applied both to tax expenditures and to appropriations. Two years ago, I introduced legislation that would give the President the authority to veto wasteful spending in both appropriations and tax bills. I re-introduced this line-item veto the very first day of this Congress, and its passage has been one of my highest legislative priorities. The separate enrollment approach that I adopted was modeled on the bill offered by Senator HOLLINGS and introduced several Congresses ago. I want to thank and commend Senator HOLLINGS for his leadership on that issue.

Therefore, I am pleased to see that our Republican colleagues have come to recognize the wisdom of the separate enrollment approach that Senator HOLLINGS and I have been championing for years. I also want to comment our colleagues across the aisle for taking steps to include tax expenditures in the line-item veto bill they introduced yesterday. The approach our Senate colleagues have taken toward tax expenditures is a significant improvement over the approach adopted by the House.

We need to be honest with the American public about the fact that for each example of unnecessary, pork-barrel spending through an appropriations bill, there are numerous, similar examples of such spending buried in tax bills. The Tax Code provides special exceptions from taxes that will total over \$450 billion this year, more than double the entire Federal deficit and nearly one-quarter of total Federal spending. Because many of these Tax Code provisions single out narrow subclasses for benefit, the rest of us must pay more in taxes. How serious can we be about balancing the budget if we let billions in tax pork go virtually unchallenged each year?

Mr. President, I believe that our fellow Americans would be shocked if they knew some of the ways we spend money through the Tax Code. My favorite special-interest tax loophole is the roughly \$100 million we will give away over the next 5 years to allow homeowners to rent their homes for up to 2 weeks without having to report any income. Word has it the provision was put in the Tax Code to benefit a rich homeowner who lived near the Masters Golf Tournament in Augusta, GA. The lucky man hit the jackpot every year by renting his house to tournament spectators for a small fortune, without having to declare any of this money as income.

Then there is the \$12 million in tax subsidies that go to help producers offset the costs they incur to mine lead, asbestos, and uranium—deadly poisons we spend millions more to clean up. We also give away a cool \$60 million a year to corporations that make electricity using plants and windmills. In addition, we generously allow U.S. citizens who work overseas to exclude \$70,000 per year from their income taxes. Over the next 5 years, this loophole will cost the rest of us \$8.6 billion.

As a member of the Finance Committee, I have seen an almost endless stream of requests for preferential treatment through the Tax Code. For example, the 1992 tax bill was littered with special exemptions. In that bill, we included a special accelerated depreciation schedule for rental tuxedos at a 5-year cost of \$44 million to the rest of us. We also provided special accounting rules for the owners of cotton warehouses and created an special tax exemption for custom firearms manufacturers and importers. Over the years, I have been presented with hundreds of other requests, including exemptions from fuel excise taxes for crop-dusters and tax credits for clean-fuel vehicles.

There are obvious reasons why the American public knows so little about these loopholes. They are often written in complicated language and buried deep in the Tax Code. In addition, unlike appropriated spending, which is reviewed every year, once a tax loophole becomes law, it rarely sees the light of day. In fact, according to a recent GAO study, almost 85 percent of the 1993 tax expenditure losses were attributable to tax expenditures that were enacted before 1950, and almost 50 percent of these losses stem from tax expenditures enacted before 1920.

Reducing the deficit will require leadership, not gimmicks. In passing a line-item veto bill, we must demonstrate this same type of leadership. Sadly, I note that the line-item veto proposal passed by the House resorts to what I would describe as a mere gimmick. By defining “targeted tax benefits” to include only those loopholes that benefit “100 or fewer taxpayers,” the House has forfeited an opportunity to address the impact that tax loopholes have on our Nation’s continuing budget crisis.

Mr. President, obviously, there are plenty examples of the so-called rifle shot tax giveaways. In 1988, the Philadelphia Inquirer ran a series of articles which identified billions of dollars worth of tax loopholes in the 1986 and 1988 tax bills. As stated in that series, these loopholes included special provisions for some trucking companies but not others, for some insurance companies but not others, for some utilities but not others, for some universities but not others. Of course these special provisions should be subject to a potential veto. However, these rifle shots are not the only examples of wasteful spending through the Tax Code; there