

(10) An accounting of all outstanding United States Government loans, credits, and guarantees provided to the Government of Mexico, set forth by category of financing.

(11) A detailed list of all Federal Reserve currency swaps designed to support indebtedness of the Government of Mexico, and the cost or benefit to the United States Treasury from each such transaction.

(12) A description of any payments made during the preceding month by creditors of Mexican petroleum companies into the petroleum finance facility established to ensure repayment of United States loans or guarantees.

(13) A description of any disbursement during the preceding month by the United States Government from the petroleum finance facility.

(14) Once payments have been diverted from PEMEX to the United States Treasury through the petroleum finance facility, a description of the status of petroleum deliveries to those customers whose payments were diverted.

(15) A description of the current risk factors used in calculations concerning Mexican repayment of indebtedness.

(16) A statement of the progress the Government of Mexico has made in reforming its currency and establishing an independent central bank or currency board.

#### SEC. 404. PRESIDENTIAL CERTIFICATION.

Notwithstanding any other provision of law, before extending any loan, credit, guarantee, or arrangement for a swap of currencies to Mexico through any United States Government monetary facility, the President shall certify to the appropriate congressional committees that—

(1) there is no projected cost to the United States from the proposed loan, credit, guarantee, or currency swap;

(2) all loans, credits, guarantees, and currency swaps are adequately collateralized to ensure that United States funds will be repaid;

(3) the Government of Mexico has undertaken effective efforts to establish an independent central bank or an independent currency control mechanism; and

(4) Mexico has in effect a significant economic reform effort.

#### SEC. 405. DEFINITION.

As used in this title, the term "appropriate congressional committees" means the Committees on Banking and Financial Services and International Relations of the House of Representatives and the Committees on Foreign Relations and Banking, Housing, and Urban Affairs of the Senate.

(25) Page 21, strike out lines 12 to 15 and insert:

*This Act may be cited as the "Supplemental Appropriations and Rescissions Act, 1995".*

The PRESIDING OFFICER. The title amendment is agreed to.

The title was amended so as to read:

Making supplemental appropriations and rescissions for the fiscal year ending September 30, 1995, and for other purposes.

Mr. HATFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I move the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. GORTON) appointed Mr. HATFIELD, Mr. STEVENS,

Mr. COCHRAN, Mr. GRAMM, Mr. DOMENICI, Mr. MCCONNELL, Mr. GORTON, Mr. SPECTER, Mr. BOND, Mr. BURNS, Mr. BYRD, Mr. INOUE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. HARKIN, Mr. LAUTENBERG, Ms. MIKULSKI and Mr. REID conferees on the part of the Senate.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

#### UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent that at 5 p.m. on Monday, March 20, the Senate proceed to Calendar No. 26, S. 4.

I further ask unanimous consent that the general debate on the line-item veto occur from 10 a.m. to 3 p.m. on Friday, and 10 a.m. to 5 p.m. on Monday, with the time to equally divided as designated by the leaders or their designees.

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

#### ORDER OF PROCEDURE

Mr. DOLE. I thank my colleagues. It is my understanding that the Senator from Arizona would like to discuss, generally, the line-item veto this evening, and somebody on the other side may wish to discuss it this evening.

There will be no votes this evening and no votes tomorrow. I do not anticipate a vote on Monday. But there will be discussion. Once the bill is laid down Monday, there will be discussion into the evening on the bill itself. On Tuesday, I hope we might start voting.

#### MORNING BUSINESS

Mr. DOLE. Mr. President, I ask that there be a period for morning business with Members permitted to speak therein for an indefinite time, unless there is some agreement on equal time. I think Senator MCCAIN wants to speak for a couple of hours.

Mr. President, was leader time reserved?

The PRESIDING OFFICER. It was.

Mr. DOLE. I ask unanimous consent that I may use part of my leader's time.

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

#### PRESIDENT CLINTON'S ANNOUNCEMENT ON FEDERAL REGULATIONS

Mr. DOLE. Mr. President, today President Clinton announced his pro-

posal for reinventing environmental, food and drug regulations. I certainly want to welcome President Clinton to the regulatory reform debate. Easing the burdens of compliance is a welcome first step, but misses the point that real reform means getting rid of unnecessary and overburdensome regulations.

President Clinton is trying to have it both ways. On the one hand, his limited proposals are consistent with legislation I have introduced on regulatory reform. On the other, he sent his administrator of EPA to Capitol Hill last week to denounce our common sense reform bill as rolling back 20 years of environmental protection and to reel off wild horror stories that are an obvious misreading of what we are trying to do.

On February 21, President Clinton specifically instructed the Federal regulators "to go over every single regulation and cut those regulations which are obsolete." President Clinton's proposal does not meet that test—his proposal is no substitute for eliminating unnecessary regulations that stifle productivity, innovation and individual initiative. That is exactly the kind of reform the American people are looking for, and the kind of reform our comprehensive regulatory reform act will provide.

What I am looking for is real common sense when regulations are needed. Commonsense regulations that will not require fines for not checking the right box, regulations that do not define all farm ponds as wetlands and regulations that will not create significant burdens for small businesses and communities.

Americans are demanding that we get government off their backs by eliminating unnecessary regulations and applying some common sense before enacting regulations that are necessary. President Clinton's proposal today, while welcome, does not address this fundamental problem. I invite him to work with us to pass meaningful regulatory reform.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

#### THE LINE-ITEM VETO

Mr. MCCAIN. Mr. President, as we begin discussion and debate on the line-item veto, I would like to express my appreciation to the majority leader for his assistance in gathering together people who have very different views on this very volatile issue. The majority leader and his staff assistant, Sheila Burke, have worked night and day to get a consensus amongst Republicans. I believe that we on this side of the aisle look forward to a unanimous vote—at least on cloture. I do not think that, at least some time ago, that many observers believed that was possible. I believe it is probable now.

Mr. President, I would also like to express my appreciation to Senator DOMENICI, who has a very longstanding involvement in this issue. He has some very strongly held views. But most importantly, Senator DOMENICI has been very important in shaping a compromise. Most of all, I would like to thank my friend from Indiana, Senator COATS, who has been my partner for many, many years on this issue. He has worked very hard. He has done, I think, a magnificent job, and I am very proud that he and I have been able to engage in this kind of partnership, which I believe will fundamentally change the way the Government does business and will fundamentally bring about changes and a restoration, frankly, of confidence on the part of the American people as to how their tax dollars are spent.

Mr. President, there are many ways to interpret the election of November 8. There is no doubt in my mind, and in most observers' minds, that an overwhelming message was sent that the American people do not have confidence in their Government in Washington, and part and parcel of that lack of confidence is the way that we spend their tax dollars. Fodder for talk shows across America today is the indiscriminate pork barrel, wasteful spending practice that has become a way of life and indeed a disease which has consumed both bodies of Congress.

Everyone has their favorite anecdote as to how we spend millions or billions or tens of billions of dollars on frivolous or unnecessary projects, frivolous or unnecessary items, that have no bearing on the purpose for which they are stated—but perhaps more importantly, would never, ever be authorized and appropriated under the normal procedures that the Senate should adhere to. What I mean by that is a hearing authorization and subsequent appropriation.

I do not know how this vote is going to turn out at the end of a week or so. I am grateful that the leader has said that we intend to move to cloture at a fairly early point. We do not intend to drag this issue out. This issue is well known to every Member of this body. It certainly should be. On seven different occasions in the last 8 years, either Senator COATS or I have brought up this measure, although we have always been stymied in the past because a budget point of order has lain against the amendment. The reason for that is obvious. I was in the minority party.

Now that we are in the majority, we are able to bring this measure to the attention of this body.

And it is possible that we will not achieve 60 votes in order to cut off debate in order to move to amending and serious final consideration of the bill. I believe that we will reach 60 votes. But if we do not, I want to assure my colleagues again that I will continue to pursue this effort until I either succeed or leave this body.

I want to point out an added dimension to this issue, Mr. President, and that is the role of the President of the United States.

The President of the United States, in his booklet that he put out when he ran for President in 1992, "Putting People First," said a line-item veto is a necessary item. Let me quote, Mr. President, from "Putting People First," Governor Bill Clinton on the line-item veto:

I strongly support the line-item veto because I think it is one of the most powerful weapons we could use in our fight against out-of-control deficit spending.

"In our fight against out-of-control deficit spending."

Mr. President, shortly after President Clinton took office, I had a meeting with him. He said, "I look forward to working with you on the line item veto." And, I must say, in the succeeding 2 years, I was disappointed that the White House refused to take a position in support of the line-item veto.

I have heard public statements since the November election on the part of the President of the United States. I strongly urge his involvement in this issue if he believes in it, as he said he does, and I do believe that he is committed to it. I look forward to his active participation in this issue because it is clear that there will have to be 6 votes from that side of the aisle in order to reach the number of 60, which is what is required in order to invoke cloture.

Mr. President, we have a \$4 trillion debt, approaching \$5 billion. We have a growing budget deficit. We have misplaced priorities and, as I mentioned, we have a loss of public confidence and cynicism.

Mr. President, we are going to hear a lot of history during this debate. We are going to hear about the days of the Greeks, the Roman Empire, Great Britain, our earliest days. But I want to talk about something that happened a little over 20 years ago.

In 1974, the Congress of the United States enacted the Budget and Impoundment Act. The Budget and Impoundment Act basically prevented the President of the United States from impounding funds which were authorized and appropriated by the Congress of the United States.

I understand why that happened at that time. We had a weakened Presidency and that President had also abused that impoundment authority to the point where billions of dollars, which Congress had appropriately authorized and appropriated, were being impounded and not spent.

President Nixon was not the first President to do this. The first President to do this, from the record that I can find, was President Thomas Jefferson, who impounded \$50,000 that the Congress had appropriated for the purchase of gunboats and he impounded that money.

From the earliest times in our history, when impoundment was practiced

by the President of the United States, until 1974, the President of the United States, for all intents and purposes, had a line-item veto power. In other words, he had the authority to not spend moneys and use so-called impoundment authority. In 1974, Mr. President, the Budget Impoundment Act was enacted.

Mr. President, it is not a coincidence—it is not a coincidence—if we look at this chart, that beginning around 1974-75, the deficit began to rise. There obviously are a couple of valleys in it, but the overall trend is not only significant but it is clearly alarming.

What happened, Mr. President? I think it is clear the real restraint on the appropriations process and the appropriations of funds, which really had no real fiscal governing on it, took place, and we went from fundamentally a rather small deficit and accumulated debt to one which, as we know now, is approaching \$5 trillion.

And the bad news is, as we know, Mr. President, that as a result of actions taken in the last few years by Congress, there will be a temporary decline in the annual deficits, but never a decline to zero. And, tragically, because of a variety of reasons, the deficit will start on a very steep upward climb, and there is no end in sight of deficits. And this year, Mr. President, we are going to spend more money to pay interest on the national debt than we are on national defense.

Now, if someone had said in 1974, when a much larger proportion of the budget was devoted for national defense than it is today, that 20-some years later we would be paying more in interest on the national debt than we are on national defense, they would have thought that we were actually inhaling wrong and incorrect substances. The fact is that it has happened. The fact is it is approaching \$5 trillion, and we are beginning to hear the confidence in the American economy translated in the stock market, but, most of all, translated in the strength of the American dollar which is being eroded because of the burgeoning debt that has been accumulated. And, again, as I said, there is no end in sight.

Mr. President, later next week, probably on Tuesday, the majority leader will be offering a substitute which will contain a couple of additional items to supplement S. 4, which is the result of the consensus amongst those people who are interested in the bill. Let me briefly explain the details of the measure that will be proposed by the majority leader.

It will direct the enrolling clerk to enroll each item where money is allocated to be spent in an appropriations bill as a separate and distinct bill. This would allow the President to sign or veto each item.

Number two, it would also mandate that any language in a report to accompany an appropriations bill that specifies how money be spent must be

included in the bill itself. Further, if the report contains direction on how Federal funds are to be spent and the legislation itself does not, a point of order would lie against the bill.

Mr. President, this legislation would enable the President to veto pork-barrel spending and other nonpriority spending without sacrificing appropriations for important and necessary functions of the Government.

This bill would allow the President to use his constitutional right to veto legislation in order to prevent wasteful, unnecessary spending. It is a simple, but very necessary approach to help solve the problem of wasteful spending in this era of crippling Federal budget deficits.

Mr. President, pork-barrel politics is certainly not a new phenomenon in our Republic. However, given the systemic damage inflicted on our economy by Federal deficit spending, it is unacceptable that Congress should still expect the taxpayer to continue underwriting our addiction to pork. The political appeal of pork-barrel spending has clearly lost its luster as the people have come to recognize the gravity of our fiscal dilemma. The failure of a Speaker of the House and the chairmen of powerful committees to be returned to office is stark testimony to the people's determination that the cost of pork-barrel spending to the Nation greatly exceeds its value to them individually.

As usual, Mr. President, the people have grasped the essence of this Faustian bargain well in advance of Congress' common understanding of the conflict between immediate political gratification and the progress of our civilization. Parents sacrifice for the future well-being of their children. Certainly, parents are willing to dispense with temporal pleasures if payment for those pleasures would require their children to live in greatly diminished circumstances from those into which they were born. That is, of course, the Faustian bargain that wasteful Federal spending represents. Why is it, Mr. President, that we expect American parents to prove more selfish with regard to the squandering of their children's national inheritance than they are when husbanding the family's wealth?

I know that Senators opposed to this bill will declaim eloquently on the indispensable contribution that public works projects have made to America's development as a great nation. I will not argue the fact. But neither will I accept that all public works projects have been necessary or even defensible expenditures of public resources. Today, the near insolvency of the Federal Government requires that all Federal spending meet much stricter standards of need than have governed congressional appropriations in the past.

Mr. President, let us review the facts regarding our Nation's fiscal health.

The Federal debt is approaching \$5 trillion.

The cost of interest on that debt is now almost \$200 billion a year. That is more money than the Federal Government will spend on education, science, law enforcement, transportation, food stamps, and welfare combined.

The Federal budget deficit set a record of \$290 billion in 1992.

By 2003, the deficit is expected to leap to a staggering \$653 billion and will have reached its largest fraction of gross domestic product in more than 50 years.

Mr. President, it is impossible to exaggerate the urgency with which we must restrain the further, reckless descent of this Nation into bankruptcy. Nor can we take much comfort from our past attempts at restraining spending. The simple and unavoidable fact is that following each of the last major budget deals, the deficit increased, spending increased, and taxes increased.

No remedy to our escalating debt proposed by Congress or the Executive has been adequate to the task. Neither, Mr. President, will the line-item veto—even if exercised vigorously by the President—be sufficient means to secure the end of deficit spending. But of this I am confident: without the discipline imposed on Congress by a Presidential line-item-veto authority, we will forever spend more money than the Treasury receives in revenues. Opponents of this measure will resent that charge, but the examples of Congress' inability to live within the Nation's means—even in the midst of fiscal crisis—are simply too numerous for me to conclude that Congress will meet its responsibilities without some measured restoration of the balance of power between the Congress and the executive branch.

Mr. President, I might point out that for the last 10 years, as I have been a supporter of the line-item veto, some who are perhaps a bit cynical have said, "You would probably not support the line-item veto if it was a member of the other party who was President of the United States." I am here on this floor today to State unequivocally, I am as fervently in support of a line-item veto under this President or any other President no matter what that President's party affiliation might be.

Mr. President, it will be very hard to measure the exact effects of a line-item veto, because when a line-item veto is threatened we will find a dramatic reduction in the kinds of anecdotal appropriations which have plagued this body's reputation with the American people.

No longer, Mr. President, will we see \$2.5 million appropriated to study the effect on the ozone layer of flatulence in cows. No longer will we see billions of dollars appropriated out of the defense account on items that have nothing to do with national defense.

The reason for that is because before that is tucked into an appropriations bill, Mr. President, there is the great fear that that piece of pork will be exposed to the light of day by the President of the United States and there will be time for something to be done about it. One of the great tragedies and dilemmas I faced over the years is that I always seem to find out most of the egregious aspects—most, not all, most—of the egregious aspects of pork in appropriations bills after they are passed.

That has to do with the system in which we do business, and perhaps, with the lack of efficiency on my part. Time after time after time, I have seen appropriations bills, and much to my astonishment, seen items in there which are egregious.

If it is believed that there is a strong likelihood that the President of the United States would highlight that particular item, send it to the Congress of the United States with all the attendant publicity and veto it, and then ask the Congress of the United States to examine it in the light of day and debate it, I do not think we will see those kinds of examples, Mr. President.

I do not think we will see that. Time after time, we have seen the amendment that is accepted on both sides—not read, then accepted on both sides—and then placed in as a line in an appropriations bill. I believe that, and I am convinced that nowhere will we be able to total up how much of those will be prevented from appearing in an appropriations bill.

Ending deficit spending is, of course, a monumental undertaking that will involve asking all, including many powerful coalitions, to sacrifice immediate and parochial rewards for the greater good of the Nation. The line-item veto—whether it is derived from enhanced rescission or separate enrollment—is a small, but indispensable part of real budgetary reform.

Mr. President, if we are to take control of the budget process we must change the process. We must restore what has come to be an imbalance in the checks and balances between the executive and legislative branches, and we must balance the power between the congressional authorizing committees and the Appropriations Committee.

Now is the time to rise above jurisdictional rivalries and political turf wars. We must avoid letting institutional pride deprive the Nation of an effective response to the critical problems clouding our future. And most importantly, we must stop the microscopic focus on local wants and desires to the exclusion of national needs. Now, Mr. President, is the time for statesmen who—for the sake of the Nation which our children will inherit—are prepared to relinquish some of the personal power they have accrued through their service to the Nation.

We must reinstitute budgetary restraint and take firm action to control

spending. This will involve implementing specific strategies and standing behind a commitment to decrease spending—no matter what the political climate. This will involve accepting one set of budgetary goals and not allowing them to float or be adjusted.

Mr. President, one glaring example of our failure to resolutely adhere to spending discipline is the alteration—beyond-all-recognition of the Gramm-Rudman-Hollings deficit targets. The Congress had sought when it passed the Gramm-Rudman-Hollings Act to impose mandatory spending caps on the Congress. During recent years, however, these fixed budget targets have become relaxed and are now meaningless.

Mr. President, when push came to shove, the Congress allowed these ceilings to be altered. Due to the pressure of Gramm-Rudman-Hollings on the Congress to curtail its deficit spending, the Congress curtailed Gramm-Rudman-Hollings. As a result, the 1990 Budget Act was passed and new higher targets were established.

Now, 4 years into that agreement, deficits and domestic spending are being allowed to increase without penalty, despite the massive cuts in defense and huge tax increases. The problem of ending the deficit, although mentioned frequently and solemnly in our political discourse as the Nation's first priority, has yet to be addressed seriously by this or any previous Congress.

The only solution to our budgetary problems and our profligate spending habits is substantial process reform. One key aspect of that process reform is the line-item veto. Mr. President, I implore those who say there is no need for the line-item veto to listen to the arguments in support of that authority made by Americans of varied experiences and political persuasions who are united only in their concern for the fiscal health of the nation.

Ross Perot on Good Morning America stated: "There's every reason to believe that if you give the Congress more money, it's like giving a friend who's trying to stop drinking a liquor store. The point is they will spend it. They will not use it to pay down the debt. If you don't get a balanced budget amendment, if you don't get a line-item veto for the president, we might as well take this money out to the edge town and burn it, because it'll be thrown away."

Then-Governor Clinton on Larry King Live: "We ought to have a line-item veto."

Candidate Bill Clinton in Putting People First: "Line-Item Veto. To eliminate pork-barrel projects and cut government waste, I will ask Congress to give me the line-item veto."

President Bill Clinton in his Inaugural Address:

Americans deserve better \* \* \* so that power and privilege no longer shout down the voice of the people. Let us put aside personal advantage so that we can feel the pain and see the promise of America. Let us give this Capitol back to the people to whom it belongs.

According to the CATO Institute, December 9, 1992, Policy Analysis:

Ninety-two percent of the governors believe that a line-item veto for the President would help restrain federal spending. Eighty-eight percent of the Democratic respondents believe the line-item veto would be useful.

America's governors and former governors have a unique perspective on budget reform issues. Most of them have had practical experience with the line-item veto and balanced budget requirement in their states. The fact that most governors have found those budget tools useful in restraining deficits and unnecessary government spending suggests that they may be worth instituting on the federal level.

Additionally from the CATO Institute Study:

Keith Miller (R), former Governor, AK: "The line-item veto is a useful tool that a governor can use on occasion to eliminate blatantly "pork barrel" expenditures that can strain a budget. At the same time he must answer to the voters if he or she uses the veto irresponsibly. It is a certain restraint on the legislative branch."

Michael Dukakis (D), former Governor, MA: "The line-item veto is helpful in stopping efforts to add riders and other extraneous amendments to the budget bill."

L. Douglas Wilder (D), Governor, VA: "To the detriment of the federal process, the President is not held accountable for a balanced budget. Congress takes control over budget development with its budget resolution, after which, the President may only approve or veto 13 appropriations bills. Without the line-item veto the President has minimal flexibility to manage the Federal budget after it is passed."

S. Ernest Vandiver (D), former Governor, GA: "Tremendous tool for saving money."

Ronald Reagan (R): "When I was governor in California, the governor had the line-item veto, and so you could veto parts of a bill. The President can't do that. I think, frankly—of course, I'm prejudiced—government would be far better off if the President had the right of line-item veto."

#### THE GREATER THREAT OF INACTION

Mr. President, many have characterized this legislation as a dangerous ploy to centralize political power in the hands of the Executive. Since the President has no authority to appropriate money for projects he believes are important, he will always have abundant incentive to compromise with Congress. Such compromises will always be necessary for the President to govern at all and will, of course, prevent the unlikely danger of a tyranny emerging at the other end of Pennsylvania Avenue. Congress will still dispose of whatever the President proposes and thus the checks and balances which distinguish our Republic will remain secure.

What the opponents of this measure often ignore is the greater danger presented by our out-of-control budget process.

For instance, as my colleagues know, I believe one of the most dangerous consequences of pork-barrel spending is its weakening of the national security of the United States. I do not make that charge lightly. As thousands of men and women who volunteered to serve their country have to leave military service involuntarily because of declining defense budgets, money is

still found in defense bills to underwrite billions of dollars worth of nondefense spending in the defense bill. At a time when we need to restructure our forces and manpower to meet our post-cold war military needs, we have squandered billions to build projects on bases that are slated to be closed.

Mr. President, every Member of Congress has pursued projects for his or her district or State which may lack obvious merit. It is an institutional problem. There are no saints here of my acquaintance. Certainly, I am not one. I have been guilty in the past of pursuing projects in my State. But the supporters of this measure are trying to change this system that has so clearly failed the country. We are trying to make a difference. I am not here to cast aspersions on other Senators who secured projects for their States. I am not here to start a partisan fight.

But it serves no one—not the Members of this institution nor the people we represent—to ignore or attempt to obscure our individual and collective responsibility for the piling up of \$3.7 trillion in debt. We have done this. And while we have often done this in the name of the people we serve, those very people believe we have done it to sustain ourselves in power. And those people, Mr. President, are not buying it any longer.

Anyone who feels that the system does not need reform need only examine the trend in the level of our public debt. As I have stated in my analysis of the most recent budget plans, the deficit has continued to grow and spending continues to increase. In 1960, the Federal debt held by the public was \$236.8 billion. In 1970, it was \$283.2 billion. In 1980, it was \$709.3 billion. In 1990, it was \$3.2 trillion, and it is expected to near \$5 trillion this year.

With line-item veto authority, the President could play a more active role in helping to prevent the further waste of taxpayers' resources for purposes that do not really serve our national security needs, our infrastructure needs, and other important purposes that merit public support.

According to a recent General Accounting Office [GAO] study, \$70 billion could have been saved between 1984 and 1989, if the President had a line-item veto—\$70 billion.

The line-item veto will, indeed, change the way Washington operates. I know that very admission will provide grounds for some Members to oppose this measure. As I previously noted, I am completely confident that the constitutional distortions which some opponents fear the line-item veto will cause will not occur. But there will be change. Unnecessary parochial spending will decline. Thus, this change that we should all welcome.

#### RETURN TO THE VIEWS OF THE FOUNDING FATHER AND THE CONSTITUTION

Mr. President, let me remind my colleagues that a President empowered with a veto was not considered a threat

to our Republican form of Government by the Framers of the Constitution.

This bill in no way alters or violates any of the principles of the Constitution. It preserves wholly the right of the Congress to control our Nation's purse strings—a trust the Congress has sometimes abused. On the contrary, this legislation helps sustain the sound checks and balances which provide enduring protection from tyranny.

The veto was designed by the Founding Fathers to ensure that the President retains the authority to govern should Congress exceed the bounds of responsible stewardship of the Nation's wealth.

According to Alexander Hamilton in Federalist No. 73 the views of the Founding Fathers on Executive veto power are as follows:

It [the veto] not only serves as a shield to the executive, but it furnishes an additional security against the inaction of improper laws. It establishes a salutary check upon the legislative body, calculated to guard the community against the effect of faction, precipitancy, or any impulse unfriendly to the public good, which may happen to influence a majority of that body.

Given Congress' predilection for unauthorized and/or pork-barrel spending, omnibus spending bills, and continuing resolutions, it would seem only prudent and constitutional to provide the President with functional veto power.

The President must have more than the option of vetoing a spending cut bill and shutting down Government or simply submitting to congressional coercion.

The authority provided him by this strictly defined and limited line-item veto will not fundamentally upset the balance of power between the executive and legislative branches. It is consistent with the values expressed in our Federal Constitution.

The President is given very limited power by this bill. It is limited to appropriation bills and it can only be exercised for a limited time after the passage of an appropriations bill. Congress is guaranteed—by the Constitution—the opportunity to quickly overturn the President's veto. Opponents speak of their alarm over the prospect of Presidential coercion. But does any Member truly believe that Members—irrespective of their political affiliation—would not unite in opposition to a President who was attempting to abuse his powers. When has any Congress failed to do so in the past? Did not a majority of Congress—including many members of the President's party, oppose President Roosevelt's attempt to pack the Supreme Court? Did not a majority of Congress, including most members of the President's party, join in opposition to President Nixon's abuse of his office? I have no doubt, whatsoever, that Congress would not submit to extortion from a President with line-item veto authority. They would expose the President's coercion, and overturn any offensive rescission.

Charges that the President would abuse this power are also misleading and unfounded.

Again, I will rely upon Alexander Hamilton, who posed this question to his contemporaries in Federalist No. 73:

If a magistrate so powerful and so well fortified as a British monarch would have scruples about the exercise of the power under consideration, how much greater caution may be reasonably expected in a President of the United States, clothed for the short period of four years with the executive authority of government wholly and purely republican?

Mr. President, the Constitution gives each House the power to set and establish its own rules. Additionally, the Constitution does not define the term "bill." Therefore, what constitutes a bill, or a matter to become law that is presented to the President, may be defined by the Congress in any way that it sees fit. The Constitution did make clear that any type of measure passed by both Houses must be presented to the President.

For example, if a bill were named an ordinance, it would still have to be presented to the President. As reinforced in the Chadha versus INS case, anything with legal standing adopted by Congress must be presented to the President. The form of the presentment is up to the discretion of the Congress as a function of its internal rule-making ability. Therefore, Mr. President, it is clear that division of a bill into separate parts is an internal rule change, and not a presentment issue.

Some will claim incorrectly that this bill violates the delegation clause of the Constitution. The delegation clause is not applicable here since the Congress is not delegating any power. It is merely adopting rules to change the manner in which it sends certain legislation to the President.

Others will claim that the Presentment Clause mandates that legislation be passed by both Houses in the same form before it is sent to the President, and that Separate Enrollment by a clerk after the passage of the legislation therefore changes the form of the legislation and violates the Presentment Clause.

This charge is also untrue. Changes made to a bill strictly of a technical nature due to the mechanics of the process of enrolling a measure have never been considered a change to a bill. Further, such technical changes would never merit subsequent action by either House. Lastly, let me point out that the Senate on the first day of session traditionally, authorizes the Enrolling Clerk—as an employee of the body—to make technical corrections as necessary to bills sent to the Clerk.

Additionally—and very importantly—the precedence for separate enrollment has already been established by the House of Representatives. The House has rules that "deem" a measure or matter as passed. The Gephardt rule states that when the House passes the concurrent budget resolution, the debt

limit increase is deemed to have been passed by the entire body. The rule authorizes the Clerk to incorporate language into the concurrent resolution regarding the debt limit. Note that the budget concurrent resolution is not even a bill, yet the House enrolling clerk enrolls in it the entirety of another, never considered measure.

Another argument against this bill is that we cannot delegate legislative powers to the Enrolling Clerk and separate enrollment would do precisely that.

Once again the critics of this bill are incorrect. Separate enrollment gives no additional power or authority to the enrolling clerk. The Congress, within its ability to establish its own rules and instruct its employees on their duties, is prescribing certain limited activities to the clerk, not transferring any power to an unelected official.

To summarize, Mr. President, this legislation is constitutional and should be allowed to move forward.

#### PRESIDENTIAL POWER USED TO IMPLEMENT BUDGETARY REFORM

Congress' infidelity to sound fiscal policy was aggravated in 1974 by the Budget Control and Impoundment Act. If opponents of the line-item veto are seeking an example of a dangerous transfer of political power, they can end their search with that power grab by Congress. Specifically, the Budget Control and Impoundment Act of 1974 weakened executive power by allowing the Congress the legal option of ignoring the spending cuts recommended by the President through simple inaction.

Since 1974, the Congress' attitude toward presidential rescission has been one of increasing neglect.

President Ford proposed 150 rescissions, and Congress ignored 97. President Carter proposed 132 rescissions, and Congress ignored 38. President Reagan proposed 601 rescissions, and Congress ignored 134. President Bush proposed 47 rescissions, and Congress ignored 45.

If the Congress had accepted the 564 presidential rescissions that it has ignored since 1974, \$40.4 billion would have been saved. This is not a trivial sum to the taxpayer, even if it is to Washington veterans.

The practice of ignoring presidential rescissions is in contrast to the practice prior to the 1974 act. Presidents Truman, Eisenhower, Kennedy, Johnson, and Nixon all impounded funds that Congress had appropriated for line item projects.

These modern Presidents were not alone in their exercise of rescission power. In 1801, President Jefferson refused to spend \$50,000 on gunboats as appropriated by Congress. He, of course, had good reason. When the gunboats were appropriated, a war with Spain was considered imminent. The war never materialized, and the threat posed by Spain ended. As these circumstances changed, Jefferson thought it was within his power to eliminate

what had become unnecessary spending.

The money for gunboats was not spent, and money was not appropriated in 1802 for the gunboats.

Clearly, the Union did not fall because the President refused to waste the taxpayers' money.

Until 1974, our Presidents had the power to decide whether appropriated moneys should be spent or not. It is indeed true that President Nixon abused the power of impoundment. But the abuses of one man do not require us to permanently deny all Presidents the authority to restrict spending.

Again, let me quote Alexander Hamilton in Federalist No. 73 on the role of executive veto power in our system of checks and balances:

When men, engaged in unjustifiable pursuits, are aware that obstruction may come from a quarter which they cannot control, they will often be restrained by the apprehension of opposition from doing what they would with eagerness rush into if no such external impediments were to be feared.

Those opposed to this legislation should consider that sound observation when contemplating the importance of some of the "unjustifiable pursuits" that find their way—irresistibly—into every appropriations bill passed by Congress.

Let me return to the broader picture of process reform. Many opponents claim that a President with line-item veto authority would not have any real ability to balance the budget or even significantly reduce the deficit. I will make no claims that this bill is the answer to all our budgetary problems.

As I earlier stated, the line-item veto is only one of many needed tools in our efforts to restore the Nation's financial health. With roughly \$1 trillion of entitlement spending in a budget of \$1.5 trillion, it is clear that a line-item veto will not solve all of our fiscal difficulties. Only a Congress with a political will not characteristic of recent Congresses will be able to balance the budget.

A President dedicated to restraining Federal spending could use line-item veto power as an effective tool to reduce Government spending and move closer to a balanced budget than we are today.

The GAO study makes my point. A President with line-item veto authority could have saved the American taxpayer \$70 billion since 1974.

A determined President may not be able to balance the budget—only the voters can ultimately control Congress—but a determined President could make substantial progress toward real spending reduction.

As we continue to confront enormous budget deficits and annually search for ways to reduce spending, it is obvious that there our efforts will require the service of a President whose line-item veto authority has been restored. With our public debt expected to approach \$3.9 trillion this year and a gross domestic product of roughly \$5.7 trillion, it seems quite probable that our debt

may soon surpass our output. Unless we decide to simply wait for the moment when this growing crisis begets a movement for stronger measures that really will threaten constitutional principles, we ought not decry those reasonable and constitutionally sound measures that will help us control the greatest threat facing our Republic.

With that in mind, I hope the Senate would consider the following quote by a figure in the Scottish Enlightenment, Alexander Tytler. He stated:

A democracy cannot exist as a permanent form of government. It can exist only until a majority of voters discover that they can vote themselves largesse out of the public treasury. From that moment on, the majority always votes for the candidate who promises them the most benefit from the public treasury, with the result being that democracy always collapses over a loose fiscal policy.

It is to prove Mr. Tytler wrong that I ask my colleagues to support this bill. If our debt surpasses our output, I fear Mr. Tytler will be proved correct, and the recognition of his powers of prophecy will mean that the noblest political experiment in human history will have ended in failure.

This bill is only a small step toward preventing the arrival of such a dismal calamity for this country and mankind. But it is a necessary step. I urge my colleagues to support this measure.

Mr. President, we are going to have a lot of detailed debate on this issue. Some may appear to observers to be esoteric and somewhat minute. There are significant questions about the constitutionality and the other aspects of this bill as far as its applicability ranging from how much money it would save to whether it directly violates the Constitution of the United States.

Mr. President, I do not claim to be a Constitutional expert. I do claim to have been involved in this issue now for 10 years. I do claim to have read and discussed with eminent Constitutional scholars this entire issue, and I am convinced that any argument on Constitutional grounds can be easily rebutted.

The question, however, will be, is the Congress of the United States prepared to transfer significant power from the legislative branch of Government to the executive branch of Government for the sake of the future of our children? Is the Congress of the United States, especially those Members who are in more powerful positions than others, prepared to do what is necessary?

We cannot live with that deficit. Our children and our children's children will be called upon someday to pay that bill. And if we do not start now to reduce that deficit, an exercise in fiscal sanity, we will not only threaten our children's futures but we will continue to increase the cynicism that exists in America today about the profligate way we spend the taxpayers' dollars. There is no confidence in America today that the Congress of the United

States spends that money in a wise fashion.

Mr. President, that is not my personal opinion. Poll after poll after poll concerning this issue confirms that statement. When people lose confidence in their government, then very bad things can happen because then, over time, they search for other means of governing or they search for other people or parties that they think can govern better.

On this side of the aisle, as the Presiding Officer well knows since he is a newly arrived Member of this body, having come from the other body, I believe we made a promise to the American people. We made several promises. Those promises were embodied in the Contract With America. The crown jewels of the Contract With America in my opinion—others may differ—were a balanced budget amendment and a line-item veto. Unfortunately, recently the Senate failed to enact a balanced budget amendment. The reasons for it have been well discussed and dissected in every periodical in America so I do not intend to go into the reasons why. But the fact remains the American people, in overwhelming majorities, are deeply disappointed that we did not have the courage, we could not muster 67 or two-thirds of the votes in this body to make that happen and send that measure to the States for their ratification.

Now we are confronted with a second duel and that is the line-item veto. It is going to be a close call. It is going to be very, very close, as to whether we can obtain the 60 votes to get cloture or not. I do not know if we will be able to achieve that.

I know I am willing, and those of us who are supporters are willing to negotiate with our colleagues on the other side of the aisle and try to satisfy concerns they have. Obviously, we will not negotiate the principle of two-thirds majority override but we certainly would be willing to talk about ways in which we can protect Social Security, for example, and make sure we do not do damage to those who are least fortunate in our society.

At the same time, when all this concern is voiced about those who are unfortunate in our society and cannot defend themselves—the elderly, the children, the poor, the homeless, those who are ill—the fact is if we do not do something about that, we cannot help any of them. If we do not stop this deficit spending there is no way we can help the people who need help in our society, because we will be spending all our money on paying off a debt or we will debase the currency through inflation, reduce the national debt but at the same time destroy middle-income America. We will be faced with those two choices.

Again I want to say, the line-item veto will not balance the budget. But I hasten to add the budget will not be balanced without a line-item veto. That graph over there is a compelling

argument to validate my argument, my statement. Between the years of this Nation's birth, which are not on that chart, up until 1974, roughly, our deficit was either a slight one or non-existent. Beginning in 1974 and 1975 it skyrocketed off the charts.

For 10 years, Senator COATS and I have been working on this issue. For 10 years we have brought up this issue before this body, unable to do anything but ventilate the argument, ventilate the issue, talk about it and debate it, knowing full well that the Senator from West Virginia or the Senator from Oregon were going to pose a budget point of order and we would not succeed in that effort and we would be doomed to try again another day or another year.

I believe this is the defining moment for this issue. I believe we should engage in extended and in-depth debate in a manner and environment of respect for one another's views. At the same time, I believe if we lose this battle we are sending a message that we are willing to do away with our children's futures and any opportunity for fiscal sanity.

Before I yield the floor I again would express my appreciation to my dear, dear friend, Senator COATS, who has been, many times, the one who has helped restore my spirits after we have suffered defeat after defeat and encouraged me and himself. I hope I have encouraged him from time to time to stay at this very critical battle even at the risk of bruising friendships and relationships we might have with others in this body, and even at risk of appearing somewhat foolish from time to time as we jostled with a windmill in the form of a majority on the other side in full recognition we could not succeed.

But I say to my friend from Indiana, I do not know if we would be here today if we had not done all the things we did for the past 10 years. Without his help and friendship I do not believe we would be here.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Indiana.

Mr. COATS. Mr. President, my understanding is that under the unanimous consent agreement time is managed by the Senator from Arizona. The Senator from Alaska has asked for 5 minutes of time in which—or more if he wishes—to introduce some legislation. I think if the Senator from Arizona will yield that time I think it would be appropriate at this time.

Mr. McCAIN. Mr. President, I yield to the Senator from Alaska whatever time he needs to consume.

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

Mr. STEVENS. Mr. President, I am grateful to the Senator from Indiana and the Senator from Arizona. I find myself in an a position this year of applauding the leadership they are giving to this subject of the line-item veto. I

will be making a statement on that tomorrow.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 575 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### THE NATIONAL DEBT

Mr. COATS. Mr. President, Calvin Coolidge may have been a man of few words, but the thoughts he expressed when he chose to speak were very precise. On the subject of government spending he once very accurately observed that, "Nothing is easier in the world than spending public money. It does not appear to belong to anyone."

How true those words were because we have seen a Congress spend the public's money in a way that has significantly reduced the respect and credibility of this institution in a way that has taxpayers across America not only scratching their heads in wonder but shaking their fists in rage, disturbed over the fact that while they are getting up in the morning and fighting traffic and getting to work and putting in an honest day's work for what they thought was an honest day's pay, they receive their paycheck at the end of the week and bimonthly and note the ever-increasing deduction for funds being sent to Washington to pay for programs and to pay for expenditures that they do not deem in the national interest.

They are becoming outraged, and they are frustrated. They expressed that outrage and frustration this past November. They wanted a change in the way that this Congress does business. They have been calling for it for years, even decades. Politicians have been going back home and promising change. "Elect me and we will do it differently." People ask, "Well, what can you do about it?"

Many of us were proposing two basic structural changes in the way that the Congress does business. One was the balanced budget amendment. Despite all of the fine rhetoric, all of the wonderful promises, all of the budget bills, the budget deals, the budget reduction packages that were debated, voted on, and promised by the Congress, despite all of that, Americans continued to see an ever-escalating debt, hundreds of billions of dollars annually of deficit spending, and a frightening explosion in the national debt.

In 1980, when I was elected to Congress, one of the very first pieces of legislation that we had to vote on was whether or not we would raise the national debt ceiling—that is, that level over which we could not borrow money—to raise that to \$1 trillion. Many of us were deeply concerned that we not break the trillion dollar threshold. We had campaigned that year in 1980 on fiscal responsibility. We campaigned on balancing the budget. We knew that, if we were going to balance the budget, we had to stop the flow of

red ink. That was our first priority. We knew, if we were going to reduce that debt, that we could not have any more years of deficit spending.

So we were concerned about raising that debt limit. Yet, for a whole variety of reasons—some of them valid and many of them invalid, but all because of a lack of discipline—we not only did not balance the budget but we saw the national debt explode; explode from the \$1 trillion level to nearly \$5 trillion today, a 500-percent increase. It almost is beyond our ability to comprehend how we as a Nation could have gone from a \$1 trillion debt level to nearly a \$5 trillion debt level.

Automatic spending as a way of meeting entitlement obligations clearly has played an enormous role in all of this, some necessary defense increases, some less than projected revenue estimates, but primarily a lack of will on the part of the Congress to curb its spending habits and its appetite for spending. I said then and I said in the debate a few weeks ago and I still believe that until we enact into the Constitution of the United States a requirement that this body balance its budget each and every year, we will not solve our debt problem. We will not begin to solve our debt problem.

My greatest disappointment in my years in Congress has been our failure by one vote to join the House of Representatives and pass on to the States for their consideration and, hopefully, their ratification a balanced budget amendment—one vote. We came that close. I think the American people instinctively know that, unless the Constitution forces us to balance the budget, we will always find an excuse not to. As Calvin Coolidge said, how easy it is to spend what appears to be someone else's money because it does not appear to belong anywhere.

We have seen year after year after year Congress saying, "Well, maybe next year, too many pressing priorities this year, too big a problem to address all at once, we will do it another time." Or, we have seen Congress say "Here is the legislation that will put us on the path to a balanced budget, that will bring finally fiscal discipline to this body." Of course, we have seen every one of those efforts fail.

Now we are looking at the second tool to try to curb congressional spending, this appetite for spending, spending, spending, and paying for it not by asking the taxpayer to ante up, although we have done that, and it has I think had a negative effect on our ability to grow and provide opportunities for our young people and job opportunities for Americans. But we found a convenient way to pass on the debt to a different generation to a time when we are no longer here serving; pass it on by floating debt, by incurring debt which future generations will have to pay. We are paying it now. We are paying \$200-and-some billion a year just in interest. It is rapidly approaching \$300 billion a year—\$300 billion which could