

RUSH!

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TIME TO BREAK CONGRESS'S CODE OF SILENCE ON THE LINE-ITEM VETO

Hidden inside the final budget bills Congress sent to Ronald Reagan last year was money for such national necessities as \$5 million for cable television entrepreneur Ted Turner's Goodwill Games and \$3 million for leafy spurge and spotted knapweed control. Despite several billion dollars of such pork barrel spending in the 1,254-page, \$600 billion appropriations, lawmakers insisted they had cut the budget to the bone. The President had no authority to challenge individual items: he could not veto the pork without vetoing the entire bill.

Both Reagan and his successor, George Bush, have asked Congress for the authority to veto line items in the budget, a power possessed by 43 state governors. The line-item veto has proved successful in restraining state spending. Yet Congress has resisted fiercely this and other budget reforms that would restrict its power to dole out federal funds to special interest groups. During the past five years neither the House nor the Senate has taken a single recorded vote on the line-item veto.¹

Holding Bills Hostage. Senators have two opportunities to break this congressional code of silence on the line-item veto. They can do this by holding hostage two "must pass" budget bills – the supplemental appropriations bill expected to arrive in the Senate later this month, and the debt ceiling extension bill expected in August. Senators can block a vote on both of these emergency budget bills until there is first a vote on the line-item veto.

All that seems to be preventing this budget showdown is the inability of Senate supporters of line-item veto legislation to agree on a bill. Currently there are several line-item veto bills in the Senate.² The major bills all propose a form of line veto called "enhanced rescission authority." This would allow the President to sign legislation while reducing or cancelling spending for any specific appropriated item in the bill. Example: if Congress appropriated \$100 million for a water project, the President could rescind \$40 million of the funds and allow \$60 million to be spent.

Simple Majority vs. Two-Thirds. The main issue of disagreement between sponsors of the bills is how difficult it should be for Congress to override the President's rescission of spending

¹ In 1985 and 1986, the Senate rejected line-item veto bills on procedural grounds.

² Among them: S. 6, cosponsored by Republicans Robert Dole of Kansas and John McCain of Arizona; S. 155, cosponsored by Republicans William Armstrong of Colorado and Dan Coats of Indiana; S. Con. Res. 9, sponsored by Republican Gordon Humphrey of New Hampshire; S. 21, sponsored by Republican William Roth of Delaware; and S. 207, sponsored by Democrat Alan Dixon of Illinois.

for particular items. Some say that this should be done by a simple majority of each chamber; others want to make an override more difficult, requiring two-thirds of each chamber.

Requiring a simple majority would achieve the main political objective of the line-item veto strategy by forcing Congress to approve each questionable spending provision individually, rather than burying special interest projects within large omnibus budget bills. This approach also would likely garner more bipartisan support than a two-thirds rule. Still, the procedural differences between the main bills are reconcilable and should not be an excuse for further delay.

Restoring Presidential Power. Critics routinely raise three objections to the line-item veto. The first is the claim that the line-item veto tips the balance of power too far in the direction of the executive branch. Yet the line-item veto would recapture only a portion of the budget powers stripped from the presidency by Congress in the 1970s. Every President from Thomas Jefferson to Richard Nixon possessed "impoundment authority," which allowed the President to cancel any item of congressionally appropriated funding. And unlike a normal veto or the proposed line-item veto, presidential impoundment of funds was not subject to a congressional override.

A second common objection is that permitting the President to strike out budget line items would have negligible effect on the budget deficit. Yet recent research by former Office of Management and Budget Director James Miller and George Mason University economist Mark Crain reveals that states with an "item reduction veto" – which is comparable to the enhanced rescission now being proposed in the U.S. Senate – have annual spending growth almost 1.5 percent below states without this form of line-item veto.³ Miller and Crain calculate that if the President had been able to use the line-item veto since 1980, "federal spending in 1988 would have been about \$98 billion less" than it is today.

Strong Bipartisan Approval. Third, some lawmakers charge that the line-item veto is merely a partisan power grab by the Republicans, who control the White House. Yet outside Congress the line-item veto enjoys strong bipartisan approval. For instance, the National Governors Association has for many years endorsed a presidential line-item veto, even in 1984 when the organization was controlled two-to-one by Democrats. In the 1988 presidential election, both George Bush and Michael Dukakis campaigned for a line-item veto.

Despite such broad support, Congress has refused to vote on the issue. It is apparent that the pro-spending lobby in Congress will consent to a line-item veto only when supporters of this vital budget reform turn up the political heat. The essential first step is to force lawmakers to vote publicly "yea" or "nay" on the issue. This vote rightfully would be interpreted by Americans as a litmus test of the seriousness of lawmakers in dealing with the budget deficit. But before such a vote can take place, Senate supporters of the line-item veto must settle their differences and agree on a bill, and then block passage of the supplemental appropriations bill or the debt ceiling measure until the Senate leadership agrees to a vote on the line-item veto. If they cannot agree on a bill, then these Senators must share the blame for continued deficits.

Stephen Moore
Grover M. Hermann Fellow in
Federal Budgetary Affairs

3 W. Mark Crain and James C. Miller III, "Budget Process and Spending Growth," Center for the Study of Public Choice, George Mason University, Fairfax, Virginia, April 7, 1989.