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Senate

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The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, whose attributes are both majestic and manifold, we thank You most of all today for Your omnipresence and omniscience. It is a comfort and a challenge to realize that You are not only everywhere but You know everything. There is no place we can escape You, but also, no place devoid of Your potential grace and guidance. You know what we are facing with each person and each problem today. That means everything to us. We are not alone. You are with us. And because You know the complexities ahead of us throughout the day, You can give us what we need to be faithful to You and to live out our convictions. In this assurance we commit to You whatever causes us anxiety or frustration. Grant us Your vision and give us Your power. Think, speak, act through us. You provide the day; You show the way; Your love and patience in us display. In our Lord's name. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with 45 minutes to be under the control of the Senator from West Virginia [Mr. BYRD].

The able Senator from West Virginia is recognized.

THE CHAPLAIN'S PRAYER

Mr. BYRD. Mr. President, I thank the venerable Chair. I also thank our Chaplain for his prayer, reminding us of our insignificance and of the majestic greatness and love of an omnipotent, omnipresent, and omniscient God and of our Lord and Savior, Jesus Christ, who gave his life as a ransom for many.

DERAIL THE FEDERAL TRAIN WRECK

Mr. BYRD. Mr. President, over the past number of weeks, we have witnessed a great deal of saber-rattling and speculation over the question of whether Congress and the President can avoid a Government shutdown, called, metaphorically, a train wreck, on October 1. That is the first day of fiscal year 1996, and is also the date by which all 13 of the 1996 appropriations bills are supposed to be enacted.

Failure to achieve enactment of any of the 13 appropriations bills by October 1 will cause a funding lapse for the departments and agencies covered by any such bill. The only way to avoid a funding lapse, and an accompanying shutdown of the affected departments and agencies, is for Congress and the President to enact a short-term extension of funding authority, which is commonly known as a continuing resolution.

It is never easy to enact all 13 annual appropriations bills by the beginning of a fiscal year. In fact, only once in over 20 years have all 13 appropriations bills been signed into law prior to the beginning of the fiscal year. That year was fiscal year 1995. For every other year in the last several decades it has been necessary to enact a continuing resolution in order to enable the departments and agencies of the Federal Government to continue to carry out their responsibilities in the absence of appro-

priations acts. In most instances, those continuing resolutions have been of short duration and were enacted with little or no controversy.

Mr. President, given that history, I see no earthly reason for a so-called train wreck. There is certainly nothing to be gained politically by either side of the aisle or by the administration by such a catastrophe. In fact, it is far more likely that the American people will see such a train wreck as merely a game of high stakes poker played by politicians using public money to make their bets. The American people will rightly see through the political "blame game" that will accompany the so-called train wreck. They will ask themselves why they should have to pay the tab for the game of chicken being played by their elected officials—who, by the way, will continue to be paid their full salaries were there to be a Government shutdown.

Furloughed Federal workers by the hundreds of thousands will not be paid, nor will those who do contract work for the Federal Government. But, the President, and Senators, and Members of the House of Representatives, will still receive their full paychecks, no matter how long the shutdown lasts. Be assured, Senators, that that situation will not make any of us dearly beloved by our constituents.

Mr. President, we are told by the General Accounting Office, in its June 1991 report entitled "Government Shutdown" that there were nine occasions over the period from October 1981 through October 1990 when there were funding gaps of 1 to 3 days. In other words, we had nine short periods, usually over weekends when there were lapses of appropriations. This same GAO report analyzes the effects of the last of these nine funding lapses; namely, Columbus Day weekend of 1990, or October 6-8, 1990. The report points out

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



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that on October 5, 1990, Federal agencies were directed by the Office of Management and Budget to implement plans to close down operations over the Columbus Day weekend (October 6-8, 1990). This action was the result of President Bush's veto of a continuing resolution that would have provided funding through October 12, 1990, and was a reflection of the President's dissatisfaction with progress on the fiscal year 1991 budget.

According to GAO, on page 2 of the report: "The shutdown of some government agencies over the Columbus Day weekend was financially counterproductive." Overall, the shutdown costs of seven affected agencies totaled \$3.4 million. However, these costs would have been much higher if a 3-day shutdown had occurred during a normal workweek. GAO states that "the total cost of such a 3-day workweek shutdown would range from about \$244.6 million to \$607.3 million, depending upon whether revenues estimated to be lost by the IRS could be recovered." That is a lot of money that will be wasted—at least \$250 million every 3 workdays if we cause a Government shutdown on October 1. This is a very expensive way to prove once and for all to the American people that the Government cannot perform even its basic responsibilities. No wonder one hears so much talk about throwing the whole lot of us out of office!

There is of course still time to complete action on all 13 appropriations bills by the end of the month. We have already passed 7 of the 13 bills and all of the remaining bills will be ready for Senate consideration this week, or certainly by the end of the week.

There are a number of these bills which the President has threatened to veto unless substantial changes are made to them. There are legitimate differences, which, after reasonable debate, should, in my opinion, be resolved one way or the other. We need to vote these amendments up or down and get these remaining bills to conference, and to the President's desk. If he chooses to veto some of them, as I believe he will, then it is all the more important for Congress to get its work done on time so as to allow for further negotiations on any bills which are vetoed and not overridden.

If Congress cannot complete action on all 13 appropriation conferences by October 1, there is still no excuse for a train wreck. Surely the American people have a right to expect Congress and the Chief Executive to be able to work out a continuing resolution which will prevent a Government shutdown while negotiations take place as necessary to achieve the enactment of all 13 fiscal year 1996 appropriations bills. I believe we can avoid a Government shutdown. All it really will take to do so is for both political parties to decide that they wish to avoid it. We are not on some preordained collision course. We are not controlled by some automatic pilot device which has the two political

parties careening down intersecting tracks destined to collide. Those of us charged with carrying out the responsibilities of elective office have the will and the wit to avoid such nightmarish scenarios if we simply choose to do so. All it takes is for all the players on both ends of the avenue to stop the gamesmanship and go reread their oath of office.

This is not some partisan polo match we are engaged in. We are gambling with the financial fortunes of a lot of real honest to goodness people who will suffer hardships if we remain intransigent and close down this Government. And, as I have already mentioned, there are very high, very real permanent costs to the U.S. Treasury if we choose such a course. I can think of no more irresponsible act by elected officials than to deliberately plot such a devastating scenario and then to actually carry it out. What will we be proving? Who can possibly win if such a mess comes to pass? No one will applaud our statesmanship or patriotism, that is for sure. And, we will have earned the wrath of the voters in 1996, who would be well justified in their belief that nothing has changed in Washington where it is gridlock and power plays as usual.

But, as if this is not enough, there is another far more serious train wreck that may be imminent—and that is the train wreck which could occur if Congress insists on putting the debt limit increase into the reconciliation bill. According to recent testimony by the Treasury Department before the Finance Committee, Treasury's current estimates show that the permanent debt ceiling of \$4.9 trillion will be reached by late October or early November.

As Senators are aware, once that debt limit is reached, the Treasury Department has no authority to spend any cash that would cause the debt limit to be exceeded. A failure by Congress and the President to raise the debt limit would bring about, in a matter of days, one of the greatest financial crises the country has ever seen—probably the greatest in some ways. The Government would not be able to continue any of its operations. It could not honor Social Security checks or pay employees to issue them. The same applies to military and civilian and veterans' pensions. They would not be honored. Interest on U.S. Government securities could not be paid. All of this is coming up this fall unless we enact an increase in the debt limit, as called for in the Budget Resolution, and which the Treasury Department has told us will be necessary no later than mid-November.

According to the Congressional Budget Office, in its August 1995 report entitled "The Economic and Budget Outlook," the debt limit has had to be raised 19 times over the last decade. That report also points out the obvious; namely, that raising the debt limit is considered "must pass" legisla-

tion. Paradoxically, because of its critical importance, passage of the debt limit is frequently viewed by some very misguided forces as a device to use to mandate action on some other legislative partisan goal. The debt limit is, therefore, the ultimate tool in the hands of the legislative blackmailers, the ultimate tool.

CBO gives the example of 1990, when Congress voted seven times on the debt limit between August 9 and November 5 in connection with the budget summit negotiations. In that instance, as I recall—I was there—the Congress and President Bush enacted a series of debt limit increases as progress was being made on the overall budget at the Budget Summit. Those debt limit increases were supported on a bipartisan basis in both Houses, and by President Bush, as we all worked day and night, and on Saturdays and Sundays, to resolve our differences on a 5-year deficit reduction package. That package ultimately was enacted into law in what is known as the Budget Enforcement Act.

Despite the fact that President Bush later expressed regret for his involvement in that Budget Summit Agreement, I believe that it made a number of very important improvements in the Budget Act, and it also cut the deficit projections at that time by almost \$500 billion. But whatever one's view may be of the 1990 budget experience, one thing was clear. No one seriously talked about deliberately causing a default on our national debt in order to gain some political advantage by blaming the other political party for the calamity.

Yet, Mr. President, we are now facing a situation where, I understand, the majority party in Congress may choose to include the debt limit increase in the upcoming reconciliation bill. They see it as an opportunity to force the President to sign the reconciliation bill. They see it as a way of slamming several crazy, at least in my judgment, legislative "losers" into law—no matter how unwise or how untested those proposals may be. They view this devious and irresponsible tactic as a sure way to enact massive tax cuts, which mainly benefit high-income "fat cats."

Reports say the majority may be planning to put the debt limit increase into the reconciliation bill and then to ram that whole package through Congress without serious negotiations with the minority in Congress or with the President.

They are riding high in the saddle, Mr. President, but the worm is going to turn. It is just a matter of when. They are riding high in the saddle, but the worm is going to turn. That is exactly what will happen, if the majority can muster the votes in both Houses of Congress for their reconciliation bill. They have chosen the reconciliation bill because reconciliation bills cannot be filibustered. Neither can reconciliation conference reports. Reconciliation bills are intended to reduce the

deficit, and so they are privileged matters with exceedingly tight time limits. Therefore, what we may be facing in regards to reconciliation is a take-it-or-leave-it bill—one that largely contains everything the majority party espouses, and with little consideration, if any, of the views of either the President or the Democratic minority in Congress. That would mean huge cuts in Medicare—around \$270 billion—huge tax cuts for the wealthy—\$245 billion—folly on folly—and huge cuts in discretionary investments in our physical infrastructure, as well as cuts in such programs as education, job training, and medical research. The attitude is do it our way. Take our highly partisan agenda, just as we wrote it in that great so-called "Contract With America" or we will wreck the national economy, close down the Government, and threaten global financial disruption.

If the Republican majority can round up a majority of the House and Senate to vote for such a reconciliation bill, and if it also includes a debt limit increase, then the President, it would seem, would be in the impossible position of having to either swallow a bill that he has said he will veto and will deserve to be vetoed, or shooting down a "must pass" increase in the debt limit. This is just a deplorable way to govern. It is putting politics first. Politics is important. I have never considered it to be first, above everything else, and I do not so consider it now. It is irresponsible. It makes a mockery of our constitutional system and encourages chaos to reign.

If you think that Milton's "Paradise Lost" presented chaos, as Satan and his angels fell from Heaven, just wait and see what this will look like.

Mr. President, I urge my colleagues in the Senate, in the House, and in the administration not to go down this road. Despite the political enticement of being able to blackmail the President into signing a highly partisan version of a reconciliation bill, I submit that in reality there is absolutely no political advantage.

The people are going to say, a plague on both of our Houses.

Go back and read Chaucer's tale by the Pardoner, wherein all three of the young men destroyed themselves. Because of their greed for gain, two knifed the one while the one poisoned the two. And they all fell in excruciating pain on top of the pile of gold and died.

So there can be no winners in this game. The Democrats, the Republicans, and the President will all destroy ourselves because of our political greed for gain.

The American people will clearly understand what is going on. We cannot bamboozle them. They are onto our childish games. And they and the press will quickly be able to determine that the debt limit can easily be increased as a free-standing bill and that the majority party in Congress need not and

should not try to gain advantage in the budget battles by risking a world class financial crisis.

Am I exaggerating? Am I engaging in hyperbole? Just what would be the consequences of not raising the debt limit? I predict that such a default on paying interest due on Government securities, for example, would cause an earthquake on Wall Street, one that would rattle your eye teeth and curl your hair, as someone has said upon one occasion.

A failure to raise the debt limit in a timely manner would have devastating effects on the standing of the United States in the international economy. Investor confidence in the dollar and in U.S. Government securities would plummet—plummet, sharply affecting domestic and international stock and bond markets. U.S. bonds and bills would never be "risk free" again. They would become "government insecurities," not "government securities." Uncle Sam would no longer be a pillar of financial rectitude, but would become a shady junk bond dealer on the international market. International investors, who hold billions and billions of U.S. dollars, would understandably look for safer havens—safer havens for their investments. Interest rates would increase—interest rates would be offered and would again entice these investors to buy U.S. Government securities. This would cost the United States more, and still might not ensure stability in our financial markets.

The United States would be the big loser, big loser, in the long term, facing permanently increased borrowing costs when the time came to roll over our debt. Interest rates on those loans, which are secured with Government bonds, would be raised, increasing, in turn, the costs to the taxpayer. The added costs of an increased interest rate on borrowing to finance the debt would have to be offset by reduced Government investments in people and in infrastructure programs which already feel the crunch of budget constraints designed to bring the budget into balance. This foolhardy posturing on raising the debt limit is being played out on a knife edge that is poised to cut the throat of the American taxpayer, who will suffer from increased costs and reduced Government services for years to come.

On the international security scene, a U.S. failure to increase the debt limit could also adversely affect U.S. military preparedness. If the men and women in our military are worried about their paychecks being honored, about paying their bills and feeding their families, how credible a deterrent can they be? This has very unsettling ramifications for U.S. military operations possibly in Iraq and North Korea. Should we stop firing Tomahawk cruise missiles—at a cost of \$1.3 million per missile—at Bosnian air defense sites because we are not sure that we can afford to replace them in the inventory? Do we not send in costly rein-

forcements if Iraq makes threatening moves toward Jordan or Kuwait? Will defense contractors make timely deliveries of new weapons after the first payment check is not honored? Will the United States be able to honor its security agreements with other nations, when it cannot credibly be counted upon to follow through on, and to pay for, its own commitments? These are just a few of the possible effects of our failure to increase the debt limit and maintain faith in the security of U.S. Government financial commitments.

Now, whether my predictions will be correct will be known in November if we have not enacted a debt limit increase by then. This is so because in November, we are told by CBO, cash interest payments are due on Treasury instruments totaling around \$25 billion. Treasury tells us that they will not have room under the present \$4.9 trillion debt limit to pay that interest. We indeed, therefore, must pass a debt limit increase, or risk a real default on the payment of interest on Treasury instruments for the first time in our history.

That is what is at stake here along with the lack of cash to honor Social Security checks, or Government pensions, or veterans' pensions, or the paychecks of Government workers. Surely sane men and women will not choose to play a game of chicken of this horrific magnitude. We would be risking the entire economy. Where would the panic stop? Once it started, how could one turn off the total loss of faith in the ability of this Congress to responsibly carry out its work? Once that genie is out of the bottle, who can say where or when the damage will end? We are not talking about a mere metaphorical train wreck under this set of circumstances. We are talking about a nuclear explosion—a financial doomsday scenario that could make the Great Depression, in some respects at least, look more like a picnic in the park by comparison. And, thank God, I lived in that depression. I was 12 years old when the October 29 stock market crash took place. I remember what it was. And yet, we hear daily the trumpets of our leaders at both ends, both ends of Pennsylvania Avenue preparing us for the catastrophe, as though it was inevitable due to some unavoidable, locked-in, preprogrammed self-destruct device.

That will not wash, Mr. President. We are not dealing with a bomb which we cannot disarm. There is nothing inevitable or uncontrollable about it. We have every authority and power that we need to avoid a funding lapse at the beginning of this fiscal year and a debt limit crisis. We have always solved our political and policy differences in the past without risking serious permanent damage to our economy and to our very system of Government. All it takes is for us once, just once, to put the good of the country ahead of the partisan political advantage and the

good of political parties. All it takes is for us to stop wallowing in the intoxicating sweet smoke of rhetoric—in the intoxicating aura of power, and start trying to be what we all loudly claim to be: statesmen! All it takes is for us to sober up, put the cards down, and fold up this drunken poker game that has already progressed far too late into the evening. We need to pass the coffee, get the red out of our eyes, and try to remember why the people sent us here in the first place.

If the people have lost respect for public officials, spectacles such as the one now being touted as a train wreck are surely the reason why. If confidence in the Federal Government is failing, this type of power-induced insanity that views flirting with an economic collapse as good political strategy is certainly one reason why. If we try to publicly pretend that we cannot avoid such a fiscal crisis, we need never again scratch our heads and wonder why people do not trust and do not believe politicians. There need be no crisis unless irresponsible partisan-crazed politicians create one, and we all know it.

I am encouraged by the press accounts of the meeting that occurred earlier this week between President Clinton and congressional leaders, at which they apparently agreed to negotiate a short-term spending plan that would avoid an October 1 Government shutdown. That would address at least part of the problem. And if cooler heads prevail, surely we can, and surely we must, find a way to settle our very real and very serious budgetary and appropriations differences in the coming weeks, as we were elected to do, without fashioning deliberate train wrecks that would be devastating to this great country of ours. If we fail to do so, if November brings such unimaginable devastation to our country, I fear not for our sorry lot, for we politicians will get exactly what we deserve. I fear only for the American people who so wrongly invested their trust in us in the first place.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ASHCROFT). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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

Mr. WELLSTONE. Mr. President, I object for the moment.

The PRESIDING OFFICER. Objection is heard.

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

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

OUR NATIONAL COMMITMENT TO DEPENDENT CHILDREN

Mr. MOYNIHAN. Mr. President, on this, the likely final day of the debate

on the welfare reform measure before us, it is worth noting that in the lead story of the New York Times this morning, a story by Robin Toner, we read that "the White House, exceedingly eager to support a law that promises to change the welfare system, was sending increasingly friendly signals about the bill."

That is a bill that would repeal title IV-A of the Social Security Act of 1935 that provides aid to dependent children. It will be the first time in the history of the Nation that we have repealed a section of the Social Security Act. That the White House should be eager to support such a law is beyond my understanding, and certainly in 34 year's service in Washington, beyond my experience.

I regret it. I can only wish some who are involved in the White House or those in the administration, would know that they might well resign if they agree with the proposal that violates every principle they have asserted in their careers, honorable careers in public service.

I will state once again, we, yesterday, read Mr. Rahm Emanuel, a White House spokesman, saying the measure was coming along "nicely." Today, we get the same message in a lead story in the Times. If this administration wishes to go down in history as one that abandoned, eagerly abandoned, the national commitment to dependent children, so be it. I would not want to be associated with such an enterprise, and I shall not be.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

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

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Subsequently, the amendment was further modified.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a contingency fund for State welfare programs.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Wellstone amendment No. 2584 (to amendment No. 2280), to exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill.

Faircloth amendment No. 2609 (to amendment No. 2280), to prohibit teenage parents from living in the home of an adult relative

or guardian who has a history of receiving assistance.

Conrad amendment No. 2528 (to amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Jeffords amendment No. 2581 (to amendment No. 2280), to strike the increase to the grant to reward States that reduce out-of-wedlock births.

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes, to be equally divided, on the Wellstone amendment No. 2584, to be followed by a vote on or in relation to the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, there being some spare time in our schedule just now, I would like to take the occasion, and exercise the privilege, as I see it, of reading to the Senate the lead editorial in the Washington Post this morning. It is entitled "Welfare Theories." This is an editorial page which has been dealing thoughtfully, supportively, with welfare problems for 35 years.

On the opposite page, columnist George Will musters a most powerful argument against the welfare bill now on the Senate floor. The bill purports to be a way of sending strong messages to welfare recipients that it is time for them to mend their ways. But as Mr. Will notes, "no child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare system."

The bill is reckless because it could endanger the well-being of the poorest children in society in the name of a series of untested theories about how people may respond to some new incentives. Surely a Congress whose majority proudly carries the mantle "conservative" should be wary of risking human suffering on behalf of some ideological driven preconceptions. Isn't that what conservatives always accused liberals of doing?

The best thing that can be said of this bill is that it is not as bad as it might have been. Some of the most obviously flawed proposals—mandating that States end welfare assistance to children born to mothers while they are on welfare and that they cut off assistance to teen mothers—have been voted down. There will be at least some requirements that States continue to invest resources in programs for the poor in exchange for their current Federal budget allocations. But they are still not strong enough, and are potentially loophole-ridden. Some new money for child care may also be sprinkled onto this confection.

May I repeat a powerful image, Mr. President:

Some new money for child care may also be sprinkled onto this confection.