

would support the theory that Mr. Peltier fired at the agents at close range, the most the Government could say was that Mr. Peltier may have been firing shots at long range in the direction from which other gunfire was emanating and that in so doing, he may have aided and abetted those who were in fact responsible for the murders.

Thus I was surprised to learn the Parole Commission ultimately concluded that "the government has not changed its position that circumstantial evidence presented at your trial established your complicity in the execution of the agents."

Even more surprising, given that Mr. Peltier has consistently maintained his innocence of the crime with which he was charged, is the Parole Commission's finding that "[Mr. Peltier] has not given a factually specific account of your actions at the time of the offenses that is consistent with the jury's verdict of guilt, considering either theory of your participation in the crimes outlined by the government at trial."

Madam President, in the 8 years that I served as chairman of the Committee on Indian Affairs, the committee received literally thousands of letters each week from citizens of almost every country on this globe, calling upon the United States to examine the facts and circumstances surrounding Mr. Peltier's conviction and subsequent incarceration, and urging clemency.

International attention continues to be focused on what is seen by many as a matter of human rights.

Madam President, it is my hope that one day soon, a nation which prides itself on being an open society will find it appropriate to reexamine Mr. Peltier's case in all of its aspects. If there is nothing to hide, as honorable men and women, we can do no less.

If we find that we have been holding the wrong man accountable for these heinous crimes, let us renew our efforts to find the real culprits, and let an innocent man live out the remaining years of his life as a free man.

WELFARE AND MEDICAID REFORM

Mr. ROTH. Madam President, it has been stated countless times that the American people want three things: real welfare reform, a balanced budget, and compromise, if necessary to get the job done. Yesterday, the Finance Committee approved S. 1795, the Personal Responsibility and Work Opportunity Act of 1996. This legislation reflects the will of the American people on all three of these issues.

Let me first address bipartisanship and compromise. This past February, the Nation's Governors gathered in Washington and approved two resolutions dealing with welfare reform and Medicaid. Their efforts were lauded across the country, including by President Clinton.

For more than 3 years, President Clinton has been saying that, "what keeps people on welfare is the cost of

health care and child care for their kids."

Under S. 1795, we are providing more child care funding than under current law and more mandatory child care funding than President Clinton has proposed. This legislation will help families make that all important transition into the work force.

When the Democratic and Republican Governors were working together on welfare and Medicaid reform, he did not tell the Governors to abandon their efforts because he would not sign Medicaid reform. In fact, he encouraged them. On the eve of the NGA proposal, the President encouraged the bipartisan Governors' group to "try to reach agreement on a number of issues that are important to your people and to us here in Washington, including Medicaid and welfare * * *".

In order to protect the President from his own words, many Democrats are now demanding that welfare be separated from Medicaid. The Governors understand there is no real welfare reform without Medicaid reform.

The compromise forged last February was supported by the most liberal Governor and the most conservative Governor and everyone in between. No one liked everything, but there was something for everyone in these resolutions. That is the essence of bipartisanship.

On May 22, I introduced S. 1795, the Personal Responsibility and Work Opportunity Act of 1996. An identical bill was introduced in the House of Representatives by Chairman ARCHER and Chairman BLILEY.

My colleagues in the House and I made every effort to meet the goals adopted by the Democratic and Republican Governors.

Last week, members of the Finance Committee submitted 163 amendments to S. 1795. There were 53 Republican amendments and 110 Democrat amendments. Based on the Finance Committee work, S. 1795, as amended, includes more than 50 Democratic amendments.

Nearly half of the Democratic amendments offered are included in this legislation.

Turning to the subject of welfare reform itself, it is critical to not lose sight of the overall goal of this legislation. That goal is to replace a system which has failed the very people it was intended to serve. The Governors understand that there is no real welfare reform without also restructuring Medicaid. Democratic and Republican Governors alike understand that Medicaid reform is a critical component of moving families from welfare to work.

More than 3 years ago, President Clinton told the Nation's Governors that,

* * * many people stay on welfare not because of the checks * * * they do it solely because they do not want to put their children at risk of losing health care or because they do not have the money to pay for child care * * *.

This is precisely the purpose of S. 1795.

Madam President, there is plenty of talk coming from the other side of the

aisle that the Governors and State legislatures cannot wait to abandon the children in their State. That is nonsense. If a family stays on welfare, that family will bet both a welfare check and Medicaid. Under this reform proposal, the States have greater incentives to expand Medicaid coverage and help prevent families from being forced onto the welfare rolls in the first place. Reform is a critical component of getting those now on welfare off of cash assistance.

The Governors also understand that under current law, Medicaid is an all or nothing proposition. The current system contains built-in incentives for families to impoverish themselves in order to qualify for Medicaid.

The Governors also understand that under today's all or nothing scheme, a lot of low-income working families get nothing. As if to add insult to injury, many low-income families are paying for the benefits a welfare family is getting while their own children go without coverage.

Medicaid is an important program for our elderly citizens in terms of long-term care coverage. But the current system is far from perfect in serving our senior citizens. The current system forces elderly citizens into poverty even before any benefits can be provided.

Our senior citizens often do not receive the most appropriate services because the current system, run under rules dictated by the Federal Government, is not flexible enough. What is good for the bureaucracy is not necessarily good for the individual. S. 1795 will give the States greater flexibility to redesign benefits so that our senior citizens can be better served.

The Clinton administration is scaring the elderly and hiding behind children. The very idea that the current system must remain in place in order to protect our vulnerable citizens from their Governors and State legislators is not only insulting. It is wrong. More than half of the money being spent on Medicaid is there solely because the States have chosen to provide optional benefits and extend optional coverage to a greater number of people.

The administration is trying to scare people with a convoluted argument that S. 1795 lacks a Federal guarantee. This argument is completely hollow. As Secretary Shalala acknowledged to the Finance Committee earlier this month, the States could take nearly \$70 billion today out of the current Medicaid system without needing her approval.

S. 1795 did not create the linkage between welfare and Medicaid. That was done more than 30 years ago when Medicaid was created.

This legislation meets the four primary goals of the NGA Medicaid resolution:

First, the basic health care needs of the Nation's most vulnerable populations must be guaranteed.

S. 1795 guarantees coverage and benefits for poor children, children in foster care, pregnant women, senior citizens, persons with disabilities, and families on welfare.

If anything, the legislation goes beyond the NGA resolution in terms of setting guarantees. Yesterday we extended those Medicaid guarantees even further to phase-in coverage of children ages 13 to 18.

We also extended coverage to families leaving welfare. The modification also requires states to provide health coverage under the new Medicaid program for 1 year to families leaving welfare to go into the work force.

Second, the growth in health care expenditures must be brought under control.

While slowing the rate of growth, the Federal commitment to Medicaid remains intact. Even after reform, Medicaid spending will rise faster than Social Security.

The Federal Government will spend an estimated \$827.1 billion between 1996 and 2002 on Medicaid, an average annual increase of approximately 6 percent.

We have met the President halfway in terms of Medicaid savings. The difference between us is less than 2 percent of total Federal cost of Medicaid.

That is a difference of about two times a day per beneficiary.

The American people should fully understand that the critical difference between President Clinton and this legislation is not about the level of spending. The difference between us is who controls the spending. The fundamental issue is whether or not the Governors and State legislators and judges can do a better job in running the \$2.4 trillion welfare system than the bureaucracy in Washington.

The essence of the administration's opposition to S. 1795 is that the States cannot be trusted. The Clinton plan is built on the premise that Washington must control the decision making.

This goal of the Governors also goes directly to issue of a balanced budget, the third major issue of concern to the American people. Simply put, the Federal budget cannot be balanced without Medicaid reform. It is the third largest domestic program in the Federal budget. It costs more than AFDC, food stamps, and SSI combined.

Medicaid reform is also critical to balancing State budgets and priorities. One out of every \$5 spent by the State goes to Medicaid. The National Association of State Budget Officers reports that Medicaid surpassed higher education as the second largest program in 1990.

If nothing changes, Medicaid spending may soon overtake elementary and secondary education spending as well.

To those taxpayers who are wondering why there is not more money for schools, to repair roads, and build bridges, a large part of the answer is the uncontrolled spending of Medicaid.

Third, States must have maximum flexibility in the design and implementation of cost-effective systems of care.

Among a number of provisions in meeting this goal, S. 1795 repeals the Boren amendment as requested by the Governors.

It frees the States from Federal restrictions which impede the movement into managed care.

Fourth, States must be protected from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics, and natural disasters.

S. 1795 includes an open-ended supplemental umbrella mechanism to provide additional funds for unexpected growth in guaranteed populations as well as certain specified optional populations.

This legislation achieves each of these goals.

It will replace a failed welfare system in which dependence is measured in generations and illegitimacy is the norm, with a system that encourages work and helps keep families together.

This legislation will return power and flexibility to the states, while retaining guarantee of a safety net for the most vulnerable populations.

Thirty-nine months ago, President Clinton promised the Nation's Governors and the American people that he would end welfare as we know it. Nothing happened.

He abandoned welfare reform and instead pursued a misguided attempt to take government control over the world's finest health care system. It didn't work.

Yesterday, the Finance Committee reported out legislation which will deliver on the promise of welfare reform and expand health coverage to many low income families.

After 30 years, we know that Washington does not know how to build strong families. It is time to end the incentives for staying in poverty. It is time to end a system in which welfare pays more than work.

Over 5 years, a typical welfare family receives more than \$50,000 in tax free benefits. In a number of States, the benefits are significantly higher. It is appropriate to set a time limit on benefits and say enough is enough.

There is now little difference between this plan and the President's own plan in terms of Federal spending levels on Medicaid.

Secretary Shalala appeared before the Finance Committee earlier this month and acknowledged the President proposed to cut Medicaid by \$59 billion.

Republican Governors have compromised. Democratic Governors have compromised. The legislation approved by the Finance Committee yesterday is a compromise.

There have been ample reference to political motivations launched by the other side of the aisle about the linkage between welfare and Medicaid. It is time to question why, after all of these changes, the President would not sign authentic welfare reform which includes Medicaid.

Last January, President Clinton vetoed welfare reform which did not include Medicaid.

In doing so, he also veto a bill which provided more support, including child care, for welfare families than his own legislation does.

H.R. 4 did not include Medicaid. But it did include the sweeping child support enforcement reform for which millions of American families are waiting. This legislation, again included in S. 1795, goes light years beyond anything the President could ever accomplish solely through administrative actions. How many thousands of children will remain in poverty or under the threat of poverty for at least another 6 months because they will not receive cash assistance and medical insurance of their absent parent as a result of President Clinton's vetoes?

Earlier this year, President Clinton declared that the era of big government is over. His action on this legislation will determine whether indeed that time is here.

This legislation will be a test to see if President Clinton is truly committed to ending the era of big government. Nothing could demonstrate a true allegiance to this pledge better than to return the responsibility and authority for welfare programs, including Medicaid, to the States.

UNITED STATES-JAPAN AVIATION RELATIONS: PROGRESS OR PROTECTIONISM

Mr. PRESSLER. Madam President, in recent months the Government of Japan publicly has indicated its desire to move forward in United States-Japan aviation relations by expanding air service opportunities. Given that Japan is our second largest aviation trading partner overseas and is the gateway to the booming Asia-Pacific market, these statements are encouraging news for consumers on both sides of the Pacific. Regrettably, Japan's actions speak much louder than its words.

While Japan certainly talks about progress, it has prevented any real progress from taking place by continuing to prohibit several of our carriers from serving various United States-Asia markets via Japan despite a clear right to do so guaranteed by the United States-Japan bilateral aviation agreement. In fact, Japanese negotiators seem more intent on protecting intra-Asian air service markets for Japanese carriers by blocking out United States carrier competitors than they are in opening the United States-Japan aviation market. That certainly was evident in air service talks earlier this month in Tokyo.

Japanese negotiators must make a choice. They must choose between progress or protectionism. More fundamentally, Japan must choose whether to embrace the future of global air service or unwisely cling to the past. In our ongoing air service talks with the Japanese, the United States is rightly requiring the Japanese to make that choice: Japan must meet its present