

The PRESIDING OFFICER. Under the previous order, the Senate shall insist on its amendments and request a conference with the House.

The Chair appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. GREGG, Mr. HATFIELD, Mr. INOUE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

The PRESIDING OFFICER. Under the previous order, S. 1894 shall be returned to the calendar.

Mr. STEVENS. I thank the Chair.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Before the two managers of the Department of Defense appropriations bill leave the Chamber, I want to say again today, as I did yesterday, how much I appreciate the outstanding work that they did. We have just seen an unbelievable accomplishment, for this bill to have been completed in 24 hours, with tremendous effort yesterday. They obviously are two of the very best managers we have in the Senate, and on behalf of the Senate I thank them for their good work and hope that their example will be followed on other appropriations bills and with the bill that we are about to begin consideration of.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDING OFFICER. Under the previous order, the Senate shall now proceed to the consideration of S. 1956, which the clerk will report.

The clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

The Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, we are now ready to go to the reconciliation bill. The chairman of the Finance Committee, the Senator from Delaware, Mr. ROTH, is here, the chairman of the Budget Committee, Mr. DOMENICI, is here, and we have the ranking member, the Senator from Nebraska, Mr. EXON, here also. So we are ready to begin the debate.

I hope we can make progress and reach some agreement on limiting time. We need to complete this legislation by noon tomorrow. We have 20 hours of debate under the rules, plus amendments that could be voted on even after that 20 hours. So we have a lot of work to do between now and 12 o'clock tomorrow. But if we can continue to cooperate as we have been doing this week from both sides of the aisle, I am convinced we can do it, and that is what we should do. We have the distinguished ranking member of the Finance Committee here, the Senator from New York, Mr. MOYNIHAN, here.

I ask unanimous consent that the time between now and 1 p.m. be equally divided for opening statements only and that the majority leader be recognized at 1 p.m.

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

Mr. LOTT. I yield the floor, Mr. President.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first let me say to the distinguished majority leader, we will be working together with the Agriculture Committee and Finance Committee leadership, and we will try to live up to the Senator's desire that we finish this bill by noon tomorrow. I want to say, frankly, I do not see why we cannot.

When the majority leader gets the floor, I assume one of the early items of business will be to strike the Medicaid provision. That might be debated, but there is an hour limit even on that, and then the bill will be a welfare bill.

I think everybody should know that we have not seen very many amendments. Neither has the distinguished chairman of the Finance Committee. But this is a reconciliation bill, so it is not so easy to put an amendment together that meets the test of an amendment to a reconciliation bill. For those who have them, the sooner we can see them, the sooner we can analyze them from the standpoint of points of order, or we may be helpful in some respects. So that is how I see the ensuing time. I thank the majority leader very much.

Having said that, I want to publicly first thank the two distinguished chairmen, the chairman of the Finance Committee, Chairman ROTH, and the chairman of the Agriculture Committee, Chairman LUGAR, and the ranking members. These two chairmen and their committees have crafted the legislation that meets the spending requirements given in the 1997 resolution adopted earlier this spring. Both of these chairmen will be here during the consideration of this legislation and will help manage amendments that might be offered in their respective parts of the bill.

I also thank Senator EXON, ranking member of the Budget Committee, who voted with all the Republicans on the Budget Committee on Tuesday to report this bill from our committee to the Senate floor. I am fully cognizant of the qualification he attached. That was that in fact the Medicaid provisions were going to be stricken. I have, just once again, to the best of my ability indicated we are pursuing that. The Senate will have to vote nonetheless, and the Senate will make that determination. I assume it will be almost unanimous that we do that; perhaps not unanimous, but overwhelming.

Mr. EXON. If I may speak there for just moment?

Mr. DOMENICI. Certainly.

Mr. EXON. I thank my friend for his kind remarks. I think it is important

we move this matter along. I would like to add my plea to those on this side and those on the other side as well, to please give us the amendments that you have in mind as early as possible, hopefully maybe before noon. If we can get a list of the serious amendments that are going to be offered, then we are going to be in a better position, not only to fashion this bill that may eventually receive a substantial number of votes if some amendments can be agreed to, but also expedite the process. So I pledge my cooperation to every extent I can to the chairman of my committee, the chairman of the Finance Committee, and the ranking Democrat on the Finance Committee. I think the four of us working together with our usual understanding and cooperation can move this matter along. That is my desire.

Mr. DOMENICI. I thank my colleague.

Finally, I want to thank our former colleague and former Republican leader of the Senate, Senator Dole, who tried not once, not even twice, but three times in this Congress to get welfare reform enacted. I believe his leadership will be felt even in his absence from the Chamber today, as this legislation moves forward and, hopefully, this time secures the signature of the President of the United States after these earlier vetoes by the President of the United States.

First, for those who may be watching this process, let me briefly explain what we are about to do today. After the President vetoed the Balanced Budget Act of 1995 last winter, and after the failure to find common ground on a plan to achieve balance in our budget, the process moved on and Congress again put together another budget blueprint that achieved balance in 2002. The blueprint, known as Concurrent Resolution on the Budget for Fiscal Year 1997, was adopted early in June. The budget resolution does not go to the President for his signature, but rather directs the action of the authorizing and spending committees on how to proceed for the remainder of the year to come into compliance with that budget blueprint and resolution. The budget blueprint also included instructions to 11 Senate committees to make changes in legislation in entitlement programs within their jurisdiction to cause fundamental reform of these programs, but also at the same time to slow the spending and achieve the deficit reduction envisioned in that budget plan.

Today we begin debate on the first of three reconciliation bills that were prescribed by that budget resolution. The reconciliation bills are very special because they have protections and procedures that the Budget Act established for their consideration. And because of the need to have them enacted to implement that budget blueprint, they receive some very special consideration and are immune from some of the rules, and some of the privileges

that Senators have are denied with reverence to these kinds of bills.

This first one addresses two major areas of public concern, welfare and the escalating costs of Medicaid. The bill before us at this moment makes very needed and fundamental reforms to our welfare system, a system that has clearly failed not only the American public as taxpayers, but also the very individuals and families and children that the system was supposed to help. Obviously, much more will be said by distinguished Senators on both sides of the aisle as to how that will be done in this bill.

The bill before us also makes many needed changes in the escalating Medicaid Program, but obviously that will not be long before the Senate for, hopefully early this afternoon, since it is the wish of the majority and the leadership here, it will be stricken by will of the Senate.

Federal spending under this bill before us today will still increase for both Medicaid and welfare from nearly \$270 to \$350 billion. That might surprise some. If we were to enact both of them, both of those programs would increase over the next 6 years from \$270 to \$350 billion. But compared to what would happen without these reforms, the bill would save the American taxpayers \$126 billion. We are not going to get all of that because the portion that would be forthcoming under Medicaid will be stricken, but I believe there would be \$56 billion left—Senator ROTH?

Mr. ROTH. That is correct.

Mr. DOMENICI. As the savings over the projected costs of the welfare program in all of its ramifications as contained in this bill.

So, as we begin this debate, let me remind my colleagues that, because this is a privileged measure, a bill whose consideration is governed by rules established in the Budget Act, the amendments are limited both in time and scope. The total time on the bill under the statute is 20 hours. I would say right up front we, on this side, do not think we should use 20 hours. In fact, we do not believe we need much of our 10 hours allotted under this bill.

First-degree amendments get 2 hours, and second-degree amendments 1 hour, which is equally divided regardless of how much time is left on each side—an anomaly, but that is how it is. So if we had only an hour left and an amendment is forthcoming, we get half the time on the amendment. That is the way the timing is done on these amendments. We intend to move this along, but not to deny Members the opportunity to get their case before the Senate.

Also, I should remind everyone—and we will hear more about this as the debate unfolds—that amendments may not violate the Byrd rule, named for our distinguished colleague from West Virginia. This rule is very restrictive and is designed to maintain reconciliation bills as truly budget-focused

bills. So I ask that Senators work with the leadership and Budget Committee staffs to determine if amendments violate the Byrd rule. If they violate the Byrd rule, you can offer them, nonetheless they would be subject to a point of order and that means you would have to get 60 votes of the U.S. Senate to pass them over the Byrd rule, which limits their adoption.

I should also say, the Budget Act does provide for the waiver or any point of order that might lie against a nongermane amendment, and that is a very, very heavy-handed test in this case, or an amendment that violates the Byrd rule. But that waiver requires 60 affirmative votes, as I have just indicated.

Shortly, I will discuss some of the substantive provisions, but I will not do that on this bill until the distinguished chairman and the ranking member on the Budget Committee have had a chance to talk about it. I am hopeful most of the substance can be handled by the committee chairmen. I will be here to help them move this along and to make sure we are as fair as possible with reference to the many procedural implications of a reconciliation bill.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, if I understand the unanimous-consent request, there is 1 hour equally divided between the two sides up to 1 o'clock; is that correct?

The PRESIDING OFFICER. Two hours ten minutes equally divided.

Mr. EXON. Mr. President, at this time, I yield myself 12 minutes of that time. Following my remarks, I yield the remaining time, up to the 1 o'clock time, to my friend and colleague from New York, the ranking member of the Finance Committee. We will be working jointly on the various amendments. I am grateful that both he and the chairman of the Finance Committee will be working jointly with us on this matter today.

Mr. President, as the Democratic leader on the Budget Committee, I come to the Senate floor today with some truly mixed emotions. I am most relieved that the Republican majority has decided that they will strike the Medicaid language from the reconciliation bill. It was with that understanding that I joined my colleague and chairman, Senator DOMENICI, in reporting out this bill to the floor.

Obviously, cooler heads in the Republican fever swamp prevailed. I trust this will be reflected in the vote. I salute my friend, the distinguished chairman of the Budget Committee, for his role. Might I suggest that Senator DOMENICI's good counsel had much to do with the decision to seek a more productive and less combative path. But I say somewhat wistfully that I wish his voice of reason had not been drowned out earlier in the budget process.

For all their fluster and bluster, the Republican majority will walk away from the 104th Congress with precious little deficit reduction to show for it. There is no bipartisan 7-year budget plan. Far from it. Republicans made a lot of noise about balancing the budget. In the end, the Democrats made a lot more sense.

At this time, I renew a plea that I have made oftentimes, and that is, in view of the fact that we have an economy today that is moving ahead progressively and well, with little or no inflation concerns, I simply hope in due time, maybe sometime in the next couple of weeks, the Federal Reserve Board will recognize the situation and maybe begin to ease at least slightly the interest rate problem which continues to bother many sectors of America, including the stock market.

I do not think our decisions should be directly made here on what happens in any certain phase of our economy. But the facts of the matter are, as I just alluded to the fact we have no 7-year balanced budget plan. We do not have that because the Republican majority and their leadership in the House and the Senate have refused to meet with the President to see if we cannot come up with a bipartisan compromise.

I have said time and time again, and I am not sure that Americans totally understand it—sometimes I wonder if the news media understands it from the reports I have been reading—that both sides have agreed basically to make the cuts that are necessary to balance the budget in 7 years. It can be done, it should be done, and I appeal, once again, now that the Republican leadership of the House and the Senate have come out of their cocoon, to recognize this is the time to strike. Let's get together. Let's let the Republican leadership in the House and the Senate take up the offer of the President of the United States to meet and come up with a 7-year balanced budget plan.

I know there is a great deal of haste right now, Mr. President, to get out of town, to leave things here because we want to go about campaigning. Certainly, I believe that there is nothing that could better serve the United States of America—the great two-party system that has served us, with all its warts, quite well over the years than if we can, before we leave here, have a balanced budget agreement. It is clearly within our grasp if we would just get on, put aside some of the egos and come to some kind of understanding. I make that plea once again.

Mr. President, I believe that the Republican majority had little choice but to yank the Medicaid portion of this bill out, as we and the President had suggested. One did not have to read the tea leaves to see that it was certainly headed for a veto without that change. It was a plan hatched by the far right that reneged on the promises of providing health coverage to low-income Americans and those most in need of it—the elderly, children, and the disabled. Many of the Governors could not

accept the plan because funding did not automatically adjust for changes in enrollment. I am glad that this unreasonable scheme has been laid to rest.

Now that the shackles of the Medicaid plan have been released, we have a good opportunity to work together and fashion a bipartisan welfare reform bill that will win not only the approval of the Congress but the signature of the President as well and I believe would have a good chance of receiving near universal support from the American people as well.

I compliment the majority for making some substantive and key changes in their previous welfare plan. For example, child care resources that were woefully lacking in their earlier efforts have been shored up, at least some. But the majority should know also that those of us on this side do not plan to spend the next 20 hours singing hosannas to their bill. We intend to offer amendments that we believe could significantly improve this bill and make it acceptable to a broad spectrum of Senators on both sides of the aisle.

I add, I would have preferred to deal with welfare reform outside of the reconciliation bill. Welfare reform is a policy issue, not a budgetary matter. In fact, there are no budgetary savings. I emphasize again, Mr. President, there are no budgetary savings from what most people believe as welfare. I, of course, reference aid to families with dependent children. The savings in this bill come from food stamps, child nutrition, denying SSI and food stamp benefits to most legal immigrants.

I hope in the future the majority will not feel the need to hide behind reconciliation skirts when every tough issue comes down the pike. I point out, too, that last year, we were able to come to a bipartisan agreement on welfare reform outside of the context of the budget reconciliation.

I emphasize once again, Mr. President, I think that while we are going to do this, making this part of the budget bill and the reconciliation process is not the way that this should have been handled. It should have been a free-standing bill. It should have come out of the Finance Committee which, I think, would have been the proper course of action. But, obviously, for many reasons that was not to be.

Mr. President, we have heard a great deal in this Congress about returning power to the States. Under the rubric of devolution, we have seen some thoughtful proposals, such as restrictions on unfunded mandates and others that are played bad, like the Medicaid plan.

But the clear signal we are getting from the townhall meetings and the State houses is the need for greater flexibility in dealing with these problems. I believe the Democrats answered that challenge in our updated "Work First" welfare plan that will shortly be offered as an amendment to this measure. It gives the States the flexibility to consolidate and streamline welfare

operations yet protects children and saves \$50 billion in the process.

As a former two-term Governor of Nebraska, I have more, Mr. President, than a passing acquaintance with the problems that are faced daily by the Nation's Governors. I have done my able best to help them where I could. I was an original cosponsor of the unfunded mandates bill. But as sympathetic as I may be to our Governors, we must ensure that welfare reform does not just meet their needs, their needs being the Governors. It must continue to meet the needs of the innocent children who have become pawns, unfortunately, in this debate.

In this regard, there are still areas of concern about the Republican package. I will not address all of them today. I am not wedded to any particular amendment, but I do want to touch upon a few concerns today that have a common thread. That common thread, that important thread, is kids in need. Children should not be an afterthought in welfare reform. Protecting children should be right up there with requiring able-bodied men and women to earn their keep.

The first issue in the voucher program is important. The Republican measure prohibits—prohibits, Mr. President—any assistance once a parent has been on the welfare rolls for a time limit to be determined by the individual States. This, Mr. President, could be anywhere from 60 days at a minimum to 5 years at the outside.

Under the Republican bill, no vouchers would be allowed for families reaching the time limits set by the individual States. They would be locked in to whatever State they were a resident of. In my book, this is draconian. We should not cut and run on our poor kids. Depriving a child of the bare necessities in life, such as food and clothing and shelter, serves no useful purpose. The Government is not punishing the parents; it is the children who would suffer. We should not visit the sins of the parents upon their children. I see no reason why we cannot design some sort of a voucher or noncash aid for these children. Under the Democratic work first plan, the States would provide a minimal safety net. That would be an enormous improvement to this bill.

My second criticism involves the inflexibility of the Republican plan during hard economic times. This bill cries out for more flexibility during recessions. Under the preferred Democratic proposal, children are entitled to assistance based on their household incomes, not whether the States have exhausted their funding due to increased needs during a recession or other uncontrollable events. This would be a reasonable and a desirable addition to the welfare reform package and something that I hope the Senate will accept.

My third concern, Mr. President, revolves around the food stamps and the optional block granting of the pro-

gram. It is a good idea to encourage electronic benefit transfers and to reduce fraud and abuse in the Food Stamp Program as is called for in the Democrat work first plan. We should throw the book at violators, but I cannot say that I am as understanding about the Republicans' insistence on block granting food stamps.

It is evident to this Senator that States devote radically different levels of effort to our needy children. They do not treat them with the same level of compassion. By removing the Federal entitlement and block granting food stamps, we could knowingly exacerbate these differences. I am also concerned that block granting does not completely take into account the changes in the caseloads or regional economic trends.

Mr. President, many thoughtful observers have also suggested that the instigation of block granting would trigger a so-called race to the bottom. Let us understand that term. We are very much concerned that the way this is written now, it would almost guarantee a so-called race to the bottom among the States seeking to lower services to the poor so as not to attract more of them. Even worse, some States may reject the dwindling block grants and drop the whole burden on to the narrow shoulders of the counties and the local governments below them. We should not be abetting such a shirking of responsibility if it should happen.

Mr. President, there are, of course, many other issues, bones of contention, in this legislation that we will be addressing. Senators on both sides of the aisle will be talking about them and, undoubtedly, offering amendments. But I do believe that, with a few modifications, we could have a bill that sits well with both sides and with the American people. To pass their test, it will have to be a bipartisan effort that requires work while still protecting children. Those are the tricky waters that we still have to navigate over the next few hours. I trust that we will be successful.

Mr. President, I reserve the remainder of my time and yield it, as I have previously indicated, to the Senator from New York.

The PRESIDING OFFICER (Mr. GREGG). Who seeks recognition? Who yields time?

Mr. MOYNIHAN. Mr. President, I think, in the interest of symmetry and the fact of seniority and the overwhelming presence of the chairmanship, that the Senator from Delaware should speak now. In any event, I would like to hear him in the hopes that I might think of something to reflect upon.

The PRESIDING OFFICER. Is the Senator from Delaware seeking time?

Mr. ROTH. Mr. President, I yield myself such time as I may take.

Mr. President, this is the beginning of the end to the lengthy debate in the

104th Congress about the current welfare system. The issue of welfare reform has been frequently and passionately debated over these past months, and rightly so. The effects and consequences of the welfare system in some way touch us all.

Mr. President, it would be difficult to estimate exactly how many thousands of hours the Congress has devoted to this issue over the past months. The various committees in the Senate and the House of Representatives have taken testimony from Governors, Members of Congress advocating their own particular brand of reform, Cabinet officials, outside experts, advocacy groups, and so forth.

But of all of these, perhaps the clearest message for welfare reform I have found comes from a newspaper article about Sharon Stewart, a 33-year-old single mother who has been on welfare for nearly 12 years. In a Richmond Times-Dispatch article last month, Ms. Stewart was quoted as praising Virginia's new 2-year time limit on welfare benefits. She said, "I feel like I can actually accomplish something again. This is something I'm doing and nobody else is just giving me a hand-out."

With simple eloquence, Ms. Stewart told the Times-Dispatch, "this program should have been in effect when I [first] went on AFDC. It means people"—it means people—"are going to be independent. At first they're real scared and kind of back off, but I believe it will help in the long run."

In the same article, Tracy James, a mother of four children, also voiced her support for the time limit on benefits. She summed up the situation better than any of the experts when she stated, "The old law was too easy. I settled for it. [Now] it's either get yourself together or you're just stuck."

Eloise Anderson, the very distinguished director of the California Department of Social Services, recently responded to a reporter who asked whether time limits were a form of "tough love." Miss Anderson responded, "It's the real world."

Mr. President, this is the fundamental philosophy upon which our welfare reform package is based. We will help families through the crisis which forced them into poverty. But that assistance is only temporary, and they must again help themselves.

Welfare reform will restore the dignity to families who want more than to "just settle" for what the welfare system will give them.

The current AFDC program, as it was designed in the 1930's, abandoned many families long ago as a statistic of long-term dependency in contemporary society. The current welfare system has failed the very families it was intended to serve. Look at the record. The record speaks for itself. Unfortunately, in 1965, something like 3.3 million children received AFDC benefits. In 1990, more than 7.7 million children received AFDC. This growth occurred even

though the total number of children in the United States had declined—I underscore "had declined"—by nearly 5 million between 1965 and 1990. In 1994, nearly 9.6 million children received AFDC. Last year, the U.S. Department of Health and Human Services estimated that 12 million would receive AFDC benefits within 10 years under the current welfare system.

I think it is clear that the present system has not worked. To the contrary, rather than giving a lifting hand and helping people back to work, back to the mainstream, we find the record is consistently an increase in the number of families, the number of children, caught in the web of welfare.

If the present system was working well for children, we would, frankly, not be here today. I do not think anyone wants to make a claim that the existing system is good for children.

While the present welfare system is full of excuses, the welfare reform legislation being presented to the American people today is a bold challenge. While the present system quietly accepts the dependency of more than 9 million children, our proposal speaks loudly to them and insists they, too, are among the heirs to the blessing of this great Nation.

The key to their success will not be found in Washington, but, frankly, in the timeless values of family and work.

Mr. President, 90 percent of the children on AFDC live without one of their parents. Only a fraction of welfare families are engaged in work. The current welfare system has cheated these children of what they need most.

The reason the States will succeed in welfare reform where Washington has failed is because State and local officials see the faces of their neighbors, while Washington only sees caseload numbers. The bureaucracy in Washington is too detached, too removed, too far out of touch to reform the welfare system.

The opponents of welfare reform believe the States lack either the compassion or the capacity or both to serve needy families. They are wrong.

We understand that there is not a singular approach to welfare reform. We believe if families, if children, are going to escape from the vicious cycle of dependency, they must be enabled to find their own way out. Welfare reform is not simple because human beings are complex.

The goal of welfare reform for all families is for all families to leave welfare. The path on how they get there is not necessarily a straight line. Nor, under our approach, must all families follow the same path.

In contrast, this is precisely why Washington will never be able to end welfare as we know it. The existing system is designed more for the convenience of the bureaucracy than for the needs of the individuals. Washington wants to put its one shoe on every foot. That simply does not work. In the tradition of scientific management, ev-

everything must be reduced to bureaucratic rules, procedures, and mathematical equations. This is why, if we are truly seeking the answer to end dependency, Washington is the wrong place to look.

The causes and cures of poverty involve some of the most intimate acts in human behavior. What many families on welfare need cannot be sent through the mail or reproduced in the Federal Register. There is no flaw in admitting we do not understand how or why individuals will respond to the various incentives and sanctions present in everyday life in modern society. The mistake is believing, especially after 30 years of evidence to the contrary, that Washington does know how to apply these incentives and sanctions to the lives of millions of people.

Under the present system, welfare dependency is allowed to become a permanent condition. This is one of the cruelest features of the welfare system because it saps the human spirit.

Welfare reform will help free families from the present welfare trap and save future generations from its affect. To do this, we must give the State and local governments all of the tools they need to change the existing welfare system. What works in Delaware may not work in Virginia or New York and the States that demonstrated that it is time to move beyond the waiver process.

One of the basic flaws in the existing system is, while State officials have the responsibility to administer these programs, they do not—I emphasize the word "not"—have the authority they need to effectively run the program. That authority is dispensed by Washington one drop at a time, and this is no longer acceptable. Waivers are no substitute for an authentic welfare reform.

Since President Clinton vetoed welfare reform for a second time, we worked with the Nation's Governors to construct a comprehensive welfare reform package, which, of course, included Medicaid. And a compromise 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. That is the essence of bipartisanship.

When this legislation was marked up in the Finance Committee, I included more than 50 Democratic amendments. Nearly half of all the Democratic amendments were incorporated into the legislation. Those changes still did not gain Democrat support in committee. And, of course, the administration still refused to compromise on Medicaid. So we are now separating Medicaid from the rest of the welfare package.

Let me say, Mr. President, although I am supporting and have supported the separation, it is a matter that I personally believe need not happen. The President, on several occasions, in addresses to the Governors, stated that many, many people on welfare would

not take themselves off the rolls because they were fearful that they would put their children at risk, that they would not be covered by Medicaid. I think there is great truth in that statement. But, for that reason, it seems to me critically important that we deal with welfare and Medicaid as a package. That is what the Senate Finance Committee did, and that is what we have before us. But, as I stated earlier, we will be separating Medicaid from the rest of the welfare package.

Mr. President, we have a bipartisan bill. There is no need to look any further than the measure before us. Frankly, this legislation will look very familiar to my colleagues, as it closely resembles H.R. 4, as it was passed by the Senate last September by a vote of 87 to 12. In other words, it is basically similar legislation which received broad bipartisan support when they voted for H.R. 4 last September. With regard to such issues as work requirements and time limits, this legislation is nearly identical to the Senate-passed bill.

Mr. President, it has been 41 months since President Clinton outlined his welfare reform goals to the American people. Welfare reform was not enacted in 1993 or in 1994. Welfare reform is not about claiming political credit. We need to enact welfare reform for families like those of Sharon Stewart, Tracy James, and their children. If we do nothing, more children will fall into the trap of dependency. That is a certainty of what the current system will bring.

Mr. President, I yield the floor.

(Mr. ASHCROFT assumed the chair.)

Mr. MOYNIHAN. Mr. President, I yield to myself whatever time I may require. I will express, once again, my admiration and gratitude for the tone of thoughtful inquiry which the chairman brings to these discussions. We will not agree today. We have not in a whole year in this regard, but we certainly are trying to lay out arguments and information as best we understand it. I think we know where we are going today, but it does not preclude us from one last effort. There is still hope. You may yet change your mind, but I do not think so today.

Mr. ROTH. Will the distinguished Senator yield?

Mr. MOYNIHAN. I am happy to do it.

Mr. ROTH. I want to say what an honor and privilege it has been to work on these matters with the distinguished Senator from New York. There is no one on either side of the aisle who brings greater knowledge, understanding, and depth than Senator MOYNIHAN. Now, frankly, sometimes his conclusions are wrong, but that is understandable, and that is what makes for the democratic process. But I do want to say that working with them, in an effort to bring a solution, to be compassionate, to take care of the needs of the many children who are without is our common goal. I know he seeks that with all his intelligence and being.

Mr. MOYNIHAN. Mr. President, as I rise today, I find myself thinking of the passage with which Hannah Arendt begins her classic work, "The Origins of Totalitarianism." She speaks of the disasters of the First World War, and then the Second World War, and now the prospects of a third, final encounter between the two remaining world powers. She says, "This moment of anticipation is like the calm that settles after all hopes have died."

If I sound subdued today, I hope it will be taken in that light, rather than any diminished sense of the importance of what we are about to do, because we are all somehow subdued today. The Senate floor is all but empty. I see four Senators.

The lobbies are empty. There is no outcry against what we are doing. Two fine editorials appeared this morning in the Washington Post and the New York Times saying, "Do not do this." But those are rare voices at this moment.

We learn in the press that the President is concerned that there be vouchers made available for diapers. This is commendable, but scarcely a suggestion that something fundamental is about to happen. What is about to happen is we are going to repeal title IV-A of the Social Security Act, the provision established in 1935 in the act, aid to families with dependent children.

This will be the first time in our history that we have repealed a core provision of the Social Security Act. Further, we are choosing to repeal the provision for children. It is as if we are going to live only for this moment, and let the future be lost.

I said that there were few voices. Actually, there is one unified voice: that of every national religious group and faith-based charity. But we seem unable or unwilling to listen. They all oppose ending the entitlement. Catholic Charities USA and the Catholic bishops, especially, the National Council of Churches, Bread for the World, have persisted in this matter. Other organizations, as I say, are once again silent. Having briefly aroused themselves, they have sunk back into apathy, or resignation—or agreement with what is about to be done. We will not know if we do not hear.

Yesterday, Members of Congress received a letter from Father Fred Kammer, president of Catholic Charities USA, who wrote:

The welfare reform proposal before you reflects ignorance and prejudice far more than the experience of this Nation's poorest working and welfare families. This bill would end the basic guarantee of protection to our neediest families, and, in the words of Milwaukee's Archbishop, Rembert Weakland, OSB, nullify "America's 60-year covenant with its poor children and those who nurture them." It would also punish children born to welfare parents, legal immigrants, and desperately hungry citizens.

Welfare reform is acutely needed in this country, reform which is designed genuinely to move people who can do so from welfare to work. Today's proposals are largely a sham designed to appease the ignorant and

to pander to our worst prejudices in an election year. There is little here to recommend to believers, for whom Jesus of Nazareth said, "Whatever you do to the least of my sisters and brothers, you do to me."

And then Father Kammer says:

Please stop this so-called "welfare reform" now lest election and budget politics shred the fabric of this Nation's protections and supports for its most vulnerable families.

Again in the words of Archbishop Weakland, "This is not welfare reform, but welfare repeal."

The Nation, its historians, and its poorest families will little remember what you say here, but they will long remember what you do here.

Sincerely, Fred Kammer, S.J. President, Catholic Charities USA.

This is an extraordinary statement by the president of one of the Nation's leading charities. But then he knows too well the profound impact this legislation will have on poverty and on children.

It is children we are talking about. I have been trying for most of this Congress to describe the consequences for children in ending support after 5 years. The average AFDC recipient will receive benefits for 13 years.

Ten months ago, as the distinguished chairman has observed, on September 19, 1995, the Senate passed a welfare bill providing just that. That bill, H.R. 4, as amended, was, as the chairman just said, nearly identical to the bill now before us. Again, to quote the chairman, "It was basically similar legislation." At that time, we had no data before us to give us a sense of what we were doing. There were 11 Democrats who voted against that bill—11. I hope one day we might see their names listed in a place of honor.

A few weeks later I learned that there was, in fact, in the Department of Health and Human Services, as you would expect, an analysis of H.R. 4 that addressed itself to the poverty impact of the bill.

Then on October 24, at the first and only meeting of the House-Senate conference on the legislation, I put it this way. I said:

Just how many millions of infants we will put to the sword is not yet clear. There is dicking to do. In April, the Department of Health and Human Services reported that when fully implemented, the time limits in the House bill would cut off benefits for 4,800,000 children. At that time, the Department simply assumed that the administration would oppose repeal. But the administration has since decided to support repeal. HHS has done a report on the impact of the Senate bill on children, but the White House will not release it. Those involved will take this disgrace to their graves.

During the following 2 days, the administration denied the existence of the HHS report. But then, on October 27, on the front page of the Los Angeles Times, there was an article by Elizabeth Shogren entitled, "Welfare Report Clashes with Clinton, Senate."

It began:

A sweeping welfare reform plan approved by the Senate and embraced by President Clinton would push an estimated 1.1 million children into poverty and make conditions

worse for those already under the poverty line, according to a Clinton Administration analysis not released to the public.

A subsequent administration analysis of the conference report on H.R. 4, after the House and Senate provisions had been reconciled, estimated that it would plunge 1½ million children into poverty.

On December 22, 1996, when the conference report on that bill came back to the Senate, every Democrat save one voted "no."

Now, with these facts in front of them, Senators on our side—and not only on our side—voted almost unanimously against the bill.

I should point out that in some ways the bill before us, although basically identical to last year's legislation, as the chairman of the Finance Committee has said, is even worse in that it provides for very harsh measures against legal immigrants who are non-citizens. The Congressional Budget Office makes this point in its report on the measure. It says:

Chapter 4 would limit the eligibility of legal aliens for public assistance programs. It would explicitly make most immigrants ineligible for SSI and food stamp benefits. Savings would also materialize in other programs that are not mentioned by name.

This must be noted as a regression of genuine importance. In the beginning of this century, Western nations began the practice, and after a while, by treaty, international labor conventions, and such like, of extending social services available in a particular country to legal visitors or immigrants from another country. It was seen as a part of the comity of nations, part of the standard civilization which we had attained.

Now, sir, I had the opportunity to speak with our distinguished Secretary of Health and Human Services this morning, the Honorable Donna E. Shalala. She tells me that this bill will cut off some 200,000 legal immigrants currently receiving supplemental security income because of severe disabilities—cut them off. It will cut off women receiving services in battered women clinics, said Dr. Shalala. Things that civilized nations do not do, save perhaps when carried away, as Father Kammer said, by ignorance and prejudice.

Now to the present legislation. I recall the long and difficult effort to get the executive branch to follow its normal practice of providing a report on legislation saying this is what this legislation will do, this is why we support it or do not support it, or whatever.

Since May of this year, Representative SAM GIBBONS, ranking member of the Committee on Ways and Means, and I have been asking for a similar analysis of the poverty impact of the new Republican welfare bill. We asked for the poverty effects because they have a clarity for Members that perhaps more diffuse issues, such the operation of time limits. It is a usage with which we are familiar. Last winter,

when Democratic Senators found out what the effects of H.R. 4 were, having voted for the bill, they turned around and voted against it. The President, having indicated he would support the bill, turned around and vetoed it.

So, since May of this year, Representative GIBBONS and I have been asking for a similar analysis of the effects of the new Republican welfare bill. Despite three separate written requests, no report has been forthcoming. But we did receive a letter on June 26 from Jacob L. Lew, the Acting Director of the Office of Management and Budget, in which he wrote:

As you recall, the administration's analysis of the conference report on H.R. 4 estimated that it would move 1.5 million children below the poverty line. Based on that analysis, it appears that improvements in the Roth/Archer bill would mean that somewhat fewer children would fall below the poverty line. But many of the factors that would move children below the poverty line remain the same in both bills.

So we have before us a bill that in the administration's own judgment would impoverish over 1 million children. But I remind you, Mr. President, we do not have an analysis, and we read in this Sunday's New York Times, by Robert Pear, an eminently respected reporter in this area, that the White House had given instructions to HHS that there was to be no report. I had not ever thought I would be standing on the Senate floor stating my understanding, that an administration has said we will not tell the Senate what it is doing. If we knew what it was doing, we would not do it. That is precisely what happened on our side of the aisle, and not just on our side of the aisle, between September and December of last year. If we knew what we were doing, we would not dare to do it, and therefore the information is being withheld.

I would say that Dr. June O'Neill, Director of the Congressional Budget Office, has been very forthcoming, but that is an institution within our ranks, as it were, and with which we have normal cooperation.

I talked about the problems of poverty, but I would like to make the point that this is not really the issue here.

Most children on AFDC are already poor. Those who are above the poverty line are part of that portion of the AFDC population which works part of the year, loses jobs, goes on welfare, goes back. Time limits would drop them completely below poverty because there would be no available income when they were not working.

Might I say we have an AFDC population that is made up of roughly three groups. One is a sizable number in which adult, mature families break up, and a mother finds herself with children and needs income for a relatively brief period. It is the equivalent of the mill closing and men out of work. Within 2 years' time, they are back on their own. They do not need any advice, they do not need any counseling.

It is income insurance for them, and it works.

There is a second, middle group which cycles on and off: Works, finds the work does not work out—jobs are lost, plants close and that kind of thing—then they go back onto welfare. Work comes along, they go off. And it is back and forth.

Then there is another group. In overall terms, it is much the largest group. This group is on welfare for a very long, continuous time. Thirteen years is the average.

The essential problem with this legislation is that it imposes time limits without any real provision for the heroic efforts that are required to take people who have been on welfare for a long while, get them off and keep them off.

I have no problem with that proposition, that work is what we should seek, independence is what we should seek. Some years ago, I wrote a long book on this subject, which began: "The issue of welfare is the issue of dependency. Whereas most people stand on their own two feet, dependent persons, as the buried image of the word implies, dependent people hang."

This very week Time magazine chose, on its page called "Notebook," to reproduce a cover of Time from July 28, 1967. It is called, 29 Years Ago in Time: DOGGED CONSISTENCY. There is a picture of the Senator from New York, and I am arguing the case—this is at a time when I was director of Joint Center for Urban Studies at MIT and at Harvard—that we have a crisis in our cities and it was getting worse.

I am quoted:

We are the only industrial democracy, he told a Senate subcommittee, that does not have a family allowance. And we are the only democracy whose streets are filled with rioters each summer. The biggest single experience anyone has is working.

No one argues that. But to put a time limit on, when you do not have provision for seeing that people have work, is to invite an urban crisis unlike anything we have known since the 1960's. It may be it will bring us to our senses. But it will be a crisis.

Here are the numbers. The Congressional Budget Office, in the cost estimate of the bill, said it would cut Federal welfare rolls by 30 to 40 percent by the year 2004. If we follow the estimates of the Senator from Delaware, and they are quite accurate, of course, by the year 2005, we will have over 10 million children on AFDC. Cut off 40 percent, and you have 4 million children dropped.

CBO estimates that, under the bill we are dealing with, we will cut off 3.5 million children by the year 2001. By the year 2001—5 years from now.

That would be an unprecedented experience, and its impact would be quite disproportionate in racial and ethnic terms. Two-thirds of those affected would be minorities: 49 percent black, 19 percent Hispanic.

I said in the Finance Committee, in March of this year, that to drop these

children from our Federal life-support system would be the most "regressive and brutal act of social policy since Reconstruction."

Think of what it means for our cities. Remember, not all these children will be 4 months old or 4 years old. Many will be 14 years old. In 5 years' time, you will not recognize Detroit, Los Angeles, New York. These are cities where a majority of births are out of wedlock. The average for our largest 50 cities is 48.0 percent.

What is going on is a profound social change which we do not understand, just as we could not comprehend the problem of unemployment in the first part of this century, and ended with the crisis of the world depression, which almost destroyed democracy. It was a very close thing. Now, we are putting the viability of our own social system at risk.

This year the National Center for Health Statistics reported that the nonmarital, out-of-wedlock ratio of births in the United States has now reached one-third, 32.6 percent. That was for 1994, so it is a third today. In Detroit, that number is 75.3 percent; in Los Angeles, it is 50.1 percent; in New York City, 52.3 percent; in Chicago, 56 percent; in New Orleans, 64 percent. I think Detroit and New Orleans are probably the highest. No society in history has ever encountered this problem. These numbers a half century ago were 4 percent. New York City, 4 percent half a century ago, 52 percent today; Manhattan, 54 percent.

Nobody understands. Something like this is going on in Britain, in Canada, in France, in Germany. We are undergoing an enormous social change which we do not understand. Although it does not happen at all in Japan. Ratios were 1 percent in 1940 and 1 percent today.

Yet, we are acting as if we do understand. The basic model of this problem in the minds of most legislators, and most persons in the administration, is that since we first had welfare and we then got illegitimacy, it must be that welfare caused illegitimacy. And they may be right. I do not know. But neither do they.

I have stood on this floor and argued for the Family Support Act, which one Senator after another invokes as a measure that works, getting people out of dependency, into jobs. It could continue to work. But not this sharp cut-off—bang, 2 years, you are off; 5 years, you are off forever. That invites the kind of calamity which it may be we are going to have to experience in order to come to our senses.

I said on the floor last September that we will have children sleeping on grates if this becomes law. I repeat that today. I hope I shall have been proved wrong. I hope.

We will have a chance to track it. In the Social Security Act Amendments of 1994, I was able to include a small, but significant, provision to try to get us some accumulation of information and then perhaps theoretical knowl-

edge about this situation. We enacted the Welfare Indicators Act of 1994. It requires the Secretary of Health and Human Services to start producing an annual report based on the Economic Report of the President, which derives from the Employment Act of 1946.

We will have the first interim report due October 31 of this year. It takes a long time for these institutions, if I can use that word, to mature, but we will have documentation of what this legislation did. We will know, unless we are reduced to concealing the truth, which we are getting very close to in this debate. Administration officials saying, when asked for the report, "There is no report"; when the report is published saying, "Well, I guess there was a report"; then saying, "No more reports." We are standing here on the Senate floor with no report from the administration. Shame.

One of the comments I have made throughout this debate, over the last year and a half, is that it has been conservative social analysts who have been most wary of what we are doing. They have consistently warned us that we do not know enough to do this. They have asked us to be conservatives and not take this radical step, putting at risk the lives of children in a way we have never done.

After we allowed a system to develop in which children are supported in this manner, to suddenly stop that support based on some very vague notion of human behavior—that if you are going to suffer awful consequences, you will change your behavior. We will be making cruelty to children an instrument of social policy. Lawrence Mead of NYU said you don't know enough to do this. Lawrence Mead, no liberal he; a career telling the liberals they were letting this situation get out of hand.

But 52 percent of the children born in the city of New York are to a single parent. John J. Dillulio, Jr., at Princeton saying, "Conservatives should know better than to take such risks with the lives of children."

And then George F. Will. George Will of unequalled authority as a commentator on the difficulty of social change and the care with which it is to be addressed. He wrote of the vote last September:

As the welfare debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here. 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 state.

I end on that proposition. No child in America asked to be here. Why, then, are we determined to punish them?

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has approximately 36 minutes remaining.

Mr. DOMENICI. I yield 15 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President. I thank the chairman.

EXPRESSING CONDOLENCES TO PEOPLE OF MONTOURSVILLE, PA

Mr. SANTORUM. Mr. President, before I speak about the welfare bill, I just want to express my condolences to the people of Montoursville, PA. As many of you know, the crash of TWA Flight 800 included French students from that high school in Montoursville, along with five chaperones.

I talked with some people in Montoursville today. To say the people are shocked and overwhelmed does not quite, I think, relay the feelings that are going through that small town in north central Pennsylvania, near Williamsport, PA.

Senator SPECTER and I have pledged to do all we can to aid the people of that community in getting information that is necessary to begin the healing process, which is a very difficult one. We will do whatever we can to assist them in that process. Obviously, we will be vigilant in making sure the U.S. Government follows up and makes a thorough investigation of this and to the cause of this accident, hopefully accident.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. SANTORUM. Mr. President, let me move on to the issue before us of welfare reform. It is never easy to follow the Senator from New York when talking about this issue, because there is no one on the Senate floor who knows more about this issue than the Senator from New York. But I was struck by one of the comments he made. I felt compelled to respond to that comment, when he made the comment that the bill before us invites calamity. I am quoting him. He used the term "invites calamity."

I found it odd that he used the term, that the bill before us invites calamity, right after a very eloquent and fact-filled dissertation on the calamity that has been created by this welfare system, that calamity of illegitimacy in our civilization.

He suggested there is no solution, at least we do not know the solution, and, therefore, we should not try anything. I assume that is the conclusion. Since we are not absolutely sure what causes illegitimacy, then we should not even attempt to bring it up since we do not have the answer.

I suggest that the Senator from New York should have been here in the 1960's when in fact we did not know the solution for poverty but we went ahead and tried the Great Society programs anyway. We went ahead not knowing