

I think that is the ideal environment in which, now, to have this new system which will be giving to the 200,000 who are still on welfare the means by which they can get a job and end dependence. If we cannot make this transition work under the economic conditions that exist in my State and most of the States of America in the summer of 1996, then I doubt we will see a time in the foreseeable future when we could make this system work.

It is for that reason that our Governor has announced his support for this program. It is for that reason our legislature has passed its own version of welfare reform, building on important demonstration projects in our State which have tested out what is going to be required in order to make this new system achieve its objective.

I stated candidly that this is a bill which is far from perfect, and which has some flaws. That presents, as I believe the Senator from Pennsylvania just stated, the agenda for our action in the future. I suggest two areas in which I think that attention should be focused. One of those is on the basic financial arrangement between the Federal Government and the States. We start this in a period of prosperity. We know the business cycle has not yet been repealed. There will be times when we will return to the circumstances of the early 1990's, when we had unemployment rates ranging from 7.4 to 8.3 percent. We need to relook at our financial relationships to assure that we have the flexibility, the elasticity in order to protect States during those downturns.

We need to also look at the issue of fairness of allocation. I continue to be distressed at the fact that we are using the old method of allocating Federal funds, the formula that we developed for the system we are now rejecting as we move into the new system. I suggest that is inappropriate, an inappropriate bit of baggage we are carrying with us and it is going to be a heavy piece of baggage, in terms of achieving the objectives of moving people from welfare to work, particularly in States such as Arkansas, which start this process as very low beneficiary States and are therefore restricted in the amount of funds they will have available.

The second area in which I believe we need to focus our attention is on the issue of legal aliens. It confounds me as to why legal aliens were brought into this bill, which has, as its title, welfare reform. That has very little relationship with the severe cutbacks in benefits for legal aliens. These are our parents and grandparents of just a generation or two ago, who came to this country seeking the freedom of America. Now, those who have followed them in that 200-year quest for those values of America, we are now putting into a second-class status. There is no relationship to the goals we are trying to achieve in welfare reform. It has a lot to do with the fact this is a voiceless, vulnerable population, from which

we can seek some additional resources in order to meet our budgetary goals.

Let us be clear, this is a budget issue, not a welfare reform issue as we speak of legal aliens. And it is going to be a major budget issue for those communities which have sizable numbers of legal aliens who will now become an unpaid charge to the local public hospital. So that area will also require our attention.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAHAM. Mr. President, I conclude by saying it is with a leap of faith that we undertake this initiative. I think we are doing it at a time which gives us the greatest hope and expectation that faith will be justified.

Mr. DOMENICI. Mr. President, Senator SIMPSON is next. I believe he has asked us for 10 minutes? Up to 10 minutes.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank Senator DOMENICI, always, for his courtesy, his kindness and his generosity in what he does for all of us; and to recognize once again how hard he works. And, also, Senator EXON, who came here to this body when I did. I do not think anyone realizes the task of the chairman and ranking member of the Budget Committee and what they do. Through the years I have watched with awe, as they deal with every single issue that confronts us and do it with a steadiness and skill that is enviable. I do mean that.

I think we have a good measure here. It has certainly been through the grinder. We have all looked at it carefully. There is nothing new in it. I support it. I served on the Finance Committee. I listened to the hearings. I tried to add my own dimension of activity and support to it in its passage. So I commend those who have worked so hard on this issue. I commend the President who has indicated he will sign the bill.

There are some troubling things in there for me. One especially, because I did not have any real active participation in it, and that is with regard to the benefits to legal immigrants of the United States. There is a great difference between an illegal immigrant and a permanent resident alien. We should not be making distinctions on permanent resident aliens, in my mind, to the degree here. I did not participate in any aspect of that because I felt it would detract from what I was trying to do with legal and illegal immigration—which we have dealt with, and legal immigration, which we did not deal with.

Next year, when legal immigration goes up from 900,000 to 1 million people, the people of America will wonder what we did in this Congress. But I think we will deal with the issue of illegal immigration. We are not far from resolving that.

MENTAL HEALTH PARITY

Mr. SIMPSON. Mr. President, let me just say I am deeply troubled the conferees for the health insurance bill have apparently decided to not include any form of mental health parity on the final bill. In April, 68 Senators voted aye on an amendment by Senators DOMENICI and WELLSTONE that would prohibit health plans from discriminating against people who have mental illness. This amendment was not a sense-of-the-Senate proposal or some meaningless resolution. We do plenty of those in this place. They always come back to haunt us, but we do them all the time—sense-of-the-Senate this, sense-of-the-Senate that. That is not what this was. It was a real piece of legislation.

It was real legislation that expressly prohibited health plans from imposing treatment limits and financial requirements on services for mental illness that are not also imposed with respect to physical ailments. It was deeply gratifying to me personally to see so many Senators cast a rollcall vote, clearly "on the record," in bipartisan support of ending this terribly unfair discrimination.

It is discrimination, that is what it is. We talk about that all day in here. If there is ever a more blatant form of discrimination, I do not know what it is. To think we still carry such a stigma in society of mental illness is dark ages stuff.

So 3 months later, I am absolutely stunned that we are unable to gain support for the Domenici-Wellstone compromise which represents a very mere "slice,"—a minuscule slice—of the original amendment that received 68 votes.

All this compromise would require is that mental health "parity" be achieved with respect to annual payment limit caps and lifetime caps.

I think it is rather curious that the conferees rejected this compromise, held tough for so long and, at the same time they accepted another compromise on medical savings accounts which received only 46 votes on the Senate floor, and I am one of the 46 who voted for medical savings accounts.

I am pleased we were able to work out an agreement on that aspect of the bill, but I certainly must question why the same spirit of cooperation was nowhere to be found when the issue of mental health was considered.

I am especially troubled that some of the special interest groups—boy, have they been sharpening their fangs in this session of the legislature; I have felt a little of it—have been so aggressive in lobbying against this compromise. To say that this small measure of parity is too costly is absolutely utterly absurd. As Senator DOMENICI pointed out, this entire bill is a mandate. To single out this one lone lonely mental health provision and label it as a costly mandate when the whole thing

is a mandate is a classic example of absurdity and discrimination. Yes I will use the term one more time.

Sadly, that is what this debate is now all about. Discrimination is surely not something new to those who suffer from mental illness, I say to my colleagues. They have had it for a lifetime, and the stigma hangs and it is demeaning and it is wrong. It is not something we should accept without a good fight.

I have deepest admiration and respect for my friend Senator KASSEBAUM. She too came here when I did. I would certainly hate to see her work product injured or disrupted, but I respectfully urge my colleagues to consider what we are doing, and I hope Senators DOMENICI and WELLSTONE will work toward some other result, and I will work with them in that objective.

It is time to rid ourselves of this tragedy of stigma and discrimination. To see the business community do what they have done with regard to this issue deserves closer attention from all of us on this and other issues of the day where they apparently feel a great strength surging through their muscles and they do things they never did before. We will address that at some future time, too.

I certainly respect those who have worked so hard to bring this about and will certainly give my full energies to seeing if we cannot get a better result. I thank the Chair.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator SIMPSON. I think he will join me in saying, as both of us talk to the business community about what they have done here, we want to acknowledge that some very good businesses in America already have decided to cover mental illness, and none of our remarks are directed at them. There are many self-insured and otherwise who are doing a good job of considering this discrimination.

I thank him for his remarks.

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. EXON. Mr. President, I yield 2 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, 1 week ago, I voted for the welfare reform legislation that passed the Senate. Previously, I had supported two alternatives—one a Democratic version and the other a bipartisan alternative. Although both these attempts failed, some of their provisions were adopted into the bill that passed, making it far better by providing a wider safety net for children and the poor.

The conference report before us now is not as good as I would like. It prob-

ably is not anyone's ideal plan for welfare reform. Frankly, I think the Senate's version was preferable to this conference report. But, while some provisions within the legislation are still troubling and need to be reworked down the road, at least we are off to a good start in reforming a system that we all agree to a good start in reforming a system that we all agree is broken and needs to be overhauled. One thing is certain: regardless of its shortcomings, this bill is a product of sincere efforts to end the harmful dependency and other severe short-comings which currently exist in our welfare system. Throughout this debate and these difficult negotiations, I have been impressed with the diligence, tenacity, and honesty which Members have displayed in trying to come up with an acceptable plan to end welfare as we know it.

The measure we are considering today does, in fact, represent a change in philosophy in how we think about children and families. This is the most significant and sweeping change in the social compact of our Nation since the New Deal. Its strength is that it overhauls our welfare system without the harshness of previous bills that have been vetoed. The two vetoes, along with the threat of a third, served the purpose of eliminating the extreme measures that made the previous bills unacceptable—even harmful.

For example, we have now rightly recognized that a mother with young children who wants to work will have access to adequate child-care. Also among its vast improvements is the fact that child nutrition programs, such as the school lunch program, are not block granted. The same is true of the Food Stamp Program. I had grave fears that block-granting these kinds of nutrition programs would impose tremendous burdens on States like Alabama, which over the years has suffered from several periods of budget proration and economic recession. Programs like these aimed at helping children and the poor would have faced drastic cuts if they had been block-granted.

This measure raises the cap on the contingency fund from \$1 billion to \$2 billion to provide States with more protection during economic downturns. It also adds a new trigger mechanism based on the food stamp caseload. It includes some provisions for States to establish objective criteria for delivery of benefits and to ensure equitable and fair treatment.

This welfare reform legislation, while not as sound as the Senate-passed plan, is still a vast improvement over the Republican bills which were vetoed. As I stated earlier, I still have some reservations surrounding certain provisions contained in the measure. But I believe, overall, that the positive outweighs the negative. I think the compromise we have struck is a major step in the right direction, and an overall positive effort at making welfare more

of a helping hand in getting people on their feet economically.

Our debate over the last few months has been both constructive and productive. We now have a bill before us which is a testament to the Congress and its leadership—majority and minority. In essence, it is a product of the Congress' legislative process working as it was designed to work.

We have seen some hard-fought battles and witnessed significant changes from the original bill after some intense debate and good-faith negotiations between the two sides of the aisle. Each side has made concessions, while holding firm to certain core principles. We have arrived at agreements on several major issues. As a result, we now have a bill that contains stronger work provisions and that is not as harsh on children. While there are undoubtedly problems still remaining in the legislation that will have to be addressed down the road, this compromise is an overall positive step for reforming welfare, reducing dependency, and offering a brighter future for millions of American families.

Mr. President, except for the balanced budget constitutional amendment, this welfare reform bill is arguably the most important legislation we will tackle in this or any other Congress. There is no doubt that our current system is failing welfare recipients and taxpayers alike. I am pleased to join my colleagues and the President in taking advantage of this historic opportunity and enacting reforms which will empower recipients to break cycles of dependency, to focus on work and responsibility, and to become successful and productive citizens.

Mr. BURNS. Mr. President, I rise today to talk about this important issue before us—perhaps the most important initiative undertaken by the 104th Congress—welfare reform. For the last nineteen months, Congress has been embroiled in an enormous debate over how best to reform our welfare system. There has been a lot of talk about ending welfare "as we know it", but for the most part, it has been just talk and no action. Today, however, the Senate stands close to passing legislation that I believe will make the much-needed changes in the way our welfare system operates.

I think many of my colleagues on both sides of the aisle, as well as a majority of my fellow Montanans, would agree that our welfare system needs improving. I am glad we agree that changes need to be made in our welfare system so that our assistance programs are more effective and less costly. Let's face it, however, we don't need this legislation to know that the welfare system has failed miserably. The truth is, the system is not working as it was intended—as a temporary assistance to help people until they can get back to work. Over the last thirty years, the system has become a way of life, not because those receiving assistance don't want to work, but because the