

budget, came because we will pay less in interest on the national debt as interest rates decline, came because the economy grew and more people were at work at better jobs as a result of what we do.

It is ironic that the President's chief economic adviser, Laura Tyson, is quoted as having said recently,

Any effort to reduce Government spending takes a dollar out of the economy which means a dollar in reduction in demand in the economy so it increases the contractionary risks on the economy.

Mr. President, I think that states all too well the views of this administration and of those who oppose this budget resolution. Their view is that the only real prosperity comes from dollars spent by the Federal Government. In fact, that statement by Ms. Tyson is so extraordinary that one would expect her to suggest to us that we perhaps spend another \$100 billion during the course of this year borrowed from whoever would lend it to us because obviously that is the road to prosperity. If we cannot subtract \$1 billion because it will have a contractionary effect, presumably we add \$1 billion or \$10 billion or \$100 billion so we can spend our way into prosperity. But that is exactly what this administration has been doing, and it does not work.

Not only will this budget benefit the economy, not only will it mean more dollars in the pockets of individuals as they look to purchase their homes or start or expand their businesses or look for new opportunities, it will also mean a discipline on the Government itself. Perhaps we will not end up having 163 different and competing job training programs. Perhaps we will not have dozens or more of competing specific kinds of educational programs or subsidies for one business or group or another. Perhaps—and I am convinced this will be the case—we will use this budget to reform the Medicare health insurance fund so that it will actually be there in 7 years for the people who need that hospital insurance. Certainly this administration has ignored completely the voices of its own trustees of the Medicare hospital insurance fund who have told us and the administration that something must be done or that insurance fund will go bankrupt. But that is later; that is in the time of another President, another Congress; they can worry about it.

That seems to be the status-quo view which we are fighting so diligently to change.

So, Mr. President, it is well worth our while, well worth the while of those Senators who have chosen to be here this evening to take one last opportunity to speak to their colleagues and to the country about the radical change in direction that we propose, a direction of fiscal responsibility, a direction of exercising our responsibilities to future generations, a direction which can lead us to prosperity, a direction which can benefit every citizen in this country. That, on the one hand,

and, on the other hand, a passionate defense of the status quo: Nothing is wrong with this Government; all of the programs it has ought to be continued; we cannot do anything; we should go on automatic pilot.

That is a disappointing set of criticisms of our society today, Mr. President. It is not what last fall's election was about. I hope that with the help of the majority of my colleagues that tomorrow a majority in this U.S. Senate will put this country on a different path, a path that it has not trod for many years, a path to a better America.

Mr. ASHCROFT addressed the Chair. The PRESIDING OFFICER. The Senator from Missouri.

#### WAGING WAR AGAINST THE HUMAN SPIRIT

Mr. ASHCROFT. Mr. President, as we continue to debate the budget resolution setting the spending levels for the next 5 years, we do so with the knowledge that one of our greatest challenges is moving the Nation's needy from governmental dependence to economic independence.

One of our challenges is to ensure that hope and opportunity are defining characteristics for all Americans. This was the challenge 30 years ago when the great movement reshaping world politics was the end of colonialism. John Kennedy celebrated the "desire to be independent," as the "single most important force in the world." Eventually this movement revealed its power from Asia to Africa to South America.

The problem with imperialism was not just its economic exploitation, it was its influence on culture. It undermined traditional ways and institutions, and it was inconsistent with human dignity.

Why? Because imperialism rewarded passivity and encouraged dependence, required citizens to live by the rules of a distant elite. It demanded people be docile in the face of a system that they could not change. It was an attack, not just on national sovereignty, but on national character.

What our Washington-based welfare system has done, particularly to women and children, has been to fashion a new form of colonialism. It created an underclass that is paid to play by the rules that lead to dependence, rather than act with independence and dignity. Our welfare system rewards behavior that keeps people powerless. It thwarts the efforts of private and religious charitable organizations to care for the needy. It discourages the genuine compassion of the American people. Our welfare system has waged a war against the human spirit.

Our goal in welfare should not be to maintain an "underclass" in as comfortable as possible circumstances. Yet that is precisely what our welfare system has done. Cash benefits anesthetize their suffering. Food stamps relieve their hunger. Health care and

housing are provided. But the hope, the dignity, and the integrity of independence are forgotten.

Consider, just briefly, what our current welfare system has wrought. The numbers alone are enough to numb the senses. Since 1965, we have spent more than \$5 trillion, a cost higher than that of waging the Second World War—fighting poverty. Yet today, there are more people, a greater percentage of Americans, living in poverty than ever before. And our safety net has not acted well, the safety net has become more like quicksand.

In 1965, when President Johnson launched the war on poverty, there were approximately 14.7 million children in poverty. They constituted about one in every five children in America. But in 1993, there was a greater percentage of children in poverty than there were in 1965 when the Great Society programs were launched. It is pretty clear that the Great Society experiment has not been so great for America's children.

Of all age groups in the nation today, children are the most likely to be poor. In 1991, a study of the poverty rates in eight industrialized nations revealed that American children were almost three times as likely to be poor as children from the other nations studied.

The character of the poverty we face today is also a more deeply entrenched poverty in which generations of people are born, live, and die without the experience of holding a job, of owning a home, or of growing up with a father's love and discipline.

Go to our inner cities—or just a few blocks from this building—and you will meet a generation fed on welfare and food stamps, but starved for nurture and hope. You will meet young teens in their third pregnancy. You will meet children who are not only without a father, but do not know any children with a father. You will talk with sixth graders who do not know how many inches there are in a foot—having never seen a ruler—and with first graders who do not know their ABC's because no one ever took the time to teach them.

The political elites that have spent and taxed in recent decades have redistributed wealth beyond the dreams of Roosevelt and Johnson combined. But in the Government's war on poverty, poverty is winning and the casualties are the poor, and the casualties are our children. The casualties also include the future, because we have piled budget after budget high with debt. Hope and opportunity are missing in action. Programs and policies that once were judged by the height of their spending must now be judged by the depth of their failure. This is no longer a source of serious debate, no longer a matter of partisan politics, but it is a matter of national concern—it is a concern that has been reflected in our news magazines, on the covers of U.S. News and Newsweek, and Time.

I have a belief that is confirmed by the record of our times, and it is this: That the greatest, most insistent human need is not the need for subsistence, nor handouts, nor dependence—it is the need for independence. Not the kind of independence that suggests one person can live without another. No, quite the opposite.

The independence of which I speak is the independence born of economic self-sufficiency and opportunity. The independence to dream, to pursue and fulfill our deepest wishes and our personal potential.

This is something, Mr. President, that social architects cannot build, they cannot plan. It is not structure, it is spirit. It is something that our welfare system has lacked for the last 30 years as we have sought to merely spend our way into a new kind of opportunity. But we have spent our way past opportunity into peril.

I believe it is time again to create a welfare system that helps, not hurts, those it seeks to serve. And such a system would be a major part in controlling the spending which has plagued this Nation and now threatens future generations. A system that helps rather than hurts. A system that serves is the standard by which welfare reform must be judged, not just the utopian ideal.

Today, I introduced the Communities Involved in Caring Act. We call it CIVIC. We do not expect this Act—a package of 5 bills—to be the long-awaited answer to all of our welfare problems by itself. But we do believe that it is a significant step toward restoring opportunities of dignity through independence and access to the world of upward mobility.

The act is predicated on three fundamental beliefs:

First, that States need the maximum flexibility possible to reform welfare systems.

Second, that our intermediary organizations—especially private and religious charitable organizations—need to be utilized in welfare reform.

Third, that intermediary organizations need not only money, but they need volunteers; they need the personal participation of individuals to flourish.

The CIVIC Act which I introduced earlier today would block grant Washington's four main welfare entitlement programs—AFDC, Food Stamps, Supplemental Security Income, and Medicaid—to the States. It starts by capping the spending on AFDC, Food Stamps, and SSI, and then Medicaid would be limited in growth to 105 percent each year—meaning of 105 percent of each previous year. Given the fact that Medicaid has been growing at well over 10 percent a year, this would be substantial restraint in the program's growth, but not a cut in the program.

The programs under the block grants would also be extricated from their existing bureaucracies—at HHS, Agriculture, etc.—and turned over to the Department of the Treasury to be dis-

tributed to the States. The unique feature of this proposal is that the money would go directly from the Department of the Treasury to the States, and it would not be a part of any bureaucracy in Washington, D.C. that would consume much of the money before it ever gets to the States.

Mr. President, Treasury's oversight role would be minimal because the only qualifications on the block grants would be:

First, that States would be required to require welfare recipients to work. How best to do that. The nature of the work. The level of the participation. All of those issues should be and would be left to the States to determine; and

Second, that States that decrease illegitimacy, using existing governmental statistics as a measure, will be able to use a portion of their block grant for elementary or secondary education or any other purpose they desire.

The CIVIC Act also provides explicit authority for States to contract with nongovernmental organizations, including private and religious charitable organizations, and other institutions, in the effort to help solve the welfare problem.

We have all heard the stories of small organizations that are hugely successful in helping America's poor. Unfortunately, many of these programs have been constrained from receiving Federal funds because all too often those Federal funds would require radical changes in their beliefs, their structure, their facilities, their program, or their organization—changes that would rob these programs of the very characteristics and attitudes that make them successful.

However, under the CIVIC Act, States would be able to utilize their Federal block grant funds by either contracting with these organizations directly or by giving welfare recipients certificates so that they could choose which programs to get involved in.

The final element of the CIVIC Act allows individuals who volunteer at least 50 hours per year, or approximately 1 hour a week, to charitable institutions that serve the needy eligible for a \$500 tax credit for monetary donations to such charitable organizations. Just as the welfare recipients should work for their benefits, so the citizens who want enhanced tax benefits for their contributions should also work and volunteer in the organizations they contribute to.

Mr. President, it is all about opportunity; it is about working together. When he traveled through America more than 100 years ago, the great French observer, Alexis de Tocqueville, was struck by how caring Americans were for each other.

The Americans . . . regard for themselves, constantly prompts them to assist one another and inclines them willingly to sacrifice a portion of their time and property for the welfare of others.

What the Act I introduced today seeks is to undo 30 years of Washington

discouraging that very basic American instinct to help one another. The ideas in the Act are not new. They are, in fact, old ideas in America. They have been tested and found successful.

About 100 years ago, cities like New York were littered with alcoholics and addicts. Orphaned children roamed the streets. And if all of New York City's liquor shops, houses of prostitution, gambling houses, and other low-life establishments had been placed on a single street, they would have extended from Manhattan's City Hall to the City of White Plains more than 30 miles away. On that street, there would have been a robbery every 165 yards and a murder every half mile. And in Brooklyn, one out of every ten people got food from public storehouses.

These pathologies met their match, Mr. President, in society's intermediary, nongovernmental, voluntary, private institutions of charity and assistance. Their warm-hearted and hard-headed approaches—and you can have a warm heart and a hard head when it comes to making sure that we change such circumstances—helped save women and children and men. As the historian Marvin Olasky notes, "The solutions these reforms came up with forestalled an epidemic of illegitimacy and saved thousands of children from misery."

I believe that as we confront our own social pathologies today, we must do it the same way—with the ideas that have worked in the past and yet with new ideas for the 1990's—even though they may have been the standard fare of the 1890's. We must meet our challenges with a greater role for States and a greater role for intermediary institutions, nongovernmental organizations, private charities—both larger ones like the Salvation Army and Goodwill, and smaller ones like Best Friends and the Sunshine Mission.

So while the CIVIC Act begins the process of moving welfare from Washington to the States, it also begins the vital task of reinvigorating our private, nongovernmental organizations which can help meet the deepest needs of our citizens, organizations that we know will help solve our welfare problems.

The change that we want to see will not occur overnight. Neither will it come without hard work or thorough debate. The end of colonialism was not an easy process either. For independence means risk, the sacrifice of security.

Well, security, coupled with dependency is a bad bargain. Economic mobility means work; it means hard work. But no nation and no people who have ever tasted the sweet fruits of freedom has ever called for a return to its colonial dependency.

I believe that if we want to make sure that we are free and we remain free, we must reform the welfare system. It can be a part of a large reform in which we reform the financial integrity of America, for we cannot hold

hostage future generations to the spending of the present.

As we seek to pass the budget in the hours ahead in this Chamber, it will be a pleasure to do so in a way that not only puts us on a footing of sound financial integrity, but establishes us on a path toward economic independence and opportunity for individuals—through a reformed welfare system, characterized by block grants maximizing the States' flexibility and innovation, and characterized by Government joining hands with nongovernmental agencies in order to bring to the battle the energies and talents of this great Nation's private citizens.

Thank you, Mr. President.

Mrs. HUTCHISON. Mr. President, I want to thank the Senator from Missouri. He was a former Governor, so he is one of the experts that we are going to have in this body when we deal with the very, very tough issue of choices as we reform the welfare system.

I think it is really appropriate that he has taken a leadership role in this. Once again, what we are showing tonight is the tough decisions that must be made to balance the budget, which the people of America asked us to do. So I appreciate the Senator waiting for so long and giving that great talk about the bill he introduced today and the choices that we are going to face today and tomorrow.

Mr. ASHCROFT. Mr. President, I thank the Senator from Texas for her kind words.

Mrs. HUTCHISON. Mr. President, I would like to yield to the Senator from Wyoming.

Mr. THOMAS. Mr. President, I am glad to join my colleagues this evening in continuing this discussion. By noon tomorrow, we will have had 50 hours of talking about the budget. I guess after 50 hours, your eyes kind of glaze over. But the fact is that there is nothing more important that we will talk about during this Congress. It becomes difficult to find something new to say about the issue after 50 hours. But maybe that is not important. Maybe the important thing is to stress those things that are necessary, those things that are important, those choices that we do have.

It has been 10 days since the Republicans presented a balanced budget plan, which America has been waiting for. In that time, the deficit has increased another \$4.9 billion. It added \$19 for every American.

The Republicans are working to end Government's relentless borrowing. The Republican plan would balance the budget by the year 2002 by slowing the growth in the Federal spending from 5 percent to 3 percent.

It protects Social Security, saves Medicare from bankruptcy, maintains a Social Security safety net, reduces the size of the Federal Government, and moves power out of Washington and back closer to the people.

Republicans want to transform Government to make it more efficient and

more responsive and less expensive. Democrats, meanwhile, are standing up for the status quo. They have offered no plan to balance the budget.

Mr. President, this debate has been characterized by almost everyone who has risen, has stood up and said, "I want to balance the budget but we cannot cut"—blank—and fill in the blank. Medicare, earned-income tax credit, defense, education, whatever.

So we always say we want to balance the budget—but for a million reasons we cannot do it. I am confident that we shall for the first time in 25 years balance the budget—tomorrow. Starting on the path to balance the budget.

It is awfully hard. These are large figures, talking about \$5 trillion. Who knows what \$5 trillion is. I read something the other day that sort of personalizes this. I thought it was interesting.

Someone asked, how do we identify the Federal budget with something that is closer to a personal budget? This is what the answer was, and I thought it was interesting: Suppose you have an income of \$125,000 coming not from work but from contributions of all your friends and relatives who work. You are not satisfied with what \$125,000 can buy this year, so you prepare for yourself a budget of \$146,000 and charge the \$20,300 difference to your credit card on which you already carry an unpaid balance of \$452,248, boosting that to \$472,548 on which you pay interest daily. Multiply that by 10 million and that is what our Government did in fiscal year 1994.

This is clearly the most important element of debate for this year. Not just because of the dollars, as important as they may be, but because we have an opportunity to examine and to change and to look at the role of Government, look at those things that should logically and legitimately be done by the Federal Government, do something about those that should be done in private sector. To take a look at the size of Government. Clearly, voters said last year, Government is too large and costs too much.

So we have a chance to do that. We have a chance to make major changes, the first really major changes in 25 years. To do that, and I believe very strongly and we have done some of this, we have to make some procedural changes. We cannot simply continue to do what we have been doing and expect to get different results. We have to do things like line-item veto, which we worked on. Have to do something about unfunded mandates. I think we should do something about term limits. I think we should have had a balanced budget amendment to the Constitution and we will go back to do that.

We did not accomplish that. We failed by one vote in this Chamber. Now we have the opportunity to do what many opponents of the balanced budget amendment said, and that is we do not need an amendment, we just belly up to the bar and do it. That is what we have an opportunity to do.

The record is not good. Sure, we can do it and we will do it. We have not done it for 25 years. We will raise the debt limit to \$5 trillion this summer. The administration budget has \$250 billion in deficits out as far as we can see. The size of Government is growing. So for the first time we have an opportunity to do something different.

Clearly, there are different philosophies about Government. There are different philosophies about what the size should be. That is fine. That is the way it should be. That is what elections are for, so people can make a decision between two choices.

There are those in this body and other bodies and in this country who say the Government should be larger, the Government should do more. In fact, the Government does a better job of spending dollars than families do and businesses do. That is, I suppose, a legitimate view. It is not my view.

So we do have differences and there are differences. The Republicans would like to have a smaller Government that costs less, that is more lean, and efficient.

Democrats, on the other hand, have moved toward more Government and more spending. Republicans want to transform Government, something that is more efficient, to deliver services more efficiently. Welfare is an excellent example. Nobody wants to eliminate welfare. We want to be able to help people who need help, but to help them back into the work sector. We want a Government that is more responsive, that is more customer oriented. One that is less expensive.

The administration, on the other hand, and our friends on the other side of the aisle, support the status quo. There is no plan to balance the budget.

The President, as was suggested yesterday, is AWOL, absent without leadership, on finding a way to balance the budget. No options on how to save Medicare despite the fact that the trustees have said in no uncertainty that if we do not do something, in 2 years we will be dealing with the reserves, and 7 years Medicare will be broke. No welfare reform proposal.

We have an opportunity to do something. The administration's track record, of course, over the past several years has been to raise taxes and expand the Federal Government. The 1993 budget, the largest tax increase in history, nearly \$260 billion. We hear it was just on the highest percent—not so. Gas tax—my State has probably the largest per capita gas tax increase of all because of the miles we travel.

Mr. President, we do have a chance to do something. If spending remains at the same level for the Government programs in order to balance the budget by the year 2002, we would have to raise taxes by \$935 billion, \$7,400 for every American taxpayer. That is the choice. We either level off growing or we raise taxes.

We have a vision of keeping our promises to make Government smaller, to reject the status quo, balance the budget by the year 2002, protect Social Security, save and improve Medicare, and return power to the communities and to our families and the States.

Mr. President, I am pleased we are moving in this direction. I feel confident there will be a positive vote tomorrow, to make these kinds of changes. I thank my colleagues for continuing to point out the choices that we have before the Senate. I urge my colleagues to support this budget plan. I yield the floor.

Mrs. HUTCHISON. Mr. President, I would thank the freshman from Wyoming, the freshman Senator, for adding to this debate. He has really been there through all these days, talking about the important issues that we are facing and the tough decisions that we are going to have to make. I appreciate the fact that he has just hit the ground running in the U.S. Senate, and I am pleased he stayed tonight along with his wife, to make the remarks that he did. We appreciate it very much.

Now I would be happy to yield to the Senator from Iowa for 10 minutes.

#### THE PRESIDENTS "SECRET" BUDGET PLAN

Mr. GRASSLEY. Mr. President, I thank the kind Senator from Texas for yielding.

I want to commend the Senator for her leadership in shepherding the services tonight, of making sure that the other point of view, the responsible financial point of view, is expressed here tonight, when elsewhere in this town we know there is a very antipeople probig Government point of view being expressed at a fundraising party for the Democratic Party.

There was a story this morning on the front page of the Washington Post. I think it has a lot of Members on this side of the aisle, and probably people across the country, just simply scratching their heads. The report says that President Clinton now has a secret budget counter-proposal. Do you know what? It will balance the budget within 10 years.

Mr. President, if this is true—and I suppose I ought to hope it is true because I have been praying for a balanced budget from this White House for a long time—it is truly an amazing story. First of all, it undercuts all the wailing we have been hearing from the White House about the effect on the economy and the public of setting an arbitrary date for a balanced budget. That is making fun of us Republicans for trying to balance the budget by the year 2002.

It seems that all we have heard for the last month out of the White House is, "What is magic about a certain date to balance the budget?" If you balance the budget you would ruin the economy. If you balance the budget you would do this to that group, or that to

another group. Now, all of a sudden in the Washington Post, the President says that he wants to balance the budget—albeit in 10 years.

I think even members of the President's own party and members of the President's party in both chambers of the Congress had earlier disagreed openly with the White House on this point. There was disagreement on what to do. Do you know what? The Members of the Democratic Party up here on the hill, they look to the President for leadership.

The message they got was to stay the course. The President said just keep to it, stay the course. That is, offer nothing in rebuttal to the Republican attempt to balance the budget. No vision from the White House; no alternative from the White House.

And, do you know what? The Members up here on the Hill were very obedient, listening to their President. So they refrained from offering their own balanced budget alternative, or any other comprehensive alternative to the Republican efforts to balance the budget.

So, the members of the Democratic Party stood idly by during this budget debate and risked their credibility because they wanted to follow their leader, our President of the United States. Now, with this new development that the President is for a balanced budget, albeit in 10 years, they, the members of the Democratic Party in the Congress of the United States in both Houses of the Congress, also are undercut by their President just like members of the White House staff have been. Just like he undercut the recent arguments of everybody on his staff that was trying to defend his position of just stay the course. Do not offer an alternative.

Second, this also says that the Republican vision of a balanced budget is right after all, and it is filling a very enormous political void. The American people know where we stand and they do not know where the other side stands. The American people know what the Republican Party stands for. They do not know what the Democratic Party stands for. They do not know because for several months, until this very day, they were told a balanced budget did not matter. They were told that we should not have an alternative, as Democrats, to what the Republicans were trying to do.

Also, there is a third aspect to this. Because, in filling that void and because the President is now coming around to accepting the premise of the Republican vision for the future, this new development is a powerful demonstration of the President's lack of leadership. Because, you know what? The lack of leadership demonstrates followership. It leaves a perception of a desperate move to be included. The President of the United States wants to be relevant, finally, in the debate for a balanced budget.

It shows that our Republican call for the other side to put up or be silent has

had an effect. It shows that we have opened up a big weakness in the other side's flank, namely its very own credibility. Because you cannot talk the talk until you walk the walk. Everyone knows that. Everyone outside of Washington.

Now, obviously the President knows it as well. The time to show relevance and to show leadership on the part of the President was last February. That is when the President proposed. The Congress is now disposing. The process has passed the President by. The ship of state has left the dock.

It is as if the President is trying to rush ahead to the next port to catch up with the ship. The problem is the ship is not scheduled to stop there. And it will not.

Mrs. HUTCHISON assumed the Chair.

Mr. GRASSLEY. Madam President, I think it is clear that the leadership, the vision, and the direction for this ship of state are coming from this side, the Republican side of the aisle. It all happens to be reflected in the budget debate of the last 4 days, the amendments offered by the other side, the absence of a comprehensive balanced budget alternative from the other side. And I think it will be demonstrated by the overwhelming vote for a balanced budget tomorrow.

Now, the President of the United States, on the other hand, missed the boat. His party is still standing on the dock. He stranded them there. He asked them to wait there until he could catch up with the ship out at sea, but it is too late. We Republicans have a vision and we have a plan to steer this country to the safe waters.

I ask, where is theirs? Where is their comprehensive alternative plan to balance the budget? Where is their coherent vision? Where is theirs?

It is lacking. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

#### THE PRESIDENT'S BUDGET

Mr. SANTORUM. Madam President, I want to pick up where the Senator from Iowa left off. I think he made some very good points with respect to where the President's budget is. I noted also the same Washington Post article today. It suggests "President to Counter Hill Budgets. Plan Would End Deficits in 10 Years."

This was not released by the White House. This was released from a private interview up in New Hampshire that was leaked out somewhere, that the President is coming up with this secret plan to balance the budget in 10 years.

It struck me. It tickled my memory, that I heard this about this 10-year plan before. It was from my first year in the Congress. I remember, as a member of the Budget Committee, I was a freshman member of the Budget Committee and then chairman of the Budget Committee, Leon Panetta, now over at the White House, came up with a 10-