This was during the days of President Ceausescu. When Peter went to speak to the crowd and lead them in prayer, it was a turning point in the revolution of Romania. He now serves in the Romanian Parliament and is a testimony to the kind of courage that real patriots exhibit.

It is my pleasure to have him accompany me to the floor today. And I just wanted to thank the Senate for the opportunity to allow me to commend him, not only for the example he has set for his fellow citizens in Romania, but to commend him for the kind of example he sets, his dedication of principle and commitment to strong ideals and values and commitment to his God and recommend him to citizens around the world.

I thank the Senator from Washington for allowing me to make this interruption. And I hope that someday I have a chance to return the favor. Thank you very much.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. What is the state of business, Mr. President?

The PRESIDING OFFICER. Does the Senator seek to extend the period of time for the transaction of morning business?

Mr. GORTON. In the absence of such a request, what would take place?

The PRESIDING OFFICER. The regular order would be to close morning business.

EXTENSION OF MORNING BUSINESS

Mr. GORTON. I ask unanimous consent that morning business be extended for a period of 5 minutes.

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

THE RECONCILIATION BILL AND THE BUDGET

Mr. GORTON. Mr. President, I have heard many of the comments of my eloquent and thoughtful Republican colleagues about the reconciliation bill and the budget which has just been passed, their thoughtfulness with respect to the way we have caused the Medicare system to be preserved, protected, and strengthened, the fact that in doing so the percentage of the premium which individuals will pay for their Medicare part B coverage will not be increased, except for those who are wealthy enough to be able to afford and who, for that matter, ought to pay for a greater portion of the cost of their health care rather than passing that cost onto the backs of working Americans.

I have heard, particularly, the references of my colleagues to the long-sought and most welcomed reductions in the tax burdens on the American people. But, Mr. President, I want to emphasize one aspect of those tax reductions which have frequently before been overlooked. While there is in total almost $250 billion in tax relief for the American people in the reconciliation bill this body passed early last Saturday morning, the overwhelming bulk of those tax reductions, 80 percent of them, in fact, comes from two sources: The closing of certain corporate and business tax loopholes amounting to about 10 percent of the gross tax reductions and a $170 billion dividend which the Congressional Budget Office has told us will be the benefit to the Federal Treasury of passing a budget which clearly will be balanced by the year 2002.

Mr. President, I think that is a vitally important concept. The tangible dividend to the American people of our balancing the budget will be $170 billion in lower interest payments on the Federal debt and an increased tax collection under the present system because of greater prosperity, more opportunity, more employment, a better lifestyle that a balanced budget will give to the people of the United States.

Mr. President, that is the overwhelming source of the tax reductions that are included in this bill. We, as Republicans, believe that if we balance the budget, that dividend ought to go to the American people, not to further or for additional spending programs. And that profoundly differentiates ourselves from our opponents in this battle who consistently have demanded more spending on the part of the Federal Government.

Now, Mr. President, perhaps the most remarkable illustration of the differences between two of the three sides of this battle is the fact that the President of the United States claims that he has presented a balanced budget when, in fact, he has not done so but has simply estimated the deficit out of existence.

The Congressional Budget Office, the agreed upon arbiter of the fiscal direction in which this country is proceeding, has offered us no dividend in connection with President Clinton's budget proposals. Not $170 billion, not $150 billion, not $10 billion have they offered us should we pass the President's budget. Why? Because, of course, under Congressional Budget Office figures, it does not balance in the year 2002. In fact, it barely gets below $200 billion at any time between now and that year. That is perhaps the greatest single illustration of the proposition that the White House offers us stones for bread, that it gives us nothing that will ever lead us to a balanced budget and does nothing in the way of a fiscal dividend to the American people and thus no source for tax relief for the people of the United States.

That $170 billion dividend, I wish to emphasize, is only the dividend that a balanced budget provides for the Treasury of the United States. It is perhaps one-quarter to one-third of the overall benefit to the American people. If we pass a law which will cause the budget to be balanced, in addition to that $170 billion in a return of lower taxes, the American people will benefit to the tune of $300, $400, $500 billion in higher wages, in greater income, in broader opportunities, in economic growth in the country as a whole.

So, what we have done, Mr. President, is that we have passed a set of proposals which will improve the condition of the American economy and the American people by close to $1 trillion between now and the year 2002. If only we can get the White House to agree to it or to agree to a budget which has the same impact.

That is a magnificent triumph, Mr. President. I believe it is unprecedented at any time in the last two or three decades. And in addition to all of the other dividenda that come from a smaller Government, less control and influence on the part of the Government over our lives, a reform of the welfare system, the preservation of Medicare, in addition to all of these other dividends, is this potential for a better and a more prosperous America. And that, Mr. President, is the justification for what we propose to do, and what we passed in this body late last Friday night or early last Saturday morning.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

Mr. DOLE. Mr. President, was leader time reserved?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. LUGAR, Mr. DOLE, and Mr. CRAIG pertaining to the introduction of S. 1373 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

RURAL LOCAL INITIATIVES SUPPORT CORPORATION

Mr. BOND. Mr. President, earlier this morning I joined my good friends of the Local Initiatives Support Corp. to kick off LISC's new rural LISC initiative. I was pleased to be joined by Roger Young, the commissioner for the Eastern District of Audrain County, MO; David Thayer of Central Missouri Counties HDC; and David Stanley, chairman and CEO of Payless Cashways, Inc., who support this initiative. I thank them for their tireless efforts in support of finding new ways to leverage funding through public-private partnerships for addressing the housing and economic needs of rural, distressed communities.

I emphasize that rural communities face an economic decline of substantial

magnitude. Nearly 17 percent of rural Americans live below the poverty level, and across all major racial, ethnic, and age groups, these residents are poorer than those in metropolitan areas and have less opportunity. While most of the rural poor are working, their wages are at or below minimum wage. The rural poor also face a bleak housing situation—one in four poor rural families live in substandard housing, and nearly half pay over 50 percent of their income for rent. A lack of human and financial capital, as well as an inadequate physical and communications infrastructure, compound the economic and housing difficulties that face the rural poor.

Earlier this month, I chaired a hearing before the Senate Committee on Small Business which focused on proposals to revitalize rural and urban communities and Paul Grogan, president of LISC, provided insightful testimony at that time. At this hearing, we had the opportunity to discuss legislation I am drafting to target Federal contracts to small businesses that locate in economically distressed communities, which I call HUBZones. To be eligible, small businesses would need to hire at least 35 percent of its work force from the HUBZone to receive valuable preference in bidding on Government contracts. I believe this is one way the Federal Government can provide a significant incentive to encourage small businesses to provide a value added in terms of jobs and investment to economically distressed rural communities.

I applaud the efforts and commitment of LISC for establishing the rural LISC initiative which will be responsible for a public-private partnership that will commit over $300 million to 68 nonprofits in 39 States and Puerto Rico for community revitalization efforts in rural areas. LISC has a longstanding commitment to finding new approaches and strategies to address the problems of distressed communities through public-private partnerships. Moreover, LISC has long operated as a linchpin to successful community-based investment in urban areas through community development corporations. I emphasize that I support the need to develop public-private partnerships as the primary vehicle to implement positive and community-based policies to address distressed communities, in both urban and rural areas. For too long, the Federal Government has acted as a ''Mother-May-I'' that has lost touch with the individual needs of individual communities. Most of the current housing reform legislation, whether in through the appropriation or authorization process, recognizes the need to consolidate housing and community development programs and to redirect the responsibility for decisionmaking from the Federal Government to State and local governments.

In particular, like many urban areas, the Federal Government has been unable to establish effective policies to meet the many and unique needs of rural areas. LISC deserves particular praise for taking a leadership role in organizing and focusing its expertise, resources, and the marshalling of public and private sector capital on the unique and individual needs of rural areas. Rural LISC represents a major and significant new public-private partnership which will direct critical new investment to rural CDC's. I emphasize these CDC's are committed to transforming rural distressed communities from the grassroots up.

Finally, the Federal Government has failed to understand the needed dynamic to solve local problems in distressed communities. Instead of mandating one-size-fits-all policies at the Federal level, Congress and the Federal Government need to refocus the decisionmaking for local communities from the Federal Government back to States and localities. LISC brings to the table expertise and a history of commitment of listening and responding to local needs. I expect the rural LISC public/private partnership approach to provide a powerful tool and model for how best to address the needs of rural areas effectively and efficiently.

HHS REPORT ON THE SENATE AND HOUSE WELFARE BILLS

Mr. MOYNIHAN. Mr. President, a September 14, 1995, report by the Department of Health and Human Services concludes that the Senate welfare bill would push 1,100,000 children into poverty, and that the House bill would force 2 million children below the poverty line. The report, which has not been officially released by HHS, was the subject of a front-page news story in the Los Angeles Times on Friday, October 27. The New York Times and Washington Post ran their own stories about the report the next day.

I first learned of the existence of this report 2 weeks ago, but was unable to obtain a copy until last Friday. The administration had previously refused to acknowledge that any such report existed.

Mr. President, over the years Congress has on occasion missed opportunities to help our Nation's dependent children, but never before in our history have we calculatedly set out to injure them. The administration's own analysis shows that this is precisely what will occur under either bill now before the conference committee on welfare. Surely we will not permit this to happen. Surely the President will not permit this to happen.

I urge all Senators to read the administration's report, and I ask unanimous consent that it be printed in RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE PRELIMINARY IMPACT OF THE SENATE REPUBLICAN WELFARE PROPOSAL ON CHILDREN (THE WORK OPPORTUNITY ACT OF 1995 (S. 1120))

THE IMPACT ON POVERTY AND INCOME DISTRIBUTION

On Child Poverty:

S. 1120 will push 1.1 million more children into poverty, an increase of almost 11 percent in the number of children living below the poverty line.

The child poverty rate will rise from 14.5 percent to 16.1 percent. (See methodology for a description of the poverty measure used.)

On Poverty in Families:

An additional 1.9 million persons in families with children will fall below the poverty line.

The poverty gap for families with children will increase $4.1 billion, or 25 percent. As a result, a total of $4.1 billion in additional income will be required to bring these families up to the poverty threshold.

On Income Distribution:

The poorest families will face the largest program cuts under S. 1120. In families with children, those in the lowest income quintile will lose an average of almost $800 of their annual income, or 6 percent.

Eleven percent of families with children in the lowest income quintile will face significant losses in annual income of 15 percent or more. For families in the lowest quintile, who have an average income of $13,400, this represents a loss of more than $2,000 in annual income.

The severity of the impact of S. 1120 on poor families exacerbates the deteriorating economic situation for these families who have lost a greater share of their income in the past 15 years than families with higher income. Income for families with children in the lowest income quintile has declined by 20.7 percent over the period 1979–1990, compared to 24 percent growth for families in the highest income quintile.

TABLE 1.—THE IMPACT OF THE SENATE WELFARE REFORM PROPOSAL ON CHILD POVERTY

[Simulates effects of full implementation in 1993 dollars]

	Current law	Senate proposal	Change current
CHILDREN UNDER 18			
Number of people in poverty (in millions)	10.1	11.2	1.1
Poverty rate (in percent)	14.5	16.1	1.6
FAMILIES WITH CHILDREN			
Number of people in poverty (in millions)	17.1	19.0	1.9
Poverty rate (in percent)	11.8	13.2	1.5
Poverty gap (in billions)	$16.3	$20.4	$4.1
ALL PERSONS			
Number of people in poverty (in millions	29.2	30.5	2.3
Poverty rate (in percent)	10.9	11.7	0.8
Poverty gap (in billions)	$45.9	$52.0	$5.1

85tes: Senate Republican welfare reform proposal simulations include the impact of S. 1120, as amended, on AFDC, SSI, and Food Stamps. Model incorporates a labor supply and state response.

This definition of poverty utilizes a measure of income that includes case income plus the value of food stamps, schools lunches, housing programs, and EITC, less federal taxes to compare to the poverty thresholds.

Source: TRIM2 model based on data from the March 1994 Current Population Survey. Prepared on Sept. 14, 1995.

TABLE 2.—THE IMPACT OF THE SENATE WELFARE REFORM PROPOSAL ON FAMILY INCOME

[By Income Quintiles and Family Type Stimulates effects of full implementation in 1996 dollars]

	Total reduction in income (in billions)	Average income under current law	Average income reduction per family	Percent change	Percent of families losing 15% or more of their income
FAMILIES WITH CHILDREN					
Lowest	−$6.0	$13,441	−$798	−5.9	10.9
Second	−3.2	21,838	−422	−1.9	4.2