

WASHINGTON WATCH®

... AND NOW 100 SENATORS

The new Republican majority in the House of Representatives cannot be sued for breach of contract: in their first 100 days, they voted, as promised, on 10 major pieces of legislation. While their "Contract with America" did not emphasize pro-family issues, it included key provisions in such areas as welfare reform, tax relief, adoption assistance and family privacy.

The Hard Part

Debate on the Contract now shifts to the U.S. Senate. Republican senators signed no such contract, and thus feel no obligation to consider the House-passed measures in short order. Senate rules allow senators to filibuster, or stall, any piece of legislation, slowing its progress. Besides the filibuster threat, observers expect substantive changes in the Contract bills, especially the family-related provisions. GOP senators, particularly key committee chairs, are less conservative than their House counterparts. That rumbling sound you hear may be the watering down and stripping of pro-family clauses.

Speculation has raged as to how the Senate will reform welfare. The reform package that passed the House shifts incentives from illegitimacy and dependence to marriage and work. The bill is pro-family, pro-life and pro-work. However, it faces tough sledding in a skeptical Senate. Governors are lobbying the Senate to give them "no-strings" dollars, meaning no requirements to implement strong provisions on illegitimacy and pro work. Sen. Nancy Kassebaum (R-Kansas), chairman of the Labor and Human Resources Committee, which will shepherd the bill, is not expected to accept the House version.

Sen. Lauch Faircloth (R-N.C.) has introduced a bill that attempts to move the welfare debate in the House's direction. President Clinton, for his part, has dispatched aides to talk soothingly of the "moderation" they expect the GOP Senate to instill in

various parts of the Contract. But the President's own speeches speak strongly of the long-term dangers posed by the explosion in out-of-wedlock childbearing and dependency. A potent Senate welfare reform bill would leave the President stuck between his rhetoric and a hard place.

Two House Contract items that may also meet resistance as they move through the Senate would offer tax relief to families trying to adopt a child and protect minor children from intrusive surveys

FAMILIES HAVE WAITED PATIENTLY FOR TAX RELIEF.

(see *On the Hill*). As part of the larger tax cut package, families adopting a child would be allowed a \$5,000 tax *credit* to help offset adoption costs. The Senate is expected to exercise penny wisdom and pinch the credit.

Dubbed the "crown jewel" of the Contract by House Speaker Newt Gin-

grich (R-Ga.), the GOP tax relief and spending reduction package passed the House on a 246-188 bipartisan vote. The bill includes a \$500 per-child tax credit for families making up to \$200,000 a year, a reduction in the tax liability of married couples who pay more filing jointly than they would if they filed as individuals, and an expanded IRA that allows one-income couples to deduct up to \$4,000, matching the amount currently allowed to two-income couples.

Already, the Senate's senior tax writers, such as Robert Packwood of Oregon, are suggesting that these provisions are "too expensive." However, the Congressional Budget Office estimates that, when the House bill's reductions in wasteful government spending are also taken into account, the package will actually reduce the deficit by \$91 billion over five years.

No More "Wait 'Til Next Year"?

Families have waited patiently for tax relief. To have the modest amount the House approved stricken by the Senate would stoke popular suspicions that little has changed under the Capitol dome. The House proposal shrinks the size of government and allows American families to keep more of the money they earn, to spend as they choose — on basic necessities, education, churches and charities.

The next 100 days will show whether 100 Senators recognize something even deeper than a contract — their solemn duty to honor the future of America's families.

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