JAPAN-UNITED STATES SENATE YOUTH EXCHANGE PROGRAM

Mr. LUGAR. Mr. President, I would like to draw the attention of my Senate colleagues to a successful international exchange program involving the youth of America. This program, the Japan-United States Senate Youth Exchange Program has been sponsored over the years by the Government of Japan and the Center for Global Partnership and has been sending young students from the United States to Japan for the past 15 years.

The program, which was inaugurated by Prime Minister Zenko Suzuki in 1981, offers outstanding United States high school students the opportunity to spend a summer with a Japanese host family through Youth for Understanding [YFU] International Exchange. As these young people assume positions in business, government, education, and other endeavors, they play a significant role in strengthening the bonds between Japan and the United States.

In the past, 2 students from each of the 50 States of the United States were selected to participate in this exchange program. Because of funding reductions, only 1 student from each State now participates in the program. This is regrettable and represents a downward trend in international exchanges.

The imbalance of exchanges between the United States and Japan is worrisome: there are 20 Japanese exchangees in the United States for every 1 American exchange student in Japan. And funding from Japan for exchanges is much greater than funding from the United States. I hope this imbalance can be corrected.

Mr. President, the Japan-United States Senate Youth Exchange Program has been functioning in the best interests of the United States, Japan, and the individual student and family participants. I want to take this occasion to salute and encourage the efforts of both public and private contributors who have assisted and continue to assist this worthwhile program.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about ''another go'', as the British put it, with our pop quiz. Remember? One question, one answer.

The question: How many millions of dollars does it take to add up to a trillion dollars? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.9 trillion.

To be exact, as of the close of business yesterday, September 6, the total Federal debt—down to the penny—stood at $4,969,749,463,346.30, of which, on a per capita basis, every man, woman, and child in America owes $18,865.25.

Mr. President, back to our pop quiz, how many million in a trillion: There are one million million in a trillion.

BIPARTISAN BUDGET SUMMIT NEEDED NOW

Mr. LEAHY. Mr. President, it is time for a bipartisan summit on the budget.

As I said back in June during the debate on the 1996 budget resolution, I fear that the Republican congressional leadership and the President are on a collision course over the budget.

An immediate bipartisan budget summit is needed to forge a solution to next year's appropriations bills, or we will have a disaster on our hands that will force the entire Government to an abrupt halt this fall.

The start of the 1996 fiscal year is less than a month away, yet we are far from completing the 13 annual appropriations bills needed to fund the Government. In fact, we are very close to a fiscal disaster.

The House, Senate, and the President are still miles apart on these bills without much effort being made to find common ground within the next 30 days. And the administration is now preparing contingency plans for agencies to continue essential operations in case we fail to agree before the first of October.

I see little hope for an agreement if we keep to our current course.

Of the 11 appropriations bills passed so far in the House, President Clinton has threatened to veto 6. The Senate has passed seven appropriations bills, with huge differences from their House counterparts. Indeed, the Senate and House have reached agreement on only one appropriations bill.

The political rhetoric is heating up as the fiscal disagreement continues.

Speaker of the House NEWT GINGRICH has declared that: ''The budget fight for me is the equivalent of Gettysburg in the Civil War.''

President Clinton has also refused to back down, saying: ''I will not be blackmailed into selling the American people's future down the drain to avoid a train wreck. Better a train wreck.''

This push for a train wreck is stupid on both sides. We don't need to shut down the Government to prove we are Democrats or Republicans. We all know that an all Republican budget will not become law or an all Democratic budget will not become law.

This political posturing is just what Vermonters tell me that they dislike about Washington.

Shutting down the Government in an attempt to score political points will only bring more scorn of our political system. It is time to put our political differences aside and come together in a bipartisan budget summit—before the crisis.

Our political system will not be the only loser if political gamesmanship causes a Government shutdown—a shutdown will also be a loser for U.S. taxpayers. Government shutdowns waste taxpayer money.

In 1981, for example, the Government spent $5.5 million to close offices and send workers home. In 1990, a President and Congress of different parties failed to reach a bipartisan agreement on the budget. And the General Accounting Office calculated that the resulting 3-day Government shutdown cost taxpayers between $244 and $607 million.

Government shutdowns also hurt the citizens in our society who depend on our Government the most. In 1979, an 11-day Government shutdown led to delays in Federal payments for housing subsidies, delays in GI bill education checks, and delays in aid to the disabled.

A longer shutdown could hurt senior citizens who rely on their Social Security income, students who rely on Federal loans, farmers who rely on Federal support programs, travelers who rely on our air traffic control system, and consumers who rely on meat inspections.

We need a bipartisan budget summit to avoid such a costly Government shutdown. For a summit to succeed, everything must be on the table: taxes, health care reform, entitlement reform, further spending reductions, and the time it will take to get to a balanced budget.

Such a summit will be a grueling, sometimes acrimonious, encounter. But anyone who has studied the various blueprints can see the outlines of an agreement.

Both Republicans and Democrats agree that we must consolidate unnecessary Government programs, reform welfare, and control Medicare and Medicaid spending. We may now disagree on some of the details for accomplishing these goals, but that is why we need a bipartisan summit—to hammer out the details of a compromise.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Daschle modified amendment No. 2282 (to Amendment No. 2280), in the nature of a substitute.

The PRESIDING OFFICER. Under the previous order, the time until 3:30 p.m. shall be equally divided between the managers.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, it has been understood with my friend,

the distinguished chairman of the Committee on Finance, that time is equally divided, and that should there be no speaker seeking recognition, we will suggest the absence of a quorum and the time will be charged equally to each side.

Mr. PACKWOOD. That has been agreed upon.

Mr. MOYNIHAN. I thank my friend.

Mr. President, in auspicious timing, the Washington Post has a splendid editorial this morning entitled ''Welfare: Two Kinds of Compromise.''

It speaks of the compromise that was notably on display when Congress, the Nation's Governors, and President Reagan worked out some of the better provisions of the Family Support Act in 1988, aimed at reforming welfare.

The parties all agreed on the sensible principles that the Federal Government should help the poor and that the existing welfare program was not doing enough to move people into jobs. The resulting bill was far from perfect and was not adequately financed—that's why welfare reform is still very much a live issue—but it did result in some successes that could be built upon with a new round of reform.

Mr. President, some time later in our debate, I will offer the Family Support Act of 1995, which builds on the 1988 legislation, which passed out of this Chamber 96 to 1. I recall that there was great bipartisan harmony in the Rose Garden when President Reagan signed it.

In the Committee on Finance, I offered the Family Support Act of 1995, and it failed to pass, by 12 votes to 8, which is scarcely an overwhelming rejection. It was a party-line vote, I am sorry to say. Seven years ago it was very different. But we will have an opportunity to discuss it.

I ask unanimous consent, as we begin this morning, to have this editorial printed in the RECORD.

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

[From the Washington Post, Sept. 7, 1995]

WELFARE: TWO KINDS OF COMPROMISE

There are different kinds of political compromise. The best kind happens when the contending parties find that substantive agreement can be reached without a compromise of principles. This sort of accord was notably on display when Congress, the nation's governors and President Reagan worked out some of the better provisions of the Family Support Act in 1988, aimed at reforming welfare. The parties all agreed on the sensible principles that the federal government should help the poor and that the existing welfare program was not doing enough to move people into jobs. The resulting bill was far from perfect and was not adequately financed—that's why welfare reform is still very much a live issue—but it did result in some successes that could be built upon with a new round of reform.

But there is a less honorable tradition of compromise involving not a quest for consensus but the artful manipulation of labels and slogans. It is this kind of compromise that is most to be feared as Congress approaches the welfare issue. The debate now seems hopelessly entangled in the rivalry between Senate Majority Leader Bob Dole and Sen. Phil Gramm for the Republican presidential nomination. That was clear when Mr. Dole gave a speech the other day in Chicago promising to fight ''for revolutionary change vote by vote and bill by bill,'' and Mr. Gramm responded rapid-fire at a Washington news conference. ''I see Sen. Dole moving to the right in speeches every day,'' Mr. Gramm said. ''I don't see it reflected in what he's doing in the United States Senate.''

This is a bad context in which to legislate on a problem such as welfare, where the tough issues will not be solved by a resort to doctrine or slogans. Take a particularly hard question: If welfare is turned into a block grant, should states, in exchange for receiving something close to their current levels of federal aid, be required to maintain something like their current level of spending on the poor. Those spending levels, after all, got them their current allotments of aid in the first place. A small group of Senate Republicans who are trying to prevent Mr. Dole from reacting to Mr. Gramm by doing anything he wants, rightly see this as a central issue. But it's easy to include a provision in a bill labeled ''maintenance of effort,'' as Mr. Dole effectively has, and make it essentially meaningless, as Mr. Dole also effectively has, by allowing states to count all sorts of extraneous expenditures as meeting this ''maintenance of effort'' requirement and having the requirement expire in a couple of years. The provision would give Mr. Dole cover with his party's moderates without really giving them much of substance. It's fake compromise. Much more of that sort of thing could become the rule in the coming weeks.

Mr. Gramm can make welfare a centerpiece of his campaign against Mr. Dole if he wants to. But the rest of the Senate, not to mention President Clinton, does not need to be complicit in turning a momentous piece of legislation over to the politics of sound bites. Far better no welfare bill than the kind likely to be created in this atmosphere.

Mr. MOYNIHAN. I see my distinguished friend, the Senator from North Dakota, on the floor, and I am happy to yield him 20 minutes if that will be sufficient for his purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. I thank the Senator from New York for yielding me the time to discuss the Daschle amendment on welfare reform.

A friend of mine the other day described a circumstance in his small rural hometown. There was a Lutheran minister who did not make very much money ministering to a very small congregation, being paid a very small salary. And because a minister in a small town is paid very little, his wife gave piano lessons in order to make a few dollars to try to make ends meet for him and his wife. These folks were the parents of the friend of mine who was referring them to me. He said they lived in a very meager house provided by the church and lived on a very meager income all of their lives. They contributed to their community by ministering at the church and by his wife giving piano lessons and teaching Sunday school.

At the other end of the block, there was a wonderful family, as well. This family started a business, worked very hard, made an enormous amount of money and were very successful. They were well liked and also contributed much to the community.

The two families had taken different routes. One chose ministering in a small rural church where they were never to earn any significant amount of money and always lived near subsistence. The other chose to pursue an occupation that would lead them to accumulate a substantial amount of assets. Both were good families and both contributed to their community.

My friend said, ''I wonder if my parents contributed less to their community than the folks down the block who made a substantial amount of money.'' I think not. I think they made at least as great a contribution. But they ended up with nothing.

I use that story to illustrate that, for some in this country these days, being poor is out of fashion. If you are poor, somehow you just did not make it in America and you chose not to spend all of your time trying to maximize your income. So you end up in circumstances, after age 70 and after having ministered for 40 years in a rural church, where you have nothing. And maybe you end up needing some help from someone. But that is not disgraceful. It was because you chose to contribute in other ways during your lifetime and chose not to spend 50 years trying to maximize your income.

The question is, did the minister and his family contribute less to our country? No, they did not. They found themselves in circumstances of some difficulty—without income, without resources, without assets. There are a lot of good people in our country just like them.

The people I just described are atypical. The more likely and typical person in need in this country, with respect to welfare, is a young woman in poverty—an increasingly feminine picture these days—who is raising children in a household without two parents present.

One morning at about 6 a.m., I went down to a homeless shelter here in Washington, DC, and sat there for a couple of hours talking to the people who were there. I have told my colleagues on one previous occasion about my visit at the shelter with a 23-year-old young woman, whom I believe, had three children, whose husband had left her, who had no skills, no high school education, no job, and no place to live.

She and her children, after having spent the night in a temporary shelter, as they did every night, were then put on buses in order to be at this feeding center at 6 a.m.

I sat and visited with this young woman, and I discovered with her, as with virtually everyone else on welfare with whom I have ever visited, that what she wanted most in life was a good job. She was not asking me, can you give me a bigger welfare check? Can you find a way to extend your hand with more money, more benefits, more help? That is not what she was asking.

I was asking her what would she really like if this morning she could wave a wand and change her life? Her response was that she desperately wanted to have a job that paid her a sufficient income so that she could save money for a first month's down payment to rent an apartment where she could live with her children. She said to me, I want a place to live. I know in order to get a place to live, I need to get a job. In order to get a job, I have to have some skills. I do look for work almost every day and I do get work. And the minute I get work—it is occasionally frying a hamburger at some franchise place and always at the minimum wage—I lose my health care benefits for my children. The moment I try to save $10 or $20 for the first month's rent on an apartment so I could get rid of this homeless condition for me and my children and find a place to live, the minute I save $10 or $20, I lose my AFDC payment or it is reduced by the same amount.

And as I drove back to the office here on Capitol Hill the morning after I visited with her, I thought to myself, I am pretty well educated. I have a couple of college degrees. I have done pretty well. And I wondered how could I think my way through this problem if I were in this young woman's situation? What kind of a solution allows her to get off this treadmill, the treadmill of poverty, helplessness, hopelessness?

I honestly, putting myself in her position, could not really think my way out of her problem. She cannot get a job because she does not have the skills. She cannot save money for a down payment on rent because she does not have a job. If she gets a job and starts saving money, she loses AFDC payments for her kids. It is an endless circle of trouble for someone who is literally trapped in a cycle of poverty from which they cannot recover.

Now, I mention that story because in order to talk about welfare reform, you have to talk about two truths. One is often used by those of us in public office, regrettably, to talk about welfare. That is, the stereotypical notion of who is a welfare recipient. It is some bloated, overweight, lazy, slovenly, indolent, good-for-nothing person laying in a Lazy Boy recliner with a quart of beer in one hand and a Jack Daniels in another hand, with his hand on the television changer watching a 27-inch color television set and unwilling to get up and get out and get a job and go to work, munching nachos all day long watching Oprah, Geraldo, and Montel. That is the notion of the stereotypical welfare recipient.

I suppose that happens. There is, I suppose, a small element among welfare recipients who are inherently lazy, unmotivated, unwilling to work, and have become institutionalized in the welfare system. This small element believes he or she can go on welfare and live on it forever, even if they are able bodied. That does happen. It should not happen. It is a minority of the people on welfare. We must eliminate those people for whom welfare has become an institutionalized way of life. We can and will stop these abusers of the system.

The welfare bill that we have offered—Senator DASCHLE, Senator MOYNIHAN, myself, and others—is a bill that says to those folks, if you believe that in this country you can live on welfare as a routine matter and you are able bodied, then you are wrong.

Welfare is temporary assistance. We are willing to give it, we believe we must give it. But welfare is temporary and it is conditional. Our bill says we will offer a temporary hand if you are down and out. But you have a responsibility to take hold of that hand and get out of poverty by getting training to help you get a job. Our plan is intended to move people off the welfare rolls and on to payrolls. That is what our bill says. That is what we say to those folks.

The abuser—the able bodied who are lazy, is a minority in the welfare system. The bulk of the welfare recipients are represented by the woman I discussed earlier—the young woman living in poverty, a 23-year-old unskilled woman with three children to raise, and not the means with which to do it. She represents the bulk of the welfare recipients.

The question is, What do we do about it?

Let me give a couple of other facts. It is also a stereotypical notion of welfare that we have a lot of people in this country who are simply producing large numbers of children in order to get more welfare benefits. It probably does happen, but it is not typical.

The average size of the welfare family in America is nearly identical to the average size of the American family. Let me say that again because it is important. In public debate we all too often use stereotypes, and the stereotype is the notion that there is someone out there having 16 babies because producing babies allows them to get a lot of welfare. The average size of the welfare family is nearly identical to the average size of the average family in our country.

We spend about 1 percent of the Federal budget on welfare. A substantial amount of money is spent in many ways in our country, but we spend only about 1 percent of the Federal budget.

My interest in this issue has to do with two things. First, I would like to engage with people from as far right on the political spectrum as Pat Buchanan and people all the way to the far left and say we all agree on one thing: welfare is temporary. Welfare should not become institutionalized for people who are able bodied and believe they ought to live off of the rest of the taxpayers for the rest of their lives. The temporary nature of welfare assistance is embodied in the Daschle bill.

Second, and more important to me, is an understanding of our obligation to America's children. Tens of millions of America's children are growing up in circumstances of poverty. They were born in circumstances of poverty not because they chose to, not because they decided that is what they wanted for their lives, but because of a circumstance of birth.

Two-thirds of the people on welfare in America are kids under 16 years of age. No one, no matter how thoughtless they may be in public debate, would say, I hope, to a 4-, 6-, or 8-year-old child we say: ''You do not matter. Your hunger does not count. Your clothing needs are irrelevant.''

I have spent a lot of time working on hunger issues as a Member of Congress and have told my colleagues before about a young man who made an indelible impression with me. I will never forget it. A man named David Bright from New York City, who also lived in a homeless shelter, described to us on the Hunger Committee when I served in the House, his life in the shelter with rats and with danger and so on. He said that no 10-year-old boy like me should have to put his head down on his desk at school in the afternoon because it hurts to be hungry. This from a 10-year-old boy telling us in Congress about stomachs that hurt because they did not have enough to eat.

This welfare bill care about our kids in this country. We must decide, whatever else we do about welfare, to take care of America's children in the right way—to give them hope, opportunity and, yes, nutrition, education, and shelter.

Now, when I talk about children, there is one inescapable fact that the Senator from New York has talked about at great length that has to be addressed in the context of welfare reform. And that is the epidemic of teenage pregnancies in this country.

There will be roughly 4 million babies born this year in America—roughly. Over 1 million of those babies will be born in circumstances where two parents will not be present at the birth. 900,000 of children born this year will never in their lifetime learn the identity of their father. Think of the circumstances of that, what it means to a society. Nearly 1 million babies born this year will never in their lifetime learn the identity of their father.

The Democratic alternative we are considering today addresses the issue of teenage pregnancy and the epidemic that is occurring in this country. We address the circumstances where children are growing up in homes where the parents are children themselves, and they have no information or experience to do adequate parenting.

What we do in the Daschle amendment is that we want a national crusade against teenage pregnancy; we say that teenage pregnancy is not something that is acceptable to this country. It is not something we should promote or encourage; it is something we should discourage. People should have

children only when they are able to care for them.

What this amendment says to a child who is going to have a child, a 16- or 17-year-old child who is going to have a baby—which is happening all too often in this country—is you are not going to be able to live in a separate residence if that happens. You are not going to be able to leave school and get public assistance. We say there are going to be conditions for receiving assistance. Every teenage mother who has a baby out of wedlock has to understand this. If you do not stay in school, you will lose all benefits—nothing. Benefits are terminated. And you are not going to be able to collect money to set up a separate living arrangement for yourself and your baby.

Our proposal establishes some adult-supervised living homes, where teenage mothers will have to live in supervised circumstances and stay in school as a condition for receiving benefits. We are saying this matters in our country. There is teenage pregnancy epidemic that this country must deal with. It is also an epidemic that eats up a substantial amount of our welfare benefits to respond to it. Our proposal says we can and should do something about it.

As I indicated, the Senator from New York has done an enormous amount of work on this issue. I commend him for it. He was the impetus in our Democratic caucus for saying: This is wrong. This is going to hurt our country. This is going to disintegrate our society unless we address it in the right way.

This amendment, the Daschle initiative, addresses teenage pregnancy, in my judgment, in a very significant way. I am very proud to say this is the right way to do it. It is the right way to go about it.

We also say something else. We say to a young woman who has a child out of wedlock, ''If you are going to get benefits, you have a responsibility to help us identify who the father is. You have that responsibility. If you do not do that, you do not get benefits.'' We are going to find out who the father is, and we are going to go after deadbeat dads.

Deadbeat dads have a responsibility to help provide for those children. Not just taxpayers, but the people who fathered those children have a responsibility to provide some resources to help those children. They each have a responsibility to be a parent. But in the event they will not do that, we are going to make sure that they own up to the responsibility of providing resources for those children.

Our bill is tough on absent parents who are delinquent in child support. Our bill is tough on this issue. When a child is born out of wedlock and when a mother says ''I now want benefits,'' we insist that mother help us identify the father, and that father help pay for and contribute to the well-being of that child.

I would like to mention two other points about this legislation. I have not done this in any necessary order. I guess I could have prioritized this welfare discussion a bit more, but I wanted to talk about a couple of component parts of it that are important to me.

First, there is an assumption that if we reform the welfare system, there will be enormous savings. Savings of $100 billion over 7 years, as I believe was estimated in the budget resolution, are not going to happen. The fact is, if we do what is necessary to reform the welfare system, to make it really work, we are not going to save money in the next 7 years. But we can build a better country and make people more responsible and give people opportunity and get people off the welfare rolls and onto payrolls.

The woman in the homeless shelter that I talked about earlier is the reason we are not going to save money. In order for her to work and get a job, she has two requirements. She has to get some training to get a good job. And then, in order to work at the job, she has to have some child care. If she does not get the training, she will not get the job. And if she does not have child care, she cannot work. Then, when those two requirements are met, one other element has to be present. If the job that person gets does not provide health care, then we have to have some Medicaid transition benefits as well.

If we do not do those three things, welfare reform will fail. All three things cost money in the short term. In the long term, they will save money. But there is no way on God's green Earth to believe someone who says, if we reform this welfare system—and we should and we will—and do it the right way, that we will save $100 billion in the next 7 years. We can put the country on the right track. We can do the right thing. We can end dependency on welfare by able-bodied people, but we will not save $100 billion and it is time for everyone in this Chamber to understand that.

The second point I would like to make about the financing of welfare is the notion embodied in the Republican proposal, that we can solve this problem quickly and easily if only we simply aggregate all of this money into a block grant and ship it off somewhere and thereby create some nirvana by which the welfare problem is solved.

By and large, block grants are blockheaded. They will, in my judgment, if used routinely and repeatedly, as some have suggested, on virtually every issue coming before the Congress, result in the most egregious abuse and waste of the taxpayers' money we will have ever seen.

Do you want to describe how to promote waste in Government? I will tell you how. You have one level of Government raise the money and then send it to somebody else and say, ''You spend it. No strings attached. We will not watch.'' If you want to promote irresponsible, reckless, wasteful, wild, abusive spending, I guarantee you this blockheaded approach to block grants is the quickest and most effective way to do it.

So, those who come to us with these simple little placebos, who say take this and you can believe it is medicine, whether it is block grants or $100 billion savings, it is pretty unimpressive to me.

What we Democrats have done is put together an alternative. It is an alternative that says welfare cannot be permanent. Welfare is going to be temporary. Welfare is not unconditional. Welfare is going to be conditional. You need help? We are going to give you some help. But you have a responsibility in accepting that help. It is your responsibility to step up and out and off of the welfare system and become a productive member of our society on a payroll somewhere.

The second element of our alternative piece of legislation that is critically important is that we say we are going to protect America's children. Yes, we are going to reform the welfare system, but we are going to do it the right way, with the right incentives that require responsibility for oneself. That is the foundation of our approach. But, at the same time, we are also going to protect America's children. Our plan leaves no questions unanswered about whether America's children will be protected.

That is why I am delighted to be here to support the Daschle initiative. I was part of a large group of people who helped construct it. I was not the major architect. I know the Senator from New York and others support it as well.

I have taken slightly more time than I intended, but I appreciate the generosity of the Senator from New York.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, may I thank the Senator from North Dakota, Senator DORGAN, for beginning today's debate, today's critical debate, in an open, thoughtful, fair-minded manner.

Could I comment on just one particular point? The Senator raised the question of the children born out of wedlock, and he is quite right. In 1992, 1,224,876 children were born out of wedlock—in some census tracts, 80 percent of all children born. Happily, North Dakota has been spared—or spared itself. This is something altogether new to our experience.

And 30 years ago, you could not have discussed it on the Senate floor. There is a maturity coming to our debates. This was a subject—the ratio, in 1992, reached 30.1 percent. It is probably almost 33 now. It has gone up every year since 1970.

In 1970, it was 10.6 percent. So it has tripled, the ratio, and the number of children have tripled.

We could not talk about this. We were not sure it was happening. Was it

an aberration, just the weather, something like that? There used to be theories that when there would be blackouts there would be more children conceived. That turned out not to be so.

We have a social crisis of a new order—not a recession, not a drought, not a collapse of farm prices, nor an increase in mortgages, the things that have come with some periodicity and consequence to us, and which we have learned to understand pretty much and manage. We have never had this before, and we have never talked about it before; not in the calm, thoughtful way the Senator from North Dakota has done.

I want to thank him most sincerely for setting a tone which I think and I hope will continue throughout this debate.

Mr. President, I look to my friend on the Republican side. Does he wish to speak?

Mr. PACKWOOD. I do.

Mr. MOYNIHAN. If I may observe, the Senator from Florida is here.

Mr. PACKWOOD. I apologize. I can wait. I am going to be on the floor.

The Senator may go right ahead.

Mr. MOYNIHAN. I yield to the distinguished Senator from Florida 15 minutes.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Florida is recognized to speak for 15 minutes.

Mr. GRAHAM. Thank you very much, Mr. President and my distinguished colleagues. I appreciate the courtesy.

I want to talk some about the structure of the welfare reform proposal that is before us and some concerns I have as to whether we are building a foundation on reality with steel and concrete, or a foundation of sand based on theory, hope, and avoidance of responsibility.

I am going to be talking from basically two sources. First, I will talk from some statistics that are generic and analytical of the legislation before us. I will also be talking from some anecdotes which are personal and specific.

For the last 21 years, I have had a practice of taking an occasional job in a different area of interest within my State. In July, I took a job with one of the two welfare-to-work programs in Florida, this one in Pensacola. This is a program which is very similar to the objectives of both the underlying bill and the amendment that is before us. It is mandatory; that is, participation is required. It has the goal of placing a high percentage of those persons who are currently on welfare into employment. It is exploring what are the pragmatic requirements of accomplishing that objective, and it is doing so in the community of Pensacola, which is very representative of the kind of communities across America in which this type of program will be applied.

I am going to be using some of the information and observations from that experience also as the basis of my comments on the plan which is before us today.

Mr. President, I strongly support a serious effort to move people from the dependency of welfare to the independence of and self-sufficiency through employment. That is a fundamentally important objective.

As we start this, I want us to understand almost the moral dimension of what we are doing, and I will place that in the context of eight women with whom I spent a considerable amount of time in Pensacola who are part of this process of making the transition.

Just to describe these eight women, they were six white and two African American women. They were somewhat older than I had anticipated. The youngest was in the early twenties, up to the early forties. All of them had two or more children. Three of the eight women had a child with a serious medical disability. I was initially surprised that there would be that high an incidence of medical disability. But on reflection, given the fact that these women typically had no or very limited prenatal care with their children and had limited access to primary care since their children were born, it is not surprising that there would be that incidence of medical disability.

These are women who are very committed to a better life for their children through the achievement of independence for themselves. Many of these women have limited educational backgrounds and, therefore, the kind of job training in which they are now engaged in Pensacola, the Welfare to Work program, is difficult for them. But they are making a maximum effort to be successful.

In the course of attending one of the programs in which they are learning some of the basic skills that will be necessary, one of the women broke down and cried. She said: ''This is so difficult for me, but I understand the importance of this opportunity that I am being given and, if I do not succeed, not only will this likely be my last chance but it will fundamentally change the future for my children. I want to succeed.''

Our moral responsibility as a society, Mr. President, is we are telling these women that you have 2, maybe 3 years to be successful in preparing yourself and securing employment, and securing employment at a level that will allow you to support your children. We are making a commitment to them that not only are we going to provide them with what would be required to do so, but there will be a job there that they can secure upon the completion of their preparation. And the consequences of their failing to get that job is that they and their children will have the level of support that they are currently receiving terminated or substantially altered and reduced.

So there is a commitment on both sides. And it is from that point that I would like to draw some observations about the underlying bill which is before us today, because I believe it is based on some unrealistic assessments of the world in which this proposal will actually operate and creates the potential of some serious unfairness and a violation of that moral commitment that we are making to these Americans.

First, I believe that the goal of the welfare plan, which is to have 25 percent of the current welfare beneficiaries employed in year 1 of this plan and 50 percent employed in year 5, is unrealistic.

In year 1, the definition of reaching that 25 percent is a month-by-month evaluation of how many persons who were on welfare had been moved into a work position. And if at the end of the first 12 months of the fiscal year, you do not have an average of 25 percent, then your State is subject to sanctions. I believe it is going to be virtually if not absolutely impossible to reach that 25 percent goal. There is a necessary startup period in terms of developing the job placement programs, the job training programs, and the support services such as transportation, as well as securing child care for the young dependents of these women, which makes reaching the goal of a 25-percent objective in year 1 highly unlikely.

Equally as difficult will be to reach the 50-percent level in year 5. That is in large part because of whether the jobs are going to actually be available. Pensacola, FL, happens to be an area that has a relatively growing economy, an economy which is creating a substantial number of jobs. But even there the administrators of the program stated that it will be very difficult to reach a 50 percent placement level within a 5-year period. That would be true because of the competition for those jobs from all the other people in the community who will be seeking that employment—the issue of will there be jobs that will be not just at the barest minimum wage but at a level high enough or at least offering a sufficient potential to raise a sufficient amount of money to be able to support a family of a single mother and two children, which is the typical family in Pensacola.

There are 6,600 welfare families in Pensacola, so the goal is to place 3,300 of those in work by the year 2000. That will be a challenge for Pensacola. But, Mr. President, let us put that in the context of another American city, a substantially larger city, and that is Philadelphia. Philadelphia has not 6,600 people on welfare; it has 500,000 people who are receiving some form of public assistance.

In Philadelphia, using the statistics provided by DRI McGraw-Hill on U.S. Market Review, in 1994 there were 2,149,000 jobs in Philadelphia. In the last year of their survey, which is 1997, the projection is there will be 2,206,000 jobs in the Philadelphia area, or an increase of approximately 47,000 jobs over that period from 1994 to 1997. We do not have the statistics to the year 2000, but assuming that that rate of increase

continues, we could expect maybe another 20,000 or 30,000 jobs to the year 2000, so well under a 100,000-job growth and yet we are saying that by the year 2000, half of this population of 500,000 people is supposed to be placed in jobs in Philadelphia.

How is that going to happen? I think we have a level of unreality in terms of the scale of the population that we are saying has to be trained and placed and their children supported and the number of jobs which are going to be created, particularly in those areas of the country that are not experiencing the kind of robust economic growth that a community such as Pensacola, FL, has experienced.

My first point is that I think we have a statistical unreality in terms of what we are saying has to happen and what, in fact, is likely to occur. And for that reason, independent groups such as the Congressional Budget Office and the General Accounting Office that have looked at this plan, have stated that 44 out of the 50 States will not be able to meet the expectations of this legislation—that 44 out of the 50 States are going to fall into the category of those that are nonperformers and therefore subject to a 5-percent penalty.

I would suggest that these numbers are so unrealistic in terms of the kind of commitments that we are prepared to make that the 5 percent penalty will be accepted as a fact of life for many States and that any serious effort to meet these unrealistic goals is likely to be abandoned.

It is interesting to me the difference in which we are treating those programs that we are about to ship off to the States and say, ''You run them,'' such as welfare reform and Medicaid, where we are setting these theoretical goals, and then essentially abandoning any effort to do those things that will be necessary to make those goals attainable, and how we are treating the one big program we are responsible for running and that at least as of today no one has suggested be sent to the States to run, which is Medicare. There we are saying that Medicare has to be treated above politics; that we have to be very, very careful it is structured properly because we know we are going to be held responsible for how that one is administered.

With welfare and Medicaid, we essentially are saying we can abandon all responsibilities for the pragmatic implementation. That is going to be somebody else's responsibility.

A second level of unreality is in the funding levels and specifically in the area of unfunded mandates to the States. It is interesting, when we came here back in January with a very expansive and aggressive agenda of domestic issues, which issue received primacy, which received that special recognition of being Senate bill No. 1. Well, that honor was assigned to the legislation that dealt with reducing unfunded mandates, that as our No. 1 domestic objective we were going to cease the process of having the Federal Government meet its responsibilities by telling somebody else, generally a State or local government, what to do and requiring them to use their resources in order to achieve that national objective.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Can the Senator use another 5 minutes? We want to be fair to all Senators.

Mr. GRAHAM. If I could.

Mr. MOYNIHAN. I would be happy to do it. I am listening to what he has to say.

Mr. GRAHAM. The reality is that this bill which we are about to pass will be the grandfather of all unfunded mandates. We are going to be imposing significant new responsibilities on the States, without the resources to fund those responsibilities, and that as we impose that grandfather of all unfunded mandates, we are going to be creating a whole series of stepchildren as its consequence.

Let me just use the example of my State, a family of three typically, and in the case of all eight of the women I mentioned earlier, this is the case, a single mother with two children. The State of Florida provides $303 a month in economic support, cash assistance to that mother and two children. That $303 is roughly half Federal money and half State money. Under this proposal, it is going to take 75 percent of the Federal money that we have been providing for the support of that family of three in order to pay for the job training and related support activities and the child care of that mother and her family while she is preparing to work. There is no proposal to act to fund those additional activities.

In fact, the level of funding at the Federal level will be declining over the period of this program. So instead of that family having $303, it will see that reduced to approximately $185 a month which will be available for economic support because the remainder of the money, approximately $135, will be used to pay for these other mandated services. So we are saying that this family, which has been living on $303 a month, is now going to have to start living on $180 a month while the remainder of the money is used to prepare the mother for a future job and to provide child care for her dependent children.

Mr. President, I think that is an unrealistic economic scenario. And it becomes even more draconian since we are no longer going to be requiring States, at least after 2 years, and even in a very soft way during the first 2 years, to provide any continuing match. So potentially not $85. If the State of Florida were to decide to abandon its local match and not provide any State funds, we could have this family living on $35 a month, just that portion of the Federal money that is left over after you have met your mandates. I think that is highly unrealistic and would defeat not only the goal of moving people from welfare to work, but would also undermine our basic American humanitarian and compassionate sense of responsibility to all of our citizens.

And finally, the reality of this proposal is in the extreme disparities that will exist from State to State under this plan. I mention unfunded mandates. In the case of Florida, about 75 percent of our Federal funds would be required to meet the unfunded mandates. We are better off than Mississippi, where it will take 88 percent of Mississippi's Federal money to meet their unfunded mandates, which compares to the District of Columbia, that can meet their unfunded mandates with only 46 percent of the Federal money.

Why is there such a great disparity? Because we start off with a tremendous disparity in how much Federal money per child is available under the proposal that has been submitted by the majority leader. A stark difference is right within a mile of where we stand. A poor child in the District of Columbia will get three times as much money under this proposal of the majority leader as will a poor child across the Potomac River in Virginia.

I think that is not only indefensible and unfair, but undermines the basic credibility of this proposal as a means of moving people from welfare to work.

So, Mr. President, in those areas, I think we have a house that is being built on a foundation of sand.

Mr. President, we need to guard against passing legislation which has rhetorical mandates and aspirations, but without the practical understanding of what it would mean in the lives of people and, therefore, virtually assuring that we will have a failure of accomplishing our objectives and will have more decades of exactly the kind of welfare issue, exactly the kind of continuing dependence that we are trying to ameliorate through this effort.

Mr. President, I urge the adoption of the more pragmatic amendment which has been offered by Senator DASCHLE and his colleagues as the starting point for serious, meaningful welfare reform.

Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, I yield myself 5 minutes, if I need that much, to thank the Senator from Florida, the former Governor of Florida, who knows precisely of what he speaks when Federal formulas are involved.

You heard the striking differences between the jurisdictions of Florida, Mississippi, the District of Columbia, and Virginia. I hope you also heard the Senator's comment about the city of Philadelphia, the number of jobs in the city, the numbers created in recent years. I have been trying to make a point, as I said yesterday—I do not know that I can persuade anyone, but I can try to make it and I can argue—which is the point that 30 years ago, we might have considered turning this subject back to the States, giving them

block grants of some kind, saying, ''You handle it. Cities, you handle it. It makes some sense since local governments are closer to the problem. It is not that big a problem.''

It is today, in one after another jurisdiction, a problem that has overwhelmed the capacity of the city and the State.

The Senator mentioned Philadelphia. In 1993, 57 percent of the children living in the city of Philadelphia were on AFDC, welfare, at one point in the course of the year. At any given moment, 44 percent—these are numbers never contemplated. Nothing like that happened in the Great Depression. And these children are paupers. They are not from unemployed families, where there is a house, an automobile, some insurance.

One of the few regulations the Federal Government does have—the rest are all intended you have to waiver for—if you have less than $1,000 in assets, you are a pauper. The cities cannot handle it. And they will not.

Just as when we began the deinstitutionalization of our mental institutions in the early 1960's—at the last public bill-signing ceremony President Kennedy had, on October 31, 1963, he signed the Community Mental Health Construction Act of 1963. I was present. He gave me a pen. I had been involved with this in New York, where it began. Transfer license. We were going to build 2,000 community mental health centers by the year 1980, and one per 100,000 thereafter.

We built about 400. We kind of overlapped and folded the program in and forgot about the program. We emptied out the mental institutions. And we have been hearing about homeless shelters all day.

I said yesterday, and I will repeat again, in 10 years' time, with this legislation in place, with these time limits in place, children will be in the streets. Seventy-six percent of the children on welfare are on welfare for more than 5 years.

The Senator from Connecticut, I hope, will keep that in mind—76 percent. About 40 percent—the remainder come and go quickly and are never a problem.

But if we do this, we will have in my city of New York half a million people on the streets in New York. We wonder about homeless people. They used to be in mental institutions. Now these children are in houses. They are in households. We will wonder where they came from. We say, ''Why are these children sleeping on grates? Why are they being picked up in the morning frozen? Why are they horrible to each other, a menace to all, and more importantly to themselves? Whatever happened?''

When the homeless appeared in New York, we right away diagnosed it as a lack of affordable housing. That is not what it was. It was Federal policy in its most perverse mode. Make a great change and do not follow through. Make changes you do not fully understand. Those tranquilizers were not as good as we thought.

Here are some other cities. In Detroit, 67 percent of children were on welfare at one point or another in the year of 1993; in Baltimore, 56 percent.

My time has expired. But I will return to this subject.

Now I am going to suggest the absence of a quorum for 1 minute to see whether the Senator from Oregon wishes to speak—I do not see him on the floor—after which it is the turn of the Senator from Connecticut.

The PRESIDING OFFICER. The absence of a quorum has been suggested.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. I am happy to yield to my friend.

Is 15 minutes sufficient for his purposes?

Mr. DODD. Why do we not try 15. I may need 20.

Mr. MOYNIHAN. Twenty, it is.

Mr. DODD. I thank the Senator.

Mr. MOYNIHAN. May I record, Mr. President, the Senator from Oregon does not wish to speak at this moment. So if the speakers are all on our side, it is because we are talking, I suppose, about our bill.

The PRESIDING OFFICER. The Senator from Connecticut, Mr. DODD, is recognized for 20 minutes.

Mr. DODD. Mr. President, I thank my colleague from New York. Before beginning, our colleague from Florida asked me to yield to him for a minute to raise a question to the distinguished Senator from New York.

Mr. GRAHAM. Mr. President, I thank the Senator from Connecticut very much. I appreciate his courtesy.

I want to commend the Senator from New York for the excellent statement, and particularly that he brings us back to reality, just what are the circumstances of the people that are going to be affected by our actions.

I would like to inject, briefly, for the Senator's information and possibly further comment, some good news. I mentioned that in Pensacola, there were 6,600 welfare families. I am pleased to say that in the first 18 months of the transition program, which is a program based on the 1988 legislation that the Senator from New York sponsored, that almost 600 of those 6,600 have, in fact, been placed in employment, that having occurred because there was a willingness to put the resources required to provide the kind of training and support, including child care, to those families to allow it to happen.

It can happen. This is not just a doom-and-gloom scenario. We are not consigned to have to deal with this problem in its current form forever. But it is not going to be easy, it is not going to be quick, and it is not going to be inexpensive if we are going to achieve real results.

I appreciate the constant reminder of the Senator from New York of those realities.

Mr. MOYNIHAN. I thank my friend from Florida, and I do particularly appreciate his reference to the Family Support Act, which never promised a rose garden. We said if you try hard, you will have something to show for it. Pensacola does.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 20 minutes.

Mr. DODD. Mr. President, before my colleague from New York departs the floor and my colleague from Florida continues, I want to commend my colleague from Florida for an excellent statement.

And, let me just say, the distinguished Senator from New York has contributed more to the collective wisdom in this body on the subject of welfare reform than anyone. I say that with all due respect to the other 99 of us in this Chamber, but the Senator from New York has dedicated virtually a lifetime of service focused on this complex issue.

She is no longer with us, but Barbara Tuchman wrote a wonderful book called the ''March of Folly.'' It was related to foreign policy failures throughout history. What made her book unique is that she talked about failures where those responsible for conducting foreign policy—from the Trojan Wars to the Vietnam war—knew when they were about to do something that, in fact, it was wrong and that there were better alternatives. But, they refused to recognize them. She described several historical events beginning with Troy, including the American Revolution, and several others.

Were she alive today and were she to write a domestic version of the ''March of Folly,'' I suspect our current debate on welfare reform might be a chapter in that book. My fear is, and I heard my colleague from New York express this over and over again, we are missing each other in the night as we discuss this subject matter.

The Senator from New York has said repeatedly we are not engaged in reform here at all. What we are engaged in is a dismantling, total dismantling of a system with a faint hope that what we are about to put in place is somehow going to serve the public in a better way. What we are talking about here is reducing our Federal commitment to welfare by roughly $70 billion, passing the cost on to the States and localities of this country and asking them to assume the responsibility and burden of picking up this chore with little likelihood that we are going to achieve the desired goals expressed, with all due respect to the majority leader's bill.

I just want to take a moment, before getting into the substance of my remarks, and urge my colleagues to

please listen —listen—to our colleague from New York. There is a lot of wisdom in what he says. He knows this issue well. Historically, we have paid attention to our colleagues, regardless of party, regardless of ideology, who brought a special knowledge and experience to a subject matter. The Senator from New York is that individual in our midst. We ought to be listening to him on this subject.

So I hope in the coming days, we can get away from a bit of the politics of this issue and think about what we are doing and what a mess we are likely to create in this country, costing the middle-class taxpayers billions of dollars before we are through, all in the name of some political debate about who is going to deal with the welfare recipient more harshly than the next.

That ought not to be what this debate is about. It ought to be about how we reform our current system to make it work better in a realistic, thoughtful, prudent manner. Unfortunately, I do not think that this has been the case. I know my colleague from New York has other business to attend to, but I just felt very strongly when I came over here to address this matter. This is one of those rare occasions when the ''March of Folly'' seems to be upon us once again.

Mr. President, I hope we will pay some close attention to the proposals that are being offered by the distinguished Democratic leader and hope that somehow in the next few days we may come to our senses and find some common ground on this issue.

I read the other day that the distinguished majority leader announced in Chicago that there will be no compromises this fall. How does this institution function when the leader of our body says there will be no compromise on a subject matter that will have a profound effect on our country for years to come? We need to seek some common ground and thoughtful analysis to deal intelligently and effectively with the issue of welfare reform.

There is no debate about what we are trying to achieve: How do we move people from dependency to self-sufficiency? We are now looking at grandchildren and great-grandchildren of people who have been dependent on welfare without the ability or the fortune of work. How do we move people to work in an intelligent way? How do we make it possible for them to get there and stay there, so that they have at least the basic protection of health care and some safe place to put their children?

This is not a concept that is terribly difficult to grasp, I hope. Every single family in this country ought to be able to relate to this. They do. When you go to work, where is your child? Who is watching your child? Every single person, from the highest paid chief executive officer down to the lowest wage earner in this country, understands that critical issue: if you are going to go to work, you need to have access to safe, affordable, and quality child care. It ought not to be difficult for us to try and come up with some ways to do achieve this.

The benefit of all of this is not just fiscal, it also has to do with the fabric of our country. It has to do with helping to provide people opportunities to have a sense of self-worth as we build our neighborhoods and communities. It is a critical element. And trying to find the ways and the means to accomplish that goal ought to be the subject of our discussions. We should not, as I said earlier, outdo each other in our rhetoric to indict people, in most cases, who, through no fault of their own, are in this situation.

I left this chart here, Mr. President, because it ought to be in everyone's mind. As our colleague from New York has pointed out, two-thirds of the people we are talking about in this bill are children; they are not adults, they are kids. Two-thirds of the recipients are America's children. In Baltimore, Detroit, Los Angeles, Philadelphia, there are staggering numbers of children who are recipients or dependents of families where there is this dependency on public assistance of one kind or another.

I hope, again, we can have an honest and thoughtful debate about how we can improve this situation, rather than worsening it by creating a race to the bottom. The Washington Post the other day—I do not have it here with me today—had a lengthy article about what will happen as States race to cut benefits. As some States cut benefits, their actions will put great pressure on neighboring States to follow suit, or else risk becoming a magnet for families searching for ways to end their slide further down the economic ladder. As the race proceeds, it will cause great damage to our national commitment to address these problems.

Maybe I am wrong, but I honestly believe when there is a child in Pennsylvania, or a child in Colorado, or a child in New York that is in trouble, I have an obligation as a Senator to help them. I am a U.S. Senator from the State of Connecticut, but my interest and concern about children is not limited to the geography that I represent. It is the country that I represent. And so when there is a child who is hurting in a Western State, an Eastern State, or my own State, I believe that, through the constitutional process which creates this institution, I ought to bring a concern to this national body to grapple with these problems in a way that makes sense for all of us. I should not just assume that these problems are Colorado's problem, or New York's problem, or Pennsylvania's problem alone. That belief would run contrary to our sense of nationhood.

So the goals of work and independence and self-sufficiency and family unity are all things that we ought to be striving for.

We are going to miss that mark substantially if we do not try and find ways to achieve those goals in a realistic way, and make the kinds of investments that will need to be made if we are going to be successful.

The tendency to blame and punish is certainly tempting. I understand the politics of it. But in the long-term it is not going to help us resolve the kind of difficulties that I think we have been asked to assume by our election to this body as national representatives—not just our own States' representatives but national representatives.

There is strong evidence that the rise of poverty is, in large part, attributable to declining wages. There has been a tremendous amount of evidence that over the past 2½ decades wages have declined, and anxiety and fear has grown among our people as a result of that trend. I hope we will keep this evidence in mind as we consider this debate on welfare reform.

If we take the view that the only purpose of welfare reform is to punish people—as I said a moment ago, those who have been getting something for nothing—then we are going to ignore the fact that welfare is an unwelcome fate for most recipients.

More important, we will miss the opportunity, in my view, for any kind of real, meaningful reform, because we will ignore what we must do to move people from the dependency of welfare to work: First, to provide them with education and training. Again, we all know we are entering a sophisticated age. There are fewer and fewer jobs where little or no education or training is needed. As it is right now, less than 1 percent of the jobs in this country are going to be available to people with less than a high school diploma. In a few years, it will be a college diploma. You are going to have to have those skills if you are going to move people to work. The jobs will not exist for people in this category without the training.

Second, you have to ensure that States are partners with the Federal government, lest they engage in a race to the bottom that rewards States for spending less on moving their people from welfare rolls to payrolls. I do not think anyone believes that is a wise course to follow.

Third, and I think most important in this debate, and I have referenced it already—is to ensure that parents have the child care that they need in order to keep a job in the first place. Child care, I happen to believe, is the linchpin of welfare reform.

No matter what else we do, if a parent cannot find a safe and affordable place for their young children during the working day, that parent is not going to be able to hold down a job. I do not care how you look at that issue or analyze it. That is a fact.

In my view, the alternative proposal offered by the majority leader, Senator DOLE, fails to meet this three-part standard. It represents, I think, a retreat from the problem and not reform of it. It does not even, in my view, deserve to be called reform. All it would

do is package up Federal programs for poor families, cut the funding by $70 billion, and ship the whole problem to the 50 States. Is somebody going to tell me that is reform? That is just passing the buck and asking the middle-class taxpayer to have their property taxes and sales taxes skyrocket at the local level—as we wash our hands of it. We have reformed the problem. Mr. President, we will have done nothing of the kind.

The acid test of any welfare reform proposal is its impact on children, in my view, because they are the majority of the recipients. Is a reform proposal going to punish the children for the mistakes or bad luck of their parents? It bears repeating time and time again that two-thirds of the AFDC recipients are children. More than 9 million children received cash assistance in 1993.

The Republican welfare reform proposal, as it is called, would single these children out for extraordinarily harsh treatment. I do not care what your ideology or politics are, I do not know of anybody that wants to see that happen. Yet, Mr. President, as a matter of fact, that is just what happens under this proposal. In my view, the Republican plan packages up punitive policies that aim for the parent, but will hit the child instead.

Children should not be penalized because of the happenstance into which they have been born. I do not think we want to see that be the case.

We promise the elderly and veterans a minimum level of support in our society. Why can we not do the same for children? We need a national commitment to see that children are not abused, that they do not go hungry, and that their basic needs are being met.

The Republican proposal, however, fails to provide even the most basic minimum standards for our Nation's children. Mr. President, I want to stress that these children, I believe, are our Nation's responsibility. They are our Nation's responsibility. Whether a child lives in Mississippi, California, Connecticut, Colorado, or Pennsylvania, we as a nation must look out for the basic welfare of each and every one of these young citizens. The American people, I think, understand the concept of nationhood. They do not want us to pull the basic safety net out from under these children.

The Republican plan, however, threatens to do just that. If a parent is cut off of welfare after a 5-year time limit and is still not working, his or her children are the real losers. The Republican proposal makes no allowance for these children. If you are a kid in that family, you have had it. I do not believe that makes a lot of sense, Mr. President. I think you ought to be thoughtful about what is apt to happen down the pike here.

The proposal being offered by the Democratic leader includes a 5-year time limit, but it provides a voucher in the amount of the child's portion to a third party for families who hit the time limit. So the children's portion is held aside. If the family does not make it out of welfare in 5 years—you still have something for the kid. As it is right now in the Republican proposal, you have nothing for that child. Does anybody really believe that is what we should do? Are we going to look at the face of that child in 5 years and say, ''I am sorry, your parents did not get off of it, you are a loser and you get nothing.'' I do not know of a single person in this body that would sit and look that child in the face—not the number or the statistic, but that child—and say, ''you get nothing because your parents did not make it off welfare in 5 years.'' I do not believe that makes any sense. I honestly do not believe that is what we will do. Nor do I believe that is what the States will do. But, this bill calls for that.

Changing the welfare rules will not make these children disappear. They may very well end up out on the street—as the Senator from New York said—solely because of the mistakes or bad luck of their parents. We ought to be more creative and more responsible than that.

Under the Republican plan, 3.9 million children could lose assistance under the 5-year time limit. More than twice that number would be jeopardized if States move to the 2-year limit, as some have suggested.

I go back to the point of the Senator from Florida and the Senator from New York. In Detroit, 67 percent of the children are on welfare. In Philadelphia, it is 57 percent. There are some 500,000 families, or people, on welfare in that city alone. Is anybody going to honestly tell me that in 5 years, everybody is going to be off? If you are not, the kids in that city are going to be the ones to pay the price because their parents were not able to find the jobs. That does not make any sense, Mr. President. More thought needs to be given to all of this.

Despite its tough rhetoric, the Republican welfare reform bill is empty, in my view, when it comes to putting welfare recipients to work. The legislation requires States only to dramatically increase their participation rates. They impose this requirement, yet do not provide the resources to help States reach this goal.

Talk about an unfunded mandate. If you do not get it done, if you do not meet that requirement in Philadelphia—Philadelphia, with 500,000 people—in a couple of years, and do not raise your participation rates, we penalize Pennsylvania.

That is an unfunded mandate—no resources to do it. My Lord, that is an incredible burden to place on these States and localities as we wash our hands entirely of it.

The proposal being offered by the distinguished Democratic leader sends, I think, a different message—not perfect, but certainly one we ought to look at as a way to incorporate these ideas. It should not be mistaken for defense of the status quo. It is anything but. It ends unconditional receipt of assistance. It replaces the entitlement to benefits with entitlement to employment services. It would cut off benefits to anyone who refuses a job offer, and would require parents to sign a parent empowerment contract.

As the title suggests, the Work First plan makes work a reality for people on welfare, and not just simply a promise.

Our alternative is built on a basic principle that work must be at the center of real welfare reform. We would provide job training and child care assistance to help welfare recipients find and keep jobs. We would back it up with tough requirements and the resources, Mr. President, to make that a reality.

Under the work first bill, existing child care programs are consolidated and dedicated to child care. The bill guarantees child care for those required to work or prepared for work, ensuring that kids will not be left home alone.

The bill also provides 1 year of transitional assistance with options for an extension for an additional year on a sliding scale basis.

In contrast, the Dole-Packwood bill acts as if the 4.3 million kids on AFDC under the age of 6 and the 3.8 million on AFDC between ages 6 and 13 somehow do not exist.

Under the Republican proposal, we will have less money in child care than we do today, less money before we put all of the welfare mothers to work and send them out the door, less money for these kids that have to be placed in some sort of a situation where they are safe.

In the Dole bill, the three major child care programs that serve 640,000 children disappear. That is a fact, Mr. President. They disappear, undermining the Federal-State partnership.

There is absolutely no requirement under the welfare reform proposal being proposed by Senators DOLE and PACKWOOD that States continue to use the money that they previously dedicated to child care. You do not have to do that any longer. You are off the hook. So the States do not even have to put a nickel into child care. In the earlier bill, they did. They have now taken it out.

Existing State requirements are gone on child care. If States wanted to provide the same level of services as today, they could not, because the money supply is simply not there. The level of funding is frozen to 1994 levels, at the same time we expect many more mothers to go to work.

According to numbers from the Department of Health and Human services agencies, an additional $6 billion for child care is needed over 5 years, over the fiscal year 1994 levels included in the current Dole draft, to make the Dole welfare reform plan work.

The only money dedicated to this critical component of welfare reform is

the money authorized by the Labor and Human Resources Committee earlier this year for child care, for the child care and development block grant. Mr. President, that serves a very small number of families.

As the author of that legislation, with my colleague from Utah, Senator HATCH, 5 years ago, I strongly support the program, Mr. President. But it is no substitute, frankly, for dedicated funds protected from the budgetary whims of this and future Congresses.

Furthermore, the program was created, I point out, to help the working poor, and is a mere fraction of what is needed. It is clear under the Republican proposal the working poor are going to lose, and lose substantially, and middle-income taxpayers are going to watch their taxes go up at the local level.

The Dole bill even allows States to use the meager amounts that have been dedicated to child care for other welfare programs, so you can get rid of it altogether.

The majority leader modified his bill in August. He gave States the option to exclude parents with children under the age of 1 from the work requirements. There is no provision, however, for other preschool and elementary-age children.

The bill does not provide adequate funds for child care, and at the same time, it is going to penalize and sanction parents who cannot work because they do not have the child care or cannot afford it.

Mr. President, that is a no-win situation we are putting these parents in. It is just plain wrong. In my view, it will not work. As I read it, this welfare bill says it is OK to leave your children home alone. You will go to work, but you figure out how to deal with your children.

In case anyone thinks that there are enough Federal dollars in child care under the current system, just look at what has happened. Thirty-six States, Mr. President, and the District of Columbia have waiting lists for child care.

Listen to the numbers on waiting lists: In Texas, 35,000 children are on a waiting list for child care. That is today, now. I am not talking about after we pass this bill. Today, 35,000 are waiting. In Illinois, 20,000 children are on a waiting list. In Alabama, 20,000 children are waiting. In Florida, 20,000. In Georgia, 41,000.

Other States have chosen not to keep a list, but the problem is present there, too.

Now, we are going to require more people to go to work while providing less child care resources. With thousands of kids already on waiting lists for child care slots, how is that possible?

Child care is not only a tremendous concern to those struggling to get off welfare. Talk to any middle-income family about child care. Have a conversation with a family that weekly, if not monthly, goes through the anxiety. They are out there working, single mothers trying to raise kids, or two-income earners.

If you want to get an earful, talk to them about child care and the problems they have. I am not talking about welfare recipients or working poor, but the average family that struggles every week with where they are going to place their kids. Is it safe? Will they be OK? How much does it cost? Here we are, telling millions of people to go to work with no accommodation, no accommodation for child care.

Mr. President, it is lunacy to think this is reform. It is dangerous. As the Senator from New York has said, we will rue the day, we will rue the day if we adopt this legislation without accommodating the kinds of investments that have to occur if this proposal is truly to work in the coming years.

If we turn our back on this issue—and frankly, Mr. President, I say so with the highest degree of respect for the individuals who are the authors of the bill—if we do that, we will create significant damage in this country. The damage will be similar to those created, as the Senator from New York described, to the deinstitutionalization of the mentally ill.

Welfare reform requires far more thought, Mr. President, far more thought. No compromise is a great political speech. But, it is not the way to address serious, complex, and profound social policy issues.

Mr. President, I hope in the coming days that we will develop a willingness to sit down and work this out thoughtfully. I am hopeful that the Daschle alternative will be adopted because it is.

But, if that is not the case, I will offer amendments with specific offsets to improve the Dole/Packwood bill. I will say they will come from corporate welfare, I let my colleagues know.

So, Mr. President, I hope common sense will prevail in these coming days and that we will find, as we have historically on issues like this, some common ground. The President has urged it. Others have here including the senator from New York. I think this no-compromise approach is unfortunate. It is not a sound way to legislate, certainly not in an area that is as important as this one.

I yield the floor.

The PRESIDING OFFICER (Mr. KYL). The Senator from New York [Mr. MOYNIHAN] is recognized.

Mr. MOYNIHAN. Mr. President, I know the Senator from Pennsylvania would like to have a dialog with the Senator from Connecticut. But just before he does, may I say I brought to the floor a pen with which John F. Kennedy, on October 31, 1963, signed the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

The Senator from Connecticut recognizes those pens. This was the last public bill signing of the Kennedy administration, and we set about emptying out our mental institutions. We said we were going to provide for the children, the young people and the older persons who left. We were going to provide community care. But we did not provide the wherewithal. We almost, for a while, forgot we had ever done it. It now seems to be lost with us entirely. We deal with the problem of the homeless as if it had no antecedent in our decisions.

We are on the floor of the U.S. Senate making a vastly more important decision. There were a million, almost a million persons in mental institutions when this bill was signed. There are about 100,000 today. There are 14 million women and children on welfare—14 million. When they end up on the streets, I hope somebody will remember that it was foretold.

I wonder.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume.

I appreciate the comments of the Senator from Connecticut. In fact, with respect to the child care comments he made, I think there are some legitimate points he does make. I find myself wondering whether we do need to commit potentially more resources to provide for people who are going to be required to work so they can have the opportunity to have some child care available to them.

I am hesitant, in fact reluctant, to be for an entitlement for child care because I think that could be a slippery slope. I am not too sure we want to provide an entitlement to child care for people who are on welfare and have people who are working mothers, who need child care just as badly, have no entitlement. That, I think, creates a double standard that may in fact encourage more people to get on welfare to get the child care benefit. So I do have some concerns about that.

But I think it is a legitimate issue to bring to the floor, to talk about how we are going to have single mothers with children work and not have the resources available for child care. I think that is an issue. I think the leader came to the floor before the recess and admitted that that is an area we hope to do some work on.

We talk about bipartisanship. I think that may be an area where we could find some common ground. I think, again, on this side, we are going to be stopping short of an entitlement in nature, but certainly to provide more day care slots and to provide more funding for people to have choices as to where to take day care, that is not beyond the pale—at least from this Senator's perspective, that is not.

One of the things that concerned me, however, about his talk was at least the inference, if not the direct assault, that somehow or another Republicans are slashing welfare. I think we have to

make this very clear. What we are talking about here, on the Democratic bill and frankly on the Republican bill, is not slashing welfare.

I will give the numbers. Unfortunately, the numbers do not match, necessarily, because the Democrats' calculation of what welfare is and the Republicans' calculation is a little different. Welfare, from my perspective, is obviously not just AFDC, but it is AFDC and food stamps and child care and a whole lot of other programs. When you add all those programs up, we come up with spending this year of roughly $170 billion that we will spend on welfare programs.

On the Democratic side, they add in the earned-income tax credit and some other social service programs, and they come up with a figure closer to $190 billion. So we start at a different base. But let me give what, under the Republican bill, we will spend 7 years from now and what we would spend 7 years from now if we did nothing.

If we did nothing, we would go from spending $170 billion on welfare today to, in 7 years, spending $302 billion on welfare. That is if we did nothing. We would increase spending by $132 billion, a roughly 77 percent increase in spending on welfare in the next 7 years. That is if we did nothing.

Now, what does this dramatic slashing, punishing, cruel, blaming-the-poor, Republican proposal do to welfare expenditures over the next 7 years? We are not going to spend in the year 2002 $302 billion, that is correct. We will spend $289 billion. The increase will be, not 77 percent over the next 7 years, but 70 percent over the next 7 years.

I know you can say a lot of things about this program, but cruel slashing, cutting, when you are cutting 7 percent of the increase out of a program that is going to increase 77 percent over 7 years is hardly slashing. It is hardly leaving people out on the street.

Let us please stick to the facts. This is not a harsh bill. This is not a cruel bill. This is not a bill that blames anybody. This is an honest attempt to try to solve the problem. And, yes, at the same time try to accomplish some savings—hopefully efficiencies, doing things better, getting more people off the rolls and back into productive society, which will save money in the process.

Just so you understand what the other side is going to do, under their numbers welfare spending is $190 billion today and will increase to $333 billion by the year 2002, an increase of $153 billion, a 75-percent increase.

So, $189—$190 billion to $333 billion. Again, the Republicans start at $170 billion and we go to $302 billion. But they use different numbers. Under the Democratic proposal, their spending would increase from $190 billion today, not to $333 billion but to $330 billion. So, instead of a 75-percent increase, you get a 74-percent increase.

I would not even call that an adjustment. That is not even—that does not even touch the system. The Republican proposal was a modest reduction. This does not even meet the standard of reduction, hardly. And they are trying to put this up as changing welfare as we know it? Reforming the system? Giving not only the recipient a different program but the taxpayer a break in funding this system?

It does not stand up. Either way, their system does not stand up to reduce spending significantly and ours certainly cannot be accused of slashing and cutting. Ours is a responsible reduction from a very dramatic increase.

A couple of other points I wanted to make about the talk of the Senator from Connecticut. He said, as the Senator from Louisiana discussed yesterday and the Senator from New York discussed yesterday, ''How are you going to pay for these programs? You do not have the resources. We cannot do it. The Governors won't be able to put these work programs in place and there is no way for us to be able to fund this program with the number of children and single mothers on this program.''

I would remind the Senator from Connecticut that the Republican Governors Association strongly supports the Dole package, strongly supports the block grant approach, strongly supports the idea that if you give them just what they had this year in AFDC funding, and a little growth factor for the growth States which we have provided for in this bill, that they will be able to run this program, put people to work, get people and turn the system from a maintenance system, a dependency system to a dynamic system that moves people out of poverty and do it for less money. For less money.

I will remind you that these Governors, the Republican Governors who support the Dole package represent 80 percent of the welfare recipients in this country. Eighty percent of the welfare recipients in this country are represented by Republican Governors, and they believe they can do a better job with less money than what the Federal Government is doing today.

So ask the people who are going to implement the program how they will do it and they will tell you they can do it. In fact, they want to do it.

It is interesting that the Senator from Connecticut mentioned and focused a lot of his introductory remarks on how we have to change this dependency system, and used the word ''dependency'' as it should be, as a pejorative term. It is not a good thing. And then later in his talk he talked about how cruel and horrible it was to cut people off after 5 years with nothing. He said, ''We are going to cut them off and there will not be any benefits.''

First off, that is not true. Children, moms with children, will continue to receive food stamps, will continue to receive Medicaid, will continue to receive housing benefits that they do in any other social service. They will lose their cash assistance. Under the Democrat bill, they lose their cash assistance also. The only difference is they replace the cash assistance with a voucher in almost an equal amount—they have a slight reduction—a voucher for them to be able to go out and do basically what they did with the cash.

So in a sense it is not much of a penalty. But we say if you are going to end dependency, you cannot continue to keep people on the system and pay them virtually the same they are making now on the system. You have to end dependency by ending dependency. You cannot continue to provide for someone on the system and expect them to leave the system.

I do not say that without the understanding that a lot of people leave the system. But a lot of people are trapped in the system because of the nature of the dependency of it in which the benefits continue.

So you cannot stand on the floor and say, ''We have to end dependency'' and say, ''We cannot cut them off.'' You cannot be for any dependency and not be for some termination of benefits at some point in time when the social contract between the Government and the person the Government is attempting to help at some point ends, and the person has to do it on their own.

The other point that I cannot more strongly disagree with is the Senator from Connecticut repeatedly said, ''This is a national problem.'' It is a national problem. As a Senator from Connecticut, he cares about the children in Philadelphia and he cares about the children in Colorado. The Presiding Officer is from Colorado. I care about the children from Connecticut and the children from Arizona. I just do not believe that the Federal Government is the best person to help them.

Sure, it is a national problem. But I think what we have found in decades of looking at what helps the poor in this country is the National Government does not solve the problem. It is a national problem that calls for a local solution. Sure, the Federal Government has a role to play. We are going to continue. He says we are going to wash our hands of it. We are not going to wash our hands of this.

I will repeat the numbers to make sure the Senator from Connecticut understands. We are going to be spending $289 billion under the Republican proposal in the year 2002, a 70-percent increase. The commitment is there. But what we are suggesting in this bill, which is philosophically different and fundamentally different from what the Senator from Connecticut and many on the other side of the aisle believe, is that we solve problems best when it deals with the poor by making it more personal and individual and local in nature; that community organizations and individuals solve problems better in dealing with people who have troubles in their lives than a system that processes checks and papers and maintains people in poverty.

I think everyone here understands that this is a national problem, and that that is why we are having this debate. If this was not a national problem, we would not be here debating it. Of course, it is a national problem. But does that mean that the Federal Government has to solve the problem here, has to have instant solutions here for everybody to be treated the same in America? Of course not. National problems do not always require national solutions. They at many times require solutions to be done and ideas to be grown in the local communities or the individual who can help that person get out of poverty.

The Senator from Connecticut also talked about how two-thirds of the people on welfare are children. That is a fact. It is very disquieting. He talks about how cruel it is, that the Republican bill will in fact hurt children and target children for their harsh treatment. I will just remind the Senator that over the past 30 years we have tried a great experiment as a result of the Great Society programs of the 1960's. We tried this experiment blindly, with absolutely no idea of whether this program was going to work.

A lot of the criticism on the other side is we do not know whether turning this back to the States is going to work. We do not know it is going to work. Well, I would suggest to you back in 1965, 1966, or 1967, in the years in which these programs were enacted in the early 1970's, that a lot these programs were passed, and they had absolutely no idea whether they were going to work. But they thought that it was worth a try. In fact, I would say that a lot of the people who voted for these programs did so with the best of intentions and with the greatest of hopes that this in fact would work. But it has not. I think we did answer that question.

Two-thirds of the people on welfare are children. But more of those children are born out of wedlock today than they were in 1965. In fact, if you go back to 1960, the out-of-wedlock birth rate in this country, the illegitimacy rate in this country, was 5 percent. It is now 33 percent.

I think everyone will admit now, both sides of the aisle, both philosophical perspectives will tell you that it is a harmful thing for our country. More of them are born out of wedlock. More of them are born at low birth weights. More are born drug addicted, crack addicted. More of them live in unsafe neighborhoods and die violent deaths. More of them have less opportunity. More of them have less educational opportunities and a chance for success. That is the system we have today.

I sometimes just become amazed that someone could stand up on the floor and say that what we are doing is cruel when the system today is as cruel as we have ever seen in the history of this country. What we are suggesting is not cruel or harsh. What we are trying to do is change a system that is surrounded or built on the difficulty of maintaining people in poverty.

I cannot stress this point enough: No one who receives welfare benefits as their sole source of income gets rich. You do not get rich on welfare. You maintain people. That is what the system does. That is what it is built to do—to maintain people at a level of survival.

It is not a system that you go into with the expectation—people who have never been in the business when they think of welfare do not think there is a system that people go into and they are transformed into productive, working citizens. That is what welfare does in this country. Nobody believes that. Nobody thinks of welfare as the system that changes people's lives for the better. They think of welfare as the safety net where people get caught in it.

We have to change that. That is what this bill does. It fundamentally changes the whole perception of what welfare is all about. The whole expectation of someone who now gets onto welfare is not how many are going to be provided for whatever the length of time in poverty. But how will I be helped to get back on my feet to get out of poverty. That we will change the system from one of maintenance and dependency to dynamic renewal, that is the challenge. And what many of us believe is that that is the challenge best met by people who care most about the people involved in the system. And, yes, the Senator from Connecticut cares about the children in Philadelphia. He probably cares about my children. I will never forget the Senator from Texas, Senator GRAMM, who suggested that on a talk show a couple of years ago. Ira Magaziner was on talking about health care, and Magaziner was saying, ''I care about your children as much as you do, Senator.'' And Senator GRAMM shot back, ''Then tell me their names.''

Yes, I care about children in Philadelphia and Hartford and Bismarck and Fargo. I care about them. But that does not mean I am the best person to help them. The people in Fargo know better how to solve this problem and how to deal with this person, to sit across the table from them and say: What can I do to help you get back on your feet and going? Not with the eyeshade down, hand out the check and process the next number.

That is the fundamental difference we are debating here today. It is a difference between holding on to the past and moving to the future.

It is a great opportunity, it is a great opportunity we have before us to make this system something that we can be proud of, that we can look and see experimentation across the country.

In the Republican bill, we allow nonprofit organizations to get involved and be the welfare agency for that community. I know there are many communities—the Senator from Connecticut mentioned Philadelphia on many occasions. I have been to north Philadelphia and west Philadelphia, and the only thing left, the only thing left in these neighborhoods—there are no jobs left in these neighborhoods, nothing of an institutional setting except the church. Why not let the people who care most about these folks, why not let the churches get involved in providing welfare services.

Oh, I know we get real nervous about church and state, but, folks, I want to solve the problem. I want to help people. And I know many pastors—many pastors—who would absolutely be the best people to work in those communities. Sure, they would have oversight, there would be Federal oversight or State oversight, but the people working with the folks in the community would be people who know, people who care about them, people who the folks who end up on welfare trust, know that they care about themselves and their families.

This is different. We are not walking away. We are facilitating a different approach. It is one that I know will work, I know will work because it has worked in the past and I think it will work better because the Federal Government will provide a lot of the needed resources that in fact were not there in the past.

We stand at a very important moment, as we vote on this substitute later today, whether we are going to continue to try to micromanage and have solutions based out of Washington to run welfare or whether we are going to turn away from that approach that we know does not work and move to something different, exciting, dynamic, that is going to help millions of people leave welfare.

Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I have listened to my colleague from Pennsylvania and found that I agree with much of what he says in terms of where the decisions might be made, but I disagree with him in terms of his characterization of the divide that exists in this debate. I do not really think it is a question of where should the decision be made.

In my own welfare proposal that I made before the Senate Finance Committee, I left it entirely up to the States. Let the States decide what the makeup of the program should be. Let the States decide what the eligibility should be. Let the States decide what the time periods are. Let the States decide what the sanctions are.

That was not the divide in the debate. The fundamental difference in the debate was, should there be a continuation of an automatic stabilizer, a mechanism that allows the State to be assisted by the Federal Government if there is a circumstance in which State resources are overwhelmed.

Mr. President, if there is a flood in Mississippi, if there is a drought in

North Dakota, if there is an earthquake in California, if there is an economic collapse in Pennsylvania, some of us believe just as fervently as does the Senator from Pennsylvania that the Federal Government has an obligation to make certain the kids in that State do not wind up on the street.

I remember being in the State of California, going down the street in San Francisco, in one of the most affluent neighborhoods of that beautiful city, and encountering a young mother with two children sitting on the curb with a sign that said, ''I'm homeless. Please help me.'' I inquired of the woman, who was dressed as a middle-class person and her children were well groomed, ''How did you wind up on the streets of San Francisco?'' And she said to me, ''My husband left without notice, abandoned the family. I could not make the house payment. I was just evicted yesterday.'' And here sat this young woman, a lovely young woman, with two little kids on the street in San Francisco, CA, begging for money to feed her children.

If, God forbid, we are in a circumstance in which California suffers a whole other series of economic calamities or, closer to home, my home State suffers through another devastating drought as we did in 1988 and 1989, there comes a time when a flat level of funding from the Federal Government does not do the job, does not protect people who I think everyone in this Chamber would want to see protected.

The fundamental debate here is are we going to preserve an automatic stabilizer that says to individual States if they suffer an economic collapse or some other calamity, that it will not just be a flat funding from the Federal Government and strained State resources that are ready to meet the challenge but this country stands together united. That is why we are the United States of America. Over and over, we have seen this country respond to tragedy. Whether it was the bombing in Oklahoma, the earthquakes in California, or the drought in my State, we stood together as one nation under God, indivisible, and we came to help out, to make certain that a young mother with two little kids was not on the street because the husband deserted the family and the house payment was not made.

Mr. President, let me just say, if the American people agree on one thing, it is that the current welfare system is broken. Make no mistake about it. Both sides are offering dramatic changes with respect to how we deal with welfare in America.

The current system is one that nobody respects. The taxpayers do not respect it. Those who are caught in the welfare system do not respect it. The current system does not emphasize work. It contains perverse incentives that actually break up low-income families. It allows parents to abdicate responsibility for raising their children. It allows fathers to escape their child support obligations. And it subjects 9.5 million children and 4 million mothers to a future of hardship and failure. That is why on both sides of the aisle there is a fundamental commitment to reforming our welfare system and rebuilding it from the ground up.

Mr. President, in January I began to develop my own alternative welfare reform legislation. I called it the Work And Gainful Employment Act. I hoped it would foster a bipartisan dialog on welfare. The WAGE Act was the first Senate proposal to completely reform our welfare system while maintaining an economic safety net for States and children.

It represented a substantial departure from the past. And I am proud that many of the concepts included in the WAGE Act are now in the Work First proposal offered on our side. Under the WAGE Act States receive unprecedented flexibility to experiment. They can develop the methods for moving welfare recipients to work. They have complete flexibility to design employment programs, determine eligibility criteria, develop sanctions, and determine the support that individuals receive. States may establish time limits of any duration, but those limits only apply to participants who refuse to work.

The WAGE Act eliminates the unconditional entitlement of AFDC, but unlike the blank check block grant approach in the Republican bill, it does not abdicate Federal responsibility. Instead, my bill replaces AFDC with a new transitional aid program. Under that program, welfare recipients must work in order to receive benefits. The WAGE Act also creates a block grant to fund child care work activities and includes the resources to put people to work. The only part of the current system that is maintained by my plan is the safety net for States and children. That is where we have a fundamental difference and divide between the two sides. My plan assures that as poverty and population increase, as recessions occur, and as natural disasters confront our States, the Nation will not abandon Americans in need.

Mr. President, I am disappointed in the partisan nature of the welfare debate to this point. I very much hoped that we would approach welfare on a bipartisan basis. In fact, Senator CHAFEE and I authored one of the few bipartisan welfare-related proposals, the Children's SSI Eligibility Reform Act, which I incorporated into the WAGE Act that I offered earlier this year.

Mr. President, I listened to the majority leader on the floor in August when Senator KENNEDY questioned him about the lack of resources for child care in the Republican bill. The majority leader said he was aware of the problem. He said he was discussing possible solutions within his caucus. Mr. President, I would say to the majority leader, this problem should come as no surprise.

When the Finance Committee debated welfare, I asked the Congressional Budget Office whether the Republican proposal had sufficient resources to meet its work requirements. It was a very important point, Mr. President and my colleagues. The Congressional Budget Office looked at the Republican plan and told us in open hearing that 44 of the 50 States of these United States would have no work requirement under the Republican plan, a plan that puts itself forward as work oriented, tough on work. If the Congressional Budget Office said in testimony before the Senate Finance Committee that 44 of the 50 States under the Republican plan will have no work requirement, that is not tough on work. That is not insisting that people go to work. That is no work requirement at all in 44 of the 50 States, because the States would be better off taking the penalty than actually having the funds necessary to require people to go to work.

Mr. President, that is a fundamental difference between what the Republicans hold out as a work-oriented bill and the Work First proposal advanced by this side, a proposal that has sufficient funding to deliver on the promise of moving people from welfare to work. And that ought to be the first test of any bill. No serious effort to reform welfare can succeed without child care.

Shortly before I offered my WAGE Act, Governors Carper, Carnahan, and Caperton wrote me in support of my bill. In their letter the Governors describe the elements needed for serious welfare reform. The Governors said in part:

> The litmus test for any real reform is whether or not it adequately answers the following three questions:
>
> First, does it prepare welfare recipients for work?
>
> Second, does it help welfare recipients find a job?
>
> Third, does it enable welfare recipients to maintain a job?

The Governors went on to say, and I quote:

> Your bill meets this test because it provides assistance to prepare individuals for work, to help individuals find and keep jobs, and to ensure that work pays more than welfare.

They went on to say:

> Your bill appropriately recognizes the critical link of child care in enabling welfare recipients to work and emphasizes that both parents have a responsibility to their children with the inclusion of measures to increase paternity establishments, child support collections, and interstate cooperation of child support enforcement.

Mr. President, while the WAGE Act and Work First Act both recognize the critical child-care link, the Dole bill gets a failing grade. Not only does it fail to provide child care, but it kicks children off of welfare roles if their parents are unable to work because child care is unavailable. That makes no sense. It is unconscionable to subject children to a time limit regardless

of whether their parents receive the child care they need to become employed.

That is a catch-22 for the kids. But the Dole bill does precisely that. Mr. President, not only does the Dole bill include insufficient resources for child care and job training—and that is not my estimate, that is the bipartisan Congressional Budget Office telling us that that is a fact—it amounts to a $16.7 billion unfunded mandate to the States.

We have heard a lot of talk around here about how bad it is to have an unfunded mandate for the States. But that is exactly what the Dole bill represents, a huge unfunded mandate to the States. It calls for more welfare recipients to go to work, but it does not provide the money or the resources to make that happen. It calls for child care to be provided, but insufficient resources are made available.

Mr. President, the Republican plan is from the land of make believe. You say it and it is true. We are going to move people to work. But the resources are not provided to make that happen, so it is all a hoax. It is just words. And, again, that is not my analysis. That is the Congressional Budget Office telling us 44 of the 50 States will not have a work requirement under this proposal. There has been plenty of time since the Finance Committee met to get this bill right. But, frankly, no serious effort has been made.

Now, I want this debate to be bipartisan. The American people want it to be bipartisan. They do not care whether the solution has a Democratic or Republican label. They just want the problem fixed. But they want real reform, not false promises, not just words, not just rhetoric. They want the reality of changing this system.

Mr. President, when I set out to develop a welfare reform proposal, I started with four principles. One, emphasize work; two, protect children; three, provide flexibility to the States; and four, strengthen families.

Mr. President, a reformed welfare system should require people to work in order to receive assistance. This is where those of us on both sides of the aisle, I think, are in agreement. I believe there is a consensus that if people are going to get something, they ought to work. If a reformed welfare system does that and enables States to experiment, helps keep families together, then the American people will have a system worth respecting.

The proposal I developed meets those tests. The Work First proposal, that I am proud to cosponsor with the Democratic leader, does as well. But the Republican bill does not.

Mr. President, both my proposal and Senator DASCHLE's put work first. They take action where the Republican proposal makes promises. Unlike the Dole and Gramm proposals, they provide the resources necessary to make work a reality. And Work First protects children; the Republican plan does not.

Mr. President, while Work First provides States with unprecedented flexibility to develop welfare programs, it also requires States to match Federal contributions so they do not get a free ride. The Republican plan does not.

We all agree that State flexibility is important, but there is an enormous difference between a flexible program and a blank check. The Dole block grant program is a blank check. It divorces who spends the money from who raises the money, and that is a profoundly misguided principle. We ought not to separate the responsibility of raising money from the responsibility of spending that money.

There are some similarities between the Democratic and Republican proposals. Both are significant departures from the status quo. They are departures from a system that focuses too much on writing checks and too little on promoting work and self-sufficiency. Both junk overly prescriptive Federal regulations, and both provide significant flexibility for States. But the shortcomings of the Republican proposal are a lost opportunity. Without significant changes now, the Republican proposal will undoubtedly require substantial future revisions by the Congress, and those revisions will come after the Republican plan has irreversibly harmed millions of vulnerable children and wreaked havoc on State economies.

Let me highlight a few of the most significant shortcomings in the Republican proposal and how our approach differs.

First, the work requirements in the Dole proposal are hollow. The Republican plan provides essentially flat funding for States while calling for an increased effort at putting people to work. Work First, on the other hand, makes a serious effort to provide the necessary resources to put people to work. It uses savings from the welfare system to put welfare recipients to work and includes the resources necessary to fund work programs.

I do not disagree with the goal of the Republican proposal, but it simply does not add up. If we are going to make an honest effort to put people to work, we should remember the words of responsible commentators like the Republican Governor from Wisconsin, Tommy Thompson, when he testified before the Finance Committee. Governor Thompson reminded all of us that it takes an upfront investment to have a work requirement. Senator MOYNIHAN recalls that, no doubt. We need to provide resources for child care and job training if we are going to have a serious work requirement.

Second, the Republican plan eliminates the safety net for children and the automatic stabilization mechanism for States. Whatever the faults of the current welfare system, and they are many, it does automatically adjust for changing needs.

I am going to conclude soon, because I have colleagues waiting to speak. Under the Republican plan, States are left to face crises on their own. Whether faced with a drought in North Dakota, a flood in Mississippi, an earthquake in California, or an economic downturn in Pennsylvania, the Federal Government ought to help stabilize State economies. The Work First plan continues the Federal Government's responsibility; the Dole plan does not.

The Republican bill includes a so-called rainy day loan fund. But the funding is simply not sufficient to confront the magnitude of economic impacts that occur during State recessions or disasters. Even New Jersey's Republican Governor has said the rainy day fund in Senator DOLE's bill won't get the job done.

The genius of a national approach to automatically assisting individual States that experience recessions, large population increases, high unemployment, increases in poverty or natural disasters, is that we all support each other in times of need. Part of what binds us as a nation is our sense of mutual obligation and common purpose. Our entire Nation watched as California struggled to overcome the devastation from the L.A. earthquake. The same was true after Hurricane Andrew and the Oklahoma bombing. And whenever one State is in recession, we provide an influx of national resources through unemployment insurance and other Federal programs.

The current funding structure automatically adjusts to State need. It accomplishes automatically what any nation should guarantee to its citizens—they will not be abandoned in their time of greatest need. But under the Republican proposal, States would have to borrow the money and pay it back while they still may be in the midst of a recession or other economic emergency. The Dole bill's rainy day fund is clearly a second-best approach.

Third, Mr. President, the Republican bill makes a hollow commitment to ensure that teen mothers will receive the adult supervision they need to improve their lives and the futures of their children.

In the Finance Committee, I offered an amendment that would have required all teen mothers to live with their parents, some other responsible adult, or in an adult supervised setting like a second chance home. To my surprise, that amendment failed on a tie 10–10 vote. I would have expected overwhelming support for such a provision. But every Republican on the committee except for Senator NICKLES opposed the amendment.

Now the Republican bill includes the adult supervision requirement and another provision I have been advocating for some time—a requirement that minor parents stay in school. But again, the rhetoric and reality are two different things. First, the requirements are a facade because the bill provides no resources. Without sufficient resources, infants and their young mothers who have no place to go will

simply be denied needed assistance. Second, the Republican plan fails to guarantee that adult supervised living environments will be available to young mothers as an alternative to living in an abusive household. To be serious, any requirement that teenage parents live with a parent or other responsible adult must provide alternatives when no such adult is available. Therefore, I plan to offer an amendment that will provide Federal resources for second chance homes. Second chance homes are adult supervised living arrangements that provide the training, child care, counseling, and other resources that teenage parents need to learn how to care for their children. And they work.

When the Finance Committee held its hearings on welfare reform, Sister Mary Rose McGeady from Covenant House gave the most compelling testimony we heard. She told us that Covenant House works. Covenant House takes in teenage parents and helps them build a future for themselves and their children. She also told us that Covenant House has been extremely successful in preventing second pregnancies among the girls it serves.

We know that 42 percent of welfare recipients gave birth as teens. And we also know that the younger a girl is when she gives birth, the more likely she will become a long-term welfare recipient. But Covenant House and other second chance homes increase the chance that these mothers will break out of the welfare failure chain.

We should not penalize the children of teenage mothers simply because of the circumstances into which they were born. Nor should we allow their mothers the option of getting a benefit check that is a ticket to their own apartment. Rather, teenage mothers should have to finish school and learn how to take care of themselves and their children. They should learn the kind of responsibility that will not only improve their lives, but the future prospects of their children. That will only happen it States receive the resources necessary to make second chance homes a reality.

The U.S. Catholic Conference, the National Council of Churches, Catholic Charities U.S.A., and many others agree with me that second chance homes should be included in reform. We are all concerned about the need for strong welfare reform that discourages out-of-wedlock pregnancies. I hope my Republican colleagues will work with me to make second chance homes a reality.

But while I see enormous potential for Republicans and Democrats to work together on many aspects of welfare reform, there is one significant problem. The sponsors of welfare reform on the Republican side have shown complete unwillingness to move from their block grant approach. They argue that block grants are the only way to provide State flexibility. But, Mr. President, that's simply not true. Both the WAGE Act and Work First provide States with unprecedented flexibility without dumping welfare completely on the backs of State and local taxpayers.

The block grant in the Republican bill is the height of irresponsibility. History will prove that fact. We must all recognize that the need for a nationwide safety net has nothing to do with whether Governors or Members of Congress care more about children. Obviously, we all care deeply about our children.

But ending our Nation's safety net for children is extremely dangerous. Neither Governors nor Members of Congress can prevent the uncertainties that come from the business cycle, recessions, population shifts between States and natural disasters. If we abolish a safety net for children, the security of our Nation's children will be left to chance, depending solely on where a child lives. It is inconsistent at best for those who preach about morality and family values to support a plan that undermines those values.

The Work First plan strikes the right balance. It prohibits any unconditional entitlement to welfare benefits. Instead, it requires people to work in return for welfare. While it includes a few basic requirements for States, it also provides States with significant flexibility. It wipes out the 45 State plan requirements that are currently in AFDC. Work First replaces the old requirements with only a few categories. It provides States with the flexibility to design employment programs; provide incentives to case managers for successful job placements and retention among the welfare population; determine program eligibility; and establish a number of other policies under the State work program.

The last time the Senate acted on welfare reform, we passed a bipartisan bill with 96 votes. There are many aspects of welfare reform on which Republicans and Democrats can agree. But I am disappointed in the block-grants-or-bust approach being taken by the Republican majority. There are responsible and innovative ways to address this issue without the second-best pure block grant approach.

I developed the WAGE bill in order to demonstrate that there is, indeed, a better way to reform welfare. The Work First Act closely parallels my approach. I sincerely hope that my Republican and Democratic colleagues alike will support Work First. Work First scraps a system that is broken. It uses the best ideas to build an effective welfare system that will move people into work and keep families together. And it allows States the freedom to try new ideas. I strongly believe that Work First offers the best possibility for bipartisan welfare reform this year.

Mr. President, I want to conclude by thanking my colleague, Senator MOYNIHAN, who has been a visionary on this question for longer than most people have been aware that it was a critical problem facing this country. I can remember so well 30 years ago when my colleague from New York warned this Nation of what was to come, and he has been precisely correct in what he predicted.

There is no other Member of this Chamber, there is no other academic in American society, there is no other expert who predicted with such accuracy and such vision what would occur in this country. No one has matched the predictive power of the Senator from New York, and I think his views are owed special deference because he is the only one here who has a track record of accurately predicting what would happen in 30 years. It is truly remarkable the vision that he has had with respect to this issue, and I have listened to and learned from my colleague from New York. I hope other colleagues, before this debate is concluded, will listen and learn from this very wise man.

I thank the Chair and yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my colleague on the Finance Committee and my friend from North Dakota for his very generous remarks. May I make the point that it was he who asked in the Finance Committee, how are you going to provide for the job training provisions in the majority measure, and the CBO simply said, ''You can't.''

It was a clear and concise statement of what we are up against and what we are going to do to ourselves if we do not come to our senses.

I thank the Senator from North Dakota.

I see my friend from Minnesota is here.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, every sports fan in America celebrated along with Baltimore's Cal Ripken last night; when he played in his 2,131 consecutive game and broke a baseball record most thought could never be toppled.

That is an impressive feat; even more impressive when you consider that ''The Streak'' represents more than 13 years of dedication, sacrifice, and plenty of hard work.

There is another consecutive streak you should know about, one that has not received nearly the attention that Cal Ripken's has, but one that affects a lot more people, and imposes an enormous cost on the American taxpayers. Worst of all, this streak has gone on unchecked for more than 30 years.

Since the Great Society programs of the 1960's—for three long decades—taxpayers have suffered through a consecutive Federal spending streak that has taken more than 5 trillion of their tax dollars and siphoned them off to fund a welfare system that, frankly, has done more harm than good.

Mr. President, I hope Cal Ripken's streak goes on forever, but the uncontrolled welfare spending streak must

come to an end, and it is up to us to stop it. I rise today to remind my colleagues of a simple truth, and that is, the people are demanding that this Congress take responsibility for our broken welfare system and fix it.

Last year, when I was running for the Senate, I listened to Minnesotans as we sat down together in their coffee shops and truck stops, in their businesses and in their homes.

They asked me over and over again: ''What are you going to do about welfare?''

I told them we were going to fix it, and many of my colleagues made the same promise.

As you know, we just returned from a 3-week recess, and like many others, I had the opportunity to spend that time traveling my State, meeting with people once again and again listening to their concerns.

But the question this time was not ''What are you going to do about welfare?'' The question now was ''What are you doing about it?''

The people are expecting solutions, not delays, not the attempts we are seeing to derail this critically important legislation.

For three decades, it has been the taxpayers who have paid the price for a welfare system that does little but encourage dependency and illegitimacy.

For three decades, the taxpayers have continually turned over their hard-earned dollars to individuals instead of bettering their own families and helping secure their own futures. The taxpayers have been subsidizing hopelessness and despair.

Congress has attempted to repair this mess before. The last major effort was in 1988, with the passage of the Family Support Act. On the day that conference report was passed in the House, my good friend, BILL ARCHER, now chairman of the Ways and Means Committee, went to the floor with a warning.

He said:

> My criteria for welfare reform are that after 5 years of implementation we should be able to say to the taxpayers of this country that we have been able to encourage and to remove welfare recipients from the rolls so that it results in a program which has fewer welfare recipients than would occur under the current law. We should be able to say to the working people of this country that the cost of this program will result, after 5 years, in reduced taxes necessary to pay for welfare. This bill fails on both accounts.

Mr. President, he could not have been more right, and we should have listened.

Today, 7 years later, we have 1.3 million more families on the AFDC rolls than we had back in 1988. Seven years later, the working people of America are paying more taxes than they have ever paid before—4.5 percent more than they paid in 1988. We cannot continue to think that we will solve the welfare problem by throwing more precious taxpayer dollars at it, hoping that they will do some good. And, at last, I think we have a Congress that understands.

Instead of encouraging the status quo, the Republican welfare reform legislation offers welfare families a future. It offers hope. Yes, it does ask something in return from those who benefit from it. But what it gives back is something infinitely more valuable: self-esteem, a sense of accomplishment, and a chance to create a better life for themselves and their children.

The first step in creating that better life does not require anything more than a commitment. In breaking that long-held baseball record last night, Cal Ripken reminded us all that a person does not necessarily need to be the strongest, or the fastest, or the biggest player on the team to make a lasting contribution. Sometimes those with the most to give are simply the folks who show up every day, ready to work, eager to make a contribution.

Taxpayers do that. They show up for work every day, put in 40-plus hours a week for their hard earned money. They make a contribution.

With our legislation, we are encouraging welfare recipients to step up to the plate and take their turn at bat, to start lifting themselves, with our help, toward something better. We are not expecting home runs, but we will expect them to show up at the ballpark, ready to contribute. If we can accomplish that, then we cannot help but succeed.

Mr. President, I urge my colleagues to get serious about moving this legislation forward. I have heard about the terms of bipartisan support and a bipartisan effort. I hope that is what we can come down to as we go on with this debate, that we do come to a consensus that this is a bipartisan effort. I heard my colleague from North Dakota say we are not going to get everything he wants or everything I want, but hopefully we can come together with a plan that does meet the needs, obligations, and the responsibilities to our taxpayers. And they expect nothing less. Thank you, Mr. President.

I yield the floor.

Mr. MOYNIHAN. Mr. President, may I congratulate the Senator from Minnesota not only for the substance of his remarks but for the elegant way in which last night's events in Baltimore were used as a metaphor for what it was about. Having in my youth watched Lou Gehrig at the Yankee Stadium, I had a certain ambivalence about it, but nothing like upward and onward.

I will just say that regarding the substance of what is hoped for in welfare, there is a consensus, surprisingly, and it commences with the 1988 legislation, which redefines a widow's pension as a reality of this time. There is no agreement on how you finance—pay for—what needs doing.

Yet, the Senator from Minnesota spoke very properly about the prospect of consensus and bipartisanship, and I hope we may yet find that. We have done it in the past; why not in the future?

None speaks more ably and with more of a record in this regard than the Senator from Illinois. I see that he has risen. I believe he would like to address the Senate in this matter. I ask him how long he would like?

Mr. SIMON. Five minutes.

Mr. MOYNIHAN. In 5 minutes, the Senator from Illinois can say more than most of us do in 50. I am happy to yield him the time.

Mr. SIMON. I thank the Senator from New York. I wish he were accurate in that.

We all want welfare reform. I heard the Presiding Officer at a committee meeting this morning talk about the need for that. I do regret that we do not have more of a bipartisan effort, not only on this but on a lot of things. This has happened gradually over a period of years on the Hill, and I think it has not been a healthy thing. So when the Senator from Minnesota makes his comments about the need for working together, I agree. I heard Senator TED STEVENS make similar comments yesterday morning, and Senator BYRD has made some comments along that line.

Real candidly, the principal bill that we have, without the amendment, does not deal with the problem of poverty, does not deal with the problem of jobs. Whether you have a Democratic Senate or a Republican Senate, whether you have a Democratic President or a Republican President, one thing is not going to change, one trend line: the demand for unskilled labor is going down. Most of those on welfare are people who do not have skills. And so to have real welfare reform, we really have to be talking about jobs, ultimately. But, in the meantime, we cannot let people fall through the cracks.

I heard what our colleague from North Dakota, Senator CONRAD, said about Senator MOYNIHAN. Senator MOYNIHAN knows more about welfare than all of the rest of this body put together—meaning no disrespect to my colleagues here from Arizona and Minnesota, and anywhere else. But the reality is that we have, as a Nation, said we are committed to having a safety net for people. This bill, unamended, takes out the safety net. That is the reality. The State maintenance effort that is now required will die. If Arizona wants to do nothing, Arizona can do nothing. And if Illinois wants to do nothing, Illinois can do nothing.

Let me add one other point. The Dole bill takes a bill that emerged from the Labor and Human Resources Committee, dealing with job training and a number of other things like that, and just drops it wholesale in here—a bill that I think most of us on the committee know needs to be refined. For example, the Job Corps is just decimated. Now, the Job Corps needs to be improved. But 79 percent of the people in the Job Corps are high school dropouts. This is not a Sunday school class we are picking up and saying we want to help you along; these are people who are on the fringes, and the Job Corps

has been a remarkably successful enterprise.

I will have an amendment, Mr. President, that is identical to a bill that Senator Boren and Senator REID and Senator Wofford and I introduced last year, which will call for an experiment—basically, a WPA type of program in four locations, to be picked by the Secretary of Labor, in which we will say that you can be on welfare 5 weeks—not 5 years, not 2 years, but 5 weeks—and you have to work 4 days a week at the minimum wage. The fifth day you have to be out trying to find a job in the private sector. We will give you $535 a month—not much money, but at least something. I do not recall the average in Arizona, but the average welfare payment per family in Illinois is $367. And then projects would be picked by local citizens, and these people will work on the projects, as we did in the old WPA.

Screen people as they come in. If they cannot read and write, get them into a program. If they have no marketable skill, then get them to a community college.

The PRESIDING OFFICER (Mr. COATS). The time of the Senator has expired.

Mr. SIMON. Could I have 1 minute?

Mr. MOYNIHAN. The Senator from Illinois can have as much time as he desires because he has so much to say and says it so well.

Mr. SIMON. I thank my colleague from New York. I intend now to speak for 2 or 3 hours, but I shall not.

One other great advantage of the WPA-type of program that I will offer in this amendment is we do not restrict it to one person in a household. One of the things that we have done through our welfare policies is discourage families from sticking together.

If you can have two people earning an income on a WPA-type of project, then, frankly, they would have a chance of not living in luxury, but there would be the economic incentive for families to stick together rather than families to separate.

I certainly am going to support the amendment offered by Senator DASCHLE and Senator MOYNIHAN. I hope we do not do real harm to this country in the name of welfare reform. Everything that is under a label ''welfare reform'' is not real good for this country. We have to recognize that.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I see the able and learned Senator from California has risen. She has asked if she might have 12 minutes. She most certainly can, and I look forward to hearing from her.

Mrs. BOXER. Thank you very much, Mr. President. Thank you very much, Senator MOYNIHAN, not only for the time but for your extraordinary leadership, your vision.

I think it should send a chill through this body, whether we are Democrats or Republicans, men or women, moms, dads, single people, grandmothers, or grandfathers, when you discussed very clearly the results of the Republican plan: if it passes and is signed into law, it will undoubtedly mean children in deep despair, and in deep poverty. Your image of children sleeping on grates across this Nation is one which I take very seriously.

There are few in this Congress and few in this country and I could even say, in my opinion, there are none, who have been so correct in their analysis of what is happening to the poor in this Nation. We have made many mistakes, the Senator from Minnesota is correct, as we have tried to deal with this very intractable problem. I hope we would not replace some of those mistakes with even deeper mistakes. I, therefore, applaud the call for bipartisanship as we deal with this issue.

Mr. President, I think it is important to note that we are talking here about the Nation's children. If you look at my home State of California, approximately 70 percent of California AFDC recipients—that is, those who are on welfare—are children. Let me repeat: in my home State of California, 70 percent of those on welfare are children. Children who were born into a circumstance not of their own making at all—just their circumstance.

What we do here will impact them greatly. In many ways, we are their protectors, Mr. President. We are their protectors. I hope we will not abandon them.

As I listened to the Senator from New York, my leader on this issue, I say that he has issued a warning that if the Dole bill passes unamended, in fact we will be doing just that. We will be saying that regardless of our statements in all of our campaigns—that children are the most important thing, that children are our future—that without our children getting a break, the country will go backwards. In fact we will be walking away from the future. We would be walking away from our responsibility.

Many know I have had the great joy of becoming a grandmother for the first time. As I looked at that little child and saw all the love that he gets on a daily basis, I know how pleased he is. We can never guarantee anyone that they will have that much love in their life.

But, my goodness, we have to give the basic guarantee to these innocents, to these babies, that they will not be left out in the cold. At least that, Mr. President. At least that.

Now, it was President Clinton who brought this issue to our attention during his campaign. ''We must end welfare as we know it,'' he said. I think that President Clinton has a great deal of compassion in his heart for children.

I know that he agrees with us in the Senate when we say, ''Let us reform welfare to benefit the children, not reform it to hurt the children.'' We will be judged on how we handle this bill. We will be judged in the abstract at first, but we will be judged by the results eventually.

People will know if children are going hungrier, if more of the homeless are children. They will know where to point the finger, and it will be right here. If we take the Dole approach without amending it—and I hope in a bipartisan fashion we will amend it—we will be hurting our children and we will see the results of that and we will know when and where it came from.

I listened to my learned friend from New York talk about what happened to the homeless after we moved to close down mental institutions. For all the good reasons—we said, it is better to have our mentally ill in smaller institutions, smaller homes throughout the country. But something happened on the way to the Forum. We ran out of money and we never built those alternatives.

This situation is worse because right off the top we know in the Dole bill we are freezing spending. At least when my predecessors tried to reform the mental health system, they had a plan. But this Dole bill is no plan. It is an abdication, not a plan. This is very, very troubling.

Now, one of the things that upsets me perhaps more than any other, is that there is no clear way in the Dole bill that we are going to enable working moms and working dads to rely on child care.

Child care is really an incidental in the Dole bill. It is wrapped into a job assistance grant. The funds are frozen. In California, we have thousands of kids today waiting in line to get into child care. We do nothing.

I hearken this Senate back to the days of Franklin Delano Roosevelt, who is often praised by Republicans for his leadership. He knew we needed to get women into the workplace. We all know about ''Rosie the Riveter.'' Without women going to work and building the machinery of war that we had to build in this Nation—and we had to catch up because we were so behind in order to fight these battles—women were relied upon in the workplace. And Franklin Delano Roosevelt knew a woman was not going to abandon her child. She was going to need child care while the husband was off at war and she was off in the factory.

According to Doris Kearns Goodwin in the book ''No Ordinary Time,'' which I commend to everyone, nearly $50 million was spent on child care before the end of the war. And the women blossomed in the workplace because they knew that their kids were OK.

I like the Democratic alternative. I think it makes sense because what it says is: You must work, but we will make sure that you do not abandon your children. The Democratic plan is respectful of the family, is understanding of the family. The Democratic plan puts work first and children first. Work first and children first. The Republican plan takes us out of the game. It says to the States: Here it is. It is your problem.

The people in our States understand in the end it will be their problem, because what is going to happen when there are more helpless and more homeless and more desperate people, and people are tripping over them in the street and we are out of it?

We have to balance the budget, and we will. We will not have the money for welfare. And it will be the greatest unfunded mandate of all time, because people are not going to allow their communities to deteriorate.

So I am very proud to support the Democratic alternative. I think it is smart. I think it builds on what success we have had. In California we have had success. In Riverside County, for example, and in Los Angeles County, we have put a large percentage of welfare recipients onto the work rolls because we have really given them what they need. But the Republican plan, that is going to lead to nothing but trouble—trouble in the States, unfunded mandates laid on our State taxpayers, laid on our local taxpayers.

I come from the local end of things. I got elected to the Board of Supervisors of Marin County a long time ago. I got calls at home when anything was going on in the street. I can assure you, county supervisors and city council people and mayors and Governors are going to be very upset when these problems appear in their communities and the Federal Government says, ''It is your problem.''

Mr. President, an estimated 70 percent of welfare recipients are children and here we are walking away from those children. We do not have to do it. Let us be tough on work and kind to children. That is what the Democratic alternative does. I hope we will have bipartisan support for that. My cities in California are desperate about this. Billions of dollars will be lost to the big counties in California with the Republican plan—billions. Not millions but billions. And the problem will not go away.

So I stand with the former chairman, the Democratic ranking member of the Finance Committee. His vision should not be ignored. We should learn from him. We should listen to him. He is the leader in this Nation on this issue. He predicted what would happen in the communities, the out-of-wedlock births, and the problems that would follow in society. And when he says he knows we are going to see kids sleeping on grates, and misery, and children who are out of control—he knows what he is talking about.

So I stand with him proudly. I hope we will support the Democratic alternative and, if we lose that, that we will come together on amending the Dole bill. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I express particular personal thanks to the Senator from California for her generosity in her remarks, and to make the case—just comment—that in the aftermath of the Family Support Act, we had considerable successes in places such as Riverside. And we also had a continued rise in the number of families headed by women.

The CBO has done the best analysis you can do with these things, a regression analysis. It states the caseload increase from late 1989 to 1992, increases in the number of families headed by women explain just over half in the rise of the AFDC basic caseload. A quarter was the recession.

I ask unanimous consent the analysis be printed in the RECORD at this point.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 6, 1993.

Subject: CBO Staff Memorandum on Rising Caseloads in the Aid to Families with Dependent Children (AFDC) Program.

We are enclosing a copy of ''Forecasting AFDC Caseloads, with an Emphasis on Economic Factors,'' which was prepared by Janice Peskin and John Tapogna in response to a request from the Subcommittee on Human Resources of the Committee on Ways and Means. To understand the upsurge in AFDC caseloads that began during late 1989, the memorandum develops regression models that estimate how various factors affect caseloads.

The CBO model for the AFDC-Basic caseload indicates that:

The effect on employment of the 1990–1991 recession—and the relatively weak economy before and after the recession—accounts for about a quarter of the recent growth in caseloads; and

Increases in the number of families headed by women explain just over half of the rise in the AFDC-Basic caseload.

Looking ahead to the 1993–1995 period, increases in the AFDC-Basic caseload are expected to be sizable. The main underlying causes are growth in the number of families headed by women—especially by never-married mothers—which is expected to continue at a rapid rate, and the relatively weak economic recovery that is forecast.

We hope you find this report useful.

Mr. MOYNIHAN. I do not want to go around looking like an Easter procession here or something, but to my friend from California, that is the pen with which John F. Kennedy, in his last public bill-signing ceremony, October 31, 1963, signed the Community Mental Health Construction Act of 1963.

We were going to build 2,000 community mental health centers by the year 1980 and 1 per 100,000 population afterwards. We built 400 and we forgot what we were doing. We emptied out the mental institutions. The next thing you know, the problem of the homeless appears. I was there. He gave me this pen. And we said, ''The homeless? Where did they come from? It was certainly nothing we did.''

It was exactly something we did. When you see those children sleeping on grates in 10 years time in your city, do not think it will not be recorded, thanks to the Senator from California, that you can see it coming. Somebody might keep the pen with which this bill is going to be signed, if in fact it is signed, for such an occasion.

Mr. President, I thank, again, the Senator from California. I see the Senator from Michigan is on the floor. Would he like to speak?

The Senator from Michigan asks 15 minutes. The Senator from Pennsylvania has nobody wishing to speak.

The PRESIDING OFFICER. The Chair will advise the Senator from New York that the time remaining under the time agreement for his side is 12 minutes and 45 seconds.

Mr. MOYNIHAN. The Senator from Michigan is accordingly granted 12 minutes. We will have 45 seconds to wrap up. Is that agreeable?

Mr. LEVIN. I will be happy to take 10.

Mr. MOYNIHAN. No, we understood this would happen and it has happened.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank my friend from New York. I also thank him, much more importantly, for the extraordinary wisdom, as well as passion, with which he addresses this subject. The experience that he has, the institutional and national memory which he carries around up there in his head, is unique. I just wish there were more of us like him in that capacity, to learn from experience not just what is achievable, but also to pass along the lessons of unintended consequences for so many things that we do.

Mr. President, the Nation's welfare system does not serve the Nation well. It is broken in a number of places. It has failed the children that it is intended to protect. It has failed the American taxpayer.

I am hopeful the debate in the Senate will result in a constructive effort which will finally end the current system and achieve meaningful reform. Meaningful reform will assure that children are protected, that able-bodied people work, and that child support enforcement laws are fully effective in getting fathers to support their children.

The history of this country's welfare reform is littered with the remains of programs that have begun with high expectations but fall short in reality. Welfare has too often been a cycle of dependence instead of independence. It makes no sense to continue a system which contains incentives for people to be on welfare. We have an obligation to break this cycle for all concerned.

The imperative of ending welfare dependency has led me to conclude that one component of welfare reform must be time limits on welfare benefits, in order to force able-bodied recipients to seek and secure employment.

The Daschle work first bill fundamentally changes the current welfare system by replacing a system of unconditional, unlimited aid with conditional benefits for a limited time. But it does so without abandoning the national goal of helping children. Under the work first bill, in order to

receive assistance, all recipients must sign an empowerment contract. This contract will contain an individual plan, designed to move the recipient promptly into the work force. Those who refuse to sign a contract will not get assistance, and tough sanctions will apply to those not complying with the contract that they sign. I have long believed that work requirements should be clear, strong, and should be applied promptly. I am pleased that Senator DASCHLE has accepted a modification at my request which adds a requirement that recipients be in job training or in school or working in a private sector job within 6 months of the receipt of benefits, or, if a private sector job cannot be found, in community service employment. The requirement would be phased in to allow the States the opportunity to adjust administratively.

The Dole legislation requires recipients to work within no more than 2 years of the receipt of benefits. But why wait that long? Why wait 2 years? Unless an able-bodied person is in school or job training, why wait longer than 6 months to require that a person either have a private job or be performing community service?

There is no doubt that there is a great need in local communities across the country for community service workers. Last year, the demand for community service workers from the President's AmeriCorps Program was far greater than the ability to fund them. According to AmeriCorps, of the 538 project applications requesting approximately 60,000 workers, applications for only about 20,000 workers, about a third, could be funded. Projects ranged from environmental cleanup, to assisting in day care centers, to home health care aides. So it is clear that there is no shortage of need for community service and for workers to perform community service.

Mr. President, I have long been concerned about the cycle of dependency and the need to return welfare recipients to work. As long as 14 years ago, in 1981, I was the author, along with Senator DOLE, of an amendment which was enacted into law to put some welfare recipients back to work as home health care aides, thereby decreasing the welfare rolls and increasing the local tax base.

This demonstration project called for the training and placement of AFDC recipients as home care aides to Medicaid recipients as a long-term care alternative to institutional care and was subject to rigorous evaluation of demonstration and the post-demonstration periods.

The independently conducted program evaluation found that in six of the seven demonstration projects, trainees' total monthly earnings increased by 56 percent to over 130 percent during the demonstration period. Evaluations of the post-demonstration years indicated similarly positive and significant income effects.

Consistent with the increase in employment, trainees also received reduced public benefits. All seven States moved a significant proportion of trainees off of AFDC. In four of the States, a significant proportion of the trainees also were moved off of the Food Stamp Program or received significantly reduced benefit amounts.

Additionally, the program evaluation indicated that it significantly increased the amount of formal in-home care received by Medicaid clients and had significant beneficial effects on client health and functioning. The evaluation also indicates that clients benefited from marginally reduced costs for the services that they received.

As the 1986 evaluation of our demonstration project showed, this type of demonstration had great potential in allowing local governments to respond to priority needs and assist members of their community in obtaining the training necessary to obtain practical, meaningful private-sector employment and become productive, self-sufficient members of their community.

So experience has shown that we must be much more aggressive in requiring recipients to work. But, as we require recipients to work, we must remember that another important part of the challenge facing us is that two-thirds of the welfare recipients nationwide are children. Almost 10 million American children—nearly 400,000 in my home State of Michigan alone—receive benefits. We must not punish the kids in our welfare reform.

I am hopeful that the 104th Congress will get people off welfare and into jobs, in the privilege sector, if possible, but in community service, if necessary.

I want to again commend and congratulate Senator MOYNIHAN for his decades of work on this issue. I want to congratulate Senators DASCHLE, MIKULSKI, BREAUX, and so many others of our colleagues who have worked on the Daschle work first bill, which I am proud to cosponsor.

The work first bill is tough on getting people into jobs. But it provides the necessary incentives and resources to the States not only to require people to work, but to help people find jobs and to keep them.

Mr. President, I have focused on making sure that able-bodied people on welfare work. That has been a focus of my efforts for over a decade now in this body, and I have described one of those efforts, with Senator DOLE, that we actually succeeded in putting into place over a decade ago that had some very positive effects. But there are other critically important elements of positive welfare reform. The number of children born to unwed teenaged mothers has continued to rise at totally unacceptable rates. We all recognize the need to do something about this and to remove any incentives created by the welfare system for teenagers to have children. I support teen pregnancy prevention programs with flexibility for the States in its implementation.

We also know that the problem of teen pregnancy and unwed teenaged parents is not going to be completely eliminated or easily eliminated. So I support provisions which require teen parents to continue their education and job training and to live either at home with an adult family member or in an adult-supervised group home in order to qualify for benefits.

We should not erode the Federal safety net for low-income working families and for families who have exhausted their unemployment benefits. We frequently forget those families. Working families who lose their jobs get unemployment and then exhaust their unemployment. These are working people.

Tens of thousands of people in my home State of Michigan, over 329,000 nationally, who are working people who have exhausted their unemployment benefits have had to move into welfare as a final resort. That was their final safety net. And responsible reform must assure that in times of economic crisis, funds are available for working families who have lost their jobs and exhausted their unemployment insurance. And the only way to do this is with a Federal safety net, that Federal safety net which the Senator from New York has spent so much time analyzing and discussing before this body.

Child care assistance is an important facet of realistic welfare reform as it is for low-income working families who are not on welfare. Child care assistance is essential to help recipients keep a job and stay off welfare. Assistance is particularly needed in transition periods moving from welfare to work. That is why child care assistance is such an important feature of the work first plan, not just for people on welfare but for low-income people, whether or not they are on welfare.

Another key element of any successful welfare program will be assuring that parents take responsibility for their children. So we must toughen and improve interstate enforcement of child support. I very much support provisions to require welfare recipients' cooperation in establishing the paternity of a child as a condition of eligibility for benefits, and a range of measures such as driver's license and passport restrictions, use of Federal income tax refunds, and an enhanced database capability for locating parents who do not meet their child support obligations.

The Daschle amendment which is before us addresses these and other problems. It ends the failed welfare system and replaces it with a program to move people into jobs, to provide child care, to assure that parents take responsibility for the children they bring into the world, and it does this without penalizing America's children.

So I intend to vote for Senator DASCHLE's work first welfare reform

program to finally end the current system and achieve meaningful but realistic welfare reform.

Again, I want to particularly single out our good friend from New York for the dedication which he has brought to this subject over so many decades, and for the wisdom which he imparts, and for the warnings which he really gives to all of us that we should do our best to reform the system but be aware of those unintended consequences. It is a lesson which each of us should heed.

I thank my friend for the time.

I yield the floor.

The PRESIDING OFFICER. The Chair would advise the Senator from New York that he has 25 seconds remaining.

Mr. MOYNIHAN. I will use each of those seconds to thank my incomparably learned and capable friend from Michigan who has so wonderfully guided us in legal matters through this Congress and who has spoken so wisely about welfare and who has spoken generously about the Senator from New York.

Mr. President, if I have 5 remaining seconds, I will retain them for some unspecified purpose.

The PRESIDING OFFICER. The time has expired.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, the majority leader has very generously suggested we might have an additional 15 minutes for our side, and the Senator from Vermont is present and I give him as much of that time as he wishes.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from New York and the distinguished Republican leader for the courtesy that in my years here I have grown accustomed to receiving from both of them.

Mr. President, I am concerned about the welfare bill before us, the Republican version. I know that a lot of very good Senators on both sides of the aisle have been wrestling with the problems we face, but I worry about just how that wrestling match may come out.

Mr. President, the Republican welfare bill is an all-out assault on low-income children and families. The bill is anti-child, anti-family and it does nothing to get people off welfare and into a job.

The rhetoric being used to sell this bill to the American people is full of false promises. The bill is not reform.

It boxes up welfare problems and ships them off to the States. On the outside of this box there ought to be, in big bold letters, a sign that says ''Local taxpayers beware.''

Sending severely underfunded block grants to the States with no real emphasis on work will cost all of us more in the end. The Senate Republican plan cuts spending on welfare now, but you can be sure that local taxpayers will be picking up the tab later.

According to the Congressional Budget Office, 44 of the 50 States will not meet work participation target rates in the Senate Republican bill because this plan fails to provide States with the money needed to achieve these rates.

Here is another unfunded mandate being passed on to the State and local taxpayers.

States must either swallow further cuts in Federal payments to the needy—or come up with more money from their own coffers.

This makes no sense—unless the true purpose of this bill is to turn our back on the unemployed and further burden the taxpayer. You have to be tax-happy or cold-hearted to like this bill.

In my home State of Vermont, the Republican bill would cut over $77 million in cash assistance, supplemental security income, child care, and food stamps over the next 5 years.

Under the Republican block grant proposal there will be no adjustments for high unemployment or recession. When the block grant money runs out, Vermonters will pick up the tab.

Helping low-income Americans find a way out of poverty is a responsibility of both States and the Federal Government. The Republican plan abandons any national involvement in providing for the welfare of the Nation.

States need more flexibility, but that does not mean shedding our national responsibility.

I cannot support the Republican plan, but I intend to vote for the alternative proposal offered by Senator DASCHLE. The Democratic leader's plan continues a national commitment to keep families together and work their way off welfare.

Families on welfare cannot get jobs if they do not have adequate child care support. They cannot keep their jobs unless there is a transition period for child care.

The Democratic bill not only emphasizes helping people find work—but backs it up with the child care necessary to go to work.

The Democratic alternative is a national commitment to help children and families work their way out of poverty. The Republican bill is a feel-good, do-nothing charade that takes a walk on the problem of poverty.

There is a welfare scandal in this country that most Republicans have been strangely silent about. It is the scandal of corporate welfare.

As we pause on the brink of slashing food assistance and child care to needy families, I wish we would think a little bit about the corporations that are receiving benefits from Uncle Sam.

According to the conservative Cato Institute, the American taxpayer spends $85 billion a year on corporate welfare—not including tax loopholes that cost many billions of dollars more.

The reason for this is simple. Low-income children cannot hire high-priced Washington law firms. Those who can hire expensive law firms are spared the reform axe this year.

The Senate Republican bill takes food, child care, housing assistance and assistance for disabled children away from families, but continues the practice of letting taxpayers foot part of the bill for wealthy corporations to lease limousines.

We must look at the entire welfare system—including corporate welfare.

Nobody on the Senate floor disagrees that we need to reform welfare aid for low-income families. We do. There are too many programs that do too little to help people get back to work.

We need to ask more of those who receive assistance, but we should not abandon those who play by the rules. We also need to continue programs that reward low-income working families.

This bill is just the latest attack by Republican leadership in Congress on low-income children and families. But families on welfare are not the only targets.

Earlier this year, the Republican leadership announced plans to cut back the earned income tax credit [EITC]. This is a tax credit that rewards low-income Americans who work. It makes a huge difference for families struggling to pay the rent and buy food for their kids.

Yes, you heard it right. The Republican leadership wants to raise taxes for low-income working families.

The Republican budget resolution also cuts Medicaid by $180 billion over the next 7 years. Medicaid provides long-term care for low-income seniors, the disabled and health care for low-income children and families.

Following through on the budget resolution, the House just cut billions out of next year's appropriations for education programs, Head Start and youth work programs.

At the same time, the House is gearing up to pay for 20 additional B–2 bombers at $1 billion a pop. A plane that the Pentagon has said it does not even want. We need to get our priorities straight.

The Republican assault on programs that benefit low-income Americans comes at a time when census data shows the gap between the rich and the poor is greater than at any time since the end of World War II.

If the present trends continue, the America that our children grow up in will look more like a Third World country, with deep gulfs between the rich and the poor.

Programs that keep poor families together, rather than tearing them apart and programs that feed children so they can learn, are investments in our future.

These investments will make America more productive.

Members of Congress have benefited from the opportunities which have made America the land of opportunity.

We have an obligation to make sure that those same opportunities are available for the next generation.

We must work together to make responsible bipartisan changes to Federal programs that provide assistance to low-income children and families. I fear, however, the public policy is right now being overshadowed by Presidential politics.

I hope that reason will prevail over hysteria as we all take a good hard look at how we can make welfare programs work better for all Americans.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I am pleased that the Senate has finally embarked on an earnest and vigorous debate on reforming welfare. Except for the balanced budget amendment, this is probably the most important legislation we will tackle in this Congress. There is no doubt that our current system is failing welfare recipients and taxpayers alike. I believe that all Senators recognize the shortcomings that exist in welfare and sincerely want to rectify them. Although there are some tough issues yet to be resolved, let us not shirk the responsibility we have to all citizens of this country to work together in passing meaningful welfare reform.

We have before us various proposals to revise the Federal programs that provide assistance to the poor in our Nation. After reviewing the different recommendations, I have concluded that the Work First legislation authored by Senators DASCHLE, BREAUX, and MIKULSKI contains the best alternatives to the current problems in our welfare system. First and foremost, the Work First plan mandates work for welfare recipients and an end to government dependency. The AFDC Program would be abolished and replaced by a time-limited benefit, conditional upon a recipient's signing and complying with a parent empowerment contract. Welfare offices would be transformed into employment offices and ensure that welfare parents become productive members of the work force as soon as possible. Persons receiving temporary employment assistance would be required to look for work from day one and would be penalized for turning down any legitimate job offer. States would confirm that an increasing percentage of their welfare populations are entering the work force. Unlike the Republican leadership bill, however, States would have access to the necessary resources to fulfill work participation rates. Child care assistance would be available to help welfare parents successfully make the transition to employment. The Congressional Budget Office has stated that the lack of child care would make it impossible for 44 States to comply with the majority leader's bill. I do not wish to place such an unfunded mandate on the States. The Work First plan recognizes that child care is a must for States to meet its tough work participation rates. Moreover, only with sufficient child care can single welfare parents retain jobs and avoid a return to welfare dependency.

The Work First bill provides greater incentives than welfare. It transforms the entire welfare bureaucracy, making it work-oriented. States are given the flexibility to administer the Work First employment block grant themselves or contract with private companies to move temporary employment assistance recipients into full-time, private-sector jobs. Senator DASCHLE's bill is cost-effective. It would achieve a savings of $21 billion over 7 years, all of which would go directly toward deficit reduction. And while the Work First proposal imposes tough time limits for welfare assistance, it contains important protections for children, the innocent victims of our current defective system.

There is an urgent need to improve the welfare system in the United States. I hope that the Senate will take advantage of this historic opportunity to enact legislation to overhaul our flawed programs and empower welfare recipients to break cycles of dependency and become successful and productive citizens.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I think at this point we may have a few moments remaining, which I would like to reserve for some unanticipated purpose.

Seeing no Senators on this side, I see the Senator from Oklahoma.

Mr. NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, we have heard several of our colleagues, particularly on the other side of the aisle, talk about the need for welfare reform. And I would say that there is unanimous support in the Senate and in the country for welfare reform. But I also would say in my opinion the Democrat alternative leaves a lot to be desired.

Let me just make a couple of general comments about welfare before I talk about the specific amendment that we have before us today.

We have a lot of Federal programs, and we are spending a lot of money on welfare. It kind of shocks people. I told people in my State this past month that we have 336 Federal welfare programs; 336 different Federal welfare programs, and they have not been working. We are spending lots and lots of money, and it has not been working.

In 1994, we were spending about $241 billion for welfare programs—$241 billion—and that figure is increasing dramatically. Most of these programs are entitlements. Most of these programs grow. The Federal Government defines eligibility, and then we see how much they cost at the end of the year. We do not budget them. We do not say, ''Here is how much money we are going to spend on welfare.'' They are entitlements. People are entitled to these benefits. Whether it is food stamps, whether it is housing assistance, whether it is energy assistance, you name it, we have a lot of programs where people are entitled to the benefit, and we see how much it costs at the end of the year.

It is not too surprising, therefore, we find a lot of people who become addicted to these entitlements and then they demand their money; they are entitled, as by definition of the Federal Government. So they become addicted to Federal programs. They become dependent on the Federal Government. We have to break the welfare dependency cycle we have in this country.

One of President Clinton's best lines in his 1992 campaign said, ''We need to end welfare as we know it.'' Everyone was applauding. Democrats, Republicans, and Independents said, ''Yes, we need to, because we realize the system is not working and it has not worked very well.''

Mr. President, I ask unanimous consent that a study done by the Congressional Research Service that lists the 336 welfare programs and their costs be printed in the RECORD.

There being no obligation, the study was ordered to be printed in the RECORD, as follows:

OVERVIEW OF FEDERAL PROGRAMS AND SPENDING IN EIGHT WELFARE DOMAINS NOVEMBER 1994

Welfare domain	Number of programs	FY 1994 or 1995 appropriation (in millions)
Cash welfare	7	* $17,171
Child welfare and child abuse	38	4,306
Child care	45	11,771
Employment and training	154	24,838
Social services	33	6,589
Food and nutrition	10	37,967
Housing	27	17,516
Health	22	5,076
Total	336	125,234

* Figure for FY 1996.

Note. The figure of $125.2 billion does not include the $87 billion the Federal Government spent on Medicaid or the $28 billion spent on Supplemental Security Income in FY 1994.

Overview of selected Federal cash welfare programs for low-income people November 1994

[In millions]

Program	*FY 1996 spending*
AFDC Basic payments	$12,040
AFDC Unemployed Parent payments	1,124
AFDC Emergency Assistance	600
AFDC Administration	1,637
JOBS	900
At-Risk child care	300

Program	spending
AFDC Transitional child care	570
Total	17,171

Source. Congressional Budget Office.

Note. All programs are under jurisdiction of the Committee on Ways and Means. AFDC=Aid to Families with Dependent Children.

Overview of Federal child welfare and child abuse programs for low-income people, November 1994

[In millions]

Committee of Jurisdiction and Program	FY 1995 appropriations
Education and Labor Committee (15 programs):	
Abandoned infants assistance	$14.4
Child abuse State grant program	22.8
Children's Justice Grant program	
Child abuse demonstration and research grants	15.4
Demonstration grants for abuse of homeless children	
Community based family resource program	31.4
Adoption opportunities program	13.0
Family violence State grant program	32.6
Family support centers	7.4
Missing and exploited children's program	6.7
Temporary Child Care for disabilities	5.9
Crisis Nurseries	5.9
Grants to improve the investigation and prosecution of child abuse cases	1.5
Children's Advocacy Centers	3.0
Treatment for juvenile offenders who are victims of child abuse or neglect	
Ways and Means Committee (13 programs):	
Child welfare services	292.0
Child welfare training	4.4
Child welfare research and demonstration	6.4
Family Preservation and family support program	150.0
Independent living	70.0
Entitlement for Adoption (4 programs)	399.3
Entitlement for Foster Care (3 programs)	3,128.0
Judiciary Committee (6 programs):	
Criminal background checks for child care providers	
Court-appointed special advocates (CASA) program	6.0
Child abuse training program for judicial personnel and practitioners	0.8
Grants for televised testimony	
Victims of crime program	
Grants to Indian tribes for child abuse cases	
Natural Resources Committee (3 programs):	
Indian child and family programs	24.6
Indian child protection and family violence prevention programs	0.6
Indian child welfare assistance	
Banking Committee (1 program):	
Family unification program	76.0
Total (38 programs)	4,306.1

*Estimated amount of the total $2.8 billion appropriation spent on child care.

Source. Congressional Research Service.

Overview of Federal child care programs for low-income people, November 1994

[In millions]

Committee of Jurisdiction Program	FY 1994 appropriation
Committee on Agriculture (1 program):	
Food Stamp program	$180
Subtotal	180
Committee on Education and Labor (25 programs):	
Student financial aid	–
Early Intervention grants for infants and families	253
Title I (Education for the disadvantaged)	127
Even Start	91
Migrant Education	26
Native Hawaiian Family Education Centers	5
School-to-work opportunities	–
Special Child Care Services for Disadvantaged College Students	–
Special Education Preschool Grants	339
Vocational Education	–
Child and adult food program	1,500
Abandoned Infants Assistance Act[1]	15
Child Care and Development Block Grant	892
Child Development Associate Credential Scholarship	1
Comprehensive Child Development Centers	47
Head Start	3,300
State Dependent Care Planning and Development Grants	13
Temporary Child Care for Children with Disabilities and Crisis Nurseries	12
Adult Training Program	–
Economic Dislocation and Worker Adjustment Assist. Program	–
Job Corps	–
Migrant and Seasonal Farmworkers Programs	–
School-to-work Transition (overlapping with Education)	–
Summer Youth Employment and Training Program	–
Youth Training Program	–
Subtotal	6,621
Committee on Ways and Means (11 programs):	
At-Risk Child Care	361
Child Care for Recipients of AFDC	528
Child Care Licensing Improvement Grants	–
Child Welfare Services	–
Social Services Block Grant	560
Transitional Child Care	140
Child Care and Dependent Care Tax Credit	2,700
Child Care as a Business Expense	–
Employer Provided Child or Dependent Care Services	675
Tax Exemption for Nonprofit Organizations	–
National Service Trust Program	–
Subtotal	4,964
Committee on Energy and Commerce (2 programs):	
Residential Substance Abuse Treatment for Women	–
Substance Abuse Prevention and Treatment Block Grant	–
Committee on Banking, Finance and Urban Affairs (4 programs):	
Community Development Block Grant	–
Early Childhood Development Program	6
Family Self-Sufficiency Program	–
Homeless Supportive Housing Program	–
Subtotal	6
Committee on Public Works and Transportation (1 program):	
Appalachian Childhood Development	–
Committee on Small Business (1 program):	
Guaranteed Loans for Small Business	–
Committee on Natural Resources (1 program):	
Indian Child Welfare Act—Title II grants	–
Total (46 programs)	11,771

[1] Jurisdiction shared by Energy and Commerce.

Note. Dash indicates indiscernible amount.

Source. Congressional Research Service.

Overview of Federal employment and training programs for low-income people, November 1994

[In millions]

Program	FY 1995 appropriation
Guaranteed Student Loans	$5,889.0
Federal Pell Grant	2,846.9
Rehabilitation Services Basic Support	
Grants to States	1,933.4
JTPA IIB Training Services for the Disadvantaged Summer-Youth Employment and Training Program	1,688.8
JFPA Job Corps	1,153.7
All-Volunteer Force Educational Assistance	895.1
Job Opportunities and Basic Skills Program	825.0
State Legalization Impact Assistance Grants	809.9
JTPA IIA Training Services for the Disadvantaged-Adult	793.1
Employment Service-Wagner Peyser State Grants	734.8
Vocational Education-Basic State Programs	717.5
JTPA IIC Disadvantaged Youth	563.1
Senior Community Service Employment Program	421.1
Community Services Block Grant	352.7
Adult Education-State Administered Basic Grant Programs	261.5
Vocational Rehabilitation for Disabled Veterans	245.1
JTPA EDWAA-Dislocated Workers (Governor's Discretionary)	229.5
JTPA EDWAA-Dislocated Workers (Substate Allotment)	229.5
Trade Adjustment Assistance-Workers	215.0
Supportive Housing Demonstration Program	164.0
Food Stamp Employment and Training	162.7
Upward Bound	160.5
One-Stop Career Centers	150.0
Economic Development-Grants for Public Works and Development	135.4
School-to-Work	135.0
Federal Supplemental Education Opportunity Grants	125.0

Program	appropriation
JTPA EDWAA-Dislocated Workers (Secretary's Discretionary)	114.7
Student Support Services	110.3
Survivors and Dependents Educational Assistance	109.1
Vocational Education-TechPrep Education	104.1
Miscellaneous*	2,562.0
Total	24,827.5

*A total of 93 programs with spending of less than $100 million; an additional 31 programs are authorized but had no appropriation for 1994.

Source: U.S. General Accounting Office. Multiple Employment and Training Programs: Overlapping Programs Can Add Unnecessary Administrative Costs. (GAO/HEHS–94–80). Washington, D.C. Clarence Crawford, 1994.

Overview of Federal social services programs for low-income people, November, 1994

[In millions] 55

Committee of Jurisdiction and Program	FY 1995 Appropriation
Education and Labor Committee (30 programs):	
Community Services Block Grant	$391.5
Community Economic Development	23.7
Rural Housing	2.9
Rural Community Facilities	3.3
Farm Worker Assistance	3.1
National Youth Sports	12.0
Community Food and Nutrition	8.7
VISTA	42.7
VISTA—Literary	5.0
Special Volunteers Programs	0
Retired Senior Volunteer Corps	35.7
Foster Grandparent Program	67.8
Senior Companion Program	31.2
Senior Demonstrations	1.0
Demonstration Partnership Agreements	8.0
Juvenile Justice Formula Grants (A+B	75.0
Juvenile Justice Discretionary Grants	25.0
Youth Gangs (Part D)	10.0
State Challenge Grants (Part E)	10.0
Juvenile Monitoring (Part G)	4.0
Prevention Grants—Title V	20.0
Americorps: National Service Trust	492.5
Service America	50.0
Civilian Community Corps	26.0
Youth Community Corps	?
Points of Light Foundation	6.5
Runaway and Homeless Youth	40.5
Transition Living for Homeless Youth	13.7
Drug Education for Runaways	14.5
Emergency Food & Shelter (McKinney)	130.0
Emergency Community Services Grants	19.8
Subtotal	1,574.1
Banking Committee (1 program): Community Development Grant	4,600.0
Judiciary Committee (1 program): Legal Services Corporation	415.0
Total (32 Programs)	$6,589.1

Source: Congressional Research Service.

Overview of Federal housing programs for low-income people, November 1994

[In millions]

Program	FY 1995 Appropriation
Section 8	$2,800
Public Housing	7,200
Section 236 Interest Deduction	0
Section 235 Homeownership Assistance	7
Section 101 Rent Supplements	0
Home Investment Partnership Program (HOME)	1,400
Homeownership and Opportunity for People Everywhere (HOPE)	50
Section 202 Elderly	1,280
Section 811 Disabled	387
Housing Opportunities for Persons with AFDC	186
Emergency Shelter Grants to Homeless	
Section 8 Moderate Rehabilitation for SROs	
Supportive Housing for Homeless	1,120
Shelter Plus Care	
Innovative Homeless Initiatives Demonstration	
Section 502 Rural Home Loans	2,200
Rural Housing Repair Loans	35
Rural Housing Repair Grants	25
Farm Labor Housing Loans	16
Rural Rental Housing Grants	220
Farm Labor Housing Grants	11
Section 521 Rural Rental Assistance	523
Rural Self-help Housing TA Grants	13
Section 523 Self-Help Housing Site Loans	1
Section 524 Rural Housing Site Loans	1
Section 533 Rural Housing Preservation Grants	22
Bureau of Indian Affairs Housing Grants	19
Total (27 Programs)	17,516

Note: All programs except the Indian Affairs program are under jurisdiction of the Banking Committee; the Indian Affairs program is under jurisdiction of the Natural Resources Committee.

Source. Congressional Budget Office.

Overview of Federal food and nutrition programs for low-income persons, November 1994

[In millions]

Program	FY 1995 Spending
Food Stamps	$24,750
Nutrition Assistance for Puerto Rico	1,143
Special Milk	15
Child Nutrition	7,271
Child Nutrition Commodities	400
Food Donations	266
Women, Infants and Children Program	3,297
CSFP	107
Emergency Food Assistance Program	123
HHS: Congregate Meals	386
HHS: Meals on Wheels	96
Food Program Administration	113
Total	37,967

Source: Congressional Budget Office.

Overview of Federal health programs for low-income people, November 1994

[In millions]

Program	FY 1995 Appropriations
Community Health Centers	$617
Migrant Health Centers	65
Health Care Services for Homeless	65
Health Services for Residents of Public Housing	10
National Health Service Corps Field Program	45
National Health Service Corps Recruitment Program	80
Rural Health Services Outreach Grants	27
Maternal & Child Health Block grant	572
Setaside for Special Projects of National Significance	101
Setaside for Community Integrated Services Systems	11
Healthy Start Initiative	110
Family Planning Program	193
Adolescent Family Life Demonstration Grants	7
Indian Health Services	1,963
Projects for Assistance in Transition and Homelessness	30
Immunization Program	466
Vaccines for Children	424
CARE Grant Program	198
Scholarships for Disadvantaged Student Faculty (3 Programs)	37
Centers of Excellence	24
Education Assistance Regarding Undergraduates	27
Nurse Education Opportunities	4
Total (22 Programs)	5,076

Source. Congressional Budget Office.

Mr. NICKLES. Mr. President, Franklin Roosevelt once said:

> The lessons of history, confirmed by evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit.

Franklin Delano Roosevelt was exactly right. We have induced a spiritual and moral disintegration of fundamental destructive values, and it has been destructive to our national fiber; it has been destructive to the family. We have a welfare system that does not work.

Since President Lyndon Johnson launched the war on poverty in 1965, welfare spending has cost U.S. taxpayers about $5.4 trillion. Tragically, as Roosevelt predicted, this culturally destructive system has heightened the plight of the poor in this country, discouraging work and marriage. Today, one child in seven is raised on welfare through the Aid to Families with Dependent Children Program. Nearly a third of the children in the United States are now born to single mothers. The number of children on AFDC has tripled between 1965 and 1992, even though the total number of children in the United States declined by 5.5 percent.

To fix this system, we must drastically change it. Simply tinkering around the edges, as suggested by the White House and regrettably by the Democrats' substitute, is not an acceptable solution. Real welfare reform must be linked to personal responsibility. It must provide incentives for work instead of dependence, incentives for marriage instead of children born out of wedlock, and incentives to get a good education and save money to buy a home instead of dropping out of school and remaining in Government-owned housing.

The proposal before the Senate fulfills the commitment—and the proposal I am talking about is the Dole proposal—fulfills the commitment to overhaul the welfare system and is the result of important debate among the Senate Republicans in an effort to strengthen our proposal. I believe this

proposal should enjoy overwhelming support from both Republicans and Democrats, as well as the White House.

The Dole substitute has strong work requirements to ensure that able-bodied welfare recipients find a job. It recognizes illegitimacy as a serious national problem and stresses the responsibility of parenthood. It controls the unlimited spending of welfare programs by capping spending and consolidating many overlapping programs.

The Dole bill also consolidates 95 Federal programs in 3 block grants with the option for States to request a block grant for food stamps. We may have an amendment to include food stamps in the block-grant proposal, and certainly this Senator will support it.

The Congressional Budget Office scores the Dole proposal as saving approximately $70 billion over 7 years, while the Democratic package that we will vote on at 4 o'clock today saves only $21 billion. The bill also makes reforms in food stamps, housing programs, child support enforcement, and SSI.

The Dole bill has a real work requirement. Any able-bodied welfare recipient will be required to find a job, and work means work. Welfare recipients will no longer be able to avoid work by moving from one job training program to the next. States will also be able to require welfare applicants to look for a job before even receiving a welfare check.

I have heard my colleagues talk, and they have a great title for their bill. It is called the Work First Act of 1995, and that sounds great. But you need to look at the details.

We now have 155 Federal job training programs. They do not work. Why do we have 155? Because in almost every Congress, every time somebody is running for President they say, ''The best welfare program is a job,'' so we come up with a new jobs program.

We did not eliminate any of the old ones not working, and we stacked on new. We have 155 Federal job training programs. It is ridiculous. Under our proposal, we put those together. We basically have one. Let the States decide which ones work. Some undoubtedly do work. I hope so. We are spending a lot of money. It certainly does not make any sense to have 155. That makes no sense whatsoever.

In regard to the substitute before us, many people have said this is a great bill, this is going to help people move into work. I am afraid—I am going to call it the Daschle bill—the Democratic substitute tinkers with the welfare system instead of rebuilding it. It proposes to replace AFDC with a bigger, more expensive package of entitlements.

Again, I want to underline ''entitlements.'' The Republican package says we want to end welfare as an entitlement; people will not be entitled to receive welfare. We will have a block-grant approach. We will say, ''This is how much we will spend.'' It will not be an open-ended entitlement.

Not so under the Democratic package. They replace AFDC with a new entitlement package that actually increases spending. Spending will increase more than $16 billion than projected AFDC costs over the next 7 years, and that is according to the Congressional Budget Office, not just DON NICKLES or the Republican Policy Committee.

The Democratic bill does not impose real time limits on welfare benefits. I have heard everybody say, ''Well, we have to have some limits,'' and I am glad to see they approached time limits in the Democratic bill, but they have exceptions, several pages of exceptions.

As a matter of fact, they talk about a time limit and say, ''Oh, yes, we are going to put a limit of cash payments of 5 years under the Democrats' bill,'' but then if you look at page 3 of the bill, as modified, we have exceptions. We have a hardship exception. That goes for a page. We have exceptions for teen parents. We will not count the years they are teens. There are exceptions for child-only cases, and other exceptions. In other words, this time limit has loopholes that can just be expanded and expanded.

It exempts families that happen to reside in an area that has an unemployment rate exceeding 8 percent. Originally, it was 7.5 percent. That means you do not have a 5-year time limit if you happen to live in New York City, Washington, DC, Los Angeles, or Newark, NJ. A lot of cities, a lot of areas have unemployment rates exceeding 8 percent, so they are exempt from the 5-year limitation.

Does that fix welfare as we know it? Does that meet President Clinton's statement, ''We want to end welfare as we know it''? That does not end it. It means it will be a lifetime annuity if you live in a high unemployment area. That makes no sense.

We are going to exempt teenagers. If they are 16 years old and have a child born out of wedlock, we will not count the first 3 years and we will start counting after that. So they can be on for 7 or 8 years.

Wait a minute. That is not what President Clinton's rhetoric was. As a matter of fact, President Clinton said on August 11:

> What do we want out of welfare reform? We want work, we want time limits, we want responsible parenting.

There is no time limit, not if you live in an area that has high unemployment. If you are a teenage mother, that time limit is extended substantially.

So I just want to say I have heard many colleagues on the other side making very laudatory comments on the Daschle bill. But the more I look, the more exceptions I see. It does not look like a welfare reform bill. It is kind of tinkering on the edges.

Let us talk about the work requirement because, again, President Clinton said how important work requirements are. The Dole bill says 50 percent of the people have to be on work—50 percent of all people. Under the Daschle proposal, it requires 30 percent of the cash welfare recipients to engage in work-related activities by 1997, and 50 percent by the year 2000. It sounds like it is the same. But as with the time limits on welfare benefits, these work performance standards are undone by the fine print. A substantial number of recipients are excluded when calculating the work participation rates—mothers with young children, ill people, teen mothers, those caring for a family member who is ill or incapacitated. Together, these ''clients,'' as they are now called under the Democratic bill, make up 25 percent of the adult welfare population, and they are exempt from the accounting of the 50-percent requirement.

Think of that. We will have a welfare population where 25 percent is now exempt from the mandate that 50 percent have to be at work. Well, if you add that together, that means that when the work requirements are fully phased in, 62.5 percent of the adult recipients will not be required to work or even get job training under the Daschle approach. That means five-eighths of the people will not be required to get a job or go into work training because they are exempt. So the time limits have all kinds of exemptions—a big exemption if you live in a high-unemployment area, a big exemption if you are a teen mother. The work requirements have big exemptions because we excluded a lot of people—25 percent of the adult population—from that. That is why I look at President Clinton saying, ''What do we want out of welfare? We want work requirements and time limits.'' But the bill is riddled with exceptions in work requirements and certainly in time limits. It says we want responsible parenting. So do we. Maybe we can say we want responsible parenting and make that happen.

Both bills, I might say, have pretty stringent hits on deadbeat or delinquent dads or parents. So maybe there is some commonality in that area.

But, Mr. President, my comment is that we need to pass a welfare bill. I hope that we will pass a bipartisan bill. I hope our colleagues on the other side, after we dispose of this amendment, will look at the proposal Senator DOLE and myself and many other people have sponsored and be very serious. I know there are a lot of amendments. We need to dispose of them. Maybe we will pass some and reject some. I hope our colleagues that have amendments will bring them to the floor. I hope we will consider and dispose of them and, in the next few days, pass a significant welfare reform bill, one that eliminates the open-ended entitlement, one that has savings for taxpayers and encourages work and moves people away from Federal welfare dependency.

I think that is a big challenge. We have not done it in decades. It needs to

be done. The biggest beneficiary—some people think that Republicans are trying to do that so they can save some dollars. Some people think this is management, or we are just going to give the authority to the State. I think the biggest beneficiary of our changes will be welfare recipients, because we will be making some changes so they will get off the addiction of welfare and they will be able to break away from the dependency cycle that so many generations and individuals now are stuck on.

So, Mr. President, I think this is one of the most important pieces of legislation this Congress will consider, certainly this year. I am hopeful that in the next few days we will be successful in passing it.

Mr. President, I know that our side is planning on going into a conference. I see my friend from Arkansas on the floor.

Mr. DEWINE assumed the chair.

Mr. BUMPERS. Mr. President, if I may address a question. I understand that all the time remaining between now and 3:30 belongs to the opponents of the Daschle proposal; is that correct?

Mr. NICKLES. That is correct.

Mr. BUMPERS. I wonder if I can impose on the generosity of the Senator from Oklahoma to yield 5 or 10 minutes to me in opposition to his position.

Mr. NICKLES. I am happy to. I will inform my colleague that we were planning on actually—we have a caucus going on at this moment that I was hoping to join in. So it is my intention, as I told the Senator from New York, to have the Senate stand in recess for some period—say until 3 o'clock. I will be happy to give my colleague 5 minutes.

I yield the Senator from Arkansas 5 minutes.

Mr. KERREY. Mr. President, can I ask the Senator from Oklahoma, is he intending to do that and go into recess at that point?

Mr. NICKLES. That was my hope.

Mr. KERREY. I wonder if the Senator will entertain a unanimous-consent that I speak for 10 minutes after the Senator from Arkansas and at that point we go into recess?

Mr. NICKLES. Yes, but I will withhold putting the unanimous-consent request.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I want to make a couple of observations and take a slightly different tack on the issue of welfare than that which has been debated.

First of all, I am deeply troubled by the Dole proposal. I do not see how I can support it. One of the reasons I cannot support it is because there is no comprehensive plan on child care. Any welfare proposal that does not consider child care is doomed to failure. Women are not going to work unless they have someplace that will take care of their children during work hours. There is no added money in the Dole proposal for that purpose.

The Dole proposal also has a number of other shortcomings. For instance, the Dole proposal shortchanges States in the Sunbelt, such as Arkansas, where immigration is on the increase. The bill provides no additional funding to take care of a recession when the number of applicants for welfare grow. It seems to me that the proposal is fatally flawed in a number of ways. So I am going to strongly support the Daschle proposal, which attempts to address these issues. Every Member of the Senate wants to vote for welfare reform. If you sit around the coffee shops at home, that is about all they will talk about. However, we have to reform welfare in a commonsensical manner; not the willy-nilly approach taken by the Dole proposal.

It seems to me that we speak loudly, longingly and piously about the children of this country in this debate on welfare. We overtly or covertly attack them in this proposal—the most vulnerable among our population. Nobody knows for sure what the answer is. However, Mr. President, I assure you the answer is not to make children any worse off than they already are.

Let me just make a point about another kind of welfare. This morning's Washington Post had a story on the Federal Page indicating that the Secretary of the Interior yesterday signed a deed for 110 acres of land belonging to the American people to a Danish company called Faxe Kalk. What do you think the U.S. taxpayers got for that 110 acres of land yesterday? $275—$2.50 an acre. What do you think the corporation Faxe Kalk got? One billion dollars' worth of a mineral called travertine. It is an aggregate source used to whiten paper.

Due to the 1872 mining law, still firmly in place, the taxpayers of this country, who lament the taxes they pay, saw $1 billion worth of their assets go down the tube.

In 1990, Mr. President, I stood exactly where I am standing right now and pleaded with the people of the Senate to impose a moratorium on patenting under the 1872 mining law which requires the Secretary of Interior to deed away billions and billions and billions of dollars worth of gold, platinum, palladium, travertine, whatever, for $2.50 or $5 an acre. I lost that year by two votes.

Mr. President, I wonder if the Senator from Oklahoma will yield 2 additional minutes?

Mr. NICKLES. I yield the Senator from Arkansas an additional 4 minutes, and at the conclusion of his remarks I yield the Senator from Nebraska 10 minutes.

Mr. BUMPERS. I thank the Senator.

I stood here and pleaded with this body to put a moratorium to stop this practice, but lost 50–48.

Four days later, the Stillwater Mining Co. filed an application with the Secretary for patents on approximately 2,000 acres of public land in Montana for $5 an acre—roughly $10,000. If the Secretary winds up having to deed the land, and he certainly will under existing law, to the Stillwater Mining Co., the next story you read in the Washington Post will be that the Secretary of the Interior has deeded 2,000 acres of land belonging to the people of this country for $10,000 and underneath that 2,000 acres lies $38 billion worth of platinum and palladium.

Mr. President, are these my figures? No, they are the figures presented by the Stillwater Mining Co. Mr. President, 2½ years ago, Stillwater said they did not know whether they could make that pay off or not. They say there is $38 billion worth of minerals under it, but they did not know whether they could make it pay off.

Really? A year ago the Manville Corp., which had jointly formed the Stillwater Mining Co. with Chevron bought Chevron out and took Stillwater public at roughly $13 a share. Last week, Manville sold its remaining interest in Stillwater to a bunch of investors for $110 million plus a 5-percent royalty based on a net smelter return. Not bad for a company that 2½ years ago said they did not know whether they could make it profitable or not.

A year ago, when Stillwater went public, the stock sold for $13. 1 year later—how I wish I had invested in this one—the stock is worth $23 today. It had been up to $28. We cannot find the money for child care in the welfare reform bill, while, at the same time, we deeded away $1 billion yesterday, and are getting ready to deed away another $38 billion.

Just before the recess, I offered an amendment on the Interior appropriations bill to renew a moratorium on the issuance of patents pursuant to the 1872 mining law. However, the Senate defeated the amendment 51–46. Instead, my friend from Idaho offered an amendment that would require mining companies to pay fair market value for the surface of the land in the future, but that is just for the surface, not the minerals. So instead of paying $275 yesterday, the Faxe Kalk Corp. for $1 billion worth would have had to pay $20,000.

What a scam. Talk about welfare, welfare for some of our biggest corporations, while we beat up on the children of this country and say to the mothers, ''No, we cannot give you child care for your child so you can go to work.''

Mr. President, I yield the floor.

Mr. KERREY. Mr. President, this amendment unfortunately will probably be defeated along party lines.

I say unfortunately because there is a significant amount of enthusiasm in this body to respond to the people's concern about our welfare system and to try to change it.

The Democratic Party, as people have observed and understand, have very often had difficulty coming together around change. That is not the case with welfare reform.

We have spent a great deal of time on this side of the aisle—not defending the status quo—coming up with a proposal that radically alters the status quo with an attempt to pass legislation that will respond to taxpayers who say they do not like the current tax.

They think we are spending money with no results, and perhaps worse, spending money and making the problem more serious than it currently is to the recipients who do not like the system, since many do not go onto welfare by choice but are there as a consequence of divorce or separation and find it difficult to get off once they are on.

Mr. President, even providers today increasingly are saying they do not like the current system.

The Work First proposal is a serious attempt to respond to these concerns, an attempt not to reduce the budget deficit, but to reduce the rates of poverty and increase the self-sufficiency of Americans who are struggling to get out of the ranks of poverty. That is the effort that we have before us.

It changes our system so that we first will have an emphasis on finding and keeping a job; second, by providing the support necessary to find and keep that job; and third, by providing the States with more flexibility.

Mr. President, I urge citizens to understand that the Daschle amendment abolishes AFDC. It replaces it with an entitlement that is conditional upon an individual who is able bodied being willing to work. Those recipients must sign a parent empowerment contract that outlines their plan to move themselves into the work force, similar to what many States have already done, including my own, the State of Nebraska.

It provides a stimulus to develop the work ethic by moving from an income maintenance program to an employment assistance program.

Mr. President, beyond that, this bill recognizes that in order to keep that job, individuals, parents, need to have other things. In particular, it makes certain that every single person that is moving into the ranks of the employed has high-quality, affordable child care. Otherwise, they will not be able to get it done.

Now, there is a tremendous differential, Mr. President, between the relative cost of child care for somebody who is in the ranks of the poor and that of the people who are not poor. Above poverty, American families spend about 9 percent of their income for child care. Below poverty, it is almost 25 percent of their income.

This proposal, moreover, says that many Americans are still struggling to try to be able to afford the cost of health care. This extends the 1-year Medicaid to 2 years and provides a sliding scale. So again, there is a requirement of effort for health care.

Mr. President, this legislation responds to States saying that they want more flexibility. It allows States to design their own program and encourages States to redesign their infrastructure, to streamline the processes.

It provides incentive for States if the States exceed the required job participation rate. It does not freeze the funds in an inflexible block grant, but it does say the States are required to maintain some effort.

Mr. President, this legislation by itself will not solve all the problems. I still believe that we need to raise the minimum wage. I still believe that we need to hold on to the progress that was made with the expansion of the earned-income tax credit.

Perhaps one of the most damaging things that is done in the current budget resolution is to reduce the earned-income tax credit. This welfare reform proposal by itself will not solve all the problems.

Indeed, ideally for me, would be to pass the Daschle amendment and then include thereafter title 7 and title 8 of the Dole proposal, which is essentially the Kassebaum Work Force Development Act that consolidates and provides an awful lot more flexibility to States to make job training programs work. It is a very good piece of legislation. It could give the States the kind of flexibility and the power that they need to help people acquire the skills necessary to be self-sufficient.

I have no doubt that, if we were to pass this amendment—and I hope my own skepticism about this current division between Republicans and Democrats will not be warranted, I hope there will be Republicans who will vote for the Daschle proposal—if it is passed, taxpayers will like it because they will be getting their money's worth, for a program that provides incentives for people to work. The recipients will like it because it strengthens child support enforcement, it provides a contract that lets them know precisely what they are supposed to do, and it offers an alternative approach to the cycle of poverty and the cycle of welfare dependency that many are trying to break.

The people of the State of Nebraska, in my recent campaign, indicated strongly they want our welfare rules to be written so work is given greater priority than welfare, so it is more attractive than being on welfare. This legislation responds precisely to that concern. They want the opportunity at the State level and at the local level to be able to design their own programs, and this legislation responds to that concern.

It is not being driven solely by the need to reduce the deficit. There is not an ideological bent to it that says it has to be one way or the other. It is driven by a desire to be able to stand at the end of the day and say this thing is working better; that, from the taxpayers' standpoint, from the beneficiaries' standpoint, and from the providers' standpoint, we have made our welfare system operate in a more efficient, effective and, hopefully, humanitarian fashion as well.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, on behalf of the majority leader, I yield myself such time as I may consume.

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

Mr. BAUCUS. Mr. President, this is a very important subject, welfare reform. I have approached the debate myself by trying to go back to the basics. I think all of us have attempted that. That is by asking why we have a welfare system at all, what should it do, and, just as important, what should it not do? The answers to those questions, I think, are simple.

We now do not have a welfare system just in order to give money to poor people. That is not the point of welfare. It is not the point of welfare simply to give money to poor people. Neither do we have a welfare system to punish and humiliate people, especially children, for being poor. The reason we have a welfare system is to help people in a tough spot get back on their feet and back to work; to promote with compassion the values of work, personal responsibility and self-sufficiency we all share as Americans.

The failure of our present system to meet these goals is a national tragedy. It is a top concern of Montanans and of all Americans, and rightly so. It seems to me very sad that Congress is approaching welfare reform in a polarized, partisan way. After spending several weeks at home listening, talking to people, I know the American people expect better. They expect a serious effort to solve a serious problem. And they are right. That is why I have reached out to work with Republicans on welfare reform, and it is why I am disappointed to see how little effort the majority has made to work with Democrats and how little cooperation there is between the administration and the Congress.

If we continue on this course, the country will not get welfare reform. It will get a partisan bill, maybe a veto, and ultimately an embarrassing failure. So, while we still have time, today I would like to urge us all to try a bit harder to work better together, to do what we know is right, listen to the people, and get the job done.

In the past month, I have listened to Montanans I meet along the highway. I am walking across my State. I talk to people on welfare and people who have fought their way off welfare and into jobs, to teachers from Head Start and professionals from State government, county human service officers, to advocates for poor people, and to middle-class taxpayers who pay for our system.

As heated as the welfare reform debate can be, I have learned that most of us have some basic principles in common. We agree that America needs

a welfare system, but one which encourages personal responsibility, encourages work and self-sufficiency, lets States like Montana create systems that make sense for our own unique problems, is fair to taxpayers, protects children, and helps keep families together.

We agree the present system does not achieve these goals. It is broken and it needs dramatic change.

The Federal Government has administered our major welfare program, Aid to Families With Dependent Children, or AFDC, since the 1930's. I think it is fair to say that AFDC has failed to live up to these principles, and there is no reason to reinforce failure. The best thing to do now is not to tinker with the AFDC, or come up with a substitute to it; it is to get the Federal Government out of AFDC, turn it into a block grant, let the States design different plans, come up with their own ideas and try to learn from one another.

Therefore, it is with some reluctance I will vote against the alternative proposal by the Democratic leader. It has some good points: a time limit, work requirements, a child care program, and protection for children. Those are very important. But the proposal has a fundamental flaw. Under the proposal, the Federal Government will continue to administer welfare reform. I believe that will continue to cause a problem. It will continue to write requirements for States, and I believe it will perpetuate a system that has failed. That is why, on balance, I prefer the welfare reform bill offered by Senator DOLE.

The Dole proposal makes a clean break with the past. It converts the welfare program into a block grant, eliminating red tape and giving States the flexibility they need to run their own program. And it does some other essential things. It is fair to taxpayers. It does not require States to adopt the more punitive approaches of the House bill, such as making States deny benefits to families when they have more children, or to unwed teenage mothers. And by placing a time limit on benefits and requiring work, it moves away from a program which is based on benefit checks toward one which is based on responsibility and self-help.

Thus, I hope I will ultimately be able to vote for Senator DOLE's proposal. But at this point I believe it has some very serious problems. They can be fixed, but we cannot evade them.

These problems fall into three main areas:

First, failure to provide for child care. First, women and children, the people who receive the big majority of AFDC benefits, can only go to work if they have a safe, dependable provider of child care, and child care is expensive. When a mother comes off AFDC, she is likely to start with a pretty low-paying job. So, if we expect welfare recipients to work, we must offer some help with child care. But, at present, the Dole bill offers no real help with child care. It merely gives States the option of exempting families with children before their first birthday from the work participation requirements. We have to do much better.

Second, the safety net for families with children. While we must tell people they have to go back to work in a reasonable time, we have also to protect them when times are really tough: when a father suddenly leaves a family, when a wage-earner is killed or disabled in an accident, when a business closes, and when a young, single mother suddenly loses her job. We cannot and we must not simply cut away the whole social safety net.

So, if the Federal Government is going to turn the welfare system over to the States, we need a guarantee that the States will continue to provide their part of that safety net.

We need a guarantee that, under budget pressures as most of them are, they will not simply take the money and eliminate most or all benefits for people who truly need help.

The Dole bill does not provide that guarantee. Instead, it merely says that for 2 years, States must reach 75 percent or more of their present level of spending. After that, all bets are off. That is not good enough.

Third, the Dole bill contains provisions which should not be in a welfare bill at all. All these should be removed.

For example, it turns the Food Stamp Program into an optional block grant that was not in the committee bill. It is in the Dole bill. This is unnecessary, because the Food Stamp Program on the whole works. No doubt it can be improved in some ways, but it provides our families and children with the food they need.

And turning food stamps into a block grant is also dangerous, because it threatens the nutrition of poor children. States could eliminate nutrition services completely, which would threaten kids' health. Or they could turn them into cash grants, which would encourage fraud and abuse by recipients.

In addition, the Dole bill contains a large and controversial job training program. This is a very important issue which should be considered on its own merits, not simply lumped into the welfare bill without debate.

AMERICA NEEDS A BIPARTISAN REFORM

Finally, and once again, my most important criticism applies to the whole approach Congress has taken to welfare reform. That is, I believe Congress is treating this as a political issue rather than a real issue.

That is wrong. The failure of the welfare system is a serious social problem. It is a top concern of the public, and rightly so. It deserves to be more than a political hockey puck.

But today, we have a Democratic bill and a Republican bill. Slogans and press releases. All the things that have made so many Americans fed up with politics.

If nothing changes, we will get a partisan bill pushed through with a very narrow margin of votes. We will get a veto. It will be sustained. And at the end of the year, we will have no welfare reform.

That does not have to happen. We still have time for serious work on a serious problem. We can improve this bill, and ultimately get a good, tough, fair reform. I hope my colleagues here will join me.

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.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MOSELEY-BRAUN. I now ask unanimous consent that I be yielded 10 minutes to speak on the pending legislation.

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

Ms. MOSELEY-BRAUN. Mr. President, today we begin in earnest to tackle the issue of welfare reform. In the next week we will decide if this Congress will pass welfare reform legislation that attacks poverty and aids recipients to become self-sufficient or if we give in to the rhetoric, the hot buttons, the slogans, the wedge issues, ignore past economic appearance, and pass shortsighted and, I daresay, counterproductive legislation.

To look first at some of the facts and to suggest a reality check about this debate: There are currently some 14 million people in the United States receiving aid to families with dependent children assistance, known as welfare. But, Mr. President, over 9 million of those people are children. The remaining 5 million of those people are adults. So let us be clear what we are talking about at the outset. When we talk about welfare reform, we are talking about primarily children. Nine million of the 14 million people receiving welfare are kids; only 5 million are adults.

Now, of those adults, of those 5 million adults, nearly 4 percent overall—these are national numbers—nearly 4 percent have been designated by the States—by the States—as incapacitated or physically unable to work. Other estimates, Mr. President, which include, among other conditions, mental illness, substance abuse and the like, put the number of those who are incapacitated and unable the work at about 18 percent. So 18 percent of the 5 million people are unable to work.

That means then that somewhere between 4.1 and 4.8 million AFDC recipients are able to work, and, Mr. President, I agree that they should work. I do not think there is anyone in this Chamber, indeed in this country, who would deny that those people who can work should work. On this point I think there can be absolute consensus.

The difference, Mr. President, however, between the Democratic alternative, the substitute amendment, and

the underlying bill, between the Democratic and the Republican approaches, is that the Democratic approach, I believe, asks two critical questions that apparently did not occur or at least are not represented in the leadership bill.

First question: What about the jobs and attendant training and education for those 4.1 to 4.8 able-bodied adults? And, second, what about the children? Again, 9 million children, what about them? To me, I believe that the bottom line of all of this is to ensure that children are protected. The question we should ask ourselves when evaluating any welfare reform proposal is, what about the children?

I introduced welfare reform legislation earlier in the year. Every provision in that bill, which was developed in conjunction and in conversation with the task force of Illinois residents, every provision of that bill sought to improve the condition of children through economic opportunities for their families and to maintain a safety net for them. The whole idea is to keep families and allow families to come together to provide a nurturing atmosphere for children and at the same time provide those families with an ability to support those children while providing a safety net for those children. I believe that the Democratic Work First bill, also known as the Daschle substitute, builds on those principles of support for families, support for children, and an emphasis on work.

The Daschle plan, the Democratic plan, includes all of the components necessary for successful welfare reform. It is tough on work, including a guarantee of necessary support services like child care and provides funding for job creation, and above all, it protects children. That is the reason that I have joined in cosponsoring the Democratic plan and support it wholeheartedly.

First, the Democratic bill provides that critical safety net for children. Our bill ensures that no child will go hungry or homeless due to the behavior of his or her parents. It affirms the Federal and State commitment to aiding poor children. And in that regard, Mr. President, I would point out that in this country right now some 24 percent, estimated 24 percent, of the children in America fall below the poverty level. The highest level of child poverty in the industrialized world is in America today. I, therefore, think that we cannot approach the issue of welfare reform without addressing the question of child poverty, and addressing the question of child poverty has to take place in a Federal, State, and local collaborative and cooperative arrangement.

Second, Mr. President, the Democratic alternative, the Work First bill, includes critical support services such as child care and health care. We know from past experience that the lack of child care and health care causes many poor people, many recipients, former recipients, to go back into transition and return back to the welfare rolls. An individual who is faced with the prospect of not being able to afford health care may then have to leave work and go back on welfare just to have their health needs attended to. Similarly, a mother, a single mother particularly, or single parent faced with the prospect of leaving their child alone, underaged child alone, in order to go to work will often be forced to leave the work force and go on welfare just to provide for child care.

So, the Work First bill, the Democratic alternative, includes those services as a necessary component of welfare reform. The Work First bill not only guarantees child care for those recipients required to work under it; it also expands and provides for the child care development block grant, the existing program that helps low-income working families to afford child care.

As you know, Mr. President, there are a number of people who work but who need the financial assistance so they can put their children into child care so that they will not be forced back onto welfare rolls. This legislation, the Democratic alternative, provides for those support services.

Mr. President, child care for the working poor is critical. It can often make the difference between a working parent and a parent receiving welfare. In Illinois alone, in my State, we currently have a waiting list—a waiting list, Mr. President—of some 30,000 children, 30,000 kids, children, who need to have slots in day care for which there are no slots available. The Democratic leadership recognizes that moving from welfare to work requires an upfront investment, and it has to be an investment that goes to the benefit of the children.

The Work First bill provides adequate funding so the recipients will have a real opportunity to move from welfare and into the private-sector work force. And that is why I would encourage all of my colleagues to take a good look at the leadership bill and encourage their support of it, because only by providing support for child care will we be able to accomplish real welfare reform.

The Democratic plan recognizes no matter how skilled a recipient, if there are no jobs or not enough jobs in the community, there still can be no work. Again, this job creation is another major element that has to be part of any real welfare reform. This bill, the Democratic bill, the Daschle bill, provides funding for community-based institutions that invest in business enterprises and therefore helps to create new private-sector jobs for low-income persons, which then will help us to revitalize poor, underserved communities and help us diminish the reliance on and the need for welfare.

Mr. President, the Republican leadership bill falls short in the areas that I have just mentioned: work, child care, job creation. And above all, it fails children. Two-thirds of those receiving assistance are children, and protecting their future should be the goal of reform.

One of the fundamental errors and problems with the plan before us right now—the Republican plan, the leadership plan—is that the plan ends the 60-year-old Federal commitment to provide assistance to needy children. States are given the option of leaving children to go homeless and hungry. It is unconscionable to me, Mr. President, the Senate would ignore the plight of children and allow that to happen.

During one of the hearings on welfare reform in the Finance Committee, I asked a sponsor, frankly, of the Republican bill, who supported the total dismantlement of the safety net, ''What about the children? What if this bill results in children being homeless and hungry?'' And the response that I got was, ''Well, if that happens, we will just have to come back in a couple years and fix this.''

Mr. President, I submit that we cannot be that generous with the suffering of children in this country and that we ought to start off fixing this problem now. And that is why I support the Daschle alternative.

CHILD CARE

Under the Dole bill, work requirements and participation rates are increased but funding for child care is not. Illinois alone will have to increase child care by 383 percent to meet the work requirements in the Dole bill. Funding for recipients required to work will siphon off dollars from low income families. In a State that already has a waiting list of 30,000, the impact of the Dole bill could be devastating.

This is a misguided approach if the aim of reform is long term self-sufficiency.

JOB CREATION

On the jobs issue the Dole bill is silent. There is no recognition that job creation and economic development are critical to communities that are plagued by both high unemployment and high poverty rates.

The bill assumes that recipients will be able to find jobs after the 5-year time limit, which could be less at a State's option, but does not provide funding for job creation or provide adequate funding for support services that will aid recipients to obtain and keep private sector jobs. In many poor communities jobs do not exist and those that are available are not easily accessible. This bill buys into the ''Field of Dreams'' theme of: If you kick them off they will work.

In many poor areas in Chicago, unemployment is between 20 and 40 percent. 80 percent of black youth between the ages of 16 and 19 are unemployed in Chicago and 55 percent of the 20 to 24 year-olds are out of work. It will be nearly impossible to move recipients into permanent private sector jobs if there is no effort to create jobs.

Under the Dole bill States will have to increase the number of persons participating in work-job preparation activities by over 161 percent by the year 2000. To use my State as an example: Illinois will receive $444 million less in AFDC funds, but will be required to increase by 122 percent the number of recipients participating in work-job preparation activities.

This will be a tremendous burden on Illinois. Our current caseload exceeds 700,000 people and 64 percent of the entire caseload resides in one county. In the year 2000, Illinois will be forced to use 73 percent of its block grant allocation to meet the Dole bill requirements. That leaves almost no funding for cash assistance or other programs supporting family stability. In addition, the State and the city of Chicago will have to create tens of thousands of jobs to absorb former welfare recipients who will have reached the 5-year time limit.

UNFUNDED MANDATE

What this means is States and localities will be forced to pick up the tab, which means the cost will be passed along to all of us through higher State and local taxes.

This leads me to my last point—the Dole will is an unfunded mandate.

Welfare reform is not easy and it is not cheap. What we have learned from successful State experiments like those in Michigan and Wisconsin—is that moving recipients into jobs can be done but it is expensive, labor intensive, and time consuming.

Even Tommy Thompson, Governor of Wisconsin, acknowledges the need for an initial investment. He has stated that ''every time you change a system you are going to have an up-front investment, more transportation, more job training, more day care. And those who think that you can just change the system from one based on dependency, where you receive a welfare check once a month, to one in which you require people to go to work, are going to be sadly mistaken when you first start the program. Because there is an up-front investment.''

In order to meet the work and child care costs associated with the Republican bill, States will have to spend an additional $16.7 billion. That is a very large unfunded mandate.

It is no wonder that the Congressional Budget Office has predicted States won't be able to meet the work and child care requirements in the Dole bill. It is easy to see why CBO assumes that 44 States will be unable to meet the bill's requirements, preferring to risk penalties instead.

CONCLUSION

We all want reform so that the welfare system works better. But we must keep in mind that the system serves real people—the majority of whom are children. Welfare should not be a wedge issue—it is a people issue.

The Work First plan provides a real solution to the problems of poverty; the Republican plan ignores poverty.

We live in one of the richest countries in the world, we have a $7 trillion economy and a $1.2 trillion Federal budget, and yet we lag behind every other industrial nation in child poverty. Yesterday, this body voted to give the Department of Defense $7 billion more than they asked for. Clearly, we have the wherewithal to do better by this Nation's children. What this next week will show is whether or not we have the will.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MOSELEY-BRAUN. I will continue to express myself on this subject in the coming hours of this debate. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, I yield 3 minutes to the Senator from Missouri.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Missouri.

Mr. BOND. Mr. President, I thank the distinguished Senator from Pennsylvania. I want to raise a question for my colleagues on the other side of the aisle as to whether the proposed Daschle amendment would deal with a very disturbing situation we found in the State of Missouri.

Under the current law, and this is one of the reasons people are going nuts with welfare today, we have had an innovative program in Sedalia, MO, where the president pro tempore of the Missouri State Senate worked with the Division of Family Services, which administers AFDC, to try to find employees for a major employer coming to the Sedalia area, bringing 1,500 to 1,600 jobs.

They had the very simple idea that if they would bring qualified AFDC recipients to the employer, then they might help solve the problems of the people who did not have jobs and meet the needs of the employer for workers. They sent over a number of workers. Some of the workers have accepted employment, and the system seems to be working very well for them. Some of them chose to find other jobs because they did not like this employer, and that is a good result. Those two classes of people found work.

A third class of people was turned down for jobs. They continued to receive AFDC. Another class of workers who refused to show up for jobs could be cut off, but they could only be cut off of the AFDC rolls for 2 months—jobs for which they were qualified, well above the minimum wage, and they were cut off, but they could only be cut off for 2 months.

No. 1, would that restriction continue under the proposed Daschle amendment?

No. 2, and this is probably the most troubling part, two of the AFDC recipients who went to the employer failed the mandatory drug test. Since they failed the mandatory drug test, they were not offered jobs. They went back to the Division of Family Services and continued their AFDC checks. They could not be cut off, as we understand in Missouri the requirements of AFDC, even though they failed drug tests.

As I see it, if this is the effect of existing law or the Daschle amendment, then there would be an incentive for people who wanted to stay on AFDC simply to take drugs to prevent them from passing a drug test.

I invite Members who are supporting the Daschle amendment to tell me if those two very important requirements would be changed under the Daschle amendment.

I thank the Chair, and I thank my colleague from Pennsylvania.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. I yield such time as he may consume to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Mr. President, I want to thank the Senator from Pennsylvania.

I rise in strong support of the welfare reform effort and to express several concerns about the effort to amend it, which is before the body now. First of all, a very distinguished Member has just noted her, I know, genuine concern that families could be cut off without assistance. Let me assure her and other Members who may be listening to this debate that this bill is not about cutting people off who are genuinely in need and genuinely in need of help. As a matter of fact, what this bill does is continue the program in a significant fashion. What it does do that is different, in its main point, is give States the discretion to run that program, and it has some big differences in this area.

The first and biggest difference is that we take money that is now sent to the Federal bureaucracy to administer this program and put that money into programs to help the needy and help the State level administer the program.

What we are doing with this effort is saying that it is no longer going to be a Federal bureaucracy that dictates to the States and the counties how to run their programs. We are going to give many of the decisions and administration of programs to people on the line, and the resources of the program will be diverted away from the bureaucracy toward those people in need and toward those people who actually run the program. It does make a difference. It puts more resources in the hands of the people who can make a difference and help those in need.

The second thing it does, I think, that is so important and why I think it would be a mistake to turn back to the past is this: In the past, we have precluded people from being able to develop effective, viable programs on the local level. I will simply give an example in Colorado. My own county, Weld County, had a program that had the impact of reducing welfare rolls by a substantial amount during the first month of operation. It was an experimental program.

It ended up with a substantial number of people having viable, substantive jobs that improved their lot in life and set them on the path toward getting out of poverty. It was one focused on job placement and opportunity, not subsistence and welfare.

Those who truly needed the assistance got it, but those who had the ability to work and the desire to work were delighted to have the opportunity to work, and that is what the program did.

What happened to that program? It was shut down, and it was shut down because it did not satisfy the demands of the Federal bureaucrats that ruled.

That is what this bill is all about. This is about giving your local counties and cities and States the ability to design programs that really work. If you believe Washington has all the answers, you will not want to do that. If you believe in centralized planning and decisionmaking in the few hands of people in Washington, DC, that they can make a better decision than the people on the line, why, you want to oppose the Dole amendment, you want to oppose the Republican proposal. What is at stake in this measure is the ability to give the States and the cities and the communities where these programs are run the ability to change welfare.

I do not think there is anyone in this Chamber who would come forward and say they are proud of the results of the war on poverty. Men and women, Democrats and Republicans, liberal and conservatives all look at the numbers and they know that the number of people in poverty has gone up under the war on poverty, not down. They know that in spite of spending hundreds of billions of dollars, literally trillions of dollars since the war on poverty started, that poverty is a bigger problem today than it was when it started. Part of it is because the kind of programs we designed have made people dependent on Government instead of being designed to help make them independent and give them opportunity. That is what this bill is all about.

To go back to central planning, I think, would be a mistake, and that is why this bill is a good one, because it gives broader decisionmaking to a greater number of people and gives flexibility to the States. It redirects the resources so that more of it goes to the recipients and the people who run the program and less to bureaucrats.

Third, Mr. President, I want to make a point I think is very important when people cast their vote on the amendment that is going to be before us. One of the things that sabotaged welfare reform in 1988 was some amendments that were added at the last minute. Those amendments involved an effort to outlaw referrals to work. I know most Members are going to say, ''What, making it illegal to refer people to work?'' But that is literally what the law did.

I think most Members of the House and the Senate would be surprised if they knew those measures were in it. I remember the battle very well, because I was in a position of the ranking Republican on the Ways and Means Committee that worked on that. There were three provisions added to the bill in the House that restricted referrals to work.

One, the most damaging, literally says that a State may not refer someone to a job in the municipal government or State government unless that job is an entirely new program. In other words, if they simply just have a vacancy in a program where they have a real job that performs real services for real pay and you have a welfare recipient who is able to fill that job, they are not allowed to put that welfare recipient to work in that job.

What it has done is sabotage much of the efforts to turn this program around. You can look in the Green Book that catalogs the welfare programs. If you will look at the rhetoric of the 1988 bill, the line was that we have required either work or education or training, the emphasis being on work. But when you look at the results, what we find is that only 4 percent of the people on welfare in the JOBS Program are in a job or work activity. What you literally have done is create a program that was sabotaged by that prohibition on work.

Now, Mr. President, the major focus of the Dole amendment and the Republican bill that has come out of committee, the No. 1 item that I think has value over and above everything else, is the repeal of the prohibition on work; the repeal of that statute that makes it illegal to refer welfare recipients to existing job openings. It is a tragic mistake that was incorporated into our laws in 1988. It is a tragic mistake that has sabotaged our efforts to help those who are poor among us turn their lives around. Tragically, the amendment before us does not fully correct that error. In other words, if you vote for the Daschle amendment, you will be voting to continue some of the prohibitions on work.

Right now, the Finance Committee bill, and the Dole amendment, repeal the prohibitions on work. If you wipe those out with this weaker amendment, you wipe out the major tool that I think can turn the welfare system around.

Mr. SANTORUM. Will the Senator yield for a question?

Mr. BROWN. Yes.

Mr. SANTORUM. I want to make sure I am clear on this. In current law, the Senator is suggesting that if there is a job opening which a welfare recipient could qualify to do, and someone wants to hire the welfare recipient in a work program for that position, they cannot refer that person for the job; is that correct?

Mr. BROWN. The statute is very clear. They cannot refer them to it unless it is an entirely new job, a new organization, a new department, or new bureaucracy.

Mr. SANTORUM. If I own a company, a small business, and I want to hire a welfare recipient, they cannot refer that person unless it is a newly created job?

Mr. BROWN. They can if it is a private company. But they cannot with regard to a city or State job.

Mr. SANTORUM. A city or State job. If you have a job available in the highway department holding a sign up—we have all seen that—and you want to refer a welfare recipient to that job, you cannot do that today; is that right?

Mr. BROWN. Under today's law, you could not.

Mr. SANTORUM. Under the Daschle proposal, could you refer that person?

Mr. BROWN. My understanding is—and perhaps Members will correct me if I am wrong—in that amendment, they do not fully change that prohibition. On its face the amendment appears to repeal the prohibition, but it in fact continues it in a more subtle form.

Mr. SANTORUM. ''Where are the jobs,'' I hear. We are not allowed to refer them to the jobs. Under our bill, we would create the opportunity for those referrals. Under their bill, they prohibit job placements.

Mr. BROWN. They keep in place a major impediment to placing men and women on those jobs.

Ms. MOSELEY-BRAUN. Would the Senator like a response?

Mr. BROWN. Yes.

Ms. MOSELEY-BRAUN. The Daschle Work First provision says that you cannot fire an individual who is working in order to replace that worker with someone currently receiving public assistance. That is correct. So your reference to a new job means the job is not currently held by a worker, a person already in the private work force.

Mr. BROWN. I appreciate that. Let me say I agree with the Senator that somebody should not be fired to be replaced by a welfare recipient. But the statute on the books now—and that is repealed by the committee proposal—is one that makes it illegal to refer someone to an existing opening. Now, the purpose of that might be to protect somebody from being fired—I have no problem with that—so that you could replace them with a welfare recipient. I assume the concern is it might cost less. I have no problem with that.

I have a problem with the tragedy that has occurred since 1988, and that is prohibiting people from being referred to those jobs which are normally open, saying the only ones you can refer them to are brand new agencies or bureaucracies. That is the basic concern I have about the amendment before us, which I believe is the No. 1 item that was a problem with the 1988 bill.

I will mention that I offered an amendment on the floor of the House to instruct the conferees to repeal from the bill those prohibitions on work.

That measure passed by a large majority in the House of Representatives at the time. It was a measure that, unfortunately, though, the conference committee in 1988 chose to retain in the bill, and it has had continuing devastating affects on the abilities of young men and women to turn their lives around from poverty.

It seems to me that what we ought to be doing with the welfare reform bill is looking for ways to help people get out of poverty, instead of having a program that keeps people in poverty. What we have done to people under the existing program is create a program that makes it very difficult to get out of poverty, to leave it, to turn their way of life around. What we have done in some States is create a level so people have to take a pay cut if they go to get a job. Tragically, sometimes the bureaucracy in these areas has chosen not to refer people to baseline jobs, beginning jobs.

The Denver welfare office, which I have visited several times, is a large office that employs over 1,000 people working on welfare-related programs at one location. Obviously, Denver is not as big as many of the cities represented here on this floor right now. But the attitude, tragically, in many of those areas is that you should not start at some of the basic jobs, that you should only refer people to jobs that start at $8 or $9 an hour, or $10 an hour.

Mr. President, let me mention that I think it is terribly important for people to understand that the way you do well in our economy is you start off on the ladder, and you climb it rung by rung by rung. You do not start off at the top. You do start off and work your way up by doing a good job in each responsibility that you have. One of the things I did while in high school was work 40 hours a week. I worked as a gardener, a busboy, and a janitor. Those jobs were jobs that helped me get better jobs. I think around this country, what men and women find is an opportunity—work means an opportunity for them to improve their way of life.

What we have had is a welfare program in the past that has sought to isolate people from an opportunity to get started. What we need more than anything else in the way of welfare reform is a program that understands its purpose and its function, and its focus ought to be to help people get out of poverty, not keep them in it. It ought to be one that has a different image of people. It ought to recognize that some people do need help, and we will provide that. But many people want, more than anything else, an opportunity. They want, more than anything else, a way to find a job, to prepare for the skills, and help to begin that process.

I am proud that in the welfare reform bill that came out of the Finance Committee, there are many ingredients that I think will help turn this around. The biggest one, other than repealing the prohibition on work, is allowing our communities to take a hand in running and designing these programs. Pueblo County in Colorado designed an outstanding program that showed superb results. Unfortunately, it was shut down by Federal regulators because it did not fit their idea of what would work and what would not work. I know San Diego County in California has done a number of experiments that were successful in helping people turn their lives around. Unfortunately, they could not be continued because they did not fit the Federal role model and guides.

We have seen Jefferson County in Colorado come forward with a very progressive program. I am proud to say that I think many of the bills talked about here will give them the flexibility to move ahead with that. But part of this is understanding that central planning, centralization of decisions, centralization and controlling all welfare programs, does not work. The package that has been put together since the war on poverty began has increased poverty, not reduced it. It has reduced opportunity for people. So we have an opportunity, in this next week, to pass what I think will be the single most important bill we will consider in this session of Congress, and that is one of changing welfare, changing it from a program that locks people into poverty to a program that is designed to help people out of poverty.

I yield the floor.

Mr. SANTORUM. Mr. President, I yield myself such time as I may use. I thank the Senator from Colorado for his excellent remarks. I thank him for the great work he has done on not only this legislation but really in getting us here. He mentioned that he has been the ranking member on the Subcommittee on Human Resources of the House Ways and Means Committee, which is a position I was fortunate enough to serve in for 2 years. I know on that committee he worked to set a lot of groundwork for us to work on welfare reform that we did in the House, which became H.R. 4, that passed, and added tremendously, even in last year's debate, by introducing his own bill last session to reform the welfare system and again move the ball forward on this subject.

I want to pick up on this issue of worker displacement because I do not think we got the full answer. I am reading from the bill, section 485 of the bill. Subsection (C) talks about nondisplacement.

''In general, no funds provided under this Act shall be used in a manner that would result in the displacement of any currently employed worker''—I accept that as meaning maybe someone who would be fired—''or the impairment of existing contracts for services or collective bargaining agreements.''

Well, what does that mean? It means that if you have any position that is a part of a collective bargaining agreement or contracted service, which just about every city and State position is part of a collective bargaining agreement, you cannot fill that. Any unionized employee whose position is vacant cannot be filled by a welfare recipient. This is a blatant bow to organized labor, saying we will not take that person who holds that sign on the construction project that says ''stop'' and ''slow,'' that is in most cases a contracted service, an existing contract for service; that is a position that is filled by the contractor for the State government and cannot be filled by a welfare recipient; someone who works in the State bureaucracy, who is a member of a union. I imagine you could do this if you became a union member and got off welfare, but if you are in a work program, you cannot fill that job. You cannot be referred for that job under the Daschle-Breaux position.

It is a fancier way of saying—I know they were very uncomfortable with coming out and saying we do not want to allow people to be referred, because I got a lot of heat on that, but this is a backdoor way of accomplishing the same thing.

So I think we should tell it like it is. It is very clear here that almost all city and State jobs, which are almost all unionized jobs with the exception of political appointments, what we are talking about here is not allowing to replace vacancies.

I think that is, as the Senator from Colorado very eloquently stated, one of the biggest impediments to moving people off welfare into jobs in which they can later become productive, is this prohibition. It remains in the Daschle bill. I think it is a serious flaw in the legislation.

Ms. MOSELEY-BRAUN. Will the Senator yield?

Mr. SANTORUM. I am happy to yield to the Senator.

Ms. MOSELEY-BRAUN. Section 486 of the bill does provide for the placement of people in employment. I wish to correct the statement. I hope the misimpression that was given that the Daschle substitute prohibits people from being placed in public-sector employment—it does not prohibit welfare recipients from being placed in public-sector employment. What it does provide, as the Senator correctly noted, is that it has to be done according to the rules, and the rules which are collective bargaining agreements and others. It does not prohibit the placement of welfare recipient in the public sector.

Mr. SANTORUM. Reclaiming my time, it did not, except there are no public-sector jobs other than the jobs we are talking about in which you could be placed. It sort of is giving with one and taking away with the other. The end result, there will not be public-sector jobs the welfare recipients will be referred to. That is a very serious flaw in this amendment that is being put forward by the Democratic leader.

I am happy to yield 10 minutes to the Senator from Virginia.

The PRESIDING OFFICER. There are 4 minutes remaining on the side of the Senator from Pennsylvania and 2 minutes remaining on the Daschle side.

Mr. ROBB. Mr. President, I ask unanimous-consent that I be recognized for 12 minutes to speak on the bill.

The PRESIDING OFFICER. According to the unanimous-consent agreement, at 3:30 there is to be 15 minutes available to the Democratic leader followed by 15 minutes available to the majority leader.

Mr. SANTORUM. I am happy to yield the remaining 4 minutes on the Republican side to the Senator from Virginia and he can use the remaining time.

Mr. ROBB. I ask that I be recognized until such time as the leaders come to reclaim the time under the unanimous-consent agreement.

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

Mr. ROBB. Thank you, Mr. President.

Mr. President, I rise today in support of the Work First plan offered by our Democratic leader, Senator DASCHLE. I am pleased to be an original cosponsor of this important legislation because I believe it both establishes firm boundaries to combat welfare dependency and provides beneficiaries with genuine economic opportunity.

George Bernard Shaw once said, ''The greatest of our evils and the worst of our crimes is poverty.''

And it is unconscionable, Mr. President, that in America today we have nearly 16 million children living in poverty. In 1993, almost 30 percent of all children under age 3 lived in poverty and almost 50 percent of all African-American children were poor.

Between 1989 and 1993, the number of children receiving food stamps increased more than 50 percent and in 1994 25 percent of our Nation's homeless were children under 18.

For the world's greatest democracy (where the value and the freedoms inherent in each individual citizen are unparalleled anywhere on earth) these statistics portray both a moral dilemma and an economic burden of enormous consequence.

We have not only an obligation to improve the quality of life of generations of innocent children shadowed by poverty, but also a responsibility to our taxpayers to both improve our welfare system and to reduce the billions of dollars in lost productivity incurred each year as a result of current poverty levels.

Mr. President, there are infrequent moments in time where constructive and meaningful solutions can be found to otherwise intractable problems. I honestly believe we have before us such a moment, and I hope we do not let this opportunity slip from our grasp.

At a minimum, we do not want to let politics, or public opinion polls, or fears of 30-second sound bites on the evening news prevent us from doing what is right.

And to do what is right, Mr. President, we have to rethink our Nation's social policy. We have to restructure our welfare system to foster greater upward mobility, to reconnect the poor to the mainstream job market, to reward self-discipline and hard work, to encourage families to stay together, and to restore to the poor and the dispossessed both the benefits and the obligations of citizenship.

I believe the Work First plan meets those objectives.

With a 2-year time limit on benefits for adults—and a 5-year lifetime limit—this bill transforms welfare into the short-term safety net it was meant to be. It contains the funding necessary to allow an individual to both sustain a family in the short-term and secure and keep a job in the longer term. That is the definition of real welfare reform, Mr. President.

In reality, single mothers need child care to work, and the Work First plan guarantees that child care. In reality, families need extended Medicaid coverage to bridge the gap created by entry-level jobs with little or no benefits—and the Work First plan makes Medicaid available for an additional 12 months.

By addressing the practical obstacles to independence which so many poor families encounter today, the Work First plan provides incentives to shatter current barriers and allow individuals to move up the economic ladder.

And very importantly, Mr. President, those who cannot find a private sector job under the Work First plan are put to work as well, either through workfare or community service. In fact, within 7 years of enactment, nonexempt individuals are required to participate in community service jobs just 6 months after joining the welfare rolls.

Two years ago, Mr. President, I joined our former colleague from Oklahoma, Senator BOREN, in supporting legislation similar to the old Works Progress Act, which placed into public service jobs AFDC recipients who had completed the JOBS Program and still remained unemployed. Requiring that those individuals work for their benefits appeals to my sense of what the shared contract between a society and its people should encompass.

Only by providing useful work—and the values and discipline associated with work—can we offer the poor and the disadvantaged a permanent way out of poverty. I believe everyone benefits from the sense of self-worth that earning wages and contributing to his or her community engenders.

When we require beneficiaries to work we give them job experience—job experience that can open doors and bridge the gap between dependency and genuine economic opportunity.

The Work First plan is tough medicine, Mr. President, but I believe it establishes a pragmatic, compassionate process to lift many of our poor citizens out of poverty and into the economic mainstream.

And while I believe the Work First plan moves us firmly in the right direction, I have some serious concerns about the alternative plan offered by the Majority Leader.

First, it guarantees neither adequate child care nor extended health benefits. How can we require poor women to go to work without ensuring that their young children are watched over and protected?

Second, CBO estimates that States will need to collectively spend an additional $5 billion by the year 2000—$5 billion above what they are paying now—to meet the work requirements in the alternative bill. Where will States get that $5 billion, Mr. President, if federal block grants are frozen for 5 years at current levels? And what is more vitally important to successfully improving our welfare system than effectively moving people into jobs?

Finally, Mr. President, I am concerned that the alternative bill fails to require States to continue to contribute their historic share.

As a former Governor, I know that reduced State support could mean financial disaster for many cities and counties. On June 15, the U.S. Conference of Mayors unanimously adopted a resolution opposing the Senate Finance Committee bill and endorsing the Work First plan, stating that it would ''provide significantly greater assistance—to facilitate the transition from welfare to work.''

The transition from welfare to work—that is our goal. That is the purpose, the spirit, the driving force behind the Work First plan.

Mr. President, every time a welfare recipient earns a living wage, at least one more child in America moves out of poverty.

Every time a welfare recipient earns a living wage, at least one more child in America sees their role model go to work in the morning, earn a salary, pay their bills, believe a little more in their own ability and their self-worth, and live in a world that is infinitely stronger because they contribute to it.

And every time a welfare recipient earns a living wage, at least one more child in America escapes from what could become a cycle of dependency and hopelessness that is inherently unAmerican—and for which we have an obligation today to begin to break.

The moment, Mr. President, is before us. We have an opportunity—indeed, a responsibility—to help many of our most vulnerable people better attain the priceless gift of economic freedom. And we will make our country stronger in the future.

This does not have to be a partisan battle, Mr. President. Rather, it should be a bipartisan effort to identify tough, effective solutions.

As Franklin Roosevelt said during his second inaugural address, ''In every land there are always at work forces that drive men apart and forces that draw men together. In our personal ambitions we are individuals. But in our seeking for economic and political

progress as a Nation, we all go up, or else we all go down, as one people * * *.''

I urge my colleagues on both sides of the aisle to join together in support of the Work First amendment.

Mr. BRYAN. Mr. President, as an original cosponsor of the Democrats' Work First welfare reform plan, I urge my colleagues to join us in supporting this proposal. Welfare reform needs to be done now.

Work First does what all of us want to do—it requires people receiving welfare to get to work as quickly as possible. It does this while also protecting those children at risk and dependent upon the welfare assistance system through no action on their part.

This spring, I came to the Senate floor to discuss the need to reform our welfare system. I related what I had learned after spending an entire morning at one of the busiest welfare offices in Las Vegas, the West Owens District Welfare Office, observing an eligibility determination interview, and meeting with welfare eligibility workers. I later also visited a welfare office in Reno. The need for extensive and immediate reform of the current welfare system was brought home to me most vividly during these visits. I believe Work First gets us to that needed reform.

The Work First alternative is self-explanatory. It puts the focus of the welfare assistance program where it must be—on getting people to work as quickly as possible. All able-bodied recipients go to work immediately. Those who work receive the help they need to get on their feet—they get an additional year of Medicaid health care coverage, and they get child care assistance. And for the working poor, those trying to go it on their own, they get a 5-year child care phase-in to help ensure they can permanently join the work force.

Work First does this, while at the same time showing compassion for those in dire straits, and for those children who are at risk. It is too easy to forget in the heat of debate on this very important issue that there are people, and particularly children throughout this Nation who desperately, and very legitimately need welfare assistance. We want a welfare assistance system that will be there for those truly in need, yet ensures that they get on their own two feet as quickly as possible.

My State of Nevada is the fastest growing State in the Nation. Rapid growth States like Nevada benefit tremendously from the current entitlement status of the Federal welfare assistance system. Today, if a person meets the eligibility criteria, he or she is entitled to assistance. The entitlement protects States like Nevada which are experiencing incredible population increases. As needy people move into these rapid growth States, the Federal funding follows the population shift.

Work First limits the entitlement to welfare assistance. People who need assistance only get it if they are eligible, and only if they meet their responsibilities. It is a time limited and conditional eligibility. For the needy, assistance is there, but only if they do what is necessary to get to work. No longer can welfare assistance become a lifestyle.

Work First provides States with the incentive to create welfare systems that will put people to work as soon as possible. If a State does not meet its target for putting welfare recipients to work, it is penalized. If a State exceeds the target, it is rewarded through a funding bonus.

Work First, unlike the Republican proposal, does not use the block grant approach. As a former Governor, I very much understand the attraction of block grants for Governors and their States. Quite often it can be a better approach.

But the notion that somehow block grants are, in and of themselves, the answer to every problem we have with the current welfare program is disingenuous. Particularly when the Republican block grant proposal asks States to do more with less.

If States are deprived of the funding necessary to do the job the Federal Government is sending to them through a block grant, all of the flexibility in the world will not enable the States to do the job—let alone do it better.

Under the Republican proposal, all States are held to their fiscal year 1994 cash assistance level of Federal funding for the next 5 years. How can rapidly growing States like Nevada possibly provide for their increasing number of people in need based on yesterday's funding levels? And into the next 5 years?

And how does the block grant proposal help States face economic recessions? Economic slowdowns impact welfare assistance programs immediately. Working families lose their jobs through no fault of their own, and it can be a long time before a job is available again. These people need help. And yet Nevada and the other States are expected to provide for these people on an already inadequate level of Federal funding.

Work First also recognizes that the inability to pay for child care is a major hurdle for the many single mothers with children who want to work. It is also a problem for low-income working couples who are at risk of losing their jobs because they cannot afford to pay child care on the wages they receive.

Earlier this year, I observed a welfare eligibility determination interview which involved a young woman, who was working, and married with two young children. Both she and her husband had jobs paying above the minimum wage, yet they could not provide a living wage for their family of four.

Her employer kept her work hours to no more than 20 hours per week, so she was ineligible for job provided health care benefits. One of her children had a preexisting medical condition, so medical care was a necessity. The cost of child care for the two children was making it impossible for both her and her husband to continue to work, and still have enough earned income left to live on. Here is a couple trying to make it on their own, and they cannot.

Work First recognizes the vital importance of child care assistance to help welfare recipients get off welfare and get to work. It also recognizes that the many working poor, like the family I just described, also need child care help—for awhile—to enable them to stay in the workforce.

The Republican welfare reform proposal, however, deals with this issue by repealing child care assistance programs which today serve approximately 640,000 children. There is no guarantee that any State will provide funds to implement a child care assistance program.

If it is truly our goal to get people into the workforce permanently, then we must give these people the help—for a limited time—that will enable them to get there. Repealing the very programs that provide this assistance is not the answer.

This June, I introduced my Child Support Enforcement Act legislation modified from my bill last Congress to help further strengthen our ability to get dead beat parents to responsibly provide for their children. I am pleased Work First includes many of the same provisions.

No one who shares the responsibility for bringing children into this world should be allowed to shirk that responsibility later by refusing to admit paternity or by failing to pay child support.

We all lament the increasing number of unwed teenage girls who have children. This situation is particularly disheartening when these young mothers are themselves mere children. But too often in the past, our public policies to try to stem this increase have focused solely on the mother and ignored the responsibility of the father. Those fathers, who many times have already walked away before their children are even born, must face the reality of their parental and financial responsibilities.

Although Nevada is the fastest growing State in the Nation, its population is comparatively small with about 1.6 million people. Yet its State Child Support Enforcement Program had 66,385 cases in fiscal year 1994, and collected $62.7 million of child support. Unfortunately, the total owed was almost $352 million, leaving an uncollected balance of almost $290 million. Already by April this year, Nevada's caseload had grown to over 69,000 cases.

These cases represent only those children whose families are receiving Aid to Families with Dependent Children, or who are using the services of the county district attorney offices to enforce child support. The many Nevadans using private attorneys are not

included. This scenario is repeated in every State across the country.

The facts are simple. Nationally, one in four children live in a single-parent household. But one of the most startling statistics is that only half of these single parents have sought and obtained child support orders.

This means 50 percent of these single mothers either have been unable to track down the father, have not pursued support, or are unaware of their legal child support enforcement rights.

Of the parents who have sought out and obtained child support, only half receive the full amount to which they are entitled. This means 25 percent of the single parents who have child support orders actually receive nothing at all.

These facts should concern us. It is all too true that many single parents must seek public welfare assistance in order to be able to support their children. When we taxpayers are asked to lend a helping hand to these children, we should be assured every effort is being made to require absent deadbeat parents meet their financial responsibilities to those same children. Public assistance should not be the escape valve relied upon by those parents who want to walk away from their children.

My child support enforcement legislation and Work First provide the means to help shut that escape valve. Both provide States the authority to withhold or suspend occupational and professional licenses; Work First also includes drivers' licenses. Both allow the denial of passports to noncustodial parents for nonpayment of child support. Both provide for the reporting of child support arrearages to credit bureaus. Both require custodial parents cooperate with paternity establishment and enforcement of child support as a condition of receiving cash assistance. The authority to collect child support from Federal employees and members of the Armed Services is enhanced by both measures. Full faith and credit of child support orders is improved, and States are required to adopt laws to void fraudulent transfers by a person owing child support.

Work First also allows States to prohibit noncustodial parents—the parents who owe the child support—from receiving food stamp assistance. So much of our efforts to establish and collect child support fall on the custodial parent—the parent who cares for the children and tries to make ends meet. This provision provides another way to find noncustodial parents and ensure they meet their child support obligations.

We must give our courts and law enforcement agencies the tools they need to crack down on delinquent parents. The goal is not to drive those who want to meet their obligations to their children away, but rather to make sure those ignoring their children understand that society will not tolerate their irresponsible behavior.

We must assure taxpayers who lend the helping hand to impoverished single mothers and their children that every effort is being made to get deadbeat parents to pay up. We must ensure the children receive adequate and consistent child support, so they are able to have the opportunity to become successful, productive, and healthy adults. For many single parent families, if they could receive the child support payments they are entitled to, it would make the difference between being able to maintain their financial independence, and having to seek welfare assistance.

I do support the Republican welfare reform requirement that all food stamp recipients, both the custodial and the noncustodial parent, participate in child support enforcement efforts as a condition of food stamp eligibility. This requirement to participate in child support enforcement efforts needs to be extended to all welfare and public assistance programs.

During my visits with Nevada eligibility workers, over and over again I heard about problems with the Food Stamp Program eligibility criteria. Work First deals with those problems. People eligible for food stamps, without children, are required to work or get training to work as a condition of receiving benefits.

Although the Food Stamp Program is criticized, it has provided the most basic safety net—food—for those in need, particularly in times of recession. The Republican proposal, however, would give States the irrevocable option to put their food stamp funds into a block grant. This option requires States spend 80 percent of these funds on food assistance. The other 20 percent is left to the States to use as they wish. Again States are held to the higher of either their fiscal year 1994, or the average of their fiscal year 1992–94 expenditures as their funding level under the block grant approach. How can this option possibly provide a dependable minimal safety net for those who are most vulnerable to economic downturns? food stamp funds should go for food; that is too basic a human need to play with.

Good as Work First is, there are some problem areas of the current welfare system that it does not address. I will be proposing a welfare fraud amendment to prohibit welfare recipients who commit welfare fraud from being unjustly enriched because of that fraud. There are times when an individual, whose benefits are reduced because of an act of fraud, games the system by using his reduced monthly income to generate additional benefits from other assistance programs. When welfare recipients are overpaid benefits, we need to allow the welfare system to intercept Federal income tax refunds to recover such benefit amounts.

We need a welfare system that does not allow people to think that receiving welfare assistance is an option they can choose to take when it is convenient. We all read in the Washington Post of the young, unmarried, working woman who made a conscious decision to have a child, voluntarily left her job, and then applied for and received welfare assistance. Her rationale was that she had worked, and now the system owed her support while she stayed home to care for the child for its first 3 years.

Millions of single mothers get up every morning, get their children ready for school or child care, and go off to work, and we should expect no less from those receiving welfare assistance. No one should ever think welfare assistance is going to be there for them because they voluntarily leave their jobs, or decide to have a child and want to stay home to care for it.

Americans are a compassionate people. They are always there to help people who are genuinely in need. They care deeply about our country's children. The outpouring from the hearts of Americans across this country in response to the Oklahoma Federal building bombing verified that compassionate nature a thousand fold.

But most Americans are a hard-working lot, too. The vast majority of Americans are out there every day going to work—doing their best to provide for their families on their own. And many of these hard-working Americans are single mothers who are the sole breadwinner for their children, who pay for their own child care, and who struggle to make it by themselves. It should come as no surprise when these hard-working people feel a bit taken advantage of when they see able-bodied people relying on the welfare assistance program.

The welfare system must be substantially changed. On that we all agree. We all agree too that there will always be people who will need the safety net welfare assistance provides at some time in their lives. But the net should be there only for a limited time, so people get back on their feet and permanently into the workforce.

Work First will change the welfare system. It lets hard-working Americans know that we recognize their frustration with those who abuse the welfare system. It lets Americans in need know that conditional, time-limited assistance is there to help them if they meet their responsibilities to get to work as soon as possible. And it does this compassionately by protecting our most vulnerable citizens. Work First may not have all the answers, but it will get us well down the road to a more fair welfare assistance system.

Mr. BIDEN. Mr. President, I am pleased that the Senate is finally debating welfare reform. And, I want to take a few minutes to discuss my views on the matter.

It is obvious to almost everyone—including those on welfare—that the current welfare system is broken.

Too many welfare recipients spend far too long on welfare and do far too little in exchange for their benefits. Many of those who manage to get off the welfare rolls only end up back on

them after a short period of time. And, for some, generations have made welfare their way of life.

This is unacceptable. And, I believe that trying to fix the problem through patchwork solutions is no longer an option—it will only fall short of what needs to be done. Instead, we need to end the current welfare system—scrap it and start over. And, the new program must have as its fundamental premise one basic thing: work.

Back in 1987, I proposed a work requirement for all welfare recipients. And, many of those ideas were embodied in the Family Support Act of 1988—the bipartisan legislation crafted by Senator MOYNIHAN. It was a good first step. But, it is evident today that the 1988 law did not go far enough.

It is time—it is long past time, really—for us to require welfare recipients to work for their benefits.

We must make it unmistakably clear that welfare recipients have an obligation to make every effort to end their dependency. Citizenship is more than just a bundle of benefits. It is also a set of responsibilities. And, the primary responsibility is to provide for yourself and your family by working.

Now, when I say ''work,'' let me be clear about what I mean. I mean work. I do not mean participation in bureaucratic programs. I do not mean participation in ''work activities.'' I mean real work. I mean a job.

And, if a private sector job cannot be found, welfare recipients should still be required to work, giving back to the communities where they live by doing community service work.

In short, the new rule of the game must be this: In exchange for a welfare check, you do something for your benefits. You work. The government will help with child care and some job training, if needed. But, all adults on welfare should be working. The culture of welfare must be replaced with the culture of work.

Let me be specific.

First, we should require all welfare recipients to sign a contract in which they agree to work in exchange for their benefits. Those who refuse to sign should not get benefits.

Then, welfare recipients should have to look for a job immediately. They should have up to 6 months to find a job in the private sector. Six months, period.

Those who refuse to look for work should not get benefits. And, those welfare recipients who are not working at the end of 6 months should work in a public sector job or do community service work—or give up their welfare benefits.

No more free lunches. No more free rides.

And, Mr. President, there should be no more permanent claim on public aid. Working for a welfare check—and everyone should work for their check—must be temporary. Welfare recipients must eventually work for a paycheck.

Do not get me wrong. Temporary assistance is the right and humane thing to do. We should not abandon welfare entirely. All Americans must be secure in the knowledge that if something unexpected happens to them—the death of a spouse, the loss of a job, the burning down of their house—that help will be there.

But, welfare must no longer be a way of life. We do no favors—including for the welfare recipients themselves—by keeping people on welfare indefinitely. We must get people off of welfare—and keep them off. Welfare dependency must be replaced with self-sufficiency and personal responsibility.

So, we should limit adults to 5 years of welfare, returning the welfare system to its original intent—a system of temporary assistance.

Mr. President, a mandatory work requirement and a 5-year time limit sound tough. And, they are. It is time for some tough measures.

But, in the process we must be realistic. If welfare is truly to become a two-way street—if our goal is to move welfare recipients into work and not just out onto the streets—then we cannot ignore the issue of child care.

For a family living in poverty, the costs of child care can eat up almost 25 percent of their income. Expecting welfare recipients to work—demanding that they work—will not work without child care. The work simply will not pay. Welfare recipients will either go to work and leave their children alone—or not go to work at all. No one—no matter how poor—should be asked to choose between their job and their children. Not only is child care the right thing to do—but, without it, welfare reform will fail.

In creating a new welfare system, we must recognize this reality by making sure that child care is available for the children on welfare when their mothers are working. In addition, we must recognize that many of those who leave welfare only to return later do so because they cannot afford child care. We should allow States to provide 2 years of child care assistance for those who have left welfare. And, we should make all low income working families eligible for child care assistance—regardless of whether they had ever been on welfare.

Mr. President, let there be no doubt. We must be strict with the adult recipients of welfare. But, at the same time, we must be compassionate toward the children.

Two-thirds of those on welfare are children—and we should not blame them or punish them for being born into poverty. More than one in every five children in America today is born poor. That's one poor child born every 40 seconds. And they were given no choice in the matter. Abandoning these children—and they are all of our children—is tantamount to abandoning our future.

That is why I believe we must guarantee child care. And, that is why we should, while limiting adults to 5 years of welfare, keep the safety net for children.

If a parent is kicked off of welfare, the children—the innocent children—should continue to receive assistance for food, housing, and clothing. But, that assistance should be provided for the children through a voucher to a third party—not cash to the parents. In other words, adults should not be able to live off of their children's benefits.

The point here is that we should provide nothing for adults who do not work, but we should protect the children who are not to blame.

Finally, in all of this talk and debate about welfare mothers, let us not forget that there are two adults involved in creating a child. Those who bring children into the world should support their children—and that includes the deadbeat parents, who are mostly dads.

They should be forced to pay child support, and tough child support enforcement must be a part of any welfare reform effort. Getting tough on the deadbeat dads must be as high a priority as getting tough on the welfare mothers. Remember, every dollar not paid in child support is another dollar the Government may have to pay in welfare benefits.

Since 1992, when I was appointed to a Senate Democratic task force on child support enforcement, I have argued that fathers who do not work and do not pay child support should be required to take a job—just as welfare mothers should be required to work. Absent parents who have failed to pay child support should be given a simple choice. They could start paying what they owe their children. Or, they could take a community service job in order to earn the money they owe their children. Or, they could go to jail. But, what they should no longer be able to do is to abandon their children.

Mr. President, I am absolutely committed to passing a tough welfare reform measure that emphasizes work and personal responsibility—but protects children in the process and maintains a safety net for all Americans who need temporary help.

In evaluating the options, I believe that Senator DASCHLE's proposal—the Work First Act—comes closest to meeting my goals. The Work First plan strikes an appropriate balance. It requires work and imposes a 5-year time limit. It guarantees child care and a temporary safety net for all Americans. It is tough on both welfare mothers and deadbeat dads.

I believe that the Daschle proposal is real welfare reform. And, I urge my colleagues to join me in voting for this important, significant, and long overdue overhaul of our welfare system.

Mr. HARKIN. Mr. President, as we continue the debate on welfare reform I would like to begin by restating some things that I talked about before we recessed in August.

I believe it is important for people to understand that there is agreement on one issue here—the need to reform the welfare system. We may have differences of opinion about the best way

to accomplish it, but on the central issue, there is agreement.

There is not a single member in this Chamber who believes that welfare system is a success. It is failing the taxpayers and it is failing the people who rely on it.

I had great hopes that we would be debating welfare reform legislation that enjoyed broad bipartisan support. In fact, I had written to the two leaders asking that a bipartisan task force be appointed to find our common ground.

Mr. President, neither party has cornered the market on good ideas and sound solutions. Only by having voices from all segments of the political spectrum, can we arrive at sound legislation developed by using common sense.

Unfortunately, the Dole amendment was negotiated behind closed doors within the Republican caucus. The result is legislation that is strong on ideology, and short on true reform. Without changes, I fear the Dole-Packwood proposal may well replace one failed, dependency inducing welfare system with many varieties of the same.

Unfortunately, I vividly recall the last prolonged economic downturn that gripped Iowa during the farm depression and accompanying deep recession in agricultural States and communities. The economy began to sour in 1981 and did not truly begin to turn about for the State until about 1987. That experience has forever changed the economic landscape of Iowa. Good jobs are gone and will never return.

Those were very difficult years, but contributions provided by a partnership with the Federal Government allowed my State and others in the Midwest to recover. One of the most serious shortcomings of the Dole amendment is that it severs this important partnership.

Mr. President, today, we are debating an alternative that has been proposed by the Democratic leadership. Unlike the pending Dole amendment, the Daschle Work First Act will, in fact, truly reform the welfare system. And in the process, will reduce the deficit by $20 billion.

The Work First Act abolishes the current giveaway welfare system and replaces it with a conditional, transitional benefit. Let me repeat this since many seem to misunderstand—a conditional, transitional benefit.

This proposal is not tinkering as some suggest. It is true, comprehensive, real reform of an obsolete, failed system.

Welfare as a way of life will no longer exist. There will be no more unconditional handouts. Parents will be required to responsibility from day one and must do something in return for the welfare check. Failure to do so, will have consequences.

The Democratic leadership proposal starts with the following goal—to get welfare recipients employed and off of welfare. And then develops a comprehensive plan to make it happen.

You can't accomplish the goal unless you do certain things. That's just common sense. First, you have to take care of the kids. Second, you have to make sure that people have the skills and education necessary to get and keep jobs. Finally, there is no free ride, no more government hand outs.

We will provide a hand-up. But individuals on welfare must accept responsibility from day one and grab on to that helping hand. If not, then there will be no check.

A central element of the Daschle bill is the requirement that all families on welfare must negotiate and sign a contract that spells out what they will do to get off of welfare. Failure to meet the terms of the contract will result in the termination of the cash grant.

A binding contract, like that included in the Daschle bill, is currently in place in Iowa. And it works.

Over the past 22 months I have met with a number of individuals about the Iowa Family Investment Program. Time after time I hear welfare recipients say that no one ever asked them about their goals. No one sat down and talked with them about what it takes to get off of welfare.

Welfare recipients rightfully assumed that no one cared if they stayed on welfare indefinitely. That was the message of this obsolete system which kept welfare moms at home, while most other moms were employed outside the home.

There is a new message being delivered in Iowa now. Welfare is a transitional program and people must be working to get off the system.

And the welfare picture is changing in Iowa. More families are working and earning income. There are fewer families on welfare. And the State is spending less for cash grants.

But we can't get from here to there without recognizing the magnitude of the problems facing most of the families on welfare. No skills. No education. No one to take care of the kids.

At a hearing on the Iowa welfare reform program, Governor Terry Brandstad said, ''There has been much recognition that welfare reform requires up-front investments with long-term results. * * *''

Iowa has begun to make those investments, in partnership with the Federal Government. And those investments are beginning to yield fruit in the form of reduced expenditures for AFDC grants.

The Work First bill also recognizes that child care is the linchpin to successful welfare reform. We cannot require welfare recipients to work, if there is no place to put the kids. Placing children in harm's way in order to make the parents work in unacceptable. The Daschle bill recognizes this reality.

Instead of simply slashing welfare and dumping all of the responsibility and all of the bills on to States and local taxpayers, the Daschle plan represents real reform and real change.

Like the Iowa plan, Work First demands responsibility from day one. And it ends the something-for-nothing system of today with one that truly turns welfare into work.

It is built on the concepts of accountability, responsibility, opportunity, and common sense. It will liberate families from the welfare trap.

And it will strengthen families and help today's welfare recipients finally walk off the dead end of dependence and on the road to self-sufficiency.

The Daschle Work First bill is a pragmatic, common welfare reform proposal and should be adopted. I urge my colleagues to vote for the amendment.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, first let me commend the distinguished Senator from Virginia for his excellent statement and the support he has provided this legislation. His input and his participation has been invaluable on this issue, as it has been on so many others. I am very grateful for that.

Let me reiterate my gratitude as well for the assistance and leadership provided by the distinguished senior Senator from New York, and the Senators from Maryland, Louisiana, and so many other Senators who have had a vital role to play in bringing us to this point. As we have said now for the last couple of days, our intent in offering this amendment is to hold out the hand of partnership to Republicans in bringing forth a proposal that Democrats as well as Republicans could support to bring about meaningful welfare reform. That is our goal.

There are four fundamental aspects of that goal that we view to be very important. First and foremost, we expect, we want, we propose real reform.

Second, we recognize that real reform is not possible without an appreciation of the need to provide more opportunities for work than are provided today.

Third, we must protect children. We understand that we cannot provide opportunities for work, we cannot truly engage in any kind of effort to encourage people to leave their homes, we cannot ask a mother to be separated from her children, without also ensuring that her children are going to be cared for.

Finally, all of us must recognize that South Dakota is different from New York, is different from Michigan. There ought to be, first, flexibility, and, second, the realization that the last thing we want—given that this Senate has put itself on record in opposition to additional unfunded mandates—is to ask States to do things without adequately ensuring that the funding is there to get them done right.

Those are the four goals: Real reform, work, children, and flexibility through an opportunity to sensitize people to the needs and the resources necessary in the States themselves.

We have had a good debate in the last couple of days about many of these goals and how they relate to each other. The reality is different than the rhetoric we have heard on many occasions during this debate.

First, there is a fundamental difference between our approach and the Republican approach with regard to work. The Work First plan fundamentally redefines welfare as we know it by putting a great deal of emphasis on ensuring that the skills can be provided, but ensuring as well that we have the resources to do the job.

The Republican plan, on the other hand, simply boxes up the problem and ships the current system to the States. It tells the States, ''You do it. You find a way to ensure that we can come up with some magical solution to all these goals, but we are not going to allow you the resources adequate to get the job done.'' Boxing up the plan and sending it out is no solution. Providing the necessary infrastructure, providing the resources, and ensuring a partnership between the Federal Government and the States truly is.

Second, we recognize, as I said in articulating the goals of our amendment, that we need to ensure that mothers have the capacity to work, that young mothers in particular have the resources—and from that the confidence—that they will need to go out and seek jobs, to go out and obtain the skills, to go out and get the counseling, to go out and get the education to ensure that at some point in their lives they can be productive citizens with the full expectation that they are doing this in concert with those of us who want to work with them to see that the job gets done right.

We recognize that if we are going to reach this goal of putting people to work, if we are going to ask a mother to leave the home, if we are going to ask a young mother in particular to leave her children, then, my heavens, how long does it take for every Member of this Chamber to realize as well that child care is the linchpin to making that happen? Protecting children is what this is all about; if we do not protect children, if we do not ensure that the children are cared for, there is no way they are going to leave home.

So it seems to me this is exactly what we have to produce in this Chamber prior to the time we finish our work on welfare reform: A realization that protecting children, caring for those kids as mothers leave for work, is an essential element of whatever welfare reform we pass.

The Republican plan ignores 9 million children. It has been aptly described as the ''Home Alone'' bill, because there simply are not the resources, the infrastructure, the mechanism, the will on the part of many on the Republican side of the aisle to address this issue in a meaningful way.

We simply cannot be willing to leave child care as the only aspect of our need to address the cares of children. We must also recognize, as the distinguished ranking member of the Finance Committee has said on so many occasions, that we must address the problem of teenage pregnancy. While we do not have all the answers to teenage pregnancy, we must recognize that there is a need there. We must try to address the problem in a meaningful way. There is a responsibility for us to care in whatever way we can, ensuring that teen parents get some guidance, ensuring that teen mothers are given an opportunity to work through the challenges they face as young mothers. We do that in the Work First proposal.

We do not claim to have all the answers to teen pregnancy. No one does. No one can possibly tell you, unequivocally, here is how we are going to stop teenage pregnancies. But we can say that teen mothers have to begin taking responsibility. We can say that we have some initial steps in providing them with an infrastructure and with a mechanism by which they can be productive mothers first, workers second, or students third. This amendment does that. This amendment addresses the realization that unless we begin to put the pieces together in working with teenage pregnancy, recognizing we do not have the answers, we are never going to solve the problem at all.

The Republicans have used quite a bit of their time to say that, somehow, this is a plan run out of Washington. Nothing could be further from the truth. The truth is that the Work First plan is specifically designed to give States the flexibility that they need to do whatever it takes in their States, to recognize that in South Dakota we have a different set of circumstances than we might have in Florida or California.

You heard the charge that somehow our plan is weaker on work than the one proposed on the other side, but the truth is the Work First plan is stronger than the current Dole bill as it has been proposed. Our amendment requires community service after 6 months. The Republican plan calls for no work until after 2 years. Our amendment provides for resources to help mothers go to work. The Republican plan is $16.5 underfunded. They say our plan may have too many exemptions from the time limit. The truth is that both plans have exemptions. The Republican plan has a 15-percent exemption, arbitrarily set.

As I said last night, if we use every one of the criteria specified in our amendment, including mothers who have young children, disabled, those people who work in high-unemployment areas, if we have in some way used up all of that 15 percent and still find young mothers who have children, are we then to say to them, ''I'm sorry, we have arbitrarily set the line at 15 percent. You happen to be in the 16th percentile. You have to go to work?'' I do not think anyone wants to say that. That is why we believe using selective criteria makes a lot more sense, why giving States the flexibility makes a lot more sense. So, indeed, that is what we have attempted to do, to recognize that States need flexibility, but to recognize, too, that there are certain categories of people who simply may not be required, because of the extreme circumstances in which they find themselves, to fit the neat, defined descriptions that we have laid out in this amendment concerning the time limit.

So, Mr. President, the Work First proposal is real reform. The Work First amendment goes beyond rhetoric and meets the reality of reform. The Work First amendment does what we say is important if indeed we are going to redefine welfare. It provides the opportunity for work. The Work First amendment provides for child care and child protection in ways that are essential to the well-being of the future of this country.

Mr. President, the Work First amendment recognizes that we are not going to do a thing unless States have the resources, and unless we share those resources in a meaningful way, giving maximum flexibility to the States to decide how to use them.

Maybe that is why the U.S. Conference of Mayors has endorsed one welfare reform proposal. They have endorsed Work First because they are the ones who are going to be charged with the responsibility of carrying out what we do here. So the mayors understand all of this. They have said, on a bipartisan basis: We want the Work First plan. Local officials have also endorsed one plan. Local officials have indicated they, too, understand the consequences of no funding, understand the importance of child care, understand the importance of providing maximum flexibility, understand the importance of funding and real work. And they, too, support the Work First proposal.

Organizations of all kinds have come forward to say this is the kind of legislation they want us to pass. The Democratic Governors have said again, as late as this morning: This is what we want; this is what we need. This will do the job.

Mr. President, it has been a good debate. I am hopeful that, as so many have expressed on the Senate floor in the last couple of days, we truly can find bipartisan solutions to the challenges we face in passing meaningful welfare reform. This is our best good-faith effort to accomplish meaningful reform, to reach out to our Republican colleagues and say join us, to reach out across the board to Democratic and Republican Governors alike and say join us, to reach out to all of those people currently on AFDC who want to find ways out of the boxes they are in and say join us. We are providing new opportunities, new solutions, and even new hope for people who need it badly.

Let us hope as a result of the passage of this amendment this afternoon that we can begin our work in earnest to ensure that the reality of welfare reform

can be realized at some point in the not too distant future.

I yield the floor.

Mr. LOTT. Mr. President, may I inquire about how the time is divided at this point?

The PRESIDING OFFICER. At this point, all time has expired. But 15 minutes of time has been set aside at 3:45 for the majority leader under a previous unanimous-consent agreement.

Mr. LOTT. Mr. President, while the distinguished majority leader is on his way, I understand I can take a couple of minutes of his time to make a brief statement.

I ask unanimous consent that I be allowed to do that.

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

Mr. LOTT. Mr. President, our time for debate on this amendment is running out. So I will keep these remarks brief and to the point.

I urge my colleagues to vote against the Daschle-Breaux substitute. I do not question the good motives behind it. I consider it a thoughtful attempt to break out of the welfare status quo—something which all of us want to accomplish.

But I do not believe it does the job, at least not the way the American people want it done.

For starters, it retains authority and decisionmaking about welfare right here in Washington. And it does so at a time when the States are seizing the initiative with far-reaching experiments and demonstration projects. Instead of fostering that process, by returning both authority and resources to State and local taxpayers, the Daschle-Breaux amendment would retain the whole mechanism of Federal micromanagement.

The substitute amendment talks a good fight on two fronts: with regard to work requirements and a time limit for receipt of welfare. But in both cases, there are so many provisos and loopholes and conditions and exceptions that we couldn't expect significant progress over the status quo.

We have had work requirements on paper before, with impressive participation rates mandated by various times certain. What we need now is sufficient flexibility for the States to reach those goals in their own ways. The substitute amendment does not give it to them.

Nor does it offer hope of turning the tide against illegitimacy. That may be its most important shortcoming. There is already a national consensus that illegitimacy is the key factor that drives the growth of welfare. It is the single most powerful force pushing women and children into poverty.

A welfare bill that does not frontally address that issue—that does not make reducing illegitimacy rates a central goal—is simply not credible as welfare reform.

Another touchstone of true welfare reform is whether a bill removes or retains the entitlement status of welfare. It seems to me that the Daschle-Breaux substitute merely replaces the current AFDC entitlement with a new, or newly designated, entitlement, supposedly time limited.

That is not even incremental change, and it cannot get us where the Nation needs to go in modernizing, streamlining, and reforming our programs of public assistance.

I hope that our colleagues who, for one reason or another, plan to vote for the substitute amendment will, thereafter, keep an open mind and open options about the Republican welfare bill this amendment seeks to replace.

It is a large package of very comprehensive welfare reform. But I think it can significantly improve our present system and move us toward genuine welfare reform. It points the way toward the radical change that is needed.

I urge my colleagues to vote against Daschle-Breaux and let us move toward the adoption of the Dole welfare reform package.

I yield the floor.

Mr. PRESSLER. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I rise in support of the Dole approach on the welfare bill. We must restore workfare to our welfare program. The system of welfare that we have in this country was set up in the early 1960's. I remember well the war on poverty, and the intentions were good. But the result has been our inner cities have had generational welfare. The same thing has happened on our Indian reservations. We all want to help people who need help. But we must restore the principle of workfare. That is what the Dole bill does.

Also, we must turn over to our States more of this responsibility, because the States can judge who deserves welfare better. We now have all these Washington bureaucrats with the entitlement programs, situated in Washington, DC, making judgments on who should be on welfare in South Dakota or California. Under this new legislation, under this reform, there will be workfare and the States will decide who gets welfare. That will save the taxpayers money. But more importantly, it will reform our welfare program so we will have a real welfare program that helps the people who need it and requires people to work who are able to work. It is time for reform in welfare.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized under the previous unanimous consent agreement.

Mr. DOLE. Mr. President, I want to thank all my colleagues for their work, and my friend from New York, Senator MOYNIHAN, chairman of our committee, Senator PACKWOOD, the Senator from Pennsylvania, Senator SANTORUM, who spent a lot of work on the floor just in the past few days and who has done a great job helping us a lot in the conferences that we have had in an effort to resolve some of the differences on our side.

I am prepared to say I think most of the differences have been resolved on our side because we have tried to base our bill on three principles: Creating a real work requirement, returning authority to the States, and restraining welfare spending. These principles are key to reaching our goal of dramatic reform that provides work, hope, and opportunity to Americans in need.

The amendment before us proposed by the Democratic leader fails to meet these principles. The Democrats call it Work First, but in fact, it is ''weak first''—weak on work, weak on limiting welfare dependency, weak on State innovation, weak on savings, weak on real reform.

REAL WORK REQUIREMENT

Let me just say, any bill that comes before us that is going to pass the Congress and, hopefully, any bill signed by the President is going to have a real work requirement in it which requires able-bodied welfare recipients to find a job, not stay at home and not stay in a training program forever, because when it comes to escaping poverty we know the old American work ethic is true. Work works. And States, not the Federal Government, must provide the work requirements. However, we must hold them accountable.

Our bill requires—and even there are some on our side who think our bill does not go far enough, but our bill requires 50 percent of all welfare recipients to engage in work in fiscal year 2000. And that is a fairly high barrier to cross when you consider the young people and elderly and disabled unable to work.

Our colleagues on the other side put a number of loopholes ahead of real work. The Federal Government would exempt 25 percent of all welfare participants and only 50 percent of the remaining 75 percent of the welfare caseload would be expected to work by fiscal year 2000. The bottom line is the Democrats' plan requires only 37 percent of able-bodied recipients to work in fiscal year 2000.

By comparison, the Republican plan requires 50 percent of all welfare recipients to work in fiscal year 2000. We leave the business of exemptions to the people who know best, the closest to the problem. That is the States, the Governors, the State legislators.

We believe States should design and run their own work program. And one thing is certain about welfare reform. No Federal bureaucrat will ever come up with a blanket program which works equally well in all 50 States. Through block grants to States and not waivers, the Federal Government can provide resources to fight poverty without imposing the rules and regulations that ban innovation.

I am reminded of a statement by the distinguished Governor of Wisconsin, Governor Thompson, when he was speaking with seven or eight of our colleagues in my office here, oh, maybe 4 or 5 weeks ago, and some were insisting that we continue to add strings. Whether they are conservative strings, they are strings. And the Governor said, I think maybe in a little bit of frustration, that he was also an elected official; he was elected by the same kind of people we are, and that nobody in the State of Wisconsin was going to go without food or medical care.

We have to give the Governors credit for some integrity and ability and a willingness to do the right thing when it comes to welfare. And I think that is generally the case, whether it is a Democrat or Republican Governor, a Democrat or Republican State legislature; they are closer to the people.

We have not tried this. There probably will be some horror stories. There always are going to be a few cases where maybe a few things will go awry, but they go awry now.

We give the States broad latitude to adopt the programs to meet the varied needs of their low-income citizens. The other bill does not allow States to take over welfare programs. It replaces one set of Federal rules and regulations with new ones, and States that want to innovate must continue to come to Washington, ask for a waiver, wait, wait, wait, and finally get a waiver. We do not think that should be necessary. We believe States ought to be able to innovate; there ought to be a lot of flexibility. And I tell you that we have confidence in the Governors, again, in both parties.

Local welfare administrators and caseworkers must get recipients off welfare and into the workplace. To encourage results, the Republican bill imposes a State penalty for failure to meet participation rates. There would be a 5-percent reduction in the State's annual grant. Under the Democrats' bill, a first-time State failure to meet the participation rate would simply require the HHS Secretary to make recommendations to the States for improving them.

The local welfare administrators and caseworkers need to focus on getting welfare recipients into the mainstream and not focus on unnecessary Federal bureaucracy and regulations. Therefore, the Republican bill delivers welfare dollars to the States directly from the Treasury and reduces the Federal welfare bureaucracy.

Able-bodied recipients must work to support themselves and their families. To accomplish this, we require recipients to work as soon as the State determines that they are work ready or within 2 years, whichever is earlier. Moreover, our bill imposes a real 5-year lifetime limit on receiving welfare benefits.

Our colleagues on the other side have a work ready provision with many exemptions. Moreover, their bill fails to impose real lifetime limits on welfare benefits by offering even more loopholes. For example, a welfare recipient who has three children while on welfare can get up to 7 years of benefits before reaching the 5-year limit. Even then, that recipient would still remain on the welfare rolls entitled to certain benefits and receiving vouchers, without a time limit, in place of cash benefits.

The Democrat bill even provides exceptions to these weak time limits, turning major cities into welfare magnets. If a welfare recipient lives in an area with an unemployment rate exceeding 8 percent, none of the time spent on welfare counts toward the so-called 5-year limit. That would turn cities that have relatively high unemployment rates like New York, Los Angeles, Washington, Philadelphia, Detroit, and many others into time-limit-free zones.

But I think the most important thing is that we want to return authority to the States. And we believe there is an opportunity to do that. We want to give the States the flexibility. The Governors want that. Republican Governors want that, and I think many Democratic Governors want that. And that is why the majority of the Nation's Governors on the Republican side want that.

I noticed Governor Wilson yesterday disagreed with our bill. He was not at the Governors' meeting. Had he been there, I think he might have endorsed it. I have written him a letter to explain the bill so he will better understand it because he has it all confused with some of the others. But I think 28 or 30 of the Governors, with the exception of Governor Wilson, support our bill, and we believe it is a step in the right direction.

I hope that after the bill of the distinguished leader on the other side, Senator DASCHLE, is disposed of, we can then start debate and finish action on this bill no later than 5 o'clock Wednesday. We believe there will be amendments on each side. We have some amendments we cannot work out. The ones we cannot work out we will bring up and have a vote and determine what happens. So it seems to me that we are on the right track.

The Republican leadership plan eliminates the individual entitlement and replaces it with a capped block grant of $16.8 billion a year.

I would say, finally, the Democrat plan proposes to replace AFDC with a bigger, more expensive package of entitlements costing the taxpayers over $14 billion more than AFDC over the next 7 years, including subsidies to families with incomes as high as $45,000 per year.

The Republican bill no longer will continue the burdensome rules and requirements that accompany the old jobs program. The Work Opportunity Act repeals the jobs program and lets the States design real work programs.

The Democrat plan keeps many provisions of AFDC and the jobs program as a Federal entitlement and renames it the ''Work First Employment Block Grant.''

RESTRAIN WELFARE SPENDING

No program with an unlimited budget will ever be made to work effectively and efficiently. Therefore we must put a cap on welfare spending.

The Republican bill saves $70 billion over 7 years. The Democrat bill saves only $21.6 billion over the same period of time.

Mr. President, because it is weak on work, weak on limiting welfare dependency, weak on State innovation, weak on savings, weak on real reform, the Democrat bill fails the test to real reform. I urge my colleagues to vote against it.

So I think overall, although I know there is a desire of everybody in this body to do something about welfare, we know it has failed. Notwithstanding the best efforts of many to make it work, it has not worked, and it is time that we take a hard look at dramatic reform. That is precisely what we intend to do. The Work Opportunity Act of 1995, in my view, is a step in that direction.

I will indicate to my colleagues that following the vote on the Democratic substitute, we will ask consent at that time that all amendments that people might offer, they notify the managers today and then, if we can get the consent, those amendments would have to be offered by 2 o'clock tomorrow.

I have had a discussion about this with the Democratic leader, Senator DASCHLE. I have not made the request yet, but I do not believe he disagrees with our intent. Our intent is to move as quickly as we can to complete action, giving everybody all the time they want for debate, offer the amendments they wish to offer, but, hopefully, conclude action on next Wednesday afternoon.

I would say that initially we had about 70 amendments on this side of the aisle. In my view, that would have probably boiled down to about 10 or 12 amendments that may require rollcall votes. I am not certain the number of amendments on the other side. But it is my hope that we can reach some agreement so it would not be necessary to file cloture, that we go ahead and debate the bill, then finish the bill at the earliest possible time and go on to something else.

I yield back the remainder of my time.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. FAIRCLOTH). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 2282, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to the Daschle amendment No. 2282, as modified.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. I announce that the Senator From Alaska [Mr. MURKOWSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—45 yeas, 54 nays, as follows:

[Rollcall Vote No. 400 Leg.]

YEAS—45

Akaka	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Nunn
Bumpers	Inouye	Pell
Byrd	Johnston	Pryor
Conrad	Kennedy	Reid
Daschle	Kerrey	Robb
Dodd	Kerry	Rockefeller
Dorgan	Kohl	Sarbanes
Exon	Lautenberg	Simon
Feingold	Leahy	Wellstone

NAYS—54

Abraham	Faircloth	Mack
Ashcroft	Frist	McCain
Baucus	Gorton	McConnell
Bennett	Gramm	Nickles
Bond	Grams	Packwood
Brown	Grassley	Pressler
Burns	Gregg	Roth
Campbell	Hatch	Santorum
Chafee	Hatfield	Shelby
Coats	Helms	Simpson
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner

NOT VOTING—1

Murkowski

So, the amendment (No. 2282), as modified, was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. 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. Without objection, it is so ordered.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Dole amendment No. 2280, as modified.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Oregon, Senator PACKWOOD, be recognized for 10 minutes.

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

ANNOUNCEMENT OF INTENT TO RESIGN FROM THE SENATE

Mr. PACKWOOD. I thank the Chair and the majority leader.

I think many of you are aware of why I am here today. I am aware of the dishonor that has befallen me in the last 3 years, and I do not want to visit further that dishonor on the Senate. I respect this institution and my colleagues too much for that.

For 27 years, I have worked alongside BOB DOLE, TED STEVENS, and a few others from that era, and most of all with MARK HATFIELD, who is not just a colleague but a friend of almost 50 years and who I met when I was a teenage Young Republican. He was a bright, young, yet unelected legislator, who turned out to be my teacher, mentor, and friend.

There have been many successes in these 27 years, some failures, some frustrations. Let me remember a few, if I could have your indulgence. Hell's Canyon, that great gash in the Earth that is the boundary between Idaho and Oregon with the Snake River running through it, the deepest gorge in the United States. In the late 1960's, early 1970's, for about 6 years, we had a battle on trying to stop a dam from being built in the gorge and at the same time to create a national recreation area. There is humor I see in this, and I smile at some of the newspaper stories I have seen recently about business lobbyists writing legislation.

I want you to picture this trip. We are on a raft trip in the river. I had been invited by environmentalists, most of whom I did not know. I had not seen the gorge before. They wanted me to see it and become involved in the saving of it. One night around the campfire, I believe it was Brock Evans who, I think, is now with the Audubon Society, then with the Sierra Club—we had a highway map of Oregon and Washington, and he takes out a marking pen, and he says, ''I think this is where the boundary is.'' He draws it. Somebody said, ''What about those minerals in Idaho.'' So he crosses it out and draws that up here. That became the boundaries.

The humor was—realizing this is drawn with a marking pen—that when you take it to the legislative counsel's office, if he says here—do you know how many miles that is? If he would say, ''Where are these boundaries?'' I would have to smile and say, ''You will have to call Brock.''

There was truck deregulation, an arcane subject that is probably saving consumers more money than anything in deregulation that we have done. Abortion, early on, was a lonely fight. I remember in 1970, 1971, when I introduced the first national abortion legislation, I could get no cosponsor in the Senate. There was only one nibble in the House from Pete McCloskey, who did not quite come on as a sponsor. There was a nibble 2 years before Roe versus Wade. Those were lonely days. That is not a fight that is even yet secure.

Israel, and my trips there, the golden domes, the fight that so many of us had made year after year to keep that bastion of our heritage safe and free, and to this date not guaranteed.

Tax reform in 1986. We were up against the verge of failure. The House had passed a middling bill. I was chairman of the Finance Committee. Every day we were voting away $15 or $20 billion in more loopholes.

I finally just adjourned the committee and said, ''We are done.'' I remember Bill Armstrong saying, ''We are done for the day?'' And I said, ''No, we are done for the session, we will have no more sessions.''

Bill Diefenderfer, my counsel, and I went to the Irish Times for our two famous pitchers of beer. Those were the days I drank. I quit drinking years ago. I know why they call it courage—by the time we finished a second pitcher we drafted out on the napkin an outline and really said, OK, they want tax reform, we will give them tax reform.

Here is an example where this body can move when it wants to move. From the time that committee first saw the bill until they passed it in 12 days, PAT MOYNIHAN was a critical player. The six of us met every morning at 8:30 before the meeting. It passed the Senate within a month. So when people say this body cannot move, this body can move.

Maybe some of the best advice I had came from BILL ROTH, successor to John Williams, years ago, when he used the expression—we were having a debate in those days about the filibuster and cloture and how many votes. In those days I was in favor of lowering the number. I am not sure, even though we are in the majority I would favor that now, from two-thirds to 60 votes. John Williams said we make more mistakes in haste than we lose opportunities in delay.

If something should pass, it will pass. It may take 4 or 5 years. That is not a long time in the history of the Republic. Too often in haste we pass things and have to repent.

So for whatever advice I have I hope we would not make things too easy in this body and slip through—I say that as a member of the majority.

Tuition tax credits, a failure. PAT MOYNIHAN and I introduced the first bill in 1977, and have been introducing it ever since. Its day may come. It may be here.

One of the great moments of humor—you have to picture this situation—was in the Carter administration. They were terribly opposed to this tuition tax credit bill. Secretary Califano testified against it twice in the Ways and Means Committee. Came to a Finance Committee hearing and Assistant Secretary for Legislative Affairs Dick Warden came to testify. He had previously been with the United Auto Workers and was hired on as a lobbyist, basically for Health and Human Services—HEW as it was called then.

Thirty seconds into his testimony, Senator MOYNIHAN leans forward and said, ''Mr. Warden, why are you here? Why are you here?''