United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, WEDNESDAY, SEPTEMBER 13, 1995 No. 142

Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain, Pastor Richard Laue, Calvary Bible Church, Burbank, CA.

PRAYER

The Reverend Richard Laue, pastor of Calvary Bible Church, Burbank, CA, offered the following prayer.

Our Sovereign God, we bow our heads, we open our hearts that our lives as well as our lips might give You praise. We worship You, we love You, we honor You for the abundant blessings and immeasurable grace that You have poured out upon us as a nation. We thank You today for the Senate of these United States of America. We pray that You might open the windows of Heaven and pour out upon these our governmental leaders that You have chosen, wisdom and knowledge that they might lead us in the direction You have established.

May every soul from coast to coast and border to border be subject to the governing authorities that rule over us, because we know there is no authority, except what You have established. Remind us, Lord, that those who ever resist the authority resist the ordinance of the Almighty God, and those who resist will bring judgment upon themselves. We have learned from experience that rulers are not a terror to good works and obedient living, but to evil in the world. Remind us frequently that rebellion and anarchy bring judgment.

Remind the citizenry and the leadership of this Nation that when we ''sow the wind, we shall reap the whirlwind.'' Burn into our thinking and our decisionmaking that text of Scripture, ''Be not deceived for God is not mocked for whatsoever a man (or a nation) soweth, that shall he also reap''—Galatians 6:7.

Help us to encourage the weak, lift up the fallen, and heal the wounds in our Nation. We pray that the blessing and the benediction of Almighty God might rest upon the Senate of these United States of America. To God be the glory. Amen.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the pending bill.

The assistant 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.

Moseley-Braun amendment No. 2471 (to amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun amendment No. 2472 (to amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Graham/Bumpers amendment No. 2565 (to amendment No. 2280), to provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line.

Domenici modified amendment No. 2575 (to amendment No. 2280), to strike the mandatory family cap.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a Contingency Fund for State Welfare Programs.

Daschle amendment No. 2671 (to amendment No. 2280), to provide a 3-percent set aside for the funding of family assistance grants for Indians.

DeWine amendment No. 2518 (to amendment No. 2280), to modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Boxer amendment No. 2592 (to amendment No. 2280), to provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Illinois is recognized.

AMENDMENT NO. 2471

Ms. MOSELEY-BRAUN. Mr. President under the previous order, there is to be a final 10 minutes of debate on two pending amendments which I offered. The vote is to occur at 9:10 this morning. Therefore, in light of the fact that we have about 7 minutes left, I will be very brief and succinct in describing the two amendments.

At the outset, I would like to submit for the RECORD an article in the Washington Post yesterday by Judith Gueron, which talks about the way out of the welfare bind. There is one line in particular that I call to the attention of my colleagues, and the Senator from Pennsylvania, who is on the floor and working this legislation. She talks about time limits and she concludes that they should be tested. Then she goes on to say:

> But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

Now, the point of these amendments is to at least provide us with some security against unintended consequences. I believe the two amendments pending will go to the heart of the debate about welfare reform. Are we, as a national community, going to maintain a national commitment to poor children, or are we going to gamble with the future of millions of children?

I remind my colleagues, in the discussion that we have had that there are

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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some 14 million AFDC welfare recipients; 5 million of those people are adults, but 9.6 million—almost 10 million of them—are children. Work is important and certainly we all support work for adults. But it is the children who have been forgotten, I think, in this debate and who are the unintended targets of this debate and who will suffer if there are any unintended consequences of our policymaking.

Some 60 percent of the children of the AFDC recipients are children under the age of 6. So the first amendment suggests, or asserts, really, that these 9 million children, 60 percent of whom are under the age of 6, are too precious to take a gamble that the States will construct programs that will, in fact, work, and that we, therefore, make a national commitment by allowing for the child vouchers. We can make a commitment that we will not allow children to go hungry or to become homeless; nor will we allow a child to become subject to the vicissitudes of misfortune or accidents of geography. As a nation with a $7 trillion economy and $1.5 trillion Federal budget, I believe that we can provide a minimum safety net for poor children.

This amendment provides for that safety net by requiring the States to provide vouchers for poor children who live in families that may be ineligible or kicked off, or somehow or another not eligible for assistance because of rental circumstances.

This amendment seeks to hold the child harmless, to protect the child even from the behavior of their parents. If anything, Mr. President, it seems to me that we ought to provide some basic level of protection for these children for whom all of our decision-making will have grave and dramatic impact.

The second amendment goes to the parents. Essentially, it says that of those 5 million parents who are being called on to work in this welfare reform, as to those individuals—parenthetically, all of us agree that anybody who can work should work—but the State, in the legislation, is required to set forth a work plan for those individuals that they deem needed. But if the State does not live up to its part of the bargain, that State does not provide jobs assistance, job training, does not follow its own plan—not a plan we are imposing from Washington, but if the State does not do what it needs to do with regard to job training and placement of the adult, then this amendment says that the State should not eliminate assistance for those individuals who they have themselves failed.

Again, I want to bring to the attention the second part of the article called ''A Way Out of the Welfare Bind.'' She says:

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will ''hit the cliff'' and either require public jobs, which will cost more than welfare, or face dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

That goes to the heart of the debate here, that in the event there are unintended consequences of our decision-making, we should assure that the unintended consequences do not impact the children—again, 60 percent of whom are under the age of 6, or alternatively, that people are not penalized for circumstances beyond their control.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

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

A WAY OUT OF THE WELFARE BIND

(By Judith M. Gueron)

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work approach offers a way out of the bind. Careful evaluations have shown that tough, adequately funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost $3 for every $1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it not run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everybody else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the ''bargain''—the mutual obligation of welfare recipients and government—has received broad support, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will ''hit the cliff'' and either require public jobs, which will cost more than welfare, or face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor ''work,'' but this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

Ms. MOSELEY-BRAUN. I see my time has expired. I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I think the Senator from Illinois hit the nail right on the head in talking about the issue of unintended consequences. How can we risk to do this, to put a time limit on people on welfare? I wish we would have had that same discussion back when we instituted all these welfare programs in the sixties, because when we did that we had absolutely no idea what was going to happen. We had no idea of the unintended consequences. We had no idea that the harm that has been caused by all of these programs, the dependency that exists in this country because of these programs, had we thought about these unintended consequences, we may have not have done that, but we did it anyway, without any proof that what we were passing was going to be beneficial to the American citizens. We had no proof at all. In fact, in the thirties when these were initially realized they were replacements for private charity systems that were networks of charities that are all over the country.

We said, no, the Government will take more responsibility. Franklin Roosevelt warned us about the subtle narcotic being delivered to the masses on welfare. We ignored a lot of the naysayers out there at the time, saying big Government programs and unlimited welfare were going to be a real problem for this country, were going to be a disintegration of community, family, and the support that we have seen in communities. We ignored all that and just plowed ahead.

Now we are saying, ''Oh my goodness, we cannot change that because we do not know what will happen.'' Well, we changed it in the 1930's and the 1960's without knowing what would happen. We found out what has happened, and it is a big problem.

To suggest now we cannot find some moderation, we are not talking about pulling the Government out of welfare, we are talking about putting a limit on the amount of assistance that we are going to give people, and changing the system from one of a maintenance and dependency system to one that is a dynamic transitional system.

I think that is a good middle ground that we have established with this piece of legislation.

What the amendment of the Senator from Illinois will do is perpetuate a system of dependency, of maintenance of poverty. I think it hopefully will be rejected by the Senate.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment numbered 2471. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 58, as follows:

[Rollcall Vote No. 413 Leg.]

YEAS—42

Akaka	Feingold	Lieberman
Biden	Feinstein	Mikulski
Bingaman	Ford	Moseley-Braun
Boxer	Glenn	Moynihan
Bradley	Heflin	Murray
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Lautenberg	Simon
Dorgan	Leahy	Specter
Exon	Levin	Wellstone

NAYS—58

Abraham	Gorton	McCain
Ashcroft	Graham	McConnell
Baucus	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Nunn
Brown	Gregg	Packwood
Burns	Harkin	Pressler
Campbell	Hatch	Roth
Chafee	Hatfield	Santorum
Coats	Helms	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Jeffords	Snowe
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kohl	Thompson
Dole	Kyl	Thurmond
Domenici	Lott	Warner
Faircloth	Lugar	
Frist	Mack	

So the amendment (No. 2471) was rejected.

Mr. MOYNIHAN. Mr. President, 42 votes. A good vote. I move to reconsider.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2472

The PRESIDING OFFICER. Under the previous order, there will now be 4 minutes debate equally divided on the second Moseley-Braun amendment numbered 2472, to be followed by a vote on or in relation to the amendment.

Who yields time?

Mr. MOYNIHAN. Mr. President, I believe the time has been agreed to, 4 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, the second amendment has been explained at length.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I would like to be able to vote intelligently on this amendment. I hope the Senate will give its attention to Members who are attempting to explain briefly these amendments. I hope the Chair will insist on order in the Senate, and I for one will applaud the Chair for the effort.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MOYNIHAN. The Chair can name names if that becomes necessary.

The PRESIDING OFFICER. Will Senators take their conversations off the floor.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair very much. I will be brief.

Essentially, the second amendment also deals with unintended consequences. But unlike the amendment that applied, or was directed at almost 10 million children who are presently on welfare, this one applies, or is directed, to the approximately 5 million adults who are recipients under the various programs in the States.

Essentially, what it says is that the State will do what it says it is going to do. It is intended to address the issue of unintended consequences where a State has not provided job assistance, where the economy in the State has pockets of high unemployment, where a recession occurs or plants leave and individuals cannot work because there are no jobs. Then the State will not in that situation throw an individual off of welfare who wants to work, who needs to work, who wants to support their family and has no other way of providing for their children.

I had introduced earlier an article out of the Washington Post regarding welfare-to-work programs. Certainly, we all agree that anybody who can work should work. There is no debate, I think, about that. But in the event there are no jobs, in the event there is high unemployment, in the event there is some economic downturn over which an individual has no control, the question is, are we prepared to accept the consequences, the unintended consequences of an able-bodied person who wants to work, who is unable to work, being unable to provide anything for their children.

Many States are such as my own. In Illinois, 64 percent of the caseload resides in one county. In that instance, it seems to me that a State should be called on to do what the State says it is going to do. This is not imposing anything on the States other than the States have imposed on themselves. This, it seems to me, is a reasonable moderation of our approach in turning this issue over to the States, letting the States create their plan. It simply says the State will do what the State says it will do in regard to job assistance.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NICKLES. Mr. President, I rise in opposition to this amendment. In my opinion, this amendment really is a back-door effort to have a continued entitlement. This creates a new entitlement which requires the States to provide services. It tries to get around the idea of having a time limit, a limitation on welfare.

I remember President Clinton's statement that we want to end welfare

as we know it. This amendment basically is an effort to exempt the 5-year time limit to keep an open-ended entitlement. This opens up States also to lawsuits from recipients who do not get the type of training they want rather than what the State thinks they need.

I might mention we had a similar type provision that was earlier defeated.

Mr. President, I hope that my colleagues would vote ''no'' on this amendment. I yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—40

Akaka	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Conrad	Johnston	Robb
Daschle	Kennedy	Rockefeller
Dodd	Kerrey	Sarbanes
Dorgan	Kerry	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	
Feinstein	Levin	

NAYS—60

Abraham	Faircloth	McCain
Ashcroft	Frist	McConnell
Baucus	Gorton	Murkowski
Bennett	Gramm	Nickles
Biden	Grams	Nunn
Bond	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Reid
Byrd	Hatfield	Roth
Campbell	Helms	Santorum
Chafee	Hutchison	Shelby
Coats	Inhofe	Simpson
Cochran	Jeffords	Smith
Cohen	Kassebaum	Snowe
Coverdell	Kempthorne	Specter
Craig	Kohl	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	Warner

So the amendment (No. 2472) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2565

The PRESIDING OFFICER. Under the previous order, there will now be 20 minutes for debate equally divided on the Graham amendment No. 2565, to be followed by a vote on or in relation to the amendment.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KERREY] is recognized for 2 minutes.

Mr. KERREY. Mr. President, under the Dole bill, we are fundamentally changing the covenants of welfare. It seems to me and other supporters of this amendment that we should be fundamentally changing the way we design our formulas. Instead, under the Dole bill, we continue to use a formula that is based upon an older system.

Instead, what the Graham-Bumpers amendment does is provides a formula that is based on fairness and guided by three principles: First, that the block grant should be based on need; second, the funding level should respond to changes in the poverty level; and third, the States should not be permanently disadvantaged based upon their policy choices and circumstances made in 1994.

Mr. President, the Graham-Bumpers children's fair share proposal meets the test that I have just described by allocating funding based upon the number of poor children in each State, a formula just for changes in the population of children in poverty, so it does not lock States into an outdated funding level.

I point out to my colleagues something I suspect they already know, and that is, child poverty has enormous economic costs. It has huge human costs as well. Low-income children are twice as likely to suffer from stunted growth, twice as likely as other children to die from birth defects, and three times more likely to die from all causes combined.

It has been estimated that there are $36 to $177 billion in lower productivity coming from the American economy as a consequence of child poverty. It has enormous future costs as well. There is a University of Michigan study that those children under age 5 who experience at least 1 year of poverty have significantly lower IQ scores. If we are going to change our welfare system to a block grant, we need to change our funding formula to address child poverty. I cannot imagine—except for States that lose money, and some will under this formula. Unless your States lose money, I do not know how you can do anything other than to support this amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. KERREY. I yield back my time.

The PRESIDING OFFICER. Who yields time? The Senator from Texas [Mrs. HUTCHISON] is recognized.

Mrs. HUTCHISON. Mr. President, I yield 4 minutes from our 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized for 4 minutes.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas. I find it interesting that the Senator from Nebraska is standing up here arguing for this amendment. It is very magnanimous of him. I know originally his State gains. I am not too sure he is aware that after 5 years, the State of Nebraska goes from $100 million down to $23 million, which is actually less money than they are getting now under the current formula. They will get less money.

The Senator from Nevada spoke on this amendment yesterday. They will get less money under this formula. There is no hold harmless here.

You should look at the formula not just in the first year, but over 5 years. Your numbers come down. Nevada is one. Actually, your maintenance of effort in Nebraska and Nevada, under the 80 percent maintenance-of-effort provision, will be required to pay more than what the Federal share will be, because you will be required to maintain 80 percent, but your number is going to come down below that.

Look at the numbers over the 5 years and you will see States like California, Connecticut, Hawaii, Maryland, Massachusetts, Nebraska, Nevada, New Jersey, New York, Rhode Island, and Washington all will have higher maintenance-of-effort requirements than Federal contributions under the Graham amendment.

Throw away parochialism. This is bad public policy. We are going to say on the floor of the Senate that we are going to make you pay more than what the Federal share will be to your States. That is wrong.

Hawaii is one of the big losers. I see the Senator from Hawaii here. They are going to have to pay more out of their own State coffers than will come from the Federal Government over a period of time. Some of these States get a little bump at the beginning, but what you do not see is they do not hold the small States harmless, and, over time, their number comes down and comes down dramatically.

In fact, if you look at the States that lose over time—I will go through them quickly—other than the States I just mentioned, because all the States I mentioned lose over time. In addition to those States, you have Alaska, Delaware, Maine, Michigan, Minnesota, Montana, New Hampshire, North Dakota, Oregon, Pennsylvania, Vermont. I mentioned Washington State before. You may think you are getting a boost under this, because if you look at it in the first year, you do, but with a lot of those States, over time their allocation, according to the formula, goes down.

So do not look at the first year and be suckered into a vote in favor of this amendment because you get a little bump at the start. Over time, the big winners—and I give a lot of credit to the Senator from Texas for standing up—Florida and Texas are the two big States that are going to be the big, big winners under this and the rest of the other States, particularly the small States in the West, the Midwest, and Northeast, are going to get hammered over the next 5 years.

Again, throw parochialism aside. To suggest that we are going to make 12 States maintain a higher effort of State dollars than we will give them

Federal dollars is wrong. It is absolutely wrong, I do not care where you come from. That is what this amendment does. It is misguided, it is unfair, not just to the States involved, but I think unfair to children in general.

I yield back the remainder of my time.

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

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS] is recognized for 2 minutes.

Mr. BUMPERS. Mr. President, let me start by asking the Senator from Pennsylvania, before he leaves the floor, if he thinks this country is fair to the children, when the District of Columbia, under this bill, is going to get $4,222 per child, and the State of Arkansas is going to get $390.

Do you know why a child in the District of Columbia is worth $4,200, 11 times more than the child in Arkansas? Because for years, the Federal Government says whatever you put in, we will match it. So they have matched it over the years. And now we are institutionalizing a gross inequity.

What we are saying in this bill is, if you happen to come from a poor State, no matter how hard you try, no matter how much money you did your very best to put in AFDC, you could not match Pennsylvania, New York, Massachusetts. Those States made a monumental effort, and we should congratulate them for it. But to say now 1994 is the be-all and end-all, whatever you contributed in 1994 is what you are going to get forever?

In short, if you are poor, you stay poor. If you are affluent, you stay affluent. There are Governors in this country—the Republicans got a lot of Governorships last year, and I guarantee you that a lot of them have already cut their contribution. No matter, it is 1994 that counts.

I cannot believe we are doing this. I could not vote for this bill in 100 years with this formula in it. How will I go home and tell the people of my State that a child in New York is worth $2,200 and their poor children are worth $400, or a child in the District of Columbia is worth $4,200 and our children worth $400?

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

Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Texas. I rise to oppose this Graham-Bumpers formula. I must say—and I say it respectfully—this formula is sudden death for California. It will cost California about $1 billion. It is enormous in its impact.

There is no fiscal year in which California comes close to what is offered in the Dole bill, and I think the Dole bill formula is bad for California. So that is why I say this is sudden death.

Frankly, I respect the Senator from Arkansas very much, but how a formula can be justified, which essentially says we will reward States who do very little for their poor people and we will seriously disadvantage States that are willing to do more for their poor people, I have a hard time understanding that logic.

This is a Government that has practiced devolution. This is a Government that has said more and more that it is the responsibility of the State. Yet, in this bill, they seek to punish those who have a high maintenance of effort.

For California, over the 5-year period, this bill will cost $1 billion. The impact is enormous. There is no amendment that has been proposed that has a greater negative impact on the State of California than does this.

I thank the Senator and yield the floor.

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Florida has 6 minutes.

Mr. GRAHAM. We will reserve our 6 minutes to close.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the senior Senator from New York.

Mr. MOYNIHAN. I thank my friend from Texas.

Mr. President, last evening, we debated this matter in greater length. I took the liberty to go over the historical provision of the entitlement by States to a matching share of their expenditures on children. From the first, it has been a formula designed to move more Federal funds to the South and West, out of the North and East. The ratio is determined by the square of the difference between the State's per capita income and national per capita income. States have received as much as an 83 percent Federal match. New York and California get the lowest Federal match rate: 50 percent.

We have since recalculated our poverty data to account for cost of living. Mr. President, may I make this point? Adjusted for the CPI, New York State has the sixth highest incidence of poverty in the country. Florida has the 20th highest. Arkansas has the 19th highest. New York is a poorer State than Arkansas. A new idea, I grant; new data, I assert. But truth as well.

This amendment would cost California $5.4 billion and New York $4.6 billion. Not because we have had an advantage in the Federal formula. To the contrary. It is because we have had a civic policy that has sought caring for children to be a higher priority than perhaps some others have done, or we felt we had the capacity, even in the face of the data that suggests we have not.

This is an elemental injustice. I am openly conflicted. If this amendment passes, the bill dies. But in the first instance, I will remain loyal to the principle of the last 60 years.

My time has expired. I thank the Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the junior Senator from New York.

The PRESIDING OFFICER. The junior Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, I thank my colleague from Texas and the distinguished senior Senator from New York, who are opposing this amendment.

This amendment is not about welfare reform. It is about pitting region against region, about enriching certain States at the expense of others, about taking money from States which have made an effort to deal with the plight of poor children and poor adults and just identifying 15 States and saying we are going to give you more money so we can buy your votes. That is wrong.

Let me tell you what it does to our State of New York. It costs us, as Senator MOYNIHAN has indicated, $4.5 billion over 5 years. It will cost us nearly $1 billion in the first year alone.

Let us talk about maintenance of effort. Senator SANTORUM has spoken to it. We have to maintain an effort at 80 percent. Under this amendment, the State of New York will spend $600 million a year more than it gets from the Federal side. Let us talk about rich and poor, about poverty, and what people are worth and are not worth, as it relates to the Northeast and Midwest. We sent $690 billion more in taxes to Washington than we received in the past 14 years. I thank my distinguished colleague, the senior Senator from New York, because under his stewardship, the coalition put these numbers together.

Let us talk about the State of New York. In the last 14 years, during the same period of time, we sent $142.3 billion more to Washington in taxes than we have received in what we call ''allocable spending.'' Let us look at the State of Florida. They have gotten back from Washington $38.5 billion more during that same period of time than they sent down to Washington in taxes. Now we see nothing other than a raid on New York, and its poor children in particular. Maybe what we should do is discuss an amendment to reallocate some of the Federal funds that flow to States such as Florida to give relief to those disadvantaged States in the Northeast and Midwest—New York, Pennsylvania and others—that already get less than their fair share of Federal allocable spending. Instead we have before us an amendment that would transfer more money to Florida at the expense of poor children in New York.

So I urge defeat of this amendment. It is a bad amendment.

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mrs. HUTCHISON. Has our time expired?

The PRESIDING OFFICER. Yes.

Mr. GRAHAM. Mr. President, to close on this amendment, we have

heard a lot about the phrase that ''we want to change welfare as we have known it'' and that it is a failed system. There are many citations as so what those failures are. If one of the objectives of the welfare system was, as the senior Senator from New York has stated, to move resources from the Northeast to the South and West, we will add that as an additional failure of the welfare system.

How can you say that a system has accomplished that objective of assisting the poorest States in America when Texas receives one-fifth the amount of funds for its poor children as does New York and when Arkansas receives one-eleventh of the funds per poor child as does the District of Columbia? Another example of the failed system.

Assume that we were to start this process with a blank piece of paper. Assume we had never distributed Federal money for the purposes of assisting poor children and assisting the guardians—particularly the single, female heads of households—of those poor children to get off welfare and on to work and thus independence. How would we go about allocating the money?

First, I think we want to allocate it in a manner that would, in fact, make the system work, that would provide a sufficient amount of resources into each of the communities of America to allow the kinds of training programs and child care to be functional, to accomplish the objective of moving from dependence to independence through work.

Second, we want to have elemental fairness in how those funds are distributed. That is the essence of the amendment that is before us today, Mr. President.

This amendment follows the simple principle, take the total number of poor children in America—they are America's poor children. They are not Florida's poor children or California's poor children, they are America's poor children. The funds will come from all Americans through the Federal Treasury. Take the number of poor children in the country, divide that into the funds we have available, approximately $17 billion a year, and distribute the money wherever the poor children are. That seems to me to be an imminently reasonable approach and a fair approach in terms of achieving the objective.

The amendment that has been offered by Senator DOLE would distribute 99 percent of the Federal dollars to the status quo. However, the money which was distributed in 1994 will be distributed in the year 2000, without regard to any changes. There can be a depression in Colorado, you can have enormous growth in Arizona, you can have a depopulated Michigan, and yet you will get the same money in the year 2000 that you got in the year 1994. That does not sound like a fair, reasonable plan, or a plan which will accomplish the objective of this legislation.

Much has been made by the Senator from Pennsylvania about maintenance of effort. Frankly, maintenance of effort has been a moving target throughout this debate. We had no maintenance of effort when we started this debate. We defeated an amendment yesterday to require a continuation of maintenance of effort. Whatever final position we take on this formula, obviously, we will have to readdress the issue of maintenance of effort.

Mr. President, I believe there are a number of considerations that Members of this Senate ought to take into account as they decide whether to vote on this amendment. First, the Dole amendment does not respond to economic or demographic changes. Second, the Dole amendment rewards inefficiency. New York State spends over $100 per welfare case for administration. West Virginia spends $13. Yet, those inefficiencies are going to be rewarded in that New York State will get a higher proportion of the money, in part because it has been more inefficient in utilizing the funds available.

The mandates that we are imposing, heavy mandates in training and in child care, will be much more difficult to meet in a State like Texas, where 84 percent of the money Texas gets from the Federal Government will have to be spent to meet the mandates of training and child care. In Mississippi, 88 percent of the money will have to be used, whereas in more affluent States, less than 40 percent of their Federal funds will be required in order to meet these mandates.

Much has been said about the fact, Mr. President, that we are going to be moving toward parity under the Dole amendment, that eventually we will get to the goal that all children will be fairly and equally treated. How long will that trail take? Let me give some examples.

How long will it take from today, using the Dole formula, for the State of Alabama's poor children to have the same worth in terms of the distribution of Federal funds as do the poor children of the rest of America? Mr. President, 74 years is how long it will take Alabama; Delaware, 39 years; Louisiana, 79 years; Idaho, 42 years; Mississippi, 100 years before the poor children of Mississippi reach the average of the Nation; Florida, 29; Nevada, 29; Illinois, 13; South Carolina, 78 years before South Carolina's poor children reach the average of the Nation in terms of the distribution of the Nation's resources for poor children; South Dakota, 27 years; Texas, 75 years.

How, in 1995, do we support a formula which has that degree of inequity and unfairness, and the fundamental undermining of the ability of this legislation to achieve its intended result, to change welfare as we have known it by giving people a chance, a chance to move from dependency to independence through work.

I urge the adoption of this amendment.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2565, offered by the Senator from Florida [Mr. GRAHAM].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 66, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—34

Akaka	Exon	Mack
Baucus	Ford	McConnell
Biden	Graham	Moseley-Braun
Bingaman	Gregg	Nunn
Breaux	Heflin	Pell
Bryan	Hollings	Pryor
Bumpers	Inouye	Reid
Byrd	Jeffords	Robb
Coats	Johnston	Rockefeller
Conrad	Kerrey	Simon
Daschle	Leahy	
Dorgan	Lugar	

NAYS—66

Abraham	Frist	McCain
Ashcroft	Glenn	Mikulski
Bennett	Gorton	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Bradley	Grassley	Nickles
Brown	Harkin	Packwood
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Cochran	Hutchison	Sarbanes
Cohen	Inhofe	Shelby
Coverdell	Kassebaum	Simpson
Craig	Kempthorne	Smith
D'Amato	Kennedy	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Dole	Kyl	Thomas
Domenici	Lautenberg	Thompson
Faircloth	Levin	Thurmond
Feingold	Lieberman	Warner
Feinstein	Lott	Wellstone

So the amendment (No. 2565) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2575

The PRESIDING OFFICER. Under the previous order there will now be 20 minutes of debate equally divided on the Domenici amendment, No. 2575, to be followed by a vote on or in relation to the amendment.

The time will be divided four ways—5 minutes each to Senators DOMENICI, GRAMM, DASCHLE, and DOLE.

POSTPONEMENT OF VOTE ON AMENDMENTS NOS. 2672 AND 2608

Mr. DOLE. Mr. President, I have a consent agreement that has been cleared by the Democratic leader, Senator DASCHLE.

I ask unanimous consent that the debate time and the rollcall vote scheduled with respect to the Daschle amendment, No. 2672, and the Faircloth amendment, No. 2608, be postponed to

reoccur at a time to be determined by the majority leader after consultation with the Democratic leader.

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

AMENDMENT NO. 2575

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

Mr. DOMENICI. Regular order, Mr. President. What is the regular order?

The PRESIDING OFFICER. The regular order is the consideration of the Domenici amendment with 5 minutes to each to be allocated to Senators DOMENICI, DASCHLE, GRAMM, and DOLE.

Mr. MOYNIHAN. Mr. President, it was my understanding that there was to be 20 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct. It totals 20 minutes divided four ways.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico, [Mr. DOMENICI], is recognized.

Mr. DOMENICI. Mr. President, Senator MOYNIHAN, on the minority side, and I have decided that I will control 10 minutes with him using part of that. That means there are 10 minutes under the control of Senator DOLE, 5 minutes, and Senator GRAMM, 5 minutes.

Mr. President, I am going to speak for 2 minutes, and if you will tell me when I have used the 2 minutes I would appreciate it.

First, I ask unanimous consent that Senator SPECTER be added as a cosponsor.

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

Mr. DOMENICI. Mr. President, Governor Engler testified before the Budget Committee that conservative strings to block grants were no better than liberal strings to block grants. A man saying that was not just an ordinary Governor but a Governor who is advocating no strings on the block grants in welfare. He said leave this issue that is before us—the family cap—up to the States. Give them the option to decide amongst a myriad of approaches to the very difficult problem of welfare teenagers and welfare mothers having children. He said let us experiment in the great democratic tradition in the sovereign States, and we are apt to do a better job.

What I propose is very simple. It mandates nothing. So nobody should think I am mandating that there be no family cap. I am merely saying each State in its plan decides this issue for itself. If they want a cap, they can have a cap. If they want to decide to try something different, they try something different.

It seems to me that is in the best tradition of what Republicans and conservative Democrats have been saying when they say send these programs to the States so they can manage them properly and let those who are closest to the grassroots—the State legislatures and Governors—decide how to do it.

There is nothing complicated about it. Again, I do not mandate anything. What my amendment says is the States can do it however they want with reference to the family cap or using cash payments for children who are part of a welfare situation where there is already one child, another one is born, and the States can decide how to handle that. We do not have all the wisdom here in Washington. That is the issue.

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

Mr. DOMENICI. I yield 2 minutes to Senator BRADLEY.

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

Mr. BRADLEY. Mr. President, I rise in support of the Domenici amendment.

New Jersey is the only State that has actually implemented a family cap. It took effect almost 2 years ago as part of a comprehensive reform of welfare which combines such disincentives as the family cap along with strong positive incentives for welfare recipients to work, and to marry. Almost from the day the family cap took effect we have been bombarded with people declaring absolutely that it works, and absolutely that it does not work. We have heard that there is a 1-percent reduction in birth rates to parents on welfare. We have also then, based on an evaluation by Rutgers, heard that there was no difference in births. We heard there was an increase in abortions. Then we heard that there was but it was not statistically significant. Never have such dramatic conclusions be drawn from such shaky and preliminary numbers.

Let me simply reiterate that from New Jersey's perspective—what everyone involved in the program has said—it is an experiment. I repeat, it is an experiment. We only have a year of data. We know only that a total of 1,500 fewer children were born to welfare recipients than over the previous 12 months. But births overall are down, and a difference of 1,500 births does not mean at all much compared to 125,000 total births in the State in the same period. At the same time, we penalize 6,000 families on welfare in which children were born.

Is the tradeoff of 6,000 children denied benefits worth the 1,500 hypothetical children whose mothers thought twice before becoming pregnant, or, on the other hand, who had abortions? I do not know. Will these numbers change? Will the message sink in? I do not know.

The basic point is that it is an experiment. We have inconclusive data.

We should not mandate something when we do not know what we are doing. States should be able to experiment.

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

Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized to speak for 5 minutes.

Mr. DOLE. Mr. President, I have the greatest respect for the Senator from New Mexico, but I rise in opposition to his amendment.

So let me tell you that we have been trying to craft a bill here and maintain a balance to get enough people on board to pass a very strong welfare reform bill. And I believe we are on the verge of accomplishing that. In fact, I hope we can do it by tomorrow. In fact, we need to do it by tomorrow.

I understand precisely what the Domenici amendment does. It simply strikes a provision in our bill that prohibits additional cash to children born to families receiving assistance.

I know the Catholic bishops feel very strongly about this, and the Catholic charities, because they deal with a lot of these families. They understand some of the problems.

As I have suggested, I think our bill has structured the right balance on the important issue of out-of-wedlock births.

I am committed to supporting a provision in our bill which allows States to provide vouchers in lieu of cash assistance. We think that goes a step in the direction that we think the bishops and others who support the Domenici amendment want to go.

Under this provision, I believe the children in need will be provided support. They are going to have vouchers, not going to have cash but vouchers, and the important thing is that these vouchers may be used for goods and services to provide for the care of the children involved. In addition, we all know that other forms of Federal and State aid remain available.

This has been one of the most difficult issues. The family cap and whether you have cash payments for teenage moms are probably the two most difficult issues we have faced, two of the most difficult issues we have faced in putting a welfare reform package together.

I understand the concerns that Senator DOMENICI expressed. I have talked with the Catholic bishops. They have been in my office. I have talked with Catholic Charities. They have been in my office. But I have talked to others who feel just as strongly on the other side. I also have talked with the Governors, and they do not want any strings. They do not want conservative or liberal strings. But they know in some cases they are going to have strings. I do not know of any objection by the Governors with reference to the family cap. I think they would accept that. They may not like it, but they would accept it. So I would hope that we also give flexibility in the family cap provision. If we do not deal with out-of-wedlock births, then we are really not dealing with welfare reform.

We have had a number of Governors—12 States—who have currently received waivers from the Federal Government to experiment with some version of the family cap. However, our proposal also maintains considerable flexibility for

these States and addresses the crisis of out-of-wedlock births.

The crisis in our country must be faced. Thirty percent of America's children today are born out of wedlock. And many believe we, at the Federal level, must send a clear signal. We believe the underlying proposal which is identical to the one agreed to by the House does just that. We are going to be in conference in any event.

Let me emphasize again that we have tried to keep everybody together in this proposal. I am not certain what happens if this Domenici amendment is adopted. We will still have an opportunity in conference. But we have crafted a very careful bill here to respond to the needs of many. Unlike the situation of single teenage mothers in poverty, this provision mostly affects families.

It seems to many of us the time has come when these families must face more directly whether they are ready to care for the children they bring into the world. That is the reason for the family cap.

So somebody has to make some decision out there—the families themselves, the parents, the mother. We believe the family cap will certainly encourage someone to make that decision and that if you continue cash payments, there is no restraint at all.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM], is recognized.

Mr. GRAMM. Mr. President, I yield myself 3 minutes.

Mr. President, it is hard for me to take this argument about States rights seriously when Senator DOMENICI has another amendment, amendment 2573, that mandates how much States pay on welfare. So let us make it clear. This is not an issue about flexibility. This is not an issue about strings. This is an issue about reform.

The Domenici amendment preserves the status quo. And what is the status quo? The status quo is that one out of every three babies born in America today is born out of wedlock. The status quo is if we continue to give people more and more money to have more and more children on welfare, by the end of this century illegitimacy will be the norm and not the exception in America. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear the United States of America will not be the first.

Under existing law, States can do exactly what Senator DOMENICI's amendment allows them to do. What his amendment will do is perpetuate a system which subsidizes illegitimacy, which gives cash bonuses to people who have more and more people on welfare.

The compromise we have hammered out helps children. It provides vouchers. It provides them the ability to take care of them. But it does not provide cash incentives for people to have children that they cannot support.

What a great paradox it is that while families across America are pulling the wagon, both husband and wife working every day to save enough money to have a baby, they are paying taxes to support programs like this one which is subsidizing people to have babies that they cannot support.

I think if we are going to deal with welfare reform, if we are going to have a bill worthy of the name, we have to defeat this amendment.

I do not know what is going to happen on this amendment. Obviously, I am concerned about it. It breaks the deal that we have negotiated. It basically eliminates the glue that held a compromise together.

I am very concerned about the fate of welfare reform if this amendment is adopted. In the end, whether we have to do it in conference or whether it is not done, I am not going to support a bill that does not deal with illegitimacy. There is no way you can solve the welfare problem and not deal with illegitimacy. It is the basic cause of the problem, and I think we are running away from it with this amendment. I hope my colleagues will oppose it.

This is a crisis in America. It is a crisis that has got to be dealt with. I think to assume that the problem is simply going to go away is a bad mistake. Then he opposes even a modest limitation on the use of Federal funds turned over to the States.

My position is different. Do not tell the States how to spend their own money but set a few basic moral principles for the use of Federal funds. I believe that Federal funds should not subsidize illegitimacy.

This amendment is a complete reversal of the agreement we reached on this bill. It is time we take our commitment seriously and defeat this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute.

Mr. DOMENICI. If we pool the 10, how much do we have left?

The PRESIDING OFFICER. Under the previous agreement, Senator MOYNIHAN has 5 minutes given to him by Senator DASCHLE, and Senator NICKLES has one-half yielded by Senator DOLE.

Mr. DOMENICI. I yield—how much time does the Senator want to use?

Mr. MOYNIHAN. Two minutes.

Mr. DOMENICI. Two minutes to Senator MOYNIHAN.

The PRESIDING OFFICER. Senator MOYNIHAN is recognized for 2 minutes.

Mr. MOYNIHAN. Mr. President, in the current issue of the Economist, the cover story is ''The Disappearing Family,'' and it speaks of the problem of out-of-wedlock births. It says of this Senator that I have taken this problem seriously for 30 years. It quotes an earlier statement that ''a community without fathers asks for and gets chaos.''

I am not new to this subject, and I am very much opposed to a family cap of any kind. This is not the way to deal with this baffling and profoundly serious subject. When my friend from Texas cites the projections of where we will be at the end of the century, those, sir, are my projections. It has been a field I have worked in as he has worked in his field. But the dictum of the Catholic Charities is that the first principle in welfare reform must be ''do no harm.''

These children have not asked to be conceived, and they have not asked to come into the world. We have an elemental responsibility to them. And so I hope, regarding the most fundamentally moral issue we will face on this floor, that we will not have the State deny benefits to children because of the mistakes, or what else you will say, of their parents.

Mr. President, I yield back my time.

Mr. DOMENICI. I yield Senator BREAUX 2 minutes.

Mr. BREAUX. I thank my colleague.

Mr. President, I rise in strong support of the Domenici amendment. There is no disagreement in this body by either Republicans or Democrats on the question of illegitimacy. We oppose it very strongly and are looking for ways to help curtail it in this country. My State has the second highest illegitimacy rate in the country; 40 percent of all children born are illegitimate.

The question is, how do you solve it? Do you solve it by punishing the children or do you solve it by requiring work requirements for the parents, by requiring them to live under adult supervision, by requiring them to take work training, by requiring them to live in a family setting? I suggest that the way to do it is by those types of requirements. Do not penalize the child.

The current bill says absolutely a new child that is born will get no help. That is a mandate. It is says, well, the States have the option if they want to give a voucher they can. They do not have to. The Domenici bill changes that and the Domenici bill says that, if a child is born, we are going to look at that child as an innocent victim. And that is the proper approach. States that have had mandatory caps have not seen illegitimacy birth rates go down. But they have seen abortion rates go up. I do not think that is what this Senate wants to stand for. I urge the strong support of the Domenici amendment.

Mr. MOYNIHAN. Could I say that the Senator from New York is a cosponsor, and on both sides there is support.

Mr. BREAUX. The Domenici-Moynihan amendment. And I have strong support for it.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, everyone I heard speak on this issue said illegitimacy is a very serious problem. There is no question that it is. Illegitimacy has been exploding in this country, and, as a result, we have increased crime, we have increased welfare.

We need to break that cycle. The present system is we subsidize illegitimacy, the more children born out of wedlock the more Federal money they received. That is the present system. A lot of us think that is wrong. This bill says that there will be no additional under the Dole bill—not the Domenici amendment, the Dole bill says we are not going to give additional Federal cash payments for welfare families if they have additional children.

It does not say the States. If the States are really adamant and say they want to help and do it in the form of cash, they can use their own money. The bill allows them to give noncash benefits, so they can take some of the block grant money and use noncash benefits in the form of vouchers and give. But we do not want to have cash incentives for additional children born out of wedlock. So I think Senator DOLE has a good provision, and it is with regret that I oppose my friend and colleague, Senator DOMENICI's amendment.

One final comment. I heard New Jersey mentioned. The Heritage Foundation did a report. I will capsulize.

New Jersey is the only State in the Nation that instituted a family cap policy, denying an increase in cash welfare benefits to mothers who have additional children while already receiving welfare. The evidence currently available from New Jersey indicates that a family cap has resulted in a decline in births to women on AFDC, but not an increase in the abortion rate.

Mr. President, I reserve the balance of our time.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired.

The only Senator that still controls time is the Senator from New York, who has 2 minutes remaining.

Mr. DOMENICI. Mr. President, I had previously arranged to make sure that Senator CHAFEE spoke.

Mr. MOYNIHAN. Yes. I ask the Chair, how much time is remaining?

The PRESIDING OFFICER. The Senator from New York has 2 minutes remaining.

Mr. MOYNIHAN. I will be happy to yield.

Mr. DOMENICI. Because of some of the things that were said, I need to have at least a minute.

Mr. MOYNIHAN. I ask that 1 minute be yielded to the Senator from New Mexico and the other minute to the Senator from Rhode Island.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 minute.

Mr. CHAFEE. Mr. President, I support the Domenici amendment. There has been a lot of talk about inconsistency and about flexibility. I think that applies on both sides. None of us have been totally consistent. But with regard to this, the whole thrust of this bill is meant to be for flexibility. And with a mandatory family cap, as is suggested by the opponents of this bill, certainly that is not in keeping with flexibility.

Now, the suggestion is that, ''Do not worry. There are no cash payments provided in this bill, but vouchers are provided.'' That is not quite accurate. The underlying bill does not provide for vouchers. It says vouchers may be provided.

I would also point out that this is a nightmare of administration when you are dealing with vouchers for children. So it seems to me, as has been pointed out here, under the underlying bill, the people that suffer under this proposal to get at illegitimacy as the target, the people that suffer are the children. I just do not think that is the way to proceed. As has been pointed out by the Senator from New Jersey, there is no definiteness about the family cap having reduced illegitimacy.

I want to thank the Senator for the time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. I want to say to all my friends, especially some of the Republicans who talked about breaking an agreement, I do not break agreements. I was not part of any agreement. I was not in attendance. I had one meeting where we went over the whole bill. But I was not there. If I were there, I would have said I did not agree. And so I am bringing my disagreement here to the floor to let you decide.

Frankly, I am absolutely convinced the New Jersey experience is meaningless with reference to whether or not there will be less welfare mothers having children if there is a family cap. The study I see says that there is no evidence that it has succeeded. If there is evidence of that, there is equally as good evidence that abortions have increased. I do not believe either one.

But my argument is, why make a mistake? Why not let the Governors and the States decide as they put a big plan together. Let them do innovative things to make this system work better. Do we really know that if we say no cash for second children of a welfare mother, that the others are going to stop having children? I mean, I do not believe that. And if you believe that—I do not want to make it so mundane—but you believe in the tooth fairy. It just is not going to happen.

I think we ought to adopt this and go to conference. We have a good bill. And I, frankly, am trying my best to be helpful in this bill. And to say I am inconsistent—most Senators are for maintenance of effort—that is the inconsistency; I am for maintenance of effort.

The PRESIDING OFFICER. All time has expired.

The question occurs on amendment No. 2575.

Mr. MOYNIHAN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 416 Leg.]

YEAS—66

Abraham	Exon	Levin
Akaka	Feingold	Lieberman
Baucus	Feinstein	Lugar
Bennett	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Gorton	Moynihan
Bond	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pryor
Bumpers	Hollings	Reid
Byrd	Inouye	Robb
Chafee	Jeffords	Rockefeller
Cohen	Johnston	Roth
Conrad	Kassebaum	Sarbanes
D'Amato	Kennedy	Simon
Daschle	Kerrey	Simpson
DeWine	Kerry	Snowe
Dodd	Kohl	Specter
Domenici	Lautenberg	Stevens
Dorgan	Leahy	Wellstone

NAYS—34

Ashcroft	Grams	Murkowski
Brown	Grassley	Nickles
Burns	Gregg	Pressler
Campbell	Helms	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Smith
Coverdell	Kempthorne	Thomas
Craig	Kyl	Thompson
Dole	Lott	Thurmond
Faircloth	Mack	Warner
Frist	McCain	
Gramm	McConnell	

So the amendment (No. 2575), as modified, was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote, and to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2671

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes debate, equally divided, on the Daschle amendment No. 2671, to be followed by a vote on or in relation to that amendment.

Who yields time?

Mr. DASCHLE. Mr. President, I will take 3 minutes of my time and then yield 1 minute to the Senator from Hawaii, Mr. INOUYE, and 1 minute to the Senator from New Mexico, Senator BINGAMAN.

Mr. President, I offer this amendment in the hope that we can find some resolution to what we all understand to be a very serious problem on reservations. My amendment would simply

change the funding mechanism in the bill to ensure that adequate funding is provided to tribes across the country. It would establish a 3 percent national set-aside, and tribal grants would be allotted from the set-aside based on a formula to be determined by the Secretary. Tribes, in both the pending legislation as well as in this amendment, would receive direct funding from the Federal Government to administer their own programs.

The difference between the pending bill and our amendment is that, under the pending legislation, tribes would receive money based on the amount the State spent on them in fiscal year 1994. The State grant would be reduced by the amount of the tribal grant. Under our amendment, tribes would be allocated funds directly from the national set-aside. The funding for the tribes would be taken out of that 3 percent set-aside, even before the money is allocated to the States.

So it is simply a different mechanism for ensuring that funds are allocated in an appropriate way. Why 3 percent? Mr. President, the poverty rate for Indian children on reservations is 60.3 percent—three times the national average. I know that the percentage of the AFDC population that is represented by native Americans is less than 3 percent, but the problems tribes face are far greater than that statistic would dictate.

Clearly, when you have a poverty rate of 60 percent, we have to do more than what at first glance might appear to be necessary. Per capita income in the United States is $14,000. Per capita income on the reservations is $4,000. Unemployment rates range, in South Dakota, from 29 percent all the way up to 89 percent. Nationwide, unemployment on reservations is four to seven times the national average.

So we face some extraordinary circumstances on the reservations, Mr. President, and there is very little infrastructure in existence to address these problems today. We need reform. We need to recognize that reform has to mean more than just resources. We need the mechanism and infrastructure to create new opportunities to provide the services that are so needed on reservations today. For all these reasons, tribes deserve the 3 percent. I hope that the amendment will be supported.

I yield a minute to the distinguished Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I appreciate the chance to speak on behalf of the Daschle amendment. I do think it is very important that we try, as we are going through this legislation, to assist Indian tribes in pueblos around the country in helping their own people.

We talk a lot about empowerment. Here is a chance for us to do just that. At the same time that we are talking about empowering people, we are in fact cutting funds for Indian education, cutting funds for tribal justice programs, for housing operations, for tribal law enforcement, tribal social services, and a number of other vital programs.

We should not shortchange the Indian children of this country and their families in this bill. The Daschle amendment helps to ensure that we do not do that. I very much urge my colleagues to support the Daschle amendment.

I yield the floor.

Mr. DASCHLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Democratic leader has 1 minute 18 seconds.

Mr. DASCHLE. I yield that to the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, as we prepare to vote on this measure, we should remind ourselves that, first, Indians are sovereign. Second, there is a unique relationship existing between Indian nations and the Federal Government of the United States, a trust relationship. There is no special relationship existing between States and Indian country. The Constitution sets forth this relationship. The Supreme Court has upheld it on numerous occasions.

I support the Daschle amendment. I hope we will continue to maintain the unique relationship that exists between Indians and the Federal Government.

Mr. NICKLES. Mr. President, I yield the Senator from Arizona 3 minutes.

Mr. McCAIN. Mr. President, as the Senator from South Dakota points out, there are more poor Indians in America than reflected in the national average. The Senator's amendment calls for a 3-percent set-aside, even in States where there is no Indian population. I began this process several months ago, working with the with Senator DOLE and with the Finance Committee, in attempting to achieve some way of providing native Americans with direct block grants to pay for their welfare programs.

As part of the bill, no off-the-top lump sum is dedicated for tribes. Indeed, the Dole bill targets Federal funding on a tribe-by-tribe basis, scaled to the actual need, supported by the fiscal year 1994 data, not some overall national estimate of need of 3 percent or 2 percent.

Mr. President, I have worked very hard with the Finance Committee in crafting a compromise that will provide direct welfare block grants to the Indian tribes, separate from the States. In response to that, Mr. President, I have received from Indian tribes all over the country, including from the National Indian Child Welfare Association, complete satisfaction with the compromise that was worked out with Senator DOLE.

If Senator DASCHLE can, in the name of politics, get Senators from West Virginia, Ohio, Illinois, and other States that have no Indian population to support this, fine. But I would like to point out to the Senator from South Dakota that he voted against an amendment by Senator DOMENICI that was going so restore 200-some million dollars in draconian cuts that are going to triple and destroy the social programs in his State and in my State. I hope that he will devote some of his efforts to restoring those draconian measures which have brought 300 tribal leaders to the Nation's Capital in the most vociferous process I have ever seen in my 13 years in Congress.

Mr. President, I support the Dole part of the bill which provides direct welfare block grants to Indian tribes, which the Indian tribes themselves support.

Mr. NICKLES. Mr. President, I wish to compliment Senator MCCAIN as chairman of the Indian Affairs Committee. I think he has provided a very valuable service because he does put some good language in this bill.

The bill that we have before us—not the amendment, the bill we have before us—allows direct funding to Indian tribes based on actual AFDC population.

Now, Indian AFDC population I heard is 1.3 percent, and I heard somebody say it is 1.7 percent of the population. Why would it be right to say they should receive 3 percent of the funding set aside? I think that is arbitrary. I also think it is maybe double what they are now receiving.

Indian tribes should be able to receive the block grant and be able to manage that, but it should be based on the population receiving AFDC payments. It should not be some arbitrary figure that is pulled out of the sky.

I compliment Senator MCCAIN for the language he has inserted in the bill. I urge my colleagues to vote no on the Daschle amendment because I think it sets up an arbitrary level that happens to be about double what the current Indian population of AFDC is, and that is not called for.

I do not think it is a good way to manage our welfare program. I think Senator DOLE has good language in the bill. Hopefully, it will be sustained.

I urge my colleagues to vote no on the Daschle amendment.

I yield to the Senator from Rhode Island the remainder of our time.

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds.

Mr. CHAFEE. My query is this, to the distinguished sponsor of the amendment. It seems to me that, as I understand it, Indians make up 1.5 percent of the AFDC caseload. There are different figures given here, but I heard no figure more than 2 percent.

Therefore, it is hard to understand why 3 percent should be set aside for this group that makes up 1.5 or 2 percent—whatever it is—of the caseload.

I would appreciate if the distinguished Senator could give us some help on that.

Mr. DASCHLE. Mr. President, I will use whatever time I may consume out of leader time to respond.

Mr. President, the point I made in the short remarks that I have just

completed is that the circumstances affecting Indian tribes are vastly different than those affecting any other cross-section of the population.

We have unemployment rates in South Dakota close to 90 percent. Indian tribes nationwide have unemployment rates of up to seven times what they are for the rest of the population. Not only are we dealing with an extremely high level of unemployment, there is also little infrastructure to deliver social services on many reservations. Clearly, we have circumstances on many reservations that is far different from other areas.

That is really what we are trying to do, to recognize the extraordinary difficulties that we face in a very concentrated area: Reservations where there are really no resources; reservations where there is no employment. We cannot locate businesses on reservations today.

We are simply saying that if we are going to do this right, if we are going to allow tribes to do this right, we should allocate a 3 percent set-aside for tribes to allow them to begin solving these problems.

Other requirements of the welfare bill before the Senate are required on the reservation. They have to work. Workfare is going to be an essential part of the requirement for the tribes, as it is for everybody else.

Clearly, given the problems, given the requirements, and given the circumstances, I think this is the nominal amount of effort that we ought to put forth to do this job right.

Mr. NICKLES. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 35 seconds.

Mr. NICKLES. Mr. President, I do not doubt—as a matter of fact, I think I know probably almost as well as anybody on this floor—that we have very significant problems in the Indian community. Welfare is part of it. It may be part of the problem.

I am not sure that doubling the money going into AFDC for Indian tribes will solve that problem. It would provide greater cash assistance, no doubt. But I do not think that is necessarily right.

If they have 1.5 percent of the population, we will say they get 3 percent of the money—that is not going to make their problems go away. If I really thought that would make their problems go away, I might support the amendment.

We have lots and lots of problems on reservations and in the Indian community, but I do not think just by increasing cash payments, that that is a solution. I think the solution is in the Dole bill.

I urge our colleagues to vote no on the Daschle amendment.

Mr. DASCHLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on agreeing to the Daschle amendment No. 2671.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 62, as follows:

[Rollcall Vote No. 417 Leg.]

YEAS—38

Akaka	Domenici	Kohl
Baucus	Dorgan	Leahy
Biden	Exon	Mikulski
Bingaman	Feingold	Moseley-Braun
Boxer	Feinstein	Moynihan
Bradley	Ford	Murray
Breaux	Graham	Pell
Burns	Harkin	Pressler
Byrd	Inouye	Pryor
Campbell	Johnston	Sarbanes
Conrad	Kennedy	Simon
Daschle	Kerrey	Wellstone
Dodd	Kerry	

NAYS—62

Abraham	Grams	McConnell
Ashcroft	Grassley	Murkowski
Bennett	Gregg	Nickles
Bond	Hatch	Nunn
Brown	Hatfield	Packwood
Bryan	Heflin	Reid
Bumpers	Helms	Robb
Chafee	Hollings	Rockefeller
Coats	Hutchison	Roth
Cochran	Inhofe	Santorum
Cohen	Jeffords	Shelby
Coverdell	Kassebaum	Simpson
Craig	Kempthorne	Smith
D'Amato	Kyl	Snowe
DeWine	Lautenberg	Specter
Dole	Levin	Stevens
Faircloth	Lieberman	Thomas
Frist	Lott	Thompson
Glenn	Lugar	Thurmond
Gorton	Mack	Warner
Gramm	McCain	

So the amendment (No. 2671) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2518

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the DeWine amendment, No. 2518, to be followed by a vote on or in relation to the amendment.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

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

Mr. President, the amendment which Senator KOHL and I have proposed really is a very simple one. It encourages States to work to keep people off of welfare before they ever go on welfare.

I think this is not only the right thing to do from a humanitarian point of view but it is also the most cost effective thing to do. In fact, we have seen several States make great progress with their programs to do this—Utah, Wisconsin, and there are many other States that are now just starting this type of a program.

I believe that without this amendment the underlying bill would have the unintended consequence and resolve of discouraging States from this type of early intervention. And I think everyone agrees we should be encouraging States to do so.

Our amendment would give States credit towards their work requirement for reducing their caseload by helping people before they ever go on welfare.

As I said, Mr. President, I think it is a very simple amendment. But I think it is an amendment that will in fact make a difference and will in fact encourage the States to do what everyone agrees needs to be done; that is, keep people from getting on welfare.

I might add, Mr. President, that it does not give the States credit towards their work requirement if, in fact, the reduction in caseload is achieved merely by changing the requirements for being on welfare. These have to be actually meaningful reductions that are achieved in other ways. Of course, one of the ways to achieve those is, in fact, by having that very, very early intervention.

Mr. NICKLES. Mr. President, I wish to compliment the Senator from Ohio, Senator DEWINE, who explained this amendment last night. We reviewed the amendment. We have no objection to it.

Mr. MOYNIHAN. Mr. President, as one who dearly loves Federal regulations imposed on States in minute, indecipherable detail, I accept this amendment with great gusto.

The PRESIDING OFFICER. Do all Senators yield the time?

Mr. DEWINE. I yield the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2518) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2668

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate on the Mikulski amendment, No. 2668, to be followed by a vote on or in relation to the amendment.

Who yields time?

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 3 minutes on this amendment, and then I will yield to the Senator from Iowa.

I also ask unanimous consent that Senator WELLSTONE be a cosponsor of the amendment.

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

Ms. MIKULSKI. Mr. President, I correct myself. I yield myself 3 minutes, and then I will yield to the Senator from Iowa [Mr. GRASSLEY], 2 minutes.

Mr. President, today I rise to save the Senior Community Service Employment Program of title V of the Older Americans Act.

I do this to preserve over 100,000 senior citizen jobs. Title V provides part-time, minimum wage employment, and community service to low-income workers as well as training for placement in unsubsidized employment.

Its participants provide millions of dollars of community service at on-the-job sites making a critical difference in care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program. My amendment strikes this repeal. It saves the Senior Community Service Employment Program of title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed, along with 100 Federal job training programs, and rolled into a block grant. This will have a devastating consequence on these older workers. It serves directly in the communities across the Nation that benefits from these.

My amendment is supported by senior organizations across this country, including AARP, the National Council of Senior Citizens, and others.

Mr. President, there are so many good reasons to support the Senior Community Service Employment Program. Title V is our country's only work force development program designed to maximize the productive contributions of a rapidly growing older population. It does this through training, retraining, and community service.

We should leave title V in the Older Americans Act. It does not belong in welfare reform, and it does not belong in the reform of the job training bills.

Title V is primarily operated by private nonprofit national aging organizations. This is not big bureaucracy.

It is a critical part of that Older Americans Act and has consistently exceeded all goals established by Congress and the Department of Labor, surpassing a 20 percent placement goal for the past 6 years and achieving a record of 135 percent in the last year.

Title V, this Senior Community Service Employment Program, provides a positive return on taxpayer investment, returning $1.47 for every $1 invested. It is means tested, and it also serves the oldest and the poorest in our society; 40 percent are minorities, 70 percent are women, 30 percent are over the age of 70, 81 percent are age 60 and older, and 9 percent have disabilities.

Surely they deserve to have their own protection.

Title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Title V has demonstrated high standards of performance and fiscal accountability unique to Government programs.

Less than 15 percent of funding is spent on administrative costs.

Title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Is the Chair tapping?

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

Ms. MIKULSKI. I did not hear the tap, but having heard the tap I now yield 2 minutes to the Senator from Iowa, a supporter of my amendment.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Iowa is recognized for 2 minutes.

Mr. GRASSLEY. I support Senator MIKULSKI's amendment because there are a unique group of older Americans who will not be properly served by Senator KASSEBAUM's new program, as well-intentioned as it is.

Title V provides community service employment. In my State of Iowa, the program provided a total of 402,480 hours of service just in this year.

These workers serve in public schools, child care centers, city museums and parks, as child care workers, library aides, kitchen workers; they work for Head Start, YMCA, YWCA, the Alzheimer's Association, the Salvation Army, the Easter Seal Society, and the American Red Cross.

They work in activities that support as well the other Older Americans Act programs like senior centers, congregate meal sites, and home-delivered meals.

I think this is a good use of taxpayers' money because it leverages private funds and other public funds. Senator KASSEBAUM's bill will not lead to programs providing such employment.

The Senator's legislation will help individuals find gainful private sector employment, and there is nothing wrong with that. That is a proper focus. But it is not a focus which is going to assist the kind of individuals currently enrolled in title V programs—people 55 years and older, less than 115 percent of poverty. We are talking about low-income older Americans. Thirty percent of these workers are over 70 years of age. Eighty-one percent are over 60 years of age. They will not benefit from the training programs and education programs that would be established under Senator KASSEBAUM's bill. Title V provides subsidized employment in community service jobs for workers who are highly unlikely to be the focus of programs under Senator KASSEBAUM's bill.

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

Mr. LEVIN. Mr. President, I am pleased to speak today as a supporter of the amendment of my friend from Maryland. Her proposal would remove the Senior Community Service Employment Program, or title V, from this bill. This amendment is important for several reasons: First, the Title V Program is not job training and should not be considered as part of this block grant; second, it fills an important role within the Older Americans Act; and third, it effectively serves a population that is difficult to reach with traditional job training programs.

The State of Michigan has had a long and successful relationship with this program. Thousands of people participate in it each year. These individuals work in hundreds of different occupations. The unifying factor in all this work is that older workers are contributing to their communities. In most cases, they are coming out of retirement to reenter the labor force.

I have received hundreds of constituent letters asking me to support this provision. In explaining their involvement with the Title V Program, almost all the participants mention ''giving something back to the community.'' It is imperative that Congress capitalize on this feeling. Now more than ever we need to hold onto and support our sense of communities and this can be done by following the examples set by our elders. In many communities, title V programs provide the link between senior citizens and the younger generations. The SCSEP gives older workers an opportunity to become engaged with their neighbors in a direct and meaningful way.

Many of my colleagues know of the emphasis I place on community service. Usually, however, when we talk about this issue, our concern is about mobilizing young people to become involved. By contrast, the Title V Program is in operation. Its participants are active in communities now. If we repeal the Title V Program, many of these positions will be eliminated. One study estimates that 30,000 to 45,000 positions will be eliminated by 1998. This will deprive neighborhoods and towns of one of their most valuable resources.

Removing title V from this bill will provide us with the opportunity to discuss the reauthorization of the Older Americans Act in its entirety. I am aware that the Aging Subcommittee of the Labor and Human Resources Committee has already begun hearings on this issue. I look forward to seeing the recommendations that they produce on the act as a whole. I thank the Senator from Maryland for her leadership on this issue and I urge my colleagues to support the amendment.

Mr. SARBANES. Mr. President, I am pleased to join my colleague from Maryland, Senator MIKULSKI, in offering this amendment to save title V of the Older Americans Act. As you are aware, title V authorizes the Senior Community Service Employment Program [SCSEP] which provides senior citizens valuable opportunities to serve their communities by contributing their valuable insight and experience.

As a strong supporter and past cosponsor of the Older Americans Act, it is my view that the future of the

SCSEP should be determined during the reauthorization of the Older Americans Act, and should not be considered as part of the welfare reform debate. This successful employment program which serves our Nation's senior citizen is not part of the welfare system and does not belong in this bill.

The SCSEP is one the most important programs authorized under the Older Americans Act which have been successful in the organization and delivery of support services for senior citizens. For almost 30 years this program has offered low-income persons aged 55 or older part-time paid community service assignments with the goal of eventually obtaining unsubsidized jobs.

The only work force development program specifically designed to maximize the potential of senior citizens, the SCSEP has consistently exceeded placement goals established by Congress and the Department of Labor. This clearly illustrates what I have always believed—older Americans want to contribute. They want to work, to volunteer, to participate in their community. It is critical that we recognize this interest and tap the valuable wisdom, insight, and experience that senior citizens bring to all aspects of life.

There are several successful SCSEP programs here in Maryland, one of which serves my home community of Wicomico County. The Senior AIDES Program—in cooperation with State employment offices, community colleges, and other federally funded employment and training programs—helps seniors get the skills necessary to become part of the work force.

Let me share with you one of the program's many success stories. Sarah Maxfield of Salisbury finished high school, got married, and raised a family. She had the occasional odd job or part-time work, but never really worked full-time until she had to go back to work to support herself. At age 57, she entered the Senior AIDES Program in Wicomico County. While receiving training in office skills, she also worked with the volunteer office delivering meals to elderly shut-ins.

In September 1994, after having received training, she was placed in a subsidized job at Shore Up, Inc., a local community action agency. Shore Up was so impressed with her that I am pleased to report that she was subsequently hired full time.

Mr. President, by including the SCSEP in the job training block grant portion of this welfare bill, the program will be forced to compete with other, unrelated programs for a limited amount of funding. The end result will be fewer seniors working and fewer communities benefiting from the contributions of these older Americans.

One of the central recommendations of the recent 1995 White House Conference on Aging with respect to seniors in the work force was to make available educational programs to provide skilled trained, job counseling, and job placement for older men and women. This enhances senior citizens' ability to stay in or rejoin the work force or to prepare them for second careers.

In my view, Mr. President, it is clear that the proper legislative vehicle for consideration of this important program is not a welfare reform bill. The SCSEP deserves to be debated fully as part of the reauthorization of the Older Americans Act and I urge my colleagues to support this amendment.

Mr. PRYOR. Mr. President, I rise today in support of the amendment proposed by my colleague from Maryland concerning the Senior Community Service Employment Program, also known as the title V program. This amendment would remove title V from the job training block grant contained in the welfare reform bill we are considering.

Mr. President, this program is unique among employment programs. It serves people whose needs are not met by the more traditional job programs. The program also has a unique character which I believe would be destroyed by the block grant approach.

Title V serves seniors who are often difficult to reach. The individuals who participate in this program have very low incomes, and often they have little or no formal job experience. Most participants are over 65, many are widows, and any job experience they have may have occurred decades ago. These individuals need this program because it is the safety net separating them from extreme poverty and welfare dependency.

Title V also differs from other job training programs because of its unique nature as a community service program. The jobs occupied by title V participants are in organizations which serve other seniors, children, and the community at large. Organizations which sponsor title V enrollees are those which are most likely to feel the pain of budget cuts and economic downturns, and they simply could not get the job done without the help of the title V program.

Mr. President, if the job training block grant includes title V, the losses will be felt throughout our social fabric. Who will lose? Well, first of all, the individuals who participate in title V will lose. By the time the block grant is fully implemented in 1998, between 30,000 and 45,000 older people will be given pink slips. Do we really want to tell 45,000 poor people, most of whom are aged 65 and older, that they can no longer work to supplement their meager income? Do we want to tell these proud people that we would rather have them on welfare?

Communities will also lose under this block grant. There will be money lost from local economies as we squeeze more people into poverty. Local communities across America will also lose vital human services which are made possible through title V—services like tutoring of disadvantaged children and meals for the poor. In this social climate, these are services we cannot do without.

Another big loser will be government. We will lose tax revenue from people who are no longer employed. We will also lose because the title V participants who are forced out of jobs will be forced to go onto the welfare rolls, causing us to spend more money on the very programs in which we are trying to find savings. Mr. President, this just does not make sense to me.

I want my colleagues to understand that I am not standing before you saying that this program should not be changed in any way. I acknowledge that the time has come to subject title V to a thorough examination. As you know, concerns have been raised about this program, and these are concerns which deserve to be addressed. There also comes a time in every program when it is appropriate to take a few steps back, take stock of where we are, and make whatever changes are necessary to ensure that the program is fulfilling its central mission. But Mr. President, the last thing we need to be doing is combining this program with other employment programs with which it has very little in common.

Let us act decisively today to save this program—for the sake of our local communities and the many organizations which benefit from the program, and most of all, for the sake of the tens of thousands of older people who participate in title V. Over the years, this worthwhile program has freed countless senior citizens from a prison whose bars are poverty, dependency, isolation, poor self-confidence, and lack of experience. Let us not slam the doors shut on them.

Ms. MIKULSKI. Mr. President, today, I rise to save the Senior Community Service Employment Program—title V of the Older Americans Act—and preserve over 100,000 senior citizens' jobs.

Title V provides part-time, minimum wage employment in community services to low-income older workers, as well as training for placement in unsubsidized employment.

Its participants provide millions of hours of community service work at their on-the-job sites, making a critical difference at day care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program.

My amendment strikes this repeal and saves the Senior Community Service Employment Program, title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed along with over 100 Federal job training programs and rolled into a block grant.

This will have devastating consequences on over 100,000 low-income older workers it serves directly, and

the many communities across the Nation that benefit from these workers' job activities.

My amendment is supported by senior organizations across this country including the American Association of Retired Persons, Green Thumb, the National Council of Senior Citizens, National Council of Black Aged, National Council on Aging, and the Urban League.

The purpose of title V is to assure resources reach low-income older workers.

The special needs of low-income seniors are often ignored or neglected by other employment and training programs: Seniors with limited education; seniors with outmoded work skills; seniors with limited English-speaking ability; and seniors with a long-term detachment from the workforce, such as widows.

The purpose of having a separate title V of the Older Americans Act is to assure that funds are actually used to serve low-income persons 55 and older.

Title V merges two important concepts: Community service employment for seniors who would otherwise have a difficult time locating employment in the private sector, and the delivery of services in their communities.

Eliminating title V places seniors at-risk on winding up on welfare.

Title V enables low-income seniors to be economically self-sufficient, rather than depend upon welfare.

How ironic as we debate the welfare reform bill, that the result of repealing title V could swell the welfare rolls for seniors. Many title V participants are now self-sufficient. If this program is repealed and seniors lose their community service employment positions, these seniors may be forced to accept SSI, Medicaid, food stamps, and housing assistance.

Title V seniors would rather have a hand-up not a hand-out.

There are 10 good reasons to support the Senior Community Service Employment Program.

First, title V is our country's only work force development program designed to maximize the productive contributions of a radidly growing older population through training, retraining, and community service.

Second, title V is primarily operated by private, nonprofit national aging organizations that are customer-focused, mission driven, and experienced in serving older, low-income people.

Third, title V is a critical part of the Older Americans Act, balancing the dual goals of community service and employment and training for low-income seniors.

Fourth, title V has consistently exceeded all goals established by Congress and the Department of Labor, surpassing the 20 percent placement goal for the past 6 years and achieving a record 135 percent of goal in 1993–94.

Fifth, title V provides a positive return on taxpayer investment, returning $1.47 for every $1 invested.

Sixth, title V is a means-tested program, serving Americans age 55+ with income at or below 125 percent of the poverty level, or $9,200 for a family of one.

Seventh, title V serves the oldest and poorest in our society, and those most in need—39 percent are minorities; 72 percent are women; 32 percent are age 70 and older; 81 percent are age 60 and older; 9 percent have disabilities.

Eighth, title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Ninth, title V has demonstrated high standards of performance and fiscal accountability unique to Government programs. Less than 15 percent of funding is spent on administrative costs.

Tenth, title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Kansas.

Mrs. KASSEBAUM. How much time do I have, 5 minutes?

The PRESIDING OFFICER. Five minutes.

Mrs. KASSEBAUM. I yield myself 3 minutes and would yield the rest of the time to the Senator from New Hampshire [Mr. GREGG].

I know how much the Senator from Maryland cares about older workers, as does the Senator from Iowa [Mr. GRASSLEY]. But I must oppose the Senator's amendment to remove the Senior Community Service Employment Program from the job training consolidation bill, which has been incorporated into the legislation before us, for the following reasons.

First, older workers are already protected in the bill. Each State must meet benchmarks that show how well they are providing jobs for needy older workers. Their funds may be cut if they do not do an adequate job.

Second, successful grassroots programs like Green Thumb—and it has been a very successful program in Kansas—will be able to continue. This does not mean that that program is going to end. It simply means that it will be part of the training initiatives in the State, and its voice will be heard at that level. Older workers will have a very strong voice with Governors, and States will hear that voice when they develop their statewide training system. I have no doubt but that such strong programs will prevail.

Third, older workers will be better served under the current bill because we will eliminate the middleman. Right now, most of the older worker funds go to 10 national contractors. The Senator from Maryland mentioned that fact. Let me just say, Mr. President, something I think it is important for my colleagues to recognize. The GAO will soon release a report showing that there is a great deal of waste in these national contracts, overhead that will be eliminated if the funds go directly to the States.

For example, the GAO found that one contractor spent about 24 percent of its contract on administrative expenses, well above the amount that is currently permitted. Over $2 million was spent on personnel and $1 million was spent on fringe benefits. None of these funds went to older workers. It is an important group to reach, and I think the Senator from Iowa made that point. But I strongly feel there is a better way in which to deal with this. This training program is just one of 90 programs we have consolidated into a single system that will hold States accountable.

Finally, and I think this is an exceptionally important point to take into account, if we make an exception for this program, other programs will want out as well, and we will only perpetuate a system of duplication and overlap.

I must oppose the motion to strike. I would like to yield the remainder of the time to Senator GREGG, who cares a great deal also about the Older Americans Act. He is the ranking member of the Labor and Human Resources Subcommittee dealing with this issue.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from Kansas. I wish to associate myself with her remarks. The point she is making is that it is not a question of whether or not the money will be spent on senior citizens' jobs programs. Under the proposal of the Senator from Kansas, the same amount will be spent on senior citizens' jobs programs as will be spent as it is presently structured. It is a question of whether or not those dollars actually get to senior citizens or whether they stay here in Washington and are administered by a group of unrepresentative, in my opinion, or at least by people who have not competed for the grants and that receive the grants.

There are nine organizations that receive funds under this proposal. They receive them without competition. They simply are earmarked funds. These organizations, GAO tells us, are spending more than the law allows them to spend on administrative costs. Of the $320 million that is supposed to go to help senior citizens with jobs, $64 million of that $320 million is presently going to administration.

The proposal Senator KASSEBAUM has brought forward and which is included in this bill would allow that full $320 million to go back to the States. We would no longer see that money skimmed off here in Washington for the purposes of lunches and funding large buildings that are leased or driving around the city or coming up here

and lobbying us. Rather, it would go back to the States and the States would have the ability through their councils on aging to administer these programs and as a result the dollars would actually flow to the seniors who need the jobs, which is the basic bottom-line goal here.

So if you want to vote against what basically amounts to a designated program where nine organizations benefit and put the money instead into the seniors' hands where the seniors can benefit, you will stay with the Kassebaum approach in this bill.

Ms. MIKULSKI. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and yeas were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 418 Leg.]

YEAS—55

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Grassley	Murray
Bradley	Harkin	Nunn
Breaux	Hatfield	Pell
Bryan	Heflin	Pressler
Bumpers	Hollings	Pryor
Byrd	Inouye	Reid
Campbell	Johnston	Robb
Cohen	Kempthorne	Rockefeller
Conrad	Kennedy	Sarbanes
Craig	Kerrey	Simon
Daschle	Kerry	Snowe
Dodd	Kohl	Specter
Dorgan	Lautenberg	Wellstone
Exon	Leahy	
Feingold	Levin	

NAYS—45

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Gregg	Packwood
Burns	Hatch	Roth
Chafee	Helms	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Coverdell	Jeffords	Smith
D'Amato	Kassebaum	Stevens
DeWine	Kyl	Thomas
Dole	Lott	Thompson
Domenici	Lugar	Thurmond
Faircloth	Mack	Warner

So the amendment (No. 2668) was agreed to.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2592

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes, equally divided, on the Boxer amendment No. 2592, to be followed by a vote on or in relation to the amendment.

Mr. MOYNIHAN. Mr. President, may I ask that the Senator from Massachusetts be recognized for a unanimous-consent request?

The PRESIDING OFFICER. Yes. The Senator from Massachusetts is recognized.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Omer Waddles, a legislative fellow in my office, during the consideration of H.R. 4.

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

Mr. MOYNIHAN. Mr. President, I suggest the absence——

The PRESIDING OFFICER. Will the Senator withhold that request?

Mr. MOYNIHAN. Yes.

Mr. CHAFEE. Mr. President, is this the last amendment that time has been reserved for?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. I notice there was a Faircloth amendment intervening. Is that withdrawn?

Mr. SANTORUM. It was temporarily set aside.

Mr. CHAFEE. So following the Boxer amendment, we will then go to other amendments that are called up. Is there any time agreement following the Boxer amendment?

The PRESIDING OFFICER. The floor is open and other Senators may call up their amendments.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. 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. CHAFEE. 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. CHAFEE. Mr. President, I ask unanimous consent that the Boxer amendment be temporarily laid aside so that I might proceed with a modification to the underlying Dole amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. CHAFEE. Mr. President, I send a modification of Senator DOLE's amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

Without objection, the amendment is so modified.

The modification is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

''(5) WELFARE PARTNERSHIP.—

''(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 80 percent of historic State expenditures.

''(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

''(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

''(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

''(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

''(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

''(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

''(I) cash assistance;

''(II) child care assistance;

''(III) education, job training, and work;

''(IV) administrative costs; and

''(V) any other use of funds allowable under section 403(b)(1).

''(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

''(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.''.

Mr. MOYNIHAN. What does the modification do?

Mr. CHAFEE. Mr. President, it provides that there shall be a maintenance of effort at the 80 percent level, with the tight definitions that we have previously been discussing.

Furthermore, it provides that should there be the effort below 80 percent, then the reduction will be a dollar-for-dollar reduction between the State funds and Federal funds.

Mr. President, this is an amendment that we have discussed, I believe broadly, that has been cleared by both sides.

Senator DOLE is a supporter of this amendment on this side. Mr. President, I am glad that the amendment is acceptable. I want to thank everybody for this. I especially thank the senior Senator from New Mexico, Senator DOMENICI, for his outstanding work. He was key in the whole effort. Indeed, it was he who suggested to the majority leader that we have the 80 percent maintenance of effort.

This gets us through a difficult spot. We have been tied up on the 90-percent, 75-percent maintenance of effort. This is a compromise that has been worked out.

I know the distinguished Senator from Louisiana has been very, very active in this area, and I am happy to hear any comments he might have.

Mr. BREAUX. I will be brief, Mr. President.

We attempted, as our colleagues know, to offer an amendment that would require that States to maintain an effort of 90 percent of what they were doing in 1994 in order to assure that the States and the Federal Government had a true partnership in this effort.

That amendment lost by only one vote. I think this effort of the Senator from Rhode Island, Senator CHAFEE, is a good effort. It is a big improvement over the current bill that is before the Senate. It is not 90 percent, but it does at least maintain an 80-percent effort on behalf of the States. That is better than the current underlying bill.

The concern I have—and I ask the Senator to comment on this—is that the other body has no maintenance of effort at all in their bill and ultimately we will have to go to conference with the other body. I am concerned about the ability that the Senate will have to come out with a figure that is reasonable.

I wonder if the Senator from Rhode Island could comment on whether there would be united support for the Senator's effort on behalf of his Republican colleagues, and could he shed light on what he thinks may or may not happen as a result of a conference?

I conclude by saying I do congratulate him in this effort and I think it is a step in the right direction. Could he comment on what is likely to occur?

Mr. CHAFEE. Mr. President, first, I want to start off by commending the Senator from Louisiana because but for his amendment yesterday on the 90 percent, I do not think we would have reached the compromise that we have on the 80-percent maintenance-of-effort level.

The Senator is exactly right in pointing out that the House is at zero. All I can say is, obviously I cannot guarantee what will come out of the conference. Nobody can. All I can assure him is that speaking for this Senator, who I presume will be a conferee, plus the other Republican Senators who I presume will be conferees, including the majority leader, all have indicated that they are strongly in support of this effort and this percentage.

Now, I do not think we expect that this percentage is what will emerge from the conference. But it is going to be a lot better than zero, I can assure everybody of that.

Mr. BREAUX. I thank the Senator.

Mr. CHAFEE. Obviously, I hope that it would be the 75-percent level, but I see the distinguished ranking member of the committee, and we have all been through conference many times and all we can say is we will do our best.

Mr. MOYNIHAN. Mr. President, I simply would like to be recorded as saying the best of the Senator from Rhode Island is very good, indeed, semper fi, in my view.

I will be on that conference. I do not know to what consequence, but I will be there applauding.

Mr. CHAFEE. Mr. President, the mere presence of the Senator from New York at the conference is a big plus to our side.

Again, I want to thank him for his support of this amendment and thank the distinguished Senator from Louisiana for everything he has done, including previous to today as I mentioned before.

Mr. President, the amendment has been adopted. I want to thank all.

The PRESIDING OFFICER. The amendment was a modification of the amendment which was modified by unanimous consent.

Mr. GRAHAM. Mr. President, I asked for a copy of the amendment, and it was not available, so would the Senator from Rhode Island yield for two questions relative to the amendment?

Mr. CHAFEE. I yield.

Mr. GRAHAM. I am familiar with the amendment we voted on yesterday offered by the Senator from Louisiana as it relates to what categories a State can allocate funds which will count towards the 80-percent maintenance-of-effort requirement.

Could the Senator indicate if there are any variations from the amendment of the Senator from Louisiana? And, if so, what are those variations?

Mr. CHAFEE. It is my understanding this gets a little bit arcane, and I am not trying to avoid the Senator's question in any fashion. We can safely say, basically the same as the amendment of the Senator from Louisiana. That is, the Senator is talking about—it is the title I block grants which fits into the definitions.

Mr. GRAHAM. There had been concern about the definition under the original 75-percent maintenance of effort that it would have allowed, for instance, a State's contribution to Medicaid and Head Start programs to count toward maintenance of effort.

Mr. CHAFEE. I want to assure the Senator, because I was disturbed by that provision likewise, that there cannot be that kind—a contribution to Medicaid does not count. It has to be basically the AFDC existing categories. It cannot be something for food stamps or Medicaid or an automobile or something like that.

Mr. GRAHAM. The second question: We had earlier debate about what happens if a State's allocation of Federal funds declines, what occurs to that State's continuing maintenance of effort?

For instance, there is a very high probability that many States are going to end up being sanctioned under this bill because they will have such a limited amount of Federal funds that they would be unable to meet the work requirements and therefore would become subject to the 5-percent sanction, reduction.

If that were to occur, what, if any, effect under your amendment will that reduction in Federal funds, for whatever reason, have on their maintenance-of-effort obligation?

Mr. CHAFEE. If the Senator can hold for a moment.

I know if the State goes down in its contribution, as I previously mentioned, then the Federal goes down dollar for dollar if the State should go below the 80 percent.

If your question is, what happens if the Federal goes down, under a sanction, for example—if I might get the answer to that.

If they are sanctioned, the answer is, I am informed, if they are sanctioned, the State still has to do its 80 percent. In other words, you cannot be so-called punished and be relieved of a burden at the same time, which is my understanding of the existing law today.

Mr. GRAHAM. Are there any instances in which, if the Federal funds are reduced below what they were in the base year 1994, that there would be adjustment to the maintenance of effort?

Mr. CHAFEE. I am not sure I understand.

Mr. GRAHAM. If for any reason—sanction or for other reason—sufficient that we do not appropriate the full $17 billion in the year 2000 and States get less than is currently projected, if for that or any other reason—sanction, political, economic, or otherwise—Federal funds should fall below the 1994 level, does your amendment provide for any adjustment to the maintenance-of-effort provision?

Mr. CHAFEE. We do not address that, nor did the Breaux amendment address it.

The question really is, should the Federal Government not make its appropriation, for the 1994 level, in the year 1998, or, as you said, 2000—we do not address that here. But I cannot believe that, with 100 Senators, all representing States here, that they are going to permit their State in some way to be punished, or lack funds, or have to continue their effort at 80 percent when the Federal Government does not do its matching share. But we do not specifically address that problem. We address the sanction problem.

Mr. GRAHAM. I wish I could be as sanguine as the Senator from Rhode Island. Having seen how many Senators voted to punish the poor children on an earlier vote, I cannot be so sanguine.

Mr. BREAUX. Will the Senator yield on that point?

When we altered the 90-percent maintenance of effort, it was based on 90 percent of what the State received. So if the State received less from the Federal Government because of cutbacks or whatever reason, they would have a 90-percent requirement, to spend 90 percent of the funds that they had received. Take that into consideration.

Mr. GRAHAM. Am I correct—this is a question of the Senator from Rhode Island—this 80 percent is based on what was received in 1994? The Senator from Louisiana explained that in his amendment the 90 percent was 90 percent of the Federal funds in the year of receipt. So if in 1998 a State received $100 million, it would have a required maintenance of effort of $90 million.

I understand under the amendment of the Senator from Rhode Island—or am I correct that the 80 percent is 80 percent of what the State's required effort was in 1994? Is that correct?

Mr. CHAFEE. Our bill—I cannot speak for the Breaux amendment because I am not familiar with that particular portion. Under our bill, the 80 percent is related to 80 percent of what the State paid in 1994.

Mr. GRAHAM. And that would be constant over the 5-year period, without regard to changes in the levels of Federal support?

Mr. CHAFEE. That is right.

Mr. GRAHAM. Thank you, Mr. President.

Mr. CHAFEE. I ask the Chair now the parliamentary situation.

I urge the adoption of the modification. Has that taken place?

The PRESIDING OFFICER. The modification has been made in the amendment, made by unanimous consent.

The pending question will be the Boxer amendment. There has been time reserved of 10 minutes, equally divided.

Mr. CHAFEE. Mr. President, I thank everybody for their help in this, and particularly I want to thank the majority leader, the distinguished ranking member of the Finance Committee, and others who have been very, very helpful on this. And of course the Senator from Louisiana. The Senator from Florida had some excellent questions.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 2592

Mr. SANTORUM. Mr. President, I ask unanimous consent that debate time and the rollcall vote scheduled with respect to the Boxer amendment No. 2592 be postponed to occur at a time later today, before the cloture vote, to be determined by the majority leader after consultation with the Democratic leader.

Mrs. BOXER. Reserving the right to object, Mr. President. I shall not object. I support it. I just want to use this time to thank Senator SIMPSON, the majority leader's staff, Senator SANTORUM, and Senator NICKLES. We are working out some technical changes that will assure that this amendment does what we all want it to do. I just wanted to put that on the record. I look forward to the vote later in the day.

It has been set aside. I am not objecting.

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

Mr. SANTORUM. Mr. President, we do not have any unanimous consent to work from at this point. We will take up, at this point, the Coats amendment.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 2539

Mr. COATS. Mr. President, I call up amendment No. 2539 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, that will be the pending question.

Mr. COATS. Mr. President, I think it is easy for us to be overly consumed by some of the details of this welfare debate, arguing numbers and formulas—portions of the legislation that are all important but can tend to mire us down and take our attention away from some of the broader implications of the debate we have been engaged in for the past several days. A great deal is at stake here, and I think we need to remind ourselves that this is the case.

If we as a Nation accept the existence of a permanent underclass, we will become a very different Nation indeed. Social and economic mobility has always been part of our national creed. It has been an outgrowth of our belief in equality. If we abandon that goal for millions of our citizens, through either indifference or through despair, giving up, we will do a number of, I think, socially very disadvantageous things. We will divide class from class. We will foster a future of suspicion and of resentment. And, while this may be a temptation to accept, I believe it is something we as a nation cannot accept.

On the left, it seems there are those who are so accustomed to the status quo that the best they can offer is some kind of maintenance of a permanent underclass as wards of the State, providing cash benefits to, hopefully, anesthetize some of their suffering, food stamps to relieve their hunger. But all hope for social and economic advancement seems to be set aside or abandoned.

On the right, it seems that there are some who simply want to wash their hands of all of this, who view the underclass as beyond our help and beyond any degree of sympathy or empathy. The only realistic response, they suspect, is probably more police and more prisons to deal with the tragic consequences of this breakdown in civil society.

The effect, I believe, of both of these approaches is to accept that poverty is permanent; that the underclass is going to be a fixture of urban life to be fed, feared, and forgotten. In doing so, we will condemn, in our minds, a whole class of Americans to be either wards or inmates. And I believe the American ideal will be diminished in that process.

I understand those temptations. The problems we face seem so intractable. Those who listened to Senator MOYNIHAN's initial discussion on the welfare bill last week had to understand both the brilliance and the sobering nature of that debate. We face a crisis, he said, and he outlined in graphic detail a crisis of illegitimacy that threatens not just the well-being of the children but the existence of our social order.

To quote Charles Murray, he said, ''Once in a while the sky is really falling.'' And I believe, in this instance, as Senator MOYNIHAN has pointed out to us, that the sky is falling and that our Nation faces a crisis of a proportion that we have seldom faced before.

I also understand that any reform that we undertake, particularly any radical reform that we undertake of the system, is undertaken with a degree of uncertainty. Senator MOYNIHAN has reminded us of the law of unintended consequences.

Nathan Glazer has talked about ''the limits of social policy,'' arguing that whatever great actions we undertake today involve such an increase in complexity that we act generally with less knowledge than we would like to have even if with more than we once had.

But I think we also need to understand that there is another law at work. That would be the ''law of unacceptable suffering.'' Because as the cost of our welfare system mounts the human cost mounts, the risk of change is diminished, and I believe there is a point beyond which inaction becomes complicity. I think we have reached that point. I think this is a principle that ought to organize and direct our debate, to try to find a source of hope so that we will not have an endless class of underrepresented, underprivileged citizens with which we have nothing to offer—hope that our divisions, class divisions, that appear to be so intractable in our society are not permanent and hope that suffering will not be endless.

Mr. President, I think one source of that hope is found in devolution of power to the State. I know there is disagreement on that. But I think there is a compelling logic to the proposal. States are closer to the problems. Generally, State solutions are more acceptable to their public, and they are more flexible. We do not have a one-size-fits-all Federal mandate. Federal officials do not have a monopoly on compassion. I think that belies the lack of accomplishment over the last few decades.

So I support the devolution as an element of the Republican reform. But I believe also there are limits to the approach of devolution. The fact is most States have already engaged in some flexibility experiments and some devolution, some welfare experiments through devolution. Some reforms have been in place for years, and while the results show some good results there are several cases that have been good. Often progress is marginal, and sometimes incremental.

I do not offer this as a criticism. I offer it as a caution. Devolution I believe is necessary. But I do not believe it is all sufficient because, as we all know, State officials are fully capable of repeating the same mistakes as Federal officials, and State welfare bureaucracies can be just as strong and just as wrong as Federal programs.

So I think the limitations of devolution come down to this: The problem with welfare for the last 30 years is not the level of government at which money has been spent. Our difficulty is more than procedural. It is substantive. We need to make fundamental choices on the direction that our system is going, not just about its funding mechanisms.

Mr. President, I think a second source of hope is found in the strengthened work requirements of the legislation that we have been discussing. Requiring work for welfare makes entry-level jobs more attractive and discourages many from entering the welfare system in the first place. I think it is also an expression of our values as a nation. Work, as we know, is the evidence of an internal discipline. It orders and directs or lives. I believe no child should be without the moral example of a parent who is employed, if at all possible.

So I support this element of welfare reform. But, as we all know, work requirements are expensive. They are often difficult to enforce. They represent the problem of what to do with the mothers of young children. Again, while not arguing that they are useless but that their effect is limited, they should be supported but they should not be oversold.

I think a third source of hope is the removal of incentives to fail. We have been discussing that in detail today with these amendments. I think it is a mistake for Government to pay cash for a 14-year-old girl on the condition that they have children out of wedlock and never marry the father. We cannot justify, Mr. President, public policy that penalize marriage and provide illegitimacy its economic lifeline. I think Government violates its most fundamental responsibilities when it tempts people into self-destructive behavior.

So I support the elements in the Republican plan. But the destructive incentives in our welfare system are only part of the problem. The decline of marriage, the rise of illegitimacy are rooted clearly in broader cultural trends that affect everyone, rich and poor. Without a welfare system, these trends would still exist and still threaten our society.

Let me repeat that statement. Without a welfare system, the trends of illegitimacy, the decline of marriage, would still exist and still threaten at the rate of their growth, and would still threaten our society.

James Q. Wilson recently authored and article called ''Culture, Incentives in the Underclass.'' He accepts the figure that less than 15 percent of rising illegitimacy between 1960 and 1974 was due to increased Government benefits. ''Some significant part of what is popularly called the 'underclass problem'' he argues, ''exists not simply because members of this group face perverse incentives but because they have been habituated in ways that weaken their self-control and their concern for others.''

In other words, I think what Wilson was trying to say is that the basic problem lies in the realm of values and character, and those values are shaped, particularly in early childhood, by certain cultural standards. ''I do not wish,'' Wilson adds, ''to deny the importance of incentives such as jobs, penalties, or opportunities, but I do wish to call attention to the fact that people facing the same incentives often behave in characteristically different ways because they have been habituated to do so.''

People are not purely economic beings analyzing costs and benefits. We are moral beings. We make choices that reflect our values. Incentives are not irrelevant but it is ultimately our beliefs and habits I think that determine our future.

So I support these measures: Devolution, work requirements, changing incentives. Each one should be part of the package that the Senate passes. But even if they were all adopted in the form that I would like I believe that our problems and our divisions would still persist.

It is important to work at the margins because those margins are broad. A 15 percent reduction in illegitimacy would be a dramatic and positive social change. A similar increase in work participation could be labeled a major victory. But I would suggest, Mr. President, that our greatest single problem lies beyond the changes that we are debating in this welfare discussion. That problem I would suggest is a breakdown in the institutions that direct and have humanized our lives throughout history, institutions of family, institutions of neighborhood, community associations, charities, and religious-based groups.

Sociologists call this the ''civil society.'' They talk about ''mediating structures.'' They say that these institutions build ''social capital'' and ''positive externalities.'' But this point I think can be reduced to some simple facts.

A child will never find an adequate substitute for a father who loves him or her. The mantle of government, the assistance of government, will never replace the warm hand of a neighbor. The directions of a government bureaucrat will never replace the counsel of a friend. Any society is a cold, lonely, and confusing place without the warmth of family, community, and faith.

So it is interesting that this is precisely the reason that Nathan Glazer warns of the ''unintended consequences'' in social policy. ''Aside from these problems of expectations, cost, competency and limitations of knowledge,'' he argues, ''there is the simple reality that every piece of social policy substitutes for some traditional arrangement, a new arrangement in which public authorities take over, at least in part, the role of the family, of the ethnic and neighborhood group, of voluntary associations [of the church]. In doing so, social policy weakens the position of these traditional agents and further encourages needy people to depend on the government for help rather than on the traditional structures,'' according to Glazer, and I agree with him. I believe this concern is real, and I think it ought to reorient our thinking and our efforts. Our central goal in this debate ought to be to try to find a way to respect and reinvigorate these traditional structures—families, schools and neighborhoods, voluntary associations—that provide training in citizenship and pass on morality and civility to future generations.

Listen again to James Wilson. I quote.

> Today we expect ''government programs'' to accomplish what families, villages and churches once accomplished. This expectation leads to disappointment, if not frustration. Government programs, whether aimed at farmers, professors or welfare mothers, tend to produce dependence, not self-reliance. If this is true, then our policy ought to be to identify, evaluate and encourage those local private efforts that seem to do the best job at reducing drug abuse, inducing people to marry, persuading parents, especially fathers, to take responsibility for their children and exercising informal social control over neighborhood streets.

Mr. President, I believe we should adopt this approach because the alternative, centralized bureaucratic control, has failed. And because, second, the proposal of strict devolution has, as I indicated earlier, limitations. But I think there is a third reason we ought to adopt this approach, and I think that is the most central reason, that is because this is the only hopeful approach that we face.

These institutions—family, neighborhood, schools, church, charitable organizations, voluntary associations—do not just feed and house the body but reach in and touch the soul. They have the power to transform individuals and the power to renew our society. There is no other alternative that offers and holds out such promise.

So I believe we ought to ask one question of every social policy passed to every level of government, and that question is: Does it work through these mediating, traditional, historical institutions, does it work through families, neighborhoods, or religious or community organizations, or does it simply replace them?

Our primary objective should not be to substitute bureaucrats from Washington with bureaucrats from Columbus or Sacramento or Bismarck. It should be to encourage and support private and religious, neighborhood-based, nonreligious efforts without corrupting them with intrusive governmental rules. Our goal should not only be to redistribute power within government but to spread power beyond government.

This I believe, Mr. President, is the next step in the welfare debate, the

next stage of reform, the next frontier of compassion in America. Accepting this priority would focus our attention on possibly three areas: Emphasizing the role of family and particularly the role of fathers and mentors where fathers are not present in the lives of children; rebuilding community institutions; and promoting private charities and religious institutions in the work of compassion.

The next stage of welfare reform has to start with the family. The abandonment of children mainly by fathers is not a lifestyle choice. It is a form of adult behavior with disastrous consequences for children, for communities, for society as a whole. When young boys are deprived of a model of responsible male behavior, they become prone to violence and sexual aggression. Sociologists will prove to you over and over again these are irrefutable facts. When young girls are placed in the same situation, they are far more likely to have children out of wedlock. There is a growing consensus that families are not expendable and fathers are not optional.

The next step in welfare reform will reestablish a preference for marriage at the center of social policy in America. Wilson again observes that:

> Of all the institutions through which people may pass—schools, employers, the military—marriage has the largest effect. For every race and at every age, married men live longer than unmarried men and have lower rates of homicide, suicide, accidents and mental illness. Crime rates are lower for married men and incomes are higher. Infant mortality rates are higher for unmarried than for married women, whether black or white, and these differences cannot be explained by differences in income or availability of medical care. So substantial is this difference that an unmarried woman with a college education is more likely to have her infant die than is a married woman with less than a high school diploma.

An astounding statement.

Now, for those of us who have been married for a long time—and I just celebrated my 30th wedding anniversary—there are probably moments and days when that does not quite ring true.

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

Mr. COATS. I will be happy to yield.

Mr. MOYNIHAN. I heard him say he just celebrated his 30th wedding anniversary. Can I not assume that Mrs. Coats is also celebrating?

Mr. COATS. Mrs. Coats would be delighted and will be delighted when I explain what the Senator from New York has said about her. She was a child bride, and I was privileged to marry her. And she has retained the vibrancy of her youth. I claim no credit for that. She has done that in spite of her husband.

As Wilson has said, there are some great advantages to the institution of marriage; and I think that has been proven out over time, actually from the beginning of time.

As I said, while there may be moments that each of us can point to where we might question that fact, it is undeniable in terms of the statistics that are now in relative to life expectancy, rates of homicide, suicide, accidents, and mental illness. And as a nation, it ought to be our policy to promote that and not have policies in place, although maybe well intended, that often serve as a disincentive.

I also think that the next stage of welfare reform should find new ways of rebuilding economic and educational infrastructure, spreading ownership, housing, assets, educational opportunities. Successful businesses, active churches, effective schools, and strong neighborhoods have always been the backbone of community. To the extent that we can once again, through policy, where appropriate—in many places it is not appropriate and not effective—to the extent that we can emphasize and nurture this rebuilding, this renewal, we should do so.

We should also, I believe, focus our attention and resources on private charities and religious institutions, and that is the reason Senator ASHCROFT and I rise today to offer this amendment. We offer it primarily for discussion purposes, but we believe that a debate should, if it has not already, begin relative to the role of these institutions in dealing with some of our social problems.

We suggest that a charity tax credit, which we introduced last Friday, can answer some very important questions, the most important of which is how can we get resources into the hands of these private and religious institutions where individuals are actually being transformed, renewed, and provided both external as well as internal help, and how can we do this without either undermining their work with our Federal and State and governmental restrictions or offending the first amendment.

We think this amendment accomplishes that purpose. We respond by offering a $500-per-person tax credit for charitable contributions to poverty alleviating, poverty preventing, poverty relief organizations. We also require that individuals volunteer their time as well as donate their money to qualify for the credit, because we think it is necessary to do more than simply write a check.

We think there are a couple very important things that can be accomplished by personal involvement: First, the obvious connection that comes with bringing together those that are seeking to provide assistance with those that need the assistance and the benefits that flow both ways from that effort. But, second, it is an accountability factor, a factor that allows individuals to see how their money is being used and to ensure that the agency, the church, the association, the group that is utilizing the dollars that are contributed, that they are utilized in the most effective and most efficient way.

We would like to take a small portion of welfare spending in America—estimates are that roughly about 8 percent of what total welfare spending is in terms of what the reduction in revenue to the Federal Treasury would be through the charity tax credit—and give it through the Tax Code to private institutions that provide individuals with hope, with dignity, help and independence.

We do not eliminate the public safety net, but we want to focus attention on resources where we think they will make a substantial difference.

Second, we would like to utilize this in a way of promoting an ethic of giving in America. Because when individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship and responsibility, one in which men and women examine and support the programs in their own communities.

Marvin Olasky has written about all this. He comments:

> Within a few miles of Capitol Hill there are several places that we could visit today which solve social problems more effectively and efficiently than any measure we will pass in this welfare debate.

I took him up on that challenge, and one of the organizations I visited was a shelter operated by the Gospel Mission, just within the shadow of the Capitol, about 5 blocks from here, that takes homeless, hopelessly drug-addicted men off the streets and literally has transformed them into responsible, productive citizens. Their rehabilitation rate is 66 percent over a 1-year period of time.

The same program, or something similar to that program, is run by the Federal Government, called the John Young Center. I drive by it every evening on my way home from work. That center has been in and out of the newspapers. Drugs are regularly dealt. And it has been a place of despair, not a place of hope. They claim a rehabilitation rate of 10 percent. They spend 20 times the amount of the Gospel Mission.

Now, we ought to be visiting these institutions and asking ourselves the question, what are they doing at the Gospel Mission that they are not doing at the Federal center? Or, conversely, what are they doing at the Federal center that is not being done—that we ought to avoid doing elsewhere?

This is just one example, one example of examples that exist in almost every community in America, where because of frustration with a government-run program, with a government attempt, citizens have undertaken, either through religious charities, faith-based or not, religious-based, Big Sisters, Salvation Army, the medical volunteers, the local Matthew 25 clinic that exists in Fort Wayne, IN, where medical doctors volunteer their time to the poor—they exist everywhere, but not to the degree to which it is making a substantial difference in the macrosense in our Nation.

So Senator ASHCROFT and I are trying to highlight these organizations, show how they provide a measure of hope, how they can renew lives, renew communities and, hopefully, nurture them through acquainting our citizens with their work and giving them the means with which to contribute to them.

Robert Woodson said, for virtually every social program we face today, somewhere a community group has found the solution that works.

I believe, Mr. President, this is the greatest source of hope in this welfare debate. And the primary reason why I am not pessimistic is—because it is easy to be pessimistic—that many of these groups, as Woodson points out, are faith-based, not a particular faith, not a particular denomination. In some, the faith is contrary to my own faith, but they gain their authority and their success by serving their neighbors as a form of service to their God. And their ministry includes an element of spiritual challenge and moral transformation.

Government should not view this as a problem to be overcome, but as a resource that we ought to welcome with open arms because, in serving the poor, we ought to look at religious efforts as allies and not rejected as rivals to our program. That power of religious values and social change can no longer be ignored. It is one of the common denominators of a successful compass.

Let me wrap up here by quoting from Robert Woodson again. Bill Raspberry wrote a fascinating article on this some time ago in the Washington Post.

Woodson said:

> People, including me, would check out the successful social programs—I'm talking about the neighborhood-based healers who manage to turn people around—and we would report on such things as size, funding, leadership, technique.

He said:

> Only recently has it crystallized for me that the one thing virtually all these programs had in common was a leader with a strong element of spirituality. . . .

He said:

> We don't yet have the scales to weight the ability some people have to supply meaning [in other people's lives]—to provide the spiritual element I'm talking about.

He said:

> I don't know how the details might work themselves out, but I know it makes as much sense to empower those who have the spiritual wherewithal to turn lives around as to empower those whose only qualification is credentials.

Mr. President, the failure of our current approach has resulted among Americans in ''compassion fatigue.'' That is understandable, but that is not healthy for our society. Compassion for the poor is a valuable part of the American tradition, and it is also a central part of our moral tradition. At the very deepest level, we show compassion for others because we are all equally dependent upon the compassion of our Maker.

But a renewal of compassion will ultimately be frustrated if we act on a definition of that virtue which has failed. The problem we face is not only that welfare is too expensive, which it is; the problem is that it is too stingy with the things that matter the most—responsibility, moral values, human dignity and the warmth of community.

This Nation, I suggest, Mr. President, requires a new definition of compassion, a definition which mobilizes the resources of civil society to reach our deepest needs. This is going to be a challenge to our creativity. Our response, I suggest, will determine much more about the American experiment and the limits that we place on its promise.

So the amendment that Senator ASHCROFT and I are offering is simply a step, a suggestion, a step toward providing a way to expand that compassion in America, to enlist our citizens in the act of citizenship, and to go beyond government to return to those institutions which historically, traditionally, and effectively have mediated some of our deepest social concerns—the family, the neighborhood, the schools, charitable organizations, religious and nonreligous voluntary associations.

I hope that we can move beyond the details of the welfare debate. Much of this will be discussions for future days. But I hope that this amendment we are offering at least offers a start and this debate in which we are engaging will take us to the place where we can step back and take a broader view of the problems we face and a more creative view of the solutions to address those problems.

Mr. President, with that I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am going to have to be away from the floor for awhile now, but I want to say that the remarks of the Senator from Indiana are the most compelling and thoughtful and, in a certain sense, I hope, perfecting of any I have heard in 19 years on this floor debating this subject. I can scarce summon the language to express my admiration.

I acknowledge the persuasion that comes from citing dear friends of 40 years and more, such as Nathan Glazer and James Q. Wilson, with whom I have been associated. But the growing perception of the nature of our problem—I could have wished this debate had never taken place in the Senate.

The proposal to disengage the Federal Government from the care of dependent children is not something I can welcome. The address of the Senator from Indiana almost makes it worthwhile.

The other evening, Monday evening, at the American Enterprise Institute, Robert Fogel of the University of Chicago presented a superb historical perspective on the cycles of moral and religious awakening that have taken place in the United States since the 1740's, such as during the American Revolution, when we came to judge that the British Government was not sufficient ethically and morally as an institution. Abolition, slavery, temperance—we have had this experience before, and it may be we are beginning it again, because what the Senator says is so very clear that in the end, these are issues of community, issues of relationships, issues of moral understandings and persuasion.

I have said that however much we may be taking a retrograde measure with respect to a Government program, for the first time ever, we are beginning to talk about the problems of family structure. President Bush began this in an address at Notre Dame in 1992. President Clinton brought it up in a State of the Union Message when he rather casually cited projections which had been made in our office about where we may be heading. This week's issue of the the Economist discusses it as a worldwide phenomenon but uses the United States as the most advanced and desperate case.

I just will make one final caveat if you like, caution if you will. We are finally asking the right questions. I do not think we have answers. None will assert this more with greater conviction than such as Nathan Glazer or James Q. Wilson. Wilson gave the Walter Wriston lecture at the Manhattan Institute in New York City last November entitled ''From Welfare Reform to Character Development.'' His new book is on character.

He has this passage. He says:

> Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that. It is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none, even though welfare has become quite generous.

We have to accept that. We will not get the right answers until we ask the right questions, but we are not there yet.

Without going into detail, we do have some early returns on a program of counseling and education with respect to teenage births, and we find no effect; a very intensive effort now 4 years in place with nothing to show. But that is all right, the effort has begun. Eight years ago, it would not have come.

So I just want to express my admiration and my thanks to the eloquent, persuasive Senator from Indiana.

Mr. President, I see the Senator from Missouri has risen. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I want to join the senior Senator from New York in commending the Senator from Indiana for an outstanding, insightful, and dispassionate analysis of

a very, very difficult problem. Too often in this Chamber, we view this problem as a financial problem or a governmental problem or a bureaucratic problem. But I think the Senator from Indiana has clearly alerted us to the fact that this is a problem for individuals, and it is a problem for families, and it is a problem for our culture.

I believe the measure which he and I are proposing is a measure which takes into account our understanding that we do not believe that government is the complete answer to the challenges we face. As a matter of fact, the Senator from Indiana has noted with clarity that there are many, many efforts by government which have been attended by only modest success, if it can be described as success at all.

When those enterprises are compared with the efforts that have been made by a number of private groups, including faith-based organizations, it is clear that the success rate, sort of the change rate, the therapy rate, the healing rate in those organizations is dramatically higher.

I was pleased to have the opportunity to cooperate with him to try to think of ways we could address our problems that go, as he puts it, ingeniously beyond government.

So often, it is in the role and nature of government to establish the minimums: If you do not follow these rules or these regulations, you end up in jail. You have to pay this much or you have to do this much in order to remain free. Government does not really call us to our highest and best, frequently. That job is the job of other institutions.

In order for us to solve this very substantial challenge, the critical challenge and a crisis in terms of our human resources, we are going to have to do more than minimums, the kind of thing government frequently deals with. We are going to have to get into the arena of maximums, and we have to find ways of calling on people to be at their highest and their best, rather than just participating in the fundamental threshold of what it takes to be a member of the club we call our society.

So beyond government, to expect to do more than government would do, to try to elicit responses from individuals who literally accept responsibility for helping in this circumstance, we have come up with this idea to provide incentives for individuals to invest their resources and themselves in private charitable enterprises which have a track record of doing what we have failed to do so miserably in our welfare program.

None of us have to recount the failure of the welfare program. We know that there are more people in poverty now than there were when we started the war on poverty. We know that the number of children in poverty is a higher percentage than it was when we started this assault on poverty by government. We can only conclude that the prisoners of the war, the POW's of the war on poverty, have been the children of America, the future of this great country.

What can we do to try to break this cycle of dependency, to slow the problem instead of grow the problem, because it occurs to me that as we have sought to remedy this situation, to bring therapy to this wound through government, we have exacerbated the problem; the hemorrhage has increased rather than been stemmed.

Perhaps it is instructive for us to look into our past to find out what might be helpful to us in the future.

Our current crisis in the cities is not singular, not unique, not something that never happened before. We have had crises in our cities before. Scholars have studied them, and they can point to ways in which we might remediate them. And Professor Marvin Olasky, from Texas, has written eloquently, and Gertrude Himmelfarb has written, as well, about the same crisis that, 100 years ago, gripped American cities. One of the interesting things about those crises is that they were attended by a social outpouring, a civic commitment to deal with the problem.

The distinguished junior Senator from Illinois, yesterday, had a picture on the floor of the Senate. It showed youths huddled against a building, semi-clothed, barefooted, sleeping one upon the other, in Chicago 100 years ago. It was a tragedy then, and what is happening to our young people is a tragedy now. She had several suggestions that we could remedy the tragedy with governmental guarantees today. It is interesting to me that the tragedy was not remedied 100 years ago with governmental guarantees—and I am not against Government and against having the right kind of safety net and the right kind of transitional welfare; but when welfare moves from being transitional to vocational, and the Government becomes the keeper of the poor, and as the keeper of the poor, the Government keeps people poor, we have missed part of the equation.

One hundred years ago, a substantial component of the equation was simply that citizens cared, and they volunteered and worked with one another compassionately to meet the needs. We need to signal, state, and we need to, as the Government, develop an understanding in this culture, in our communities, in our cities across this country that we cannot get this job done and expect and want people to participate as volunteers.

There are interesting data that in the crisis of 100 years ago in New York, there were two volunteers for every needy person. We have substituted Government for volunteers, and now we have 200 needy people for every social worker. That is just not a problem with the numerics, because 200-to-1 is an incredible load. It is also a problem with the character, not just the quantity. I am not impugning the character of social workers. They are wonderful people that are devoting their lives. But it is different to be administered to by a paid social worker than by an individual who says, ''I love you and this community enough to accept responsibility, and I want to be part of improving your lot. I want to help you move from where you are to a place that is closer to where I am. I want to help you elevate yourself from dependency to industry, from despair to hope.''

We need to do what can be done to send a strong signal that we want the desperate and needy of America to be a part of the devoted aspiration and contribution of our communities and cities and citizens. This modest proposal says to people that if you will give to charitable organizations that meet the needs of the needy, you will get your normal tax break. But if, in addition to giving your money, you will also get involved—and the Senator from Indiana said it very clearly, that we want the extra impact of citizen involvement, but we want the extra accountability of citizen involvement, citizens who do not just write a check as a means of shedding the consciousness and excusing themselves from the challenge, but we want citizens who want the check as a way of propelling themselves into the challenge, to meet the challenge.

So if you will contribute to these charitable organizations and you will match your contribution with an hour a week, on the average, through the year—50 hours—we will say as a Government that we honor this, that we respect it, and we want to encourage this, we want to teach this as a value and virtue in American life, and we care for each other to the extent—to use the phrase of the Senator from Indiana—that we go beyond Government and that we get into the involvement, one with another, and we have an interface between those in need and those who can meet the need. That would carry us forward.

It is with that in mind that we have raised this proposal for debate in the U.S. Senate. I believe that I could stand here and go through a litany of these kinds of nongovernmental organizations, and I have pages of them and their examples and success rates and their success stories. The Senator from Indiana has appropriately indicated that they operated about one-twentieth of the cost that normally attends the governmental function.

I could talk about the experience of certain Governors, like Governor Engler, who has a program that is successful. He says the reason is that because he has been able to get the Lutheran Services to be a party to it, because they care at a different level. There is a different character about the helping hand of a volunteer than there is about the heavy hand of Government. He says that the reason the program works is that this caring, loving, helping hand is available 24 hours a

day, 7 days a week. He says that in order to get certain of the Government programs to work, he has to ask people to have their problems between 9 in the morning and 5 in the afternoon, Monday through Friday. The truth of the matter is that needs arise in ways that require caring and help and healing, rather than bureaucracy.

So it is with this in mind that we have suggested to this U.S. Senate for its consideration, as it ponders what we do to meet the challenges of lives that are in despair, that we would consider making a statement that we want to revalue the work of volunteers. We want to say to individuals: Do not just write a check, but make a contribution with your life. And that could help us on the track to the solution that helped when, 100 years ago, volunteers overwhelmed the problems and began to move us on a track toward recovery.

While we are continuing in a mode of intensifying the problem, we need to be switching to a mode of mitigating the challenge. I think we can do that by encouraging the citizens to be the caring hand of the community and doing it in a way that expresses the care that healthy communities must have in order to be surviving communities.

I commend the Senator from Indiana for his outstanding statement of the opportunity for us to move beyond Government. I think we should take the small steps that are available to us and ultimately take larger steps to make sure that we move beyond Government so that we get into the category of success and remediation and we avoid what we have experienced to date, which is despair and aggravation of the problem.

I am grateful to the Senator and I thank him.

Mr. COATS. Will the Senator yield?

Mr. ASHCROFT. Yes.

Mr. COATS. Mr. President, I ask whether or not the Senator from Connecticut is here to offer an amendment. Senator Ashcroft and I intend to withdraw our amendment. But if there are others who want to speak on it, we obviously would encourage that. I have gotten some indication that the Senator from Pennsylvania wishes to speak on it. At the appropriate time, we will withdraw that.

Before I yield, let me commend my colleague for his articulate, passionate statement on behalf of a concept that I believe is critical to the future of this country, something that we must embody, embrace, and something that we must advance if we are to address this crisis that exists in our society.

He brings his experience as a Governor. He has had the opportunity that many of us have not had in dealing with this on a day-to-day basis from an executive position and as someone who was charged with the responsibility of carrying out policy instead of just making policy. He brings the experience of someone with a deep heritage of service to others, and his commitment to this concept is commendable.

I want to thank him not just for his support but for his initiation and his leadership on this effort. We have been going along parallel tracks and discovered that we were attempting to advance the same ideas, so we merged our efforts.

His thoughts about involving individuals as volunteers, as well as just the writing of a check for the tax credit, was instrumental to this package. His work and efforts and writings and speaking about it have been very, very important to this.

I thank him and I want to tell him what a privilege it is to go forward together and hopefully have others join us as we attempt to address this next stage in the welfare debate.

I thank the Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Indiana. I yield the floor.

Mr. SANTORUM. I thank the Senator from Connecticut for his patience. I know the Senator has an amendment to follow this. My understanding is this is an amendment we can accept on this side of the aisle. I will not make him wait unduly.

I wanted to speak on this issue because, like the Senator from Missouri and the Senator from Indiana, I, too, had a piece of legislation I introduced that provided a tax credit for charities that do work for the poor. It is a tax credit for people who give to charities, who do work for the poor.

I, too, like the Senator from Indiana, see this as the next logical step in the devolution of welfare. We had an experiment in the 1960's that tried welfare as a grand social scheme that, in fact, should be a national problem solved on a national level by national bureaucrats and national policy. I think what we have seen is that has been a dangerous and, in fact, a very destructive way of approaching this problem.

What is being offered here on the floor is, in my opinion, sort of a steppingstone to what the final solution should be to solving the welfare problem. What we are doing here is a block grant back to the States, saying we need States to have more flexibility. We need to get it back down to the local level.

What Senator COATS, Senator ASHCROFT, and I have put forward is really this next logical step, which is why do we have the Government directly involved in setting policy on poverty at all? Why do we not enable, empower the people who are most concerned about the people who are poor, and that is people in their community, family members, neighbors, and people living down the street?

Those we have found over time are the most effective poverty-fighting tools that we have in our society—people who actually care about their neighbors and their friends and their family members.

What we need to do is take all this money that gets channeled through Washington and instead of having it channeled through here, take that money and directly send it to the nonprofit churches, in many cases, or community organizations that are directly involved on the front line of solving the issue of poverty in the communities.

I know the Senator from Indiana represents large cities like Indianapolis that have communities in them in those cities where there are no jobs, there is no nothing, there is no institution left. The only thing left is a church that holds the whole community together.

Why would it not be proper for those people who are paying taxes in that community to be able to take a tax credit to help that church which has dedicated their mission to helping people in poverty, instead of sending their tax dollars here so we can pay a bunch of people to tell them how to run their lives?

Get people who actually care about that next-door neighbor, who know the young girl who got pregnant and has to raise that child in a destructive home environment who lives next door. Get people who know their names, who care about them not because they are a number in the computer but because they are the next-door neighbor they have known for years.

That is what this is all about. This is not a devolution in the sense we are throwing away a responsibility and giving it to somebody else. What we are suggesting is there are logical people to handle these problems and it is not us. It is people who truly care.

What the Coats amendment, the Ashcroft, and my amendment would have done is just to take a small portion of the money that we spend on welfare and have that money be used to directly support communities.

The question here is not whether or not we should address the issue of poverty. It is who is best able to deal with the issue of poverty. Go home and ask folks as I have, and talk to people who are in the welfare system or who are poor, who are working poor, and ask them where they have gotten the most help. Is it from the person who sits behind the computer who has a caseload of hundreds, who processes paper and checks, or is it the minister or the person at the local soup kitchen, or whatever the case, or neighborhood food banks? Are those the people who actually care, who actually work to make it work for the people who are poor? That is really the fundamental issue here.

I was not on the floor at the time the Senator from Indiana gave his remarks, but I am looking forward to reading them in the RECORD because of the very high praise from the Senator from New York on his comments.

I can only imagine the passion that I know the Senator from Indiana has on this issue, the care and concern he has for making sure that we develop a system here in Washington that truly is caring, not caretaking; that is truly people oriented, humane in the very

sense of human involvement with other human beings whose problems are not just something that we pay to maintain, but work to solve.

That is the fundamental, I think, logical next step and I am confident, when we address this welfare issue again, that we will see an increased support for this kind of amendment and for this approach to deal with the problem.

I am hopeful, whether we do it in the tax bill this time or whether its day is a little into the future, we are laying the groundwork now for something that I think will be—I believe this amendment is the most significant amendment that has been offered on the floor. I know it will be withdrawn because it is a tax matter and subject to points of order and all the problems, but I think this amendment is the most significant amendment about getting people involved in the communities to help their neighbors.

One of the great things about America is our relationships with our neighbors and our sense of community. The Federal Government has systematically, through welfare programs, said it is not our responsibility to care for our neighbor anymore; you pay taxes, you have Federal benefits, they will take care of them.

Well, folks, that may be nice and compassionate on the surface, but what it does is separate you from the people you live next to, and you no longer feel you are responsible for your neighbor. You feel that it is not a community anymore, that we are a set of separate kingdoms who pay our tributes to the lords and the lords will take care of everybody. That does not work. That is not America.

What we need to get back to is the whole concept that we are in this together, that we should be a community, that we do have a responsibility for our neighbors, and that we want you to be actively involved in participating, in making sure that your neighbors, as well as the other people in your communities are not in poverty and are living in dignity.

That is what this amendment does. I congratulate the Senator from Indiana for his stewardship on this issue. I only wish I could be here to vote for it, but I understand the need to withdraw the amendment.

Mr. LIEBERMAN. I thank the Chair. I do want to introduce an amendment following Senator COATS, but I have listened to the debate and I do want to say a few words of support because I think my colleagues are onto something here.

The human want, the human despair, the human suffering that is the welfare crisis that we are attempting to address in this debate was not caused by government.

There are many ways, I think we feel, in which government has facilitated or enabled the problem to become worse. The problem begins with people who have problems. And it will not end until those people are helped by their neighbors, by their communities, by a wide array of institutions.

What I am saying is, and I think this amendment gets to this, is that government has not, itself, created the problem, although it may have exacerbated it. In the same sense, government alone will not solve the problem. We are going to need community groups, charitable groups, people finding strength within themselves. This amendment recognizes that and tries to create, in the way that we do this in America, tries to create a motivation through the tax system for people to get personally involved, once again, in greater numbers—many are now, obviously, but to be involved in greater numbers—helping their neighbors, their poor neighbors, work themselves out of poverty. So I think there is something here.

There is something here, also, in the fact that this well-intentioned program that started in the 1930's, Aid to Families With Dependent Children—in that sense, the contemplation of Congress was to help the children of widows—has become so large that in some measure it has sent a message to a lot of very well-intentioned, good-natured Americans that the poverty of their neighbors is not their concern.

In some ways we have become so good at governmentalizing our community responsibility that we have sent a message that individuals have less need to be responsible for those among us who are poor. This amendment cuts, also, at that conclusion and says to all of us we all have a part to play as we used to before government became so big and communities became so big.

I believe that these problems of babies born to mothers who are teenagers, unmarried—a cycle, generation after generation of welfare dependency—are so deep that it will take both government and private philanthropic, charitable, and religious institutions to make it ultimately better. But the very important point that this amendment makes is that Government cannot do it alone. And I congratulate my friends for introducing the amendment and making that point.

Finally, I say this. I also think they have made an important statement here in making it clear that religious organizations, faith-based organizations, should be eligible for this credit for participation in poverty assistance programs because those organizations, as I have seen in cities and poor areas throughout Connecticut, often have the greatest motivation, the greatest success rate in dealing with problems of poverty. When we bring it down to the individuals who are the beneficiaries of this program, I have yet to find a government program that could do a better job than a religious organization at instilling in the individual that necessary sense of self-worth which is the precondition to any genuine and hopeful effort to make that person's life better—based, of course, on the insight that my friend and colleague from Indiana referred to generally, which is that if you begin to see yourself as a child of God, and in that sense appreciate your value, then you are going to be better able to go ahead and remake your life in a way that testifies to that insight.

I know this amendment is going to be withdrawn. I do think the Senator from Indiana, the Senator from Missouri, and the Senator from Pennsylvania made a very important point here. I hope we can come back to it. I hope we will have the opportunity to come back to it, to try to truly not only make government more efficient in dealing with poverty, but to tap the truly powerful good nature of the American people that is out there and, I think, ready to be tapped to help those of their neighbors who are poorer in money and in hope and in opportunity than they are.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I congratulate the Senator from Connecticut for his excellent comments and apologize to him for jumping ahead of him. I did not realize he was rising to speak on the Coats amendment. Had I known that, I would have let him go forward. I thought he was just standing for his amendment. So I apologize for that, and I appreciate very much his comments and his support of this concept. The Senator hit the nail on the head very, very well, and I appreciate his support.

I congratulate, again, the Senator from Indiana for offering this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I offer my sincere thanks to both the Senator from Pennsylvania and the Senator from Connecticut for their warm words of support for a concept that I think we all endorse and believe in. I, like the Senator from Connecticut, hope that we have initiated what will be, in the end, a historic debate about how we can effectively reach out and help those Americans who, in many instances through no fault of their own, find themselves in desperate circumstances, but do it in a way that is effective. There is compassion beyond government, and I think we are beginning to discuss and tap into what that is.

Because the amendment the Senator from Missouri and I have offered is subject to points of order, because it is a tax matter not directly relevant to this bill, because there needs to be more discussion and more foundation laid, in a moment I am going to ask unanimous consent to withdraw the amendment.

I think this has been a substantive discussion of an extremely important item that I hope will be brought back up for further debate and will become a integral part of the next tax debate on how we allocate resources of citizens of

this Nation, how we allocate those in a way that makes a difference in people's lives and gives us the sense that our work is not in vain and that the check we write is truly making a difference, not only in our neighbors' lives but in society.

We look forward to that extended debate, and we look forward to the day when we can leave the amendment on the floor and bring it to a vote before the Senate. This is not the appropriate time to do that.

Therefore, I ask unanimous consent the amendment that is currently pending be withdrawn.

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

The amendment (No. 2539) was withdrawn.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 2514, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I ask the amendment I filed at the desk, amendment No. 2514, be called up.

The PRESIDING OFFICER. Without objection, the amendment is now pending.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent a modification of the amendment that I send to the desk at this time be accepted.

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, the amendment is so modified.

The amendment (No. 2514), as modified is as follows:

On page 17, line 8, insert '', for each of fiscal years 1998 and 1999, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year,'' after ''State family assistance grant for the fiscal year''.

On page 17, line 22, insert '', the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year,'' after ''subparagraph (B)''.

On page 29, between lines 15 and 16, insert:

''(f) JOB PLACEMENT PERFORMANCE BONUS.—

''(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

''(2) ALLOCATION FORMULA; BONUS FUND.—

''(A) ALLOCATION FORMULA.—

''(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

''(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

''(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

''(II) take into account the unemployment conditions of each State or geographic area.

''(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

''(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

''(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

''For fiscal year:	*The applicable percentage is:*
1998	3
1999	4

On page 29, line 16, strike ''(f)'' and insert ''(g)''.

On page 66, line 13, insert ''and a preliminary assessment of the job placement performance bonus established under section 403(f)'' before the end period.

On page 77, in the matter inserted between lines 21 and 22 (as inserted on page 19 of the modification of September 8, 1995), strike ''(C) An increase in the percentage of families receiving assistance under this part that earn an income.'' and insert ''(C) An increase in the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.''.

Mr. LIEBERMAN. As indicated, I submitted the amendment on behalf of my colleague from Connecticut, Senator DODD, and the Senator from Georgia, Mr. NUNN.

PRIVILEGE OF THE FLOOR

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Cindy Baldwin, who is a presidential management intern fellow in my office this year, be granted the privilege of the floor for the remainder of the debate on welfare reform.

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

Mr. LIEBERMAN. Mr. President, there is a happy story to be told in this amendment. I appreciate the fact we have come to a bipartisan agreement here on going forward with this amendment. This amendment, I think, goes to the heart of both bills, which is work, which is taking the welfare program and changing it from a kind of income maintenance program to a work opportunity, work creation, work realization program, hopefully, and definitely in the context of the private sector.

Mr. President, there are a lot of different ways, as I have spoken before on this floor, in this debate that the current welfare system is not working and does not reflect the best values of our country. Obviously, the extent to which it has helped to enable the breakdown of families, the birth of babies to teenaged young women without fathers in the house, and despair and hopelessness for the kids is profoundly troubling and has catastrophic implications for our society. But I believe that at the heart of the American people's hopes in this welfare reform debate is the question of work. In fact, a recent Wall Street Journal-NBC poll found that 62 percent of the respondents believe that work is the most important goal of welfare reform compared to 19 percent who considered reducing out-of-wedlock births as most critical. I do not mean to diminish the importance of the second goal because I think in terms of the long-term impact on the welfare rolls it is critical.

But just to suggest that the most profound way in which this system has digressed from the commonly held values and beliefs of the American people is the extent to which welfare does not encourage work, the extent to which it has discouraged work, the extent to which it frustrates and infuriates so many of the American people who feel that they are out there working hard every day paying taxes, and they fear and believe that too many of their tax dollars are going to support a system, this welfare system, that does not adequately encourage, force the people on it to get up, to go out and go to work.

Maybe that is why, as we look at the two basic underlying proposals that have been made here on each side of the aisle, that the word ''work'' appears in the titles that their sponsors have given them. Senator DOLE's proposal is, as I understand it, entitled ''The Work Opportunity Act.'' Senator DASCHLE's proposal, which was heard as a substitute earlier and defeated, is called the Work First Act, and that is for the reasons that I have stated. The goal here is to cut the welfare rolls, to get people to work, and to create opportunity.

As these two proposals have come along, I think we have seen some ways in which they are quite similar and ways in which they digress that have caused some concern among some of us. It is interesting and important to note similarities because sometimes in this kind of debate, they get missed. Both proposals, Senator DOLE's and Senator DASCHLE's, set essentially the same goal when it comes to work—maybe some slight difference in wording—but that 50 percent of the people on welfare, the families, the potential income earners, be in jobs by the year 2000. It is a goal that is common to both bills. But the way we get there is different, and that is what has concerned some of us as we have watched the debate go forward.

In Senator DOLE's bill there is a 5-percent penalty at the end if you do not achieve the 50-percent placement of people in jobs. In Senator DASCHLE's bill, a different approach is taken. You might call it the carrot as opposed to the stick. And the carrot here is to say that we have to focus in and hold the States to a standard, and an important standard, which is the placement of welfare recipients in unsubsidized jobs, which is to say private sector jobs. We have some ideas looking at the experience about how to do that and where to do it, and our experience suggests building onto some of the cases and grants and programs that have been

carried out under the Family Support Act of 1988, that the best thing to do is to not spend too much time at this business of training, although training is often necessary, but to focus on getting welfare recipients out there into a job, and then working with them and training them to make sure that they carry out that job well and that they do so in the context of the work that they are actually performing.

Senator DASCHLE's proposal, as I said, used the carrot, and it said that what we are going to measure every year is what percentage of people on welfare in a given State have been placed into private sector jobs. It is not enough to gauge how many are in training programs, because we have done this before. And people can spend a lot of time in training programs with nowhere to go, all dressed up and no job to take, or no job that they are willing to take.

This proposal, creating the personal empowerment contract, is somewhat like Senator DOLE's bill, which basically says when people sign up for welfare they have to sign a contract, and it has mutual responsibility—no more blank check. You get a welfare check. It is not even called a welfare check anymore; it is a temporary employment assistance check, and one of the things you have to continue to do to get that check is to go out and work, accept any job that is offered, understanding that that is better than being on welfare, and that it is putting you on the first step of a ladder in the private sector job market that can take you up and up to self-sufficiency.

So in Senator DASCHLE's proposal, a bonus was given to the States, an incentive beginning in 1998, creating a pool of 3 percent of the overall block grant authorized under Senator DOLE's underlying legislation; $16.8 billion a year in that block grant; 3 percent of that money in 1998, 4 percent in 1999, 5 percent in 2000, put into an incentive pool to be distributed to the States based on their success in getting people off the welfare, not into training programs, not into public works programs or those subsidized jobs, although those can be good sometimes, too, but into private sector jobs.

We think that would be not only an important incentive to change the orientation in terms of the beneficiaries of welfare, the welfare recipients, but we think it would be a very healthy way to shake up the welfare bureaucracy back home in the States, to create incentives that are different from today's.

Too often in today's welfare system the incentives encourage States and administrators and caseworkers alike to make income maintenance—not job placement—their primary mission—income maintenance, write out the check, process the application, get the check to the recipient. That becomes the focus of the system, not stopping the writing of the checks, getting the recipient off of welfare and getting them out into an income earning job.

The State administrators and caseworkers too often now are sent the message that it really does not matter whether or not they go the extra mile and spend the extra money to remove a recipient from welfare and into a private sector job. That is what this job placement bonus is all about. It sends a message to the States that, if they, their administrators, their case workers, go the extra mile to put somebody from welfare into a private sector job, that it will pay, that the State will receive more money, a job placement bonus, a simple yet critical tool to change the incentives in the welfare office back home from income maintenance to job placement. A bonus can, and I believe will, turn the welfare office into an employment office, which is what it ought to be.

Mr. President, so we had these two different visions, and I was prepared to offer a separate amendment to incorporate the job bonus provisions of Senator DASCHLE's proposal into the underlying bill. We have had the opportunity to reason together. We have had some very good conversations with Senator ROTH, whose modifications to Senator DOLE's underlying bill I will describe in a minute, and I think we have come up with a superb compromise which I hope people on both sides of the aisle can support.

Senator ROTH amended the underlying proposal consistent with the work that I have been privileged to be involved in with him, in his time as chairman of the Governmental Affairs Committee and ranking minority member before, to try to not only create programs but to create standards by which we can judge those programs as any business would do and to reward those who perform better under the programs we have created.

So in Senator ROTH's amendment, and provisions included in the underlying Dole bill, a 5-percent bonus pool is created in the year 2000 which would reward the States, for instance, in proportion to the reductions that they had achieved in the length of time families were receiving welfare payments, or the increases in the number of welfare families receiving child support. In other words, how many deadbeat dads had been shaken and awakened and finally were carrying out their responsibilities.

So here is the agreement I believe we have, and I am very grateful for it. It is carried out in the modification to my amendment, Mr. President, which I have sent to the desk.

Under this modification, in 1998, pursuant to the Work First proposal, there would be created a pool equal to 3 percent of the national block grant of $16.8 billion which would be contributed to the States based on their success in getting people off welfare and into a private, a real private sector job.

In 1998, that would begin with 3 percent. In 1999, the pool would go to 4 percent. And in the year 2000, Senator ROTH's provisions remain to create a 5-percent pool that would be distributed to the States based on five factors, four of which were in Senator ROTH's initial proposal, and the fifth would be the one that I have referred to which would be a measure of the extent to which the States have placed welfare recipients in private sector jobs.

I think this is a superb agreement. It makes both approaches better. I think it strengthens the underlying proposal by Senator DOLE. And more than the question of which side of the aisle it may have come from, or which proposal it strengthens, it puts teeth into the aim that I think all of us have, which is to get people off welfare and back to work, to save the taxpayers' money that we are now spending on a program that has created such dependency and despair, and to raise up the hopes and sense of opportunity for those who have been condemned to that life of despair on welfare.

So I thank Senator ROTH and his staff particularly, Senator DOLE and the leadership on the Republican side, and all those who have worked with us on this side. This proposal, I take some pride in noting, for a job-placement bonus emerges from work that has been done by the Democratic Leadership Council Progressive Policy Institute aimed at creating the right incentives in this system to get people off welfare and to work. I am privileged to be the chair of that group, now having succeeded my friend and colleague, the Senator from Louisiana, who I also see in the Chamber and who I am privileged to say has been a cosponsor of this amendment with me and Senator CONRAD, Senator NUNN, and Senator DODD.

Mr. President, I thank the Chair and my colleagues for their interest in this amendment and for what I hope will be unanimous support. I yield the floor.

Mr. BREAUX. Will the Senator yield?

I commend the Senator for structuring and offering remarks on this amendment.

I think it is important that when we do real welfare reform we do it not just to penalize States that fail to meet certain targets and goals but actually have an incentive to do something positive instead of something negative. Instead of from Washington punishing States, if you will, that do not meet the goals, we try to get them to accomplish and meet those targets by incentives and bonuses and extra awards if, in fact, they are able to meet the targets that we set.

Frankly, I think that is a far more efficient and far more appropriate method of trying to get States to meet the goals than to try to penalize them. I think this is in keeping with the partnership concept. This is not Big Brother demanding the States do something all of the time but to really say we hope they can meet these goals and, if they do, they are going to be rewarded and not just operate with a heavy hand

by penalizing States that for various reasons cannot meet the goals we set.

So I commend the Senator for recognizing this very important fact in offering what I think is a major contribution to improving the welfare reform bill.

Mr. LIEBERMAN. I thank my friend and colleague from Louisiana. I thank him for all his work on this amendment. He gets right to the point, which I do want to just stress again, which is that our concern was the underlying bill by providing a 5-percent penalty at the end, at 2000, if States did not achieve the 50-percent reduction in welfare recipients to work, would be creating a situation where there might be an incentive not to comply.

In other words, complying will cost some money, getting 50 percent of the welfare recipients to work will cost some money and if there is no incentive, no provision, no way that the States by good behavior can get that money, they were going to be left with a series of choices which were not going to be very good. They would either have to raise State and local taxes, deny assistance to needy families to get money, or create a situation where kids would be left at home because there was not adequate funds for child care for people to try to get off welfare and go to work.

So we were worried that the alternative would be that they would start out making, unfortunately, the rational conclusion that maybe it was better not to try to reach the goal of 50-percent welfare to work, give up the 5 percent as part of the penalty because that would actually cost them less than what they needed to meet the goal.

We think that putting these proposals together in this amendment now creates a positive incentive along the way—1998, 1999, 2000—among States to have them compete, if you will, to have a greater part of that pool we are creating to see which State can place more people into private sector jobs and therefore receive more money. Again, I thank my friend from Louisiana, and I yield the floor.

Mr. President, if there is no further debate, it had been my understanding that this was acceptable on both sides. As I said before, I really want to stress, with some sense of gratitude, the support that Senator ROTH has given in putting this together, I gather, agreed to by leadership on the Republican side, and I sure hope this is part of a sense of compromise but also honing our purposes and coming together in ways that will allow us to achieve a strong bipartisan majority in favor of true welfare reform.

I urge adoption of the amendment.

Mr. CONRAD. Mr. President, I am pleased to rise as a cosponsor of the Lieberman-Breaux-Conrad amendment. I am also pleased that we have been able to reach a compromise with Senator ROTH on this issue.

Mr. President, the funding for work in the Republican bill is woefully insufficient. When the Finance Committee considered welfare reform, the Congressional Budget Office told me that funding in the Republican bill was so insufficient, that only 6 States would have a work program. CBO said States were more likely to take the 5 percent penalty in the bill than put welfare recipients to work.

Now, after the Dole bill has undergone several modifications, CBO says that only 10 to 15 States will have resources sufficient to meet the work requirements under the bill. Seventy to eighty percent of the States will simply not operate the kind of work program advocated by the bill.

The risk that most States will not even have a work program makes the Lieberman-Breaux-Conrad amendment extremely important.

Our amendment establishes a bonus fund under the block grant for States that move people into unsubsidized, private sector jobs. Our compromise with Senator ROTH dramatically improves the incentives for States to operate meaningful work programs, even in the face of woefully insufficient resources.

It is important to remember that many welfare recipients are difficult to employ and require more significant assistance in order to become employable. Sixty three percent of long-term welfare recipients—those on the rolls more than 5 years—lack a high school diploma. Fifty percent of long-term welfare recipients had no work experience in the year before the entered the welfare system.

Mr. President, I do not want to leave anyone with the impression that our amendment is a panacea. It is not. Nor does our amendment fix the significant problems in the Republican bill. Even with our amendment, States will not have the resources to move long-term welfare dependents into the private sector work force. However, the amendment I offering with Senators LIEBERMAN, BREAUX, NUNN, and DODD does provide a critical incentive for States to get people into real jobs and off the welfare rolls. It is a small, but important step toward improving the bill before us.

I urge my colleagues to support the amendment, and again thank Senator ROTH for his willingness to work with us in reaching a bipartisan compromise.

Mr. ROTH. Mr. President, I am pleased Senator LIEBERMAN proposed his performance standards amendment and that we have been able to collaborate on this important initiative. I also want to thank Senator HATFIELD for his interest in this issue and for his support.

Mr. President, the last time Congress passed major welfare legislation was in 1988 to create the job opportunities and basic skills training [JOBS] program. The intent of this legislation was to move families from welfare to work. Since then, Federal and State governments have spent almost $8 billion on this program alone. This does not include JTPA or a variety of other employment and training programs.

GAO has issued a number of reports on the JOBS Program. One need not read past the title of a recent statement by GAO before the Committee on Labor and Human Resources which states, ''AFDC Training Program Spends Billions, But Not Well Focused on Employment.'' GAO testified, ''Today, more than 5 years after JOBS was implemented, we do not know what progress has been made in helping poor families become employed and avoid long-term welfare dependence.''

After spending $8 billion on this program, what has the program achieved for the taxpayers or the welfare recipients? GAO does not know. The Department of Health and Human Services does not know. The existing AFDC quality control system cannot tell us. We simply do not know.

Over the years, Congress has created a confused and confusing system which rewards idleness and punishes work. The goal of employment has been lost in an excessive bureaucracy. Education and training have been separated from employment when a job is the real education and training program people need. That is a system which makes sense only in a Lewis Carroll story.

Mr. President, by now, it is generally well known that the Republican welfare reform bill eliminates the JOBS Program and gives the power to the States to design their own work solutions. However, we have also taken an additional step to ensure that we will know whether the States are effective in moving toward the goal of reducing dependency by incorporating performance standards into the legislation. Senator LIEBERMAN's ideas and support strengthen this proposal.

These performance standards are consistent with the quality assurance system already being discussed among the States. The National Association of Human Services Quality Control Directors has stated that, ''with the numerous welfare reform waivers being implemented across the Nation, one essential component is the provision of performance outcome measurements.''

The idea of establishing performance standards is not new. In the Family Support Act of 1988, Congress required the Secretary of Health and Human Services to develop and transmit to Congress a proposal for measuring State progress. Those recommendations are nearly 4 years overdue. Much of the testimony during the welfare hearings held since March supported the idea of outcome-based performance standards. I do not believe we need to wait any longer to implement that which we called for 7 years ago. Earlier this year, the quality control directors helped develop eight specific outcome-based measurements. These measurements were developed by State officials from Delaware, Illinois, California, Oregon, Kentucky, Georgia, Massachusetts, Minnesota, Virginia, and West

Virginia. The measurements included in the Republican bill are consistent with those recommended standards.

Let me also point out there are inherent benefits to be realized in whatever progress the States make toward these performance measurements.

Block grants should not mean simply giving money to the States and turning our backs on what they do with it. The purpose of public assistance is to help families temporarily in need to return to financial independence. Establishing performance standards will help us hold the States accountable for this $16 billion program.

Properly understood, welfare reform is about reforming how Government works. Under the present system, no one is accountable for results. In 1993, Congress took an important step toward outcome-based performance through the Government Performance and Results Act. For the welfare system and for other governmental programs as well, block grants to the States are another important step in reform.

This next step in welfare reform may well become a giant leap in reinventing Government. In the future, Government funds will no longer be simply distributed to provide a good or service. By instituting a quality assurance system based on performance standards, the American people will know whether their hard-earned dollars worked as intended. Over the past 30 years, we have spent $5.4 trillion on our longest war, the war on poverty. Now is the time, before another 30 years go by, to establish a system which will tell us whether the goals we have set are being achieved. Performance standards will enable us to do exactly that and we will not need the miles of regulations and thousands of bureaucrats which now drive the system.

Again, I want to recognize and thank Senator LIEBERMAN and Senator HATFIELD for their efforts on this legislation. I want to also express my deep appreciation to Senator DOLE for including my amendment in the Republican substitute. We have taken a bold and important step in changing the way Government works.

Mr. HARKIN. Mr. President, the only way to permanently reduce the welfare rolls is to put welfare recipients to work in unsubsidized, private sector jobs with the skills to remain self-sufficient. It is impossible for a welfare recipient to become economically self-sufficient if that individual is not earning a paycheck.

Throughout this debate I have urged my colleagues to use common sense in finding a solution to the perplexing problem of welfare dependency. The Lieberman Work Bonus amendment makes good sense.

The amendment sets aside a small portion of the block grant to provide bonuses to States that have been successful in placing recipients in unsubsidized, private sector jobs. But getting a job is not enough; welfare recipients must keep those jobs. So this amendment provides an additional bonus for job retention.

I urge my colleagues to support this amendment which will enable more welfare recipients get the jobs they need to get off of welfare and become self-sufficient.

Mr. President, an analysis by the Congressional Budget Office estimates that 30 to 35 States will not meet the work rates established in the Dole amendment. Given that reality, States may be tempted to cut corners and find a quick fix rather than seek long-term solutions. What may work in the short term will not achieve the lasting change we seek.

Last December, Iowa's Governor, Terry Branstad, told me at a hearing that we need to make ''up front investments'' to achieve ''long-term results.'' Iowa has been making these investments and is achieving success. We have much more to do, but it is clear that the trends are moving in the right direction. The welfare rolls are declining, more welfare recipients are working, and costs for AFDC are down.

I believe that part of the reason Iowa is achieving such good results is that welfare recipients have incentives to take jobs. They are able to keep more of what they earn and are encouraged to save part of the paychecks to deal with future emergencies.

Other States have also secured waivers to increase work incentives and are having similar results. I believe we should encourage Iowa and these other States to stay the course that is showing such promising results.

The title of the Dole bill is the ''Work Opportunity Act.'' We need to make it clear that the opportunity to work is not in some dead-end, make-work Government job, but in a job that provides a paycheck.

The set-aside is a modest amount, but provides a powerful incentive for States to duplicate successful job placement programs like that in Riverside, CA. Or, of course, follow Iowa's lead on welfare reform.

I know I sound like a broken record but once again I am going to talk briefly about the Iowa Family Investment Program. One of the greatest successes of this new program is that more welfare recipients are working.

The welfare reform program took effect on October 1, 1993. At the time 18 percent of welfare recipients were working and earning income. The number of people has been increasing and is now 32.6 percent.

This is just the number of people who are working and earning income. It does not include the welfare recipients who are attending education and training programs or who are performing community service or are engaged in other worthwhile activities—32.6 percent of Iowa welfare recipients are working and earning the paycheck that is critical to moving them off the welfare rolls and keeping them off.

This amendment rewards States for doing that very thing. As I said earlier, it just makes sense. Without such an incentive, I am concerned that States may take the short course.

This amendment does not penalize any State, but merely provides an incentive for putting people to work in real jobs that earn real paychecks.

In closing, I ask unanimous consent that a recent editorial from the Des Moines Register be printed in the RECORD.

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

[From the Des Moines Register, Sept. 2, 1995]

WORKING WHILE ON WELFARE

Iowa's innovative welfare-reform program continues to look good.

Just under two years ago, Iowa's Aid to Families with Dependent Children program was converted to a new Family Investment Program with the intent of moving more people off welfare and into jobs. That for years has been the intent of the AFDC welfare plan, which has had some success. But the Iowa plan changed the ground rules, allowing welfare families to keep more of their assets and their earnings to increase incentives to get a job.

In July 1993, 18 percent of Iowa AFDC family heads held jobs. The reform plan began three months later. By July 1994, 31 percent had jobs. By July of this year, the proportion had risen to 32.6 percent—nearly twice the level of two years earlier.

That 32.6 percent gives Iowa the highest ratio of working welfare recipients in the nation.

The reform plan contains a carrot-and-stick approach. Under both the old and new plans, workers' welfare benefits decreased as earned income increased, but under the new plan it decreases at a slower rate, meaning total income is higher. Also, under the new plan, recipients can have higher assets and still receive help—which encourages saving.

The stick: Recipients can lose benefits if they don't sign a contract to get a job or job training, or if they sign but don't live up to the contract's provisions. That has happened to more than 1,000 former recipients. They still get food stamps and medical care, and public health officials check on the children. But no more cash grants.

Iowa is setting an example the nation would be wise to follow.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. We do accept the amendment on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question then is on agreeing to the amendment.

So the amendment (No. 2514), as modified, was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2603

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I call up my amendment 2603.

The PRESIDING OFFICER. The amendment 2603 is now pending.

The Senator from North Carolina may proceed.

Mr. FAIRCLOTH. I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that Senator HELMS be added as a cosponsor on this amendment.

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

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control Government spending programs that have put our country on the path of fiscal disaster.

Of all the spending programs implemented by the Federal Government, none has been a bigger failure than those programs collectively known as welfare. President Johnson's war on poverty was launched with good intentions, but it has been a miserable failure—a disaster. And in many ways it has made the plight of the poor worse instead of better. The current welfare system has become a national disaster.

A simple commonsense principle—that we have failed to heed—has gotten our Nation and the poor into the present fix: You get more of what you pay for. And for the past 30 years the Federal Government has subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration. Almost one in three American children is born out-of-wedlock. In some communities the out-of-wedlock birth rate is almost 80 percent.

What is needed is a dramatic change—a reversal of the trends and programs of the last 30 years, and not another failed Federal Government program, like the Family Support Act of 1988, which perpetuates the problem of welfare dependency and increased them.

I know from first-hand experience that if you have a problem with your business you have to do something about it immediately.

If you tinker around the edges and do not address the problem you will be out of business. Unfortunately, far too few of my colleagues have had the benefit of that sort of business experience. For many here in the Senate, there is no problem that can not be fixed with another Federal spending program and another appropriation of tax dollars.

Mr. President, these people may mean well and they may think that they're being humane, but the way to solve a problem is to address the root cause. And the root cause of the tragedy of welfare dependency is illegitimacy, the rise in out-of-wedlock births. Only by seeking to curb the rise in out-of-wedlock births can we possibly hope to reform welfare.

The findings of the Dole bill state clearly:

> The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women.

It goes on to say:

> Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.
>
> Among single-parent families, nearly half of the mothers who never married received AFDC while only one-fifth of divorced mothers received AFDC.

This is all from the Dole bill.

> Young women 17 and under who give birth outside marriage are more likely to go on welfare and to spend more years on welfare once enrolled.

That is why I have consistently urged the leadership to include provisions like those in the House-passed bill which take away the current cash incentives for teenage mothers to have children out-of-wedlock.

And that is simply what it is—a cash incentive to encourage teenage women to have children out of wedlock.

Currently, 40 percent of AFDC recipients are never-married women, and never-married women are most likely to remain on welfare for 10 years or more. Only by taking away the perverse cash incentive to have children out-of-wedlock can we hope to slow the increase in out-of-wedlock births, and ultimately end welfare dependency. We must take away the cash incentive.

Middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into the world. It is unfair to ask these same people to send their hard-earned tax dollars to support the reckless irresponsible behavior of a woman who has children out of wedlock and continues to have them, expecting the American taxpayers to pay for them, as we have done for the last 35 years.

I do not believe that the Federal Government should ever have been in the business of saying to a 15- or 16-year-old girl, ''If and only if you have a child out of wedlock we will send you a check in the mail every month to arrive on the third day of the month.'' This is what we say to them. ''If you have a child out of wedlock, we will send you a check every month.''

The Federal Government should not be in the business of subsidizing illegitimacy.

I believe that there should be a clear restriction on the use of Federal funds to provide cash to unmarried teenage mothers. We should provide in-kind aid or aid through supervised group homes. The mother as well as the baby she is having need supervision. But we should not use Federal tax dollars to send checks in the mail to unmarried teen mothers. Any State government that believes in its heart that the best way to assist teenage mothers in the State is to send that mother a check in the mail should use State funds and not Federal funds.

The House-passed legislation contained a clear restriction on the use of Federal funds to give cash welfare to unmarried teen mothers. States are perfectly free to use their own money for that purpose. But not Federal tax dollars.

I believe the House provision is correct. However, there has been a lot of concern expressed that this policy is overly directive. Therefore, in the amendment I have introduced, I have attempted to strike an even greater balance between the need to combat illegitimacy and the need for State flexibility.

My amendment takes the restriction on the use of Federal funds to give cash to unmarried teen mothers and adds what has become known as an ''opt-out.''

Under this amendment, Federal funds cannot be used to give to minor mothers. But the State legislature wants to come into session and overturn Federal policy, it is free to do so.

Under this amendment, if the State legislature wants to come into session and overturn the Federal policy, they are free to do so.

States cannot continue the failed policies of the past by doing nothing. They cannot just ignore the issue of teen illegitimacy and hope it will float away. Any State which wishes to use Federal tax dollars to give cash welfare to unwed mothers must go into session and enact a law to do so. Therefore they will be responsible to the voters in that State that sent them to the State legislature.

Thus, the amendment does not mandate a specific solution. But it will generate careful State consideration of the issue. This amendment does not prohibit State governments from using Federal funds for cash aid to unmarried teenagers. But it forces them to consider very carefully what they are doing before they continue to do so. It forces States to think cautiously and deliberately before they choose to continue a policy which has caused so much damage in the past.

If enacted, my amendment will generate the needed debate at the State level on teenage pregnancy.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. FAIRCLOTH. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the simple answer to the issue that is before us, very well stated by the Senator from North Carolina, is that the morals around us will change when the

morals within us change. That is going to be a slow process. That does not make any less important the issue that is before us.

The Senator from North Carolina has very well stated a proposition, and he probably feels he has a very good solution, a legislative solution, to the ills that he has adequately stated.

So I do not disagree with the pronouncements and description of the problem. I do disagree with the legislative solution. So I have to take exception to the approach by the Senator from North Carolina, because it is a very difficult issue.

I have given it a great deal of thought, and I believe it is important that it is being discussed. A lot of people would just as soon not discuss it. Even a lot of people within this body would just as soon not discuss it.

Last year, we heard it very eloquently stated by Bill Bennett, our former Secretary of Education, in his raising the concern that the cost to the society of moral decline since the 1960's has been very devastating. He published, as you recall, what he referred to as the ''index of leading cultural indicators,'' a compilation which attempted to demonstrate a data base analysis of cultural issues. It was a statistical portrait from 1960 to the present of the moral social behavior conditions of our modern American society.

It was in the Wall Street Journal that he wrote about quantifying America's decline. He cited some of the statistics from the index. While social spending in the United States since 1960 increased dramatically, the social indicators during the same period showed overwhelming declines. For example, Dr. Bennett says that in the last 30 years, while there has been more than a fivefold increase in social spending at all levels of government, there has been a 650-percent increase in violent crime, a 419-percent increase in illegitimate births, a quadrupling of divorce rates, a tripling of the percentage of children living in single-parent homes, more than a 200-percent increase in the teenage suicide rate, and a drop of almost 80 points in the SAT scores.

He said that perhaps more than anything else, America's cultural decline is evidence of a shift in the public's attitude and beliefs. Our society now places less value than before on what we owe to others as a matter of moral obligation, less value on sacrifice as a moral good, less value on social conformity and respectability, and less value on correctness and restraint in matters of physical pleasure and sexuality.

He also stated the good news is that what has been self-inflicted can be self-corrected. So I think Bill Bennett, in stating a crisis situation in American society, has not stated that there is no hope. In fact, very correctly he believes that it is within us as a society and individuals within our society to correct this situation.

The Senator from North Carolina has described a situation within the welfare system that contributes somewhat to this that needs to be dealt with. The only question is, should it be dealt with at the State level through the State legislatures, or should it be dealt with by those of us in Congress?

I say that the States have proven in many areas of welfare reform that they are better equipped to deal with those issues than we are.

So in the devaluation of traditional views, we have seen a reciprocal increase in self-destructive behavior. This self-destructive behavior in turn manifests itself in our communities, in our families, and it leads to an increase in destructive forces for our entire Nation. And it has costs with it.

We are talking about societal costs of illicit sexual relations. You know them better than I do: The sexually transmitted diseases; teen pregnancies that cut short bright futures; abortion; broken hearts; broken homes, not to mention the financial costs to individuals, families, communities and, again, our entire Nation.

William Raspberry addressed this concern in a Washington Post article. He remarked that:

> To a striking degree, the problems we worry most about—teenage pregnancy, fatherless households, AIDS and other sexually transmitted diseases, dropping out of school, infant mortality, even aspects of poverty—are the consequences of inappropriate sexual behavior.

He goes on to say:

> The hip response is to redouble AIDS research, establish birth control clinics in nurseries and schools, distribute condoms and clean needles, in general to teach kids what to do in the back seat of a car.

He also goes on to say:

> It is all very well to try to save people from disastrous consequences of their behavior, but,

he emphasizes,

> doesn't it make sense to try to discourage some of the behavior in the first place? A part of the message must be directed not just at the awful consequences but at the deadly behavior itself.

I sense what the Senator from North Carolina is saying is that at the very least, we should not give financial incentive to this sort of behavior through the welfare system which comes from the taxpayers of America. The fact is, the sexual liberation movement of the sixties demonstrated itself to be a socially and morally bankrupt one. The once-accepted practices are perceived by the mainstream as an abject failure.

We would not have this welfare reform issue before us if that was not true. It is time that our social institutions and our Nation as a whole return to the teachings of the moral obligations: Self-sacrifice, social conformity, and abstinence. They are truly virtues to be upheld, and society appreciates them.

Those who teach otherwise will have an increasingly hard sell to a growingly skeptical mainstream, and that is true or we would not even have this welfare issue before us.

Here is some of the specific research on the consequences of being born out of wedlock or living in a single-parent home. These children have specific health risks, substantially higher risks of being born at very low or moderately low birth rates. There are specific educational risks as well. They are more likely to experience low verbal cognitive attainment. They are three times more likely to fail and repeat a year in grade school than are children from intact, two-parent homes. They are almost four times more likely to be expelled or suspended from school. Children of teenage single parents have lower educational aspirations and a greater likelihood of becoming teenage parents themselves.

As I read this research, as we point to what is wrong—and you have all heard it—it is very obvious why welfare reform is an issue. Not only are there health risks and educational risks, but there are also social risks. And welfare reform is seen as a way of reducing those social risks. Being born out of wedlock significantly reduces the chances of a child growing up to have an intact marriage. These same children are three times more likely to be on welfare when they grow up.

They are also more likely to be poor. While only 9 percent of the married-couple families with children under 18 have income below the poverty level, 46 percent of the female-headed households with children under 18 have income below the national poverty level. That is the feminization of poverty. In single-parent families, where they have had a divorce, the woman is most apt to immediately be into poverty. The husband is not as likely to be. And then these risks are out there for the children as well. But there is as much risk for the young mother as well. The younger the mother, the less likely she is to finish high school. If she has children before finishing high school, she is more likely to receive welfare assistance for a longer period of time.

In fact, the Centers for Disease Control has estimated that between 1985 and 1990, the public cost of births to teenage mothers under the Aid to Families with Dependent Children Program, the Food Stamp Program, and the Medicaid Program was $120 billion.

Apart from the obvious consequences on the children, who have greater health problems and lower educational aspirations, and the cost to the young mother, who is less likely to gain independence, we have to look at the consequences for society as well. That is what I believe the Senator from North Carolina is looking at.

We have seen a dramatic rise in crime. Apart from reforming welfare, dealing with crime seems to be the highest thing on the priority list of our constituents.

According to the Bureau of Census, of those youth held for criminal offenses

within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62.8 million children in the Nation's resident population were living with both parents.

So, Mr. President, in the face of all this evidence, is it not ridiculous to deny the need to return to sanity? The breakdown of the family and its results for our society are indeed overwhelming. The only issue becomes answering the question: Who should call for the return to sanity? The Senator from North Carolina says it should be the Congress of the United States and the Federal Government. I say it should be the State's responsibility—not in isolation and not without a track record of their success, because we have seen the Federal Government fail at welfare reform, as we have seen the number of people on welfare go up 3.1 million since the last welfare reform bill was passed 7 years ago.

In the meantime, we have seen State after State—albeit having to suffer some sort of waiver from the Federal Government to get what they want—still succeed at moving people from welfare to work, and save the taxpayers' money. I guess that gives me the confidence that I would expect my State of Iowa and I would also expect the State of North Carolina to solve the teenage pregnancy problem, the problem of illegitimacy. And if one of the ways they want to do that is discouraging it by denying additional cash benefits to mothers under age 18, then they ought to have the right to do it. If they see some other way of doing it, then that other approach ought to be tolerated by those of us in Washington, DC, who ought to readily admit a track record that proves we do not have an answer to every social problem by an enactment of Congress and an appropriation of the Congress of the United States.

So I agree that out-of-wedlock births, and all of its consequences, are destroying our society. Where we disagree is that I believe we should allow States to address the crisis. Personally, I believe the States should try many creative approaches to try to address this crisis in our Nation. I think States should look at the reform in the no-fault divorce laws that passed in the fifties and sixties. Unfortunately, I have to admit to my colleagues, as well as to my constituents in Iowa, that I made a great big mistake back in the late sixties when I supported no-fault divorce as a member of the State legislature. I hope the State legislatures will look at changing those laws to make the decision to marry a more serious one and the decision to divorce a more circumspect one.

I also think the States should look at changes in their approach to dealing with the problems of out-of-wedlock births. They need to experiment with new ideas to see how to discourage people from having children before they are ready to care for them, and they need to see what works with teenagers, what works with those who are older. The illegitimacy problem is not just one for teenage mothers. We hear a lot about discouraging young people from getting pregnant. But States also need to experiment with how to discourage young men from fathering children before they are ready to provide for them.

Changing laws alone will not change behavior, but it is a first step. In order to address these kinds of social problems, every institution in society must take this problem as a very personal problem. That means every church, every synagogue, every mosque, must work together with their congregations to bring their message of morality and purity to the people in their area. Every community group needs to urge abstinence as the only sure way to avoid disease and pregnancy. This is truly a crisis requiring immediate action at every level.

So I join my colleagues in raising the banner of awareness. However, I cannot join my colleague from North Carolina in mandating a specific requirement. I believe the States will address this issue and will address it as successfully in this area as they have on a lot of other welfare reform issues that are before us.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to speak to the amendment of my friend from North Carolina and speak in opposition to a well-intended but, it seems to me, very badly conceived approach to a problem which we all acknowledge.

Earlier today, I had the occasion to congratulate the Senators from Indiana and Missouri for their hugely insightful and able remarks. I refer particularly to those of the Senator from Indiana on the precedent of what do we do about civil society and about the breakup in those primal relationships that seem to be so essential to any society, and have always been assumed to be, but which seem to be disappearing in ours.

And not only in ours, Mr. President. I remark that in the current issue of the Economist, the subject is ''The Disappearing Family.'' But simply to read a passage, it says:

> A father is not just a cash cow. Daniel Patrick Moynihan, a Democratic Senator who has taken these problems seriously for 30 years, says that a community without fathers asks for and gets chaos. As an American, he has been able to see that chaos for some time, but it is now visible elsewhere. There are neighborhoods in Britain where more than two-thirds of homes with children lack fathers. Some of Paris' wilder banlieues are not that different.

The Economist article contains a bar chart which is entitled ''Fewer Golden Rings, Births to Unmarried Mothers as a Percentage of Total,'' which shows the extraordinary growth from 1960 in Iceland, Sweden, Denmark, France, Britain, the United States, Canada, Australia, Germany, Holland, Spain, and Switzerland. There was no growth at all in Japan.

There is a descending order of the present ratios, from Iceland, at about 55 percent. Iceland, Sweden, Denmark, France, Britain, the United States—with Britain and France ahead of the United States—and Canada, just after the United States. Australia, Germany, Holland—smaller ratios in those areas.

We are not alone in this, nor have we ignored the subject. It was perhaps not widely noticed, but a year ago in Public Law 103–322, signed by the President on September 13, 1994, an anticrime measure, the now majority leader Senator DOLE and I sponsored a sense-of-the-Senate regarding a study of out-of-wedlock births.

It said simply:

> It is the sense of the Senate that—(1) the Secretary of Health and Human Services, in consultation with the National Center for Health Statistics, should prepare an analysis of the causes of the increase in out-of-wedlock births, and determine whether there is any historical precedent for such increase, as well as any equivalent among foreign nations, and (2) the Secretary of Health and Human Services should report to Congress within 12 months after the date of the enactment of this Act on the Secretary's analysis of the out-of-wedlock problem and its causes, as well as possible remedial measures that could be taken.

I can report, sir, that report is ready now and will be released shortly. It is a first effort, and I hope it will not be the last.

At length, the U.S. Government—the U.S. Congress, this Senate, the Presidency—is finally beginning to acknowledge this problem. I have mentioned before President Bush's commencement address at Notre Dame in 1992, and President Clinton's 1994 State of the Union address, where the subject is raised. But it cannot be too emphatically stated that we know very little of the ideology, origins, the modes by which it takes place.

I have here a draft of the new report by the Department of Health and Human Services. You can see, Mr. President, and I hope the Secretary of Health and Human Services might be listening, ''The sense of the Senate asks for a study of out-of-wedlock births.''

The report does, indeed, say ''out of wedlock.'' But when it gets into the text, it refers to ''nonmarital,'' thus defining down the problem; from the term ''illegitimacy'' to ''out of wedlock'' to ''nonmarital,'' to—I do not know what the next euphemism will be.

But they do make the simple point that changes in behavior, some of these changes in reproductive biology, have led to an extraordinary number of out-of-wedlock births. In 1992, about 1,250,000—1¼ million illegitimate births. About 1 in 10 unmarried women age 15 to 44 become pregnant each year—about 1 in 10.

I have just offered to the Senate a datum which should shock anyone. One in ten unmarried women become pregnant each year. The vast majority of

these pregnancies are unintended and, in 1991, nearly half ended in induced abortion—obviously a condition we should not ever desire nor should we allow to continue if we can change it.

But again, I have to say that there does not now exist any understanding of how we might do this. I welcome the onset of inquiry. This is not beyond the reach of social science, anthropology, biology. But it is only just beginning to be recognized in our country as in other countries. The Economist reports the neighborhoods in Britain are not unlike those in, say Washington, DC, and in Paris. It is a new social condition, a new social issue.

But earlier I cited James Q. Wilson, in a splendid essay, a lecture which he gave, the Walter Wriston Lecture, at the Manhattan Institute in New York City, November 17, 1994, entitled, ''From Welfare Reform To Character Development.'' I think that is what the Senator from North Carolina is talking about, from welfare reform to character development. And he should be. He is to be congratulated for doing it.

But Wilson says, about the subject—how do you break the cycle of dependency?

> Nobody knows how to do this on a large scale. The debate that has begun about welfare reform is in large measure based on untested assumptions, ideological posturing, and perverse priorities. We are told by some that worker training and job placement will reduce the welfare rolls, but we know that worker training and job placement have so far had at best very modest effects on welfare rolls.

I say that standing here with a button from the JOBS program in Riverside, CA, that says, ''Life Works If You Work.'' But we know the effects of these programs are modest.

Wilson goes on:

> And few advocates of worker training tell us what happens to children of mothers who are induced or compelled to work other than to assure us that somebody will supply day care. We are told by others that a mandatory work requirement, whether or not it leads to more mothers working, will end the cycle of dependency. We don't know that it will.

That is James Q. Wilson. ''We don't know that.'' I continue:

> Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that; * * *

I repeat James Q. Wilson, ''We are told that ending AFDC will reduce illegitimacy but we don't know that.''

> * * * it is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none even though welfare has become quite generous.

I plead to the Senate, first, do no harm.

Catholic Charities addressed this plea to us earlier this day, asking that there not be a family cap.

The first principle in welfare reform must be do no harm, the ancient adage of Hippocrates in his essay ''Epidemics.'' It is not the Hippocratic oath, and we are dealing with an epidemic here. We must heed that ancient Greek: First, do no harm.

I can say that there is one major research project in operation right now—has been for more than 4 years—it involves very intensive counseling and education offered to teens to prevent teen pregnancy.

I would prefer not to give the actual name of the operation because you do not want to interfere with it by stating ahead of time what its findings are, what is happening. But I can tell you that after 4 years the control group, there is no difference in outcome between the experimental group which was given the intensive counseling and training and the control group which received no such special services.

This still baffles us. It is still beyond our reach. Not beyond our grasp. I will use that image. It is beyond our reach, not beyond our grasp. We are trying. We are beginning to learn. But at this point, to deny benefits to children who have no means of controlling the way they come into the world or the circumstances in which they find themselves, would be an act of—irresponsible policy? I hesitate to use that word. It would be an act of—cruelty? I hesitate to use that word as well. Not intended; the unintended consequences of social policy are almost invariably the larger and more important ones.

So I hope, with expression of great appreciation to the Senator who has raised the subject, thanking him for raising it, I hope we will not take this radical step into the unknown at just the moment when we are beginning to engage the Nation's analytic and social capacities with the issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by responding to our dear and learned colleague from New York, who undoubtedly has spent more time and energy studying this problem than any other Member of the U.S. Senate. I would like to begin with his application of the Hippocratic oath to welfare reform.

Mr. MOYNIHAN. Hippocrates on ''Epidemics.''

Mr. GRAMM. Let me say this. I think we are preaching the oath too late. We now have a system where 40 million Americans are receiving some means-tested program broadly defined as welfare. We have a program that does a great deal of harm and that, if left in place, in my opinion will do far greater harm than it has done.

In the mid-1960's, when the current approach to this problem really took hold with the Great Society, we were looking at something less than 10 percent of all babies born in America being born out of wedlock. Today, one out of every three babies born in America is born out of wedlock. So I think, quite frankly, that while the advice ''first do no harm'' is good advice when you do not know what you are doing, the point is we have in place a program that does a great deal of harm. And probably no part of that program is more destructive than the part of the program that provides cash bonuses to people who have children on welfare or children who qualify for welfare.

Our dear colleague, Senator DOMENICI, in the closing remarks he made in debate on an earlier amendment, said if you believe that denying people more and more money to have more and more children on welfare is going to reduce the birth rate of people on welfare, you believe in the tooth fairy.

Mr. President, let me say that no human behavior in the history of this planet is better documented than the principle that if you pay people to do something they are going to do it, and they are going to do more of it than if you did not pay them. If we know anything about the behavior of the human being, it is that human behavior is clearly affected by the environment in which the human operates, by the set of rewards and penalties that exist. And clearly, the rewards in the current welfare system are all bad from the point of view of producing behavior that we do not want. Let me just give you a few of them.

Any 16-year-old girl in our bigger cities can escape from her mother, can get cash and voucher benefits equal to $14,000 of earnings a year, can get housing subsidies, food stamps, and AFDC by doing one thing—by getting pregnant.

Does anybody believe that giving that child $14,000 worth of free benefits in return for getting pregnant is not creating behavior that would not exist in the absence of that money? Does anybody really believe that, if we did not give people more and more money to have more and more children on welfare, that people would be having the number of children that they are having? I do not believe it.

I was having a discussion with my mother the other day on this subject, which I think is always good advice to someone who is engaged in public policy today. My mother's thesis on this subject was basically that the problem with welfare is that people today, young people, are not as proud as people were in her generation. I responded by trying to explain to my mother that I am not positive that is the case. I think the world faced by young people today is very different than the world my 82-year-old mother faced when she was growing up. I tried to explain to my mother that if we had the kind of welfare benefits we have today when she had two little children and was working in a cotton mill that she would have taken welfare. My mother said, ''I would not have taken it. I would starve to death before I would take it.''

I said, ''Well, mother. Everybody you would have known would have been taking it. There would have been no

stigma in taking it. People would have made fun of you for not taking it.''

To which my mother responded, ''I would not take it, and if you ever say I would take it, I will go on television and denounce it.''

My mother is tough. Maybe she would not have taken it. But the point is that no logical person can doubt that the availability of these cash incentives to have babies, to have babies out of wedlock, is not impacting behavior. Am I claiming that it is the only incentive that is there? Am I claiming that by eliminating these cash payments that we would eliminate illegitimacy? No. But I do not think any rational person can argue that we would not have less of it if we did stop paying people for acting irresponsible.

We had an earlier amendment that was adopted which killed the provision in this bill that I thought was very important. We had spent months working out a compromise that said we are not going to give people on welfare more and more money to have more and more children. I thought it was an important provision. Senator DOMENICI earlier offered an amendment which killed that provision, and basically preserved the status quo, a status quo where now one-third of all the children born in the country are born out of wedlock.

I do not have any doubt based on that vote that Senator FAIRCLOTH's amendment is not going to be adopted. But I believe that this is a very important amendment.

So my purpose in the remaining moments is twofold: First of all, I want to say to our dear colleague from North Carolina that no Member of the Senate has had a more profound impact on welfare reform than the junior Senator from North Carolina, LAUCH FAIRCLOTH. Had it not been for his persistence and his leadership there would be no pay for performance provision in this bill and we would not have a mandatory work requirement where people who refuse to work and are able-bodied lose their check. Had it not been for his persistent leadership, we would still be, even under this bill, inviting people to come to America with their hand out to go on welfare rather than their sleeves being rolled up to go to work.

Thanks to his leadership and his commitment, we did have a provision in the bill until today that denied additional cash payments to people who have more and more children on welfare.

So I want to first thank him for his leadership. And I am convinced that ultimately we are going to reform welfare, and I share with Senator FAIRCLOTH the commitment that I do not want to just perform welfare because it costs $384 billion a year when you add up all the State and the Federal payments. I want to reform welfare because we are hurting the very people we are trying to help.

The great paradox is that people who really oppose welfare reform, as the President does—and, despite all of his rhetoric, one thing is very, very clear; that is, Bill Clinton wants to preserve welfare as we know it. But one of the things that it is clear to me is that we have to redo this system because we are hurting the very people that we are trying to help. Our programs have driven fathers out of the household. They have made mothers dependent. They have denied people access to the American dream. They have changed people's behavior. Our social safety net has turned into a hammock. And it has changed the way people behave. As they have turned more and more toward government to take care of them, they have turned less and less to develop self-reliance. They have turned less and less to their family and to their faith, and I have no doubt that their life has been diminished.

Those who are for dramatic reform in welfare stand on the high ground morally in this debate. Those who defend the status quo, in my opinion, are defending a system that may serve some political interest. But it does not serve the interest of the people in this country who are poor because it is a system that keeps them poor, it is a system that expands their numbers, it is a system that diminishes their lives, and it is a system that diminishes our great country. And I want to change it.

The final point I want to make is this is a modest amendment that the Senator from North Carolina has proposed. What his amendment says is simply this: No Federal funds for cash welfare aid to unmarried mothers under the age of 18 with a State opt-out provision. What does that mean?

What Senator FAIRCLOTH is saying is that, if his amendment is adopted, if a child 16 years old is having a baby or has had a baby, nothing in his amendment would prevent the State from giving her assistance through her own mother, nothing in this amendment would prohibit giving her assistance under adult supervision, and nothing in this amendment would prevent giving her food or shelter or clothing. But what the amendment would not do is to create a cash incentive for people to have babies on welfare.

That is what the amendment does. In addition, if a State does not want to abide by the Faircloth amendment, and it wants to provide cash, the State legislature must pass a bill and the Governor of the State must sign it taking themselves out of the program.

A lot of people oppose this because they know there are a lot of States where politicians might want to get out of the program but people do not want to vote to get out of the program.

So this preserves State option. It simply requires that affirmative action by the State to be exempt.

I want to repeat in closing that I am alarmed about a country, our country, where one out of every three babies in America is born out of wedlock. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and if fear we are not going to be the first. So I fully understand that this is an area where you could study it endlessly. And I generally agree with the Hippocratic principle: First, do not harm. But the point is we have already done harm. We have put in place a program that unless we change it is ultimately going to kill our Nation, and I wish to undo it. Given the harm that is being done by the current welfare system, it is time to venture some change.

Finally, I totally and absolutely reject the thesis that there is no demonstration that people do more of something if you give them money to do it. All of recorded history makes it very clear that if you pay somebody to do something, they are going to do more of it than if you do not pay them.

I just remind my colleagues that the first welfare reform measure in America was in Jamestown, and what happened is that Capt. John Smith had seen the colony break down as they had adopted a system, basically a socialistic system where people were given the fruits of society's labor based on an allocation rather than based on their effort. As far as I am aware, the first welfare reform principle in the history of America was when Capt. John Smith said those who do not work shall not eat.

I believe those kinds of reforms have an effect, and the incredible point that seems to be missed by so many is that these kinds of reforms are humane reforms. People cannot be happy when they are kept dependent. There is something wrong in a free society when people are not providing their own way. The only real happiness that comes, the only real fulfillment that comes is from individual achievement. And if we want to unleash the energy and the ability which is hidden in so many millions of Americans who are trapped on this welfare system and unleash that talent and ability to serve them and to serve the country, we have got to reform this welfare system, and I feel very strongly that this is a very important amendment.

A concluding point. I am very disappointed about the adoption of the Domenici amendment. It undoes a delicate bill that we had put together. I want to say to my colleagues, assuming that we do not mandate some new benefit which would be totally unacceptable and induce me to vote against this bill, I plan to vote for this bill on final passage. I intend to vote to take it to conference with the House.

However, when we come back to the Senate with a bill, I am not going to vote for a welfare reform bill that does not deal with illegitimacy. We cannot deal with the welfare problem we face, we cannot change this destructive system unless we deal with illegitimacy. And so I am committed to the principle that when this bill comes back from conference, we have provisions which end cash incentives to people to have

more and more children on welfare. I think that is essential.

I wish to congratulate our colleague from North Carolina for his leadership on this amendment and on this bill. I am very proud to support it. I do not have any doubt about the fact that we are probably going to get about 25 votes, but I believe this is the right thing to do. And I am also confident that this century will not end before the Faircloth amendment will be the law of the land. I have no doubt about the fact that while Congress is perfectly content to let a rotten welfare system fester, the American people are not content. They are going to continue to demand that we make these changes. They are going to give us a Congress and a President who are committed to them, and when they do we are going to make these changes and some of us will remember Senator FAIRCLOTH's leadership. Hopefully he will be here providing it when the day comes that this amendment will be successful, and I am confident that it will.

I congratulate him on his leadership.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I actually came to the floor to introduce an amendment that I will get to later on that I think will be important to colleagues on both sides of the aisle to make sure that in situations where you have violence within a home we give States the room to give single parents, usually women, an exemption from some of the requirements if that is the only alternative to make sure that they are safe. We do not want to force women back into very dangerous homes.

Mr. President, I was listening to my colleague from Texas, and I just have to respond. Let me come back to some unpleasant facts which I think are important because we ought to be making policy on as solid a basis of information as possible.

First, actually, I kind of did my own survey in Minnesota, which, I say to my colleagues, was really startling.

I try to go to a school about every 2½ weeks during the school year, and I was in an inner-city high school, South High in Minneapolis. And actually a young woman about age 16 asked me—I guess she heard about action in the House—she said to me, ''Are you in favor of denying welfare benefits to a young woman or girl under 18 years of age if she has a child?''

I said, ''Well, I will answer that question but first let me ask you and let me ask all of you who are here in this assembly''—there were about 300 or 400 students. I did not editorialize. In fact, I tried to actually stack it in the other direction. I said that many Representatives in the House of Representatives have said, look, when a youngster, a young woman knows that she can get on welfare and have welfare assistance, this is what encourages out-of-wedlock births. And people are very serious about dealing with this problem, as I think all of us are in this Chamber.

Then I said, ''How many of you would agree?'' No one.

Mr. President, we are talking all about these young people. Has anybody asked them about what the causes are?

The question is, why do children have children? But has anybody asked any of these young people? I do not think this amendment is connected to that reality at all.

Then I went to a suburban high school in White Bear Lake, and I asked the students the same question, expecting a very different response. Then I went to two other suburban communities. Then I went to about three other schools in small towns. Cross my heart and hope to die on the floor of the Senate, never more than about 5 percent of the student bodies, the assemblies, agreed. In fact, I found these students were kind of yelling at me, not out of anger but they were saying, ''Are you people crazy? This is why you think young people are having children? This is why you think there are births out of wedlock? These are our friends. We know what goes on. Nobody is thinking about welfare. Nobody knows what it is. Nobody is thinking, 'Well, if I get pregnant, then I do not have to worry because I get AFDC and I can move out of my home'.''

I heard all sorts of other reasons given that you might agree or disagree with. But I want to tell you, talk about a disconnect. The very people that we say we are concerned about, the very people in whose name we pass this legislation, allegedly for whose benefit we pass this legislation, say, ''Are you crazy? This has nothing to do with this problem,'' which is a serious problem. That is my first point.

Please remember that. Now, maybe other Senators in here in the Chamber have gone out and met with lots of young people and have asked them. And if you have received a very different response, please tell me. But I have made it my business to spend a lot of time with a lot of young people, inner city, suburban, small town, rural, and that is not what they say. It does not make any sense to them at all.

Maybe we ought to listen to them. Maybe we ought to ask them. Maybe we ought to know more. That is my first point.

My second point—and I will do this briefly, I say to my colleague from New York—I am sorry the Senator from Texas has left the Chamber. I always feel uncomfortable, because you try to have debates—people give a speech and then they are gone, and you feel like you are attacking someone behind their back. I am not making an attack. I put it more in the form of questions.

The problem with the analysis about this—about all of these mothers who are having all of these children—and this is a terrible crisis in our country—is again—and I have heard the Senator from New York say this over and over again, the typical family is one woman, two children. Seventy-five percent of the AFDC families have two children, one parent. That is what it is. What are we doing perpetuating the same stereotype? In the last 20 years it has not gone up. We do not have larger families.

As to this economic rationality argument that it is the money that causes young people to have children, there is no evidence of that at all. As for this argument, I think—and I would have to defer to my learned colleague from New York—but I think that if you look around the country, State by State, I do not think there is any direct correlation between level of benefits and number of children. Is there? I mean in some States——

Mr. MOYNIHAN. If the Senator would yield for a question. I think he would find in the main the correlation is inverse. The lower the benefit, the higher the ratio.

Mr. WELLSTONE. Well, that is what I thought my colleague would say.

Mr. MOYNIHAN. Not absolute.

Mr. WELLSTONE. Right. Let us just say—let us just understand this, there is somewhat of an inverse relationship around the country between level of benefits and number of children per family. Those States which have the lower level of benefits tend to have the families with the larger number of children. Now, what does that do to the argument of my colleague from Texas about how it is the dollars that cause all of this? Well, he is not here. But you know, for the record, as we say.

Finally, Mr. President, as to this whole argument that—as I listened to my colleague conclude—that really what this debate is about is a difference between those who take the moral high ground and push through these changes, versus those who, I guess the flip side of the coin is those who do not take the moral high ground.

On that note, I just would like to suggest two final points. One, I said it once before on the floor, as I listen to some of my colleagues talk about welfare, I get the impression that they are trying to make the argument that welfare causes poverty, that food stamps cause people to not have enough money to purchase food. It is like they mix up the independent and dependent variables. It is like arguing Social Security causes people to get old.

People become eligible for welfare because they are poor. Or quite often you have two parents, and then there is a divorce and then the woman is on her own with children, and she looks for some support for herself and her children. And 9 million or so of the 15 million are children.

So, frankly, this argument that this is the high moral ground—I think when all is said and done, ultimately what it amounts to is taking food out of the mouths of children. That is no high moral ground position.

I am sorry my colleague from Texas is not here. Maybe he will come back. This whole business of somehow the welfare programs cause the poverty is ridiculous—we expanded food stamps and we did not expand hunger. I said this before on the floor of the Senate, but let us be clear about our history. Richard Nixon, a Republican, established Federal standards for food stamps because in the mid and late 1960's there were the Hunger USA, CBS and Field Foundation studies and pictures of children with distended bellies and malnutrition and hunger in America.

And so we expanded the Food Stamp Program. And now we do not have the scurvy and now we do not have the rickets and now we do not have all the hunger and malnutrition. But somehow, according to my colleague from Texas, these programs have brought about all this damage to low-income people, to poor people, mainly, I am sorry to say, women and children.

It is really quite a preposterous argument.

Mr. President, there is a difference between reform and reverse reform. And it is absolutely a great idea to enable a mother or a father to be able to move from welfare to workfare, a good job, decent wage, affordable child care. That is not what this has been about. So I would not want to let my colleague get away with his argument about a high moral ground. I see no high moral ground in punishing children. I see no high moral ground in taking food out of the mouths of hungry children. I see no high moral ground in essentially targeting those people who are the most vulnerable, with the least amount of political clout and making them the scapegoats.

And you know what, by way of conclusion? The sad thing is that I sometimes think that part of this agenda is to essentially say to those people in our country who feel all the squeeze, middle-income people, working people, if we just bash the welfare mothers and do this and do that and make these cuts and those cuts, then the middle class will do well economically. There is no connection whatsoever.

My colleague from Texas—and I promise my other colleagues on the floor, this is my last point—keeps putting apples and oranges together. And I heard $170 billion or some figure like that being quoted as money spent on welfare. I do not know exactly what he is talking about. Is he talking about aid to families with dependent children? That is what we are debating. I guess he added food stamps. He probably had to add Medicaid to get there.

If he is talking about Medicaid, everybody understands that well over 60 percent of Medicaid is not welfare mothers, it is elderly people. Some are our parents and grandparents who at the end of their lives, because of catastrophic expenses, lost all their resources and now, because they are poor, they are eligible for Medicaid and nursing homes.

And God knows what else he lumped into this figure. So let us be accurate about this as we make these decisions.

I yield the floor.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I listened to the argument for the amendment's adoption by the Senator from North Carolina.

I am sorry he is not here because I really did want to ask him questions on the amendment.

And at the risk of being a policy nerd, which I think I would hate to be called—I never want to have anyone use that term and apply it to me—however, I do have some questions in reading the amendment that I do not know how I am going to get an answer to unless the author is here or somebody who could respond to the author's intent.

As I read the amendment that was published in the RECORD by the Senator from North Carolina, it said, ''A State may not use any part of the grant that they get to provide cash benefits for a child born out of wedlock to an individual who has not attained 18 years of age.''

There is an exception to that prohibition, which is my question, ''except that prohibition shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State and suitable for the care of the child that is involved.''

I happen to think vouchers may be a good idea. But I do not know whether the author of the amendment is requiring vouchers or not requiring vouchers.

The bigger point that I would want to make in this argument is that, No. 1, the Senate has already spoken to this question. By a vote of, I think, 66–34, we adopted the Domenici amendment which addressed this question. And the Domenici amendment essentially said that a State may deny additional cash benefits for an additional child for a mother who has that additional child regardless of her age, whether she is 18 years old or 22 years old or what have you; that it would be a State decision to affirmatively deny additional assistance to that mother.

My whole concern about this attack on the question of illegitimacy is that they are missing the target. They are, in fact, using a sledgehammer approach, but they are using a sledgehammer to hit the wrong person.

You do not solve the problem of illegitimacy by penalizing the child. The child did not make a decision to be born. The child did not ask to be a child that is born into this world. Therefore, when you penalize the child, you are not penalizing the right person.

The reason why I think that the Work First proposal that we had put together made so much sense is that we said that the teen mother, or any mother who has a child, is going to have to be responsible for having that child. They are going to have to live in a family environment with their parent, if there is one, or they are going to have to live in an adult-supervised home to get adult supervision in carrying out their responsibilities. They are going to have to sign a contract to go to work. They are going to have to start looking for a job. They are going to have to start receiving training.

I suggest that is a far better way to address the question of illegitimacy, which is a rampant problem in this country. My State has the second-highest illegitimacy rate in the United States. Forty-some percent of the children born in Louisiana are illegitimate. That is something I think is a disaster already. It is not something waiting to happen.

The question is, How do we solve that problem? Do we penalize the child? Do we say to the mother, ''There are not going to be any more funds to take care of the child''? Who does that hurt? It does not help the mother, it does not educate the mother, it does not train the mother, it does not teach the mother responsibility. It gives her less money, and less money for what? The child that did not ask to be born.

There are potential mothers, women who are pregnant, when faced with that decision take the easy way out and decide to have an abortion. That is why all the Catholic Conferences, which feel so strongly about this, have said very eloquently they oppose this type of sledgehammer approach, because many pregnant ladies faced with that choice will decide to have an abortion because they know there will not be enough money to take care of the child when it is born.

That is a very cruel proposition to a young potential mother faced with a pregnancy, many times in uncertain conditions, even if that child is wanted in the first place.

Therefore, I am very strongly opposed to any efforts in trying to attack the question of illegitimacy that goes after the child. Go after the mother. Find the father, because for every child that is born, there is a father somewhere, in many cases shirking their responsibility and running away from their responsibility.

So put provisions in the bill to go after the deadbeat father who is not recognizing his responsibility. Say to the mother having that child that ''You are going to have to do something different. You are going to have to live in an adult-supervised home,'' or ''You are going to have to live in your parents' home,'' or ''You are going to have to sign a contract to go to work; you are going to have to enter into an agreement in order to get the training that you are going to be able to be employable.''

Do everything you possibly can to the mother and the father who are responsible for the child, but heaven's sake, do not penalize the child who did not ask to be born. That is why I am so very concerned that we say there is going to be no more money for an additional child.

My goodness, we are hurting the child, not the mother, not the father who we may not even know where he is. We should be exercising greater authority to try and find the people responsible for the child and do things to them, for them, with them that educate them to be better parents.

I come from a State, as I said, that has the second-highest illegitimacy rate in the United States of America. I am not proud of that. I want to find a solution to that. I dare suggest this is not a solution. It is a sledgehammer approach, and we are using the sledgehammer to beat the child, and that is not right.

I am glad the Senator from North Carolina is here, because I kind of like the idea of vouchers, and we talked about vouchers. I guarantee you, there are some teenage mothers who, when they do get extra cash assistance, may not use that cash assistance for the benefit of the child. They may use that cash assistance in the most despicable way. They may use it to buy things which are not necessary. They may use it to feed an alcohol abuse problem or a drug problem, because we are giving them cash for that extra child. I recognize that, and I am a little concerned about that, but I want to make sure we protect the child.

The Senator in part of his amendment says that as an exception for vouchers to those mothers who have an additional child, that the vouchers would not be prohibited.

The question is, I guess, there is no requirement that a voucher be issued. In other words, if that mother has an additional child, maybe the extra amount that they would normally be entitled to would be $50. Would there be a requirement in the Senator's mind that the extra money be then given to the mother in a voucher that could only be used to buy things for that child? Or does his exception in the bill have nothing to do with the requirement of a voucher?

Given the choice—I want the Senator to respond if he can—but given the choice of saying to a mother that there is going to be no additional cash assistance and there is going to be no voucher either, I would prefer giving her the cash assistance in the hopes that because of the training and the requirements to live in an adult-supervised home or live with her parent or live with greater supervision, the money will, in fact, be used for the child. But if there is a requirement that they get a voucher to be used only for that child, I think that has some potential possibilities here.

So if anybody can respond to my question, my specific question is, does the Senator's amendment require that an additional child would receive at least a voucher in order to pay for the cost of having that additional child or not? Will the Senator comment on that?

Mr. FAIRCLOTH. Mr. President, in response to the Senator from Louisiana, yes, the State has the option to give a voucher, and it says very clearly here that in lieu of cash benefits, which may be used only to pay for particular goods and services specified by the State, suitable for the care of the child involved. So the State has the option to supply these vouchers for things that would be used especially for the needs of the child, not cutting those off.

Mr. BREAUX. I thank the Senator for that response. That is one of the questions I was trying to have answered. The problem I have is, under the Senator's amendment, a State—I certainly hope no State would ever do it—but under this amendment, it certainly could be possible, the State could say to that mother—more importantly, in my mind, to that child—that we are not going to give any additional assistance for your benefits, for your needs, nor are we going to give any vouchers for your needs to survive.

I think that is something we, as officials who are responsible for raising the money for welfare reform, asking taxpaying citizens throughout this country to pay their taxes to try and solve this problem, that we have a responsibility to see that those funds are used properly and appropriately.

One thing that I think is proper, appropriate and necessary is that we guarantee that the child is taken care of. I am concerned, in fact, I think now very clearly that under the Senator's amendment, that that is not guaranteed. The needs of the child will not be guaranteed either by a cash payment, which is very clear would be prohibited, or by the guarantee of a voucher for that child. I find that to be unacceptable.

I want to do—and I will say it again—everything we can to ensure that the parent who had that child is made to be responsible, is made to find a job, enter job training, sign a contract to go to work, live in an adult-supervised home, live with a parent, find the father somewhere, no matter where he may be or what he may be doing, and say, ''You have a responsibility, and that is to the child.''

It is unacceptable to me to say that we, as Federal officials, are going to use tax dollars to try and reform this system and yet not guarantee that the child will be taken care of. That is a major defect.

The Domenici amendment scares me in the sense that it clearly says that a State may deny any additional cash assistance to the child if a State so chooses to do so. I think that is less onerous than the amendment of the Senator from North Carolina.

So I hope that this amendment will be rejected.

I think that is a proper course.

AMENDMENT NO. 2592, AS MODIFIED

Mrs. BOXER. I have a number of unanimous-consent requests that I think would clear up the proceedings. First, I am going to ask unanimous consent that we return to the consideration of the Boxer amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. BOXER. Second, I ask that the Senate proceed to my modified amendment, which I cleared with the majority leader and Members on the other side, which is already at the desk.

I ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 2592), as modified, is as follows:

On page 302, line 4, strike ''and''.

On page 302, line 5, strike the end period and insert ''; and''.

On page 302, between lines 5 and 6, insert:

(3) payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of this section, be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not noncitizens described in subsection (a).

Mrs. BOXER. I ask that I may speak for not to exceed 3 minutes on my amendment and that, after that, that will conclude all debate and that a vote on the Boxer amendment would occur immediately following a vote on Senator FAIRCLOTH's amendment without any intervening action or debate between the two.

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

Mrs. BOXER. Mr. President, it has been a long time coming, this amendment, because we have had to work together on both sides of the aisle to make sure that everyone was comfortable with the amendment. I want to explain that modified amendment.

My colleagues, in the Dole bill there is a restriction on benefits to new legal immigrants for the first 5 years they are in this country. In other words, they are completely legal, but the Dole bill says they can get no Federal means-tested benefits.

However, there are exemptions from these restrictions in the Dole bill on certain benefits, such as emergency medical care and immunizations.

The one exemption that is not in the Dole bill is an exemption for foster care and adoption assistance programs. What that really means, in plain English, Mr. President, is that if a legal immigrant child, a child who is here completely legally, is abused or neglected, and the court says that child must be protected, unless we do this fix that I have in this amendment, that child would not be eligible for the title IV-E foster care or adoption assistance program.

What we did on both sides of the aisle is work with the language to ensure

that those children would be treated exactly like citizen children if they are in a situation where they are abused or neglected in that 5-year period.

It is important to note that Federal funding goes to the adopting families and the foster families under rules that govern that program and certification requirements that are set by the State.

But the fact is, if we do not pass the Boxer amendment, then kids who are brutalized in families may well continue to be brutalized because there is really not enough funds to help them get adopted or go into foster homes, or the burden could fall entirely on the State or the locality.

So I am very pleased that Senators from the other side worked with me on this, that their staffs worked with me on it most diligently, and that we have reached an agreement. I am sure that none of us would want to abandon a child who was brutalized because we made an oversight.

Mr. President, I am finished with my remarks. I hope we will pass this amendment with a strong bipartisan vote. I want to thank Senator MOYNIHAN of New York for helping me with this amendment and, again, the Senators on the other side, Senator NICKLES, and Senator SANTORUM, who helped me work out the details of this amendment.

I yield the time back and look forward to a very positive vote on this amendment immediately following the vote on the Faircloth amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Under the previous order, the vote will be delayed.

VOTE ON AMENDMENT NO. 2603

The PRESIDING OFFICER. Is there further debate on the Faircloth amendment? If not, the question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 24, nays 76, as follows:

[Rollcall Vote No. 419 Leg.]

YEAS—24

Abraham	Gramm	McCain
Ashcroft	Grams	McConnell
Brown	Helms	Nickles
Byrd	Hutchison	Santorum
Cochran	Inhofe	Shelby
Craig	Kempthorne	Smith
Faircloth	Kyl	Thompson
Frist	Lott	Thurmond

NAYS—76

Akaka	Campbell	Dorgan
Baucus	Chafee	Exon
Bennett	Coats	Feingold
Biden	Cohen	Feinstein
Bingaman	Conrad	Ford
Bond	Coverdell	Glenn
Boxer	D'Amato	Gorton
Bradley	Daschle	Graham
Breaux	DeWine	Grassley
Bryan	Dodd	Gregg
Bumpers	Dole	Harkin
Burns	Domenici	Hatch
Hatfield	Lieberman	Robb
Heflin	Lugar	Rockefeller
Hollings	Mack	Roth
Inouye	Mikulski	Sarbanes
Jeffords	Moseley-Braun	Simon
Johnston	Moynihan	Simpson
Kassebaum	Murkowski	Snowe
Kennedy	Murray	Specter
Kerrey	Nunn	Stevens
Kerry	Packwood	Thomas
Kohl	Pell	Warner
Lautenberg	Pressler	Wellstone
Leahy	Pryor	
Levin	Reid	

So the amendment (No. 2603) was rejected.

VOTE ON AMENDMENT NO. 2592, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the question occurs on amendment No. 2592, as modified.

Mr. FORD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order. The Senate will come to order.

The question is on agreeing to the Boxer amendment, as modified. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 100, nays 0, as follows:

[Rollcall Vote No. 420 Leg.]

YEAS—100

Abraham	Feinstein	Mack
Akaka	Ford	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Bradley	Gregg	Nunn
Breaux	Harkin	Packwood
Brown	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burns	Helms	Reid
Byrd	Hollings	Robb
Campbell	Hutchison	Rockefeller
Chafee	Inhofe	Roth
Coats	Inouye	Santorum
Cochran	Jeffords	Sarbanes
Cohen	Johnston	Shelby
Conrad	Kassebaum	Simon
Coverdell	Kempthorne	Simpson
Craig	Kennedy	Smith
D'Amato	Kerrey	Snowe
Daschle	Kerry	Specter
DeWine	Kohl	Stevens
Dodd	Kyl	Thomas
Dole	Lautenberg	Thompson
Domenici	Leahy	Thurmond
Dorgan	Levin	Warner
Exon	Lieberman	Wellstone
Faircloth	Lott	
Feingold	Lugar	

So, the amendment (No. 2592), as modified, was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Iowa.

Mr. GRASSLEY. I take the floor to ask unanimous consent for our majority leader.

I ask unanimous consent that the cloture vote scheduled to occur this evening be postponed to occur at any time to be determined by the majority leader after consultation with the Democratic leader.

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

Mr. GRASSLEY. Mr. President, under our order of doing business here—we just finished a Democratic amendment; the Boxer amendment—it would now be our desire to go to the amendment by the Senator from Maine.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 2586

Mr. COHEN. Mr. President, I ask unanimous consent to proceed to amendment No. 2586.

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

Mr. ASHCROFT. Mr. President, reserving the right to object. A point of order. The amendment of the Senator from Maine seeks to strike the proposal in two separate places, and, as a result, I believe it is out of order.

The PRESIDING OFFICER. The amendment has yet to be called up. The point of order would not lie until the amendment is called up.

The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 2586. In section 102(c) of the amendment, insert ''so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution'' after ''subsection (a)(2).''

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, as was just read by the clerk, there are two portions to this amendment.

The first part of the amendment would provide that religious organizations may participate in our welfare program, which we want them to do, so long as they comply with the establishment clause of the Constitution. We want to encourage churches and other religious organizations to become actively involved in our welfare process. We want them to do so, however, consistent with the first amendment.

That amendment requires the Government to navigate a very narrow channel when it provides funding to religious organizations. On the one hand, we have the free exercise clause, which prohibits a government from being overtly hostile to religious institutions or organizations. Then on the other hand we have the establishment clause, which limits the extent to which the Government can actually sponsor religious activities.

The intersection of these two separate constitutional commands, I think, is implicated by section 102 of the welfare reform bill, which allows the States to contract with religious organizations to provide welfare services. This provision protects religious organizations from religious-based discrimination. And I think the authors

ought to be commended. We, as I said before, want to encourage religious organizations to participate in welfare programs.

But, in my judgment, the bill in its current form does too little to restrain religious organizations from using Federal funds to promote a religious message. My amendment would, I believe, remedy this defect. It would ensure that States have the flexibility to implement welfare programs in a manner consistent with the religion clauses of the first amendment so we neither prohibit nor promote. And that is the balance that has to be struck.

The first part of this amendment simply says that we want to encourage the States to contract with religious institutions or organizations to provide welfare services, but we want to do so consistent with the establishment clause. Now, I think there would be very little debate, indeed any division, with respect to this particular language.

The second part of the amendment—and Mr. President, I will ask for a division of the amendment before the point of order is raised. I ask my amendment be divided into two parts.

The PRESIDING OFFICER. The Senator has a right to have the amendment divided. It is divided.

Mr. COHEN. Mr. President, the second part of the amendment is intended to make it easier for the States to comply with its constitutional duties. The bill currently prohibits the States from requiring religious organizations to establish separate corporate entities to administer welfare programs. My amendment would strike the Federal mandate.

Mr. President, under the bill as drafted, there is a prohibition under part 102(d)(2). It says that neither the Federal Government nor a State shall require a religious organization (A) to alter its internal government—we certainly do not want that—or (B) to form a separate nonprofit corporation to receive and administer the assistance funded under a program described in this subsection solely on the basis that it is a religious organization.

Essentially what is done by the bill language is to impose a Federal mandate upon the States saying neither the Federal Government nor any State can, in fact, require a religious organization to form a separate nonprofit corporation in order to receive funds under this act.

Now, Mr. President, over the years the Supreme Court has had to pass upon a variety of cases and they must be examined on an individual basis. In some circumstances, the courts have ruled that the religious organization administering Federal funds is so —the words they use are—''permeated with a sectarian influence'' that their receipt of Government funding violates the first amendment.

What I want to do is to encourage religious organizations to become involved in our welfare system. But if we leave the language in the bill, it is going to actually have the reverse effect. It is going to discourage churches from getting contracts to help in our welfare system because the State is going to be precluded from asking the religious organizations to set up a separate, nonprofit corporation to receive the money and administer the programs outside an atmosphere that is permeated with religious overtones.

If the bill stands as currently written, it is going to have just the opposite effect its authors desire. States are not going to want to walk into a lawsuit by the ACLU or any other group that will challenge the program as being violative of the first amendment. So the whole purpose in our trying to encourage religious organizations to participate in welfare programs is going to be defeated. The threat of a lawsuit will discourage States from including religious organizations in their welfare programs.

So the purpose that I have in mind is to strike part (B), which would prohibit the Federal Government or the State from requiring a religious organization to set up a separate nonprofit corporation.

It may not be necessary for a religious organization to set up a separate entity in each and every occasion. The State might decide that this particular religious organization is structured in such a way that it is not permeated with sectarian overtones, as such. A State may decide ''we do not have to require a nonprofit corporation here.'' But the bill says, under no circumstances can the Federal Government or any State require that one be set up.

So I suggest to my colleagues that we are, in fact, engaged in a self-defeating process. We are going to encourage churches and other religious organizations to become involved in the welfare system, but we are going to use language which will, in fact, serve as a disincentive for States to contract with them.

Mr. President, I hope, following the debate, that we will have an opportunity to vote seriatim; first on part 1, on which I think there should be no disagreement, and then on part 2 of the amendment, which would strike the Federal mandate that prohibits any State from choosing to require a religious organization in receipt of federal funds to form a separate nonprofit corporation.

I think that it is in the best interest of those who want to encourage religious institutions and organizations to become involved to agree to the amendment. Obviously, there is some disagreement on that issue.

I yield the floor at this time.

Mr. CHAFEE. I wonder if the Senator will yield for a question.

Mr. COHEN. I yield.

Mr. CHAFEE. Under the proposal of the distinguished Senator from Maine, if in our State we were nervous about the constitutionality of dealing with the church directly without this religious corporation, then under the Senator's amendment, the State could ensure itself it was on safe ground by requiring that there be such a corporation, and then when the State dealt with it, they would know that they were absolutely safe from lawsuits and all the problems that possibly could arise.

Mr. COHEN. The Senator is correct. What my amendment would do would be to allow the State to decide, in looking at a particular organization—they look at the circumstances, they look at the environment, they look at the entire structure—to say, ''We are satisfied that there is no need to set up a separate nonprofit corporation to administer these funds and, therefore, we are not making that requirement for this particular organization.''

On the other hand, they may see an organization is so structured that it is, in fact, permeated with sectarianism, as such, and the language of the Supreme Court rulings require that a separate nonprofit corporation be established before the organization can receive federal funds.

If we do not strike this particular section, it seems to me what the State is going to do is to protect itself, to not deal with that particular organization and, therefore, we will not achieve the very goal we are trying to do: to get more churches and religious institutions involved in our welfare system.

I suggest to my colleague that if we leave that language as it is currently written, it will be very self-defeating and the State will be reluctant to engage in contracting out with religious organizations.

Mr. CHAFEE. Just one more question of the Senator. It seems to me what the Senator is proposing is giving the States flexibility; the State does not have to require it but could.

Mr. COHEN. It could.

Mr. CHAFEE. So, therefore, if the whole goal of this bill, often reiterated, is greater flexibility to the States, that this is what the Senator's amendment does. And if the State does not choose to require a nonprofit corporation, then that is the State's business.

Mr. COHEN. The Senator is entirely correct. Let me quote briefly from the case Bowen versus Kendrick, decided in 1988. We have Chief Justice Rehnquist, and Justices Kennedy, Scalia, White and O'Connor in a 5 to 4 decision. The language is:

> We have always been careful to ensure that direct Government aid to religiously affiliated institutions does not have the primary effect of advancing religion. One way in which direct Government aid might have that effect is if aid flows to institutions that are ''pervasively sectarian.''
>
> We have invalidated an aid program on the grounds that there was a ''substantial'' risk that the aid to these religious institutions would, knowingly or unknowingly, result in religious indoctrination.

The Court also noted that whether an organization has ''explicit corporate ties to a particular religious faith and

by-laws or policies that prohibit any deviation from religious doctrine'' is a ''factor relevant to the determination of whether an institution is 'pervasively sectarian.' ''

So the Court is saying that it is going to look at the circumstances individually and make a determination. If you bar a State from requiring a separate corporate entity to be formed, what you are doing is sending forth a very chilling message: ''If you undertake to contract out with a church or religious organization under these circumstances, you are going to invite a constitutional challenge.'' Therefore, I would imagine the Governor of a State would say, ''Let's just not contract out with this particular religious organization. We'll avoid the problem. We don't need any more lawsuits. We don't need to be in the Supreme Court.''

I say to my friend, the best way we ensure to get the churches and religious organizations into our welfare system is to strike the language that would mandate that no State could ever require, under any circumstances, the formation of a separate nonprofit corporation.

Mr. CHAFEE. I was interested in that Supreme Court case the Senator quoted. Was that Judge Scalia who joined in that opinion?

Mr. COHEN. Judge Scalia did join in the opinion. It was written by Chief Justice Rehnquist and joined by Justice Kennedy, Justice Scalia, Justice White and Justice O'Connor.

Mr. CHAFEE. I do not think Justice Scalia is looked upon as a dangerous liberal on that Court.

Mr. COHEN. If I could add one other factor. We have Rosenberger versus University of Virginia, a case decided just last spring. Justice O'Connor, who cast the fifth and deciding vote, wrote a separate concurrence. Here is some straightforward language from her opinion:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

That is what the Court is looking for, whether public funds are being used to endorse a religious message. If a State finds that a religious organization is not structured in such a fashion, that it is not, in fact, promoting religion either directly or indirectly, then there is not a problem. But if a State is persuaded that an organization is so permeated with a sectarian influence, then it is going to require that a separate corporation handle the funds. It seems to me that we ought to give the States that flexibility, and if you do not give them that flexibility, it means they are not going to contract out with religious organizations.

Mr. CHAFEE. I could well see the situation where in our State, for example, the attorney general might advise the Governor, ''Don't get into these kind of contracts.''

As it exists now, you have no option but to deal with the church because the bill, as I understand it is written, forbids these nonprofit corporations from being set up.

Mr. COHEN. It prohibits either the Federal Government or the State from requiring a religious organization to form a separate nonprofit corporation to receive and administer the funds.

Mr. CHAFEE. So you could get a situation where the attorney general advises the Governor, ''Don't make that kind of a deal because we are going to end up in court, so just forget it.''

Mr. COHEN. That is right.

Mr. CHAFEE. The Senator's point is a good one. If we are trying to encourage the churches to come into this, use their facilities which they have available for day care and other forms of assistance, I think the Senator's amendment makes a lot of sense.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. Will the Senator yield?

Mr. MOYNIHAN addressed the Chair.

Mr. MOYNIHAN. I am sorry. I wanted to speak. The Senator was on the floor.

Mr. COHEN. I yield the floor.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Missouri.

Mr. ASHCROFT. Madam President, I ask if the Senator from Maine will yield for a question?

Mr. COHEN. Yes.

Mr. ASHCROFT. I heard the Senator from Rhode Island ask him if a State were allowed to require the formation of a separate corporate entity, that would guarantee the State immunity from suit based on grounds of the infraction of the first amendment. Is that the Senator's position?

Mr. COHEN. I think what the Senator from Rhode Island was saying is, if the State, in looking at the situation, comes to the conclusion that requiring a separate nonprofit corporation will insulate the State against a lawsuit for violating the first amendment, that the State would be willing to contract with the religious organization to provide welfare services. My amendment gives the State flexibility to make that judgment rather than issuing a mandate. I know that the Senator from Missouri is concerned, and I appreciate his concern.

Mr. ASHCROFT. I want to know if the position of the Senator from Maine is that by virtue of requiring the formation of one or another, that you have a determination about whether or not something violates the first amendment.

Mr. COHEN. No. The answer to that directly is no.

Mr. ASHCROFT. So the Senator from Maine does not allege that this provision would provide any guarantee. I thought I misunderstood. I thought I heard the Senator from Maine tell the Senator from Rhode Island that such a guarantee would be in effect.

Mr. COHEN. If I said that, I misspoke, because there is no guarantee under any of these cases. You can always end up in court. I think what the Senator from Rhode Island was saying is that the likelihood of a challenge on the basis of the Establishment Clause is less likely by virtue of setting up such a corporation.

You minimize the challenge by creating a separate corporate entity that is not going to be so heavily influenced or permeated with sectarianism that the court is going to prohibit it from receiving government funding. But each case is decided on an individual basis. As we have discussed, it is not the language of the bill, but it is the structure of the organization, that is scrutinized on an individual basis to determine whether or not that organization is permeated with religious overtones.

Mr. ASHCROFT. Who makes that decision?

Mr. COHEN. Ultimately, only the court.

Mr. ASHCROFT. So it is up to the court to decide——

Mr. COHEN. Yes.

Mr. ASHCROFT. Whether an organization is so permeated with sectarian purpose as to be ineligible to participate in a governmental purpose.

Mr. COHEN. That is right.

Mr. ASHCROFT. It is the position of the Senator from Maine that that was decided in Bowen versus Kendrick, and a long line of cases?

Mr. COHEN. Exactly right.

Mr. ASHCROFT. I thank the Senator.

Mr. MOYNIHAN. Madam President, I rise in fervent support of the proposal by the Senator from Maine. It seems to me to anticipate difficulties which can be readily resolved if they are in fact anticipated. It is clear that the Senate understood what it was doing and indeed provided additional language to resolve issues that might arise.

I do not want, in any way, to complicate matters, but I would like to state that it is a matter of record—or so I believe—that the establishment clause has come into play in areas such as the ones we are dealing with only quite recently—only in the 20th century. I believe it was not until the 20th century that the Court held that public aid to religious schools was unconstitutional. Indeed, I think it may only be in the second half of the 20th century.

I note for the first—the longest—century of the Constitution, it was assumed otherwise. President Grant, contemplating running for a third term, addressed a meeting or a gathering—or an encampment of the Army, I think they would have said, of the Tennessee, which was held out in Iowa, and proposed a constitutional amendment that would prohibit aid to Catholic schools. It would not have said Catholic per se.

Mr. COHEN. I would have to check with Senator THURMOND to verify that.

Mr. MOYNIHAN. Yes, Senator THURMOND would know. But it was assumed that it was constitutional. He thought it would be an issue to make it unconstitutional. It took another 80 years for the Court to find that it was in there all along. I think you can read that clause. It says simply: ''Congress shall make no law respecting the establishment of religion.''

The Church of England is an established church. There were established churches in most of the colonies. I may be mistaken and probably am. I think several colonies had several established churches. That means public moneys go to the maintenance of the clergy and of the houses of worship. It was never, in any way, thought that you could not have parochial schools receive public moneys. They did in New York, until the 1920's when, under an informal arrangement whereby State-owned lands in the western part of the State—and I suspect Maine has the same arrangement—were sold for different purposes and used. It was a decentralized situation, and I regret to say—meaning no discredit and hoping not, in any way, to offend anybody—the Baptists were found to be padding their payrolls. So reform had to take place. Albany took over the disbursement of these funds. They were called public schools.

The issue arose as to what Bible would be used, and, of course, the majority wanted a King James Bible and the Catholics wanted a Bible of their own, and so the Catholic schools commenced their independent existence to this day. But the term ''public school,'' or ''PS'' in the way of usage in Manhattan, comes from that point.

I just hope these comments—I cannot expect them to carry great weight across the lawn to our former neighbors in the Court, but it is a fact that the establishment clause contemplated a form of Government-supported religious institutions. That was normal in most of the world then and had nothing to do with day care centers, or halfway houses, or orphanages, or schools the way it may today.

So I think the Senator has a powerful point, a useful measure, and I thank him for being patient with my not necessarily precisely accurate recollection.

Mr. ASHCROFT. Madam President, I rise in support of the Dole amendment and in opposition to the amendment proposed by the Senator from Maine. The Senator from Maine suggests that States should make determinations about whether there should be another hurdle over which nongovernmental, private institutions, religious in character, have to crawl in order to be participants in helping solve this major challenge to our society and culture. In doing so, it would place a hurdle in their path that is placed in the path of no other organization, in terms of their eligibility to help solve this problem.

Strangely enough, this hurdle is placed in the path of some of the institutions that have the very best record at helping solve the problem. It is suggested that placement of this hurdle in the path is necessary to protect States and localities from lawsuits. But the truth of the matter is that nothing can protect anyone from a lawsuit relating to the constitutionality or lack of constitutionality of a statute or a public program, other than a constitutional amendment, which is explicit in its authorization. But still you run the risk of litigation.

It would be interesting, or perhaps maybe easier to understand this if what we were asking for here was unprecedented or had not been already enacted in other parts of the law. But I hold in my hand a report to the Congress for fiscal year 1994 of the Refugee Resettlement Program, which provides four grants directly to religious organizations for dispensing cash benefits. I could read a list of many, many such organizations that are involved in doing it.

As a matter of fact, many of those who are in this Senate today voted in favor of this program in 1980 when the Refugee Resettlement Program was enacted and asked that there be no special safeguard against the ability of religious, nongovernmental, not-for-profit organizations to assist with refugees. We would not want to end up with the anomalous situation of requiring churches to go over special barriers when providing services to welfare recipients in the United States, while not requiring them to go over the same barriers when helping refugees and others.

Similarly, the Adolescent Family Life Act, which was tested in the case of Bowen versus Kendrick, provides funds to public and private counseling agencies that counsel teenagers on matters of premarital sexual relations and pregnancy.

The act expressly provided that religious not-for-profit organizations were to be considered as eligible. In that case the Court held that the act did not on its face violate the establishment clause.

As a matter of fact, the Dole bill as it is currently constituted here and is before the Senate, has special protections in it—protections against proselytization, protections for individuals so if they are offended by having to go to a religious organization to receive a benefit, that the benefit can be provided in another setting rather than in the setting of the religious organization.

It also provides protections for the churches so that the churches can know they do not lose their ability to hire of like faith, and be associated with employees whose belief and character is consistent with the values for which the institution stands.

What we have here is an amendment which seeks to carve out a special category for welfare reform which does not exist in other parts of the laws.

The report to the Congress of the refugee resettlement program provides a list of dozens of organizations which receive help including churches, help that they pass on to the refugees without this kind of problem. There has not been a great problem in any respect, as a matter of fact, with the alleged unconstitutionality.

So we have a situation where we have those institutions in our culture and society with the very best track record of solving the problems of the welfare puzzle. We will say to them, you have to go to the added expense, you have to form a separate organization, you will have to lose some of the protections you have as a church, your ability to hire people that have values consistent with yours, that have a belief structure that is consistent with yours, you will have to forfeit all that in order to have this opportunity to participate in solving this problem which you have probably been working pretty aggressively to solve on your own. We would be well served as a Nation if these institutions would help us in the solution of this problem.

I think that is the challenge which is before the Senate. The question is whether or not we will continue to throw barriers in the path of the organizations which can help us substantially in solving this problem.

Now, we have tried the singular Washington one-size-fits-all remedy for a long time in welfare. We have seen what happens. We have watched the roles of those in poverty swell. We have watched the percentage of children in poverty in our country grow.

So when it comes time to try and extend ourselves to find a real solution to this problem and to borrow some of the solutions that the refugee resettlement program has used and to borrow some of the solutions to the problem that have been found in other recent legislation like the Adolescent Family Life Act, all of a sudden we hear the old bugaboos about needing to have special requirements for the religious organizations. Requirements that will make them second-class citizens, that will force them to go through the burden of setting up separate organizations.

Those who proposed the amendment and support it indicate there will be a tremendous fear on the part of agencies who might otherwise contract with the separate organizations.

Nothing in this bill would stop a religious organization from setting up a separate organization. Nothing would prohibit it. Nothing would change its option.

The only real mandate that we have in the Dole bill is that churches would be placed on a level playing field with other non-governmental institutions, that we would stop tossing barriers and prejudicial conditions in the paths of the religious institutions that wanted to help.

I need to try and make it as clear as I possibly can that I cannot endow the churches with rights to do things that they do not have a right to do under the Constitution, and neither can this body. I would not want to.

I believe that the States should not support the church, that the church should be separate from the State. But I believe that when organizations including religious organizations have the track record of helping move people from welfare to work, from indolence to industry, from a situation

where they are kept in poverty to a situation where they have independence, I think for us to place undue burdens in their pathway is unfair, and not only is it unfair but it is inappropriate.

Why we should single out the community of faith in the United States of America and say that for that community there are special requirements that do not inure to other individuals in other parts of our culture and say they are second-class citizens and they are ineligible, is beyond me.

The courts have not said so. Previous enactments of the Senate have not said so, whether you are talking about the refugee resettlement program or whether you are talking about the Adolescent Family Life Act.

In previous efforts to deal with problems like this, the Congress in the Stewart P. McKinney Homeless Assistance Act sought to provide emergency shelter grant programs that would allow those programs to go to religious nonprofit organizations.

What we really ask for is that there be a level playing field here, not for the benefit of the organizations but for the benefit of a country that desperately needs help in breaking the cycle of dependence, breaking the cycle of poverty, and helping people move out of that welfare setting into a setting of work and industry.

I think it is inappropriate to place between those organizations and the opportunity to participate barriers which will slow their ability rather than grow their ability to be a part of the solution.

I think we need to emulate programs that can be found in virtually every city in America, programs which now are totally distinct and separate. Obviously, many of them fear involvement with governmental entities. We need to invite them to the table, not to proselytize, but to say we are interested in having their help.

The Dole bill guarantees that no one is to be proselytized. It guarantees that no one can be forced to confess or otherwise subscribe to a faith to get a benefit. It says that no money can be used for purposes of propagating the faith. It says churches, however, do not have to become sterile institutions that are nameless and faithless. The Salvation Army would not have to take the word ''salvation'' out of its title in order to participate in the program. It would not have to hire people whose beliefs and whose value structure are a threat to the character and the doctrine of the Salvation Army itself.

I believe that the bill as it stands is an invitation for help. It is an invitation which does not threaten the religious liberties of individuals. It does not prohibit churches or other nongovernmental religious organizations that are nonprofit from setting up separate organizations. But it simply would not allow the Government to impose upon them a requirement which is imposed upon no other organization, no other set of institutions in this country.

It does not label religious organizations who come to the table as participants for reconciliation and resolution of the welfare problem as second-class citizens, but it does say there are limits to what they can do.

It requires that they keep an accounting of the funds they receive from the Government. It requires that they follow and observe rules of how the funding must be spent. But it protects them from an invasive Government which might otherwise improperly seek to influence their belief structure or the way in which they conduct worship or engage in their activities.

The Dole bill on this matter is a balanced bill. To require or to promote the requiring of an additional hurdle over which these religious organizations would have to go when that is not required for anyone else would be manifestly unfair, and in my judgment it would be counterproductive.

I want to indicate that I do not have any objection to the first amendment proposed by the Senator from Maine to add to the bill the language that we will operate in a way that is consistent with the establishment clause of the Constitution of the United States. That is fine with me. When I took my oath, in every job that I have had for quite some time, I have sworn to uphold the Constitution, and I think that is part and parcel of what we do here. And I have no objection to that. I would be happy to agree to that. Since this item has been separated, we might avoid a vote on that.

But on the second item, I urge my colleagues not to place in the path of well-meaning religious, nonprofit organizations the requirement that there be the opportunity for States to have them go over major hurdles and expenses and forfeit opportunities to protect the organization from improper intrusion by Government by accepting this amendment. So I oppose this amendment and urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Madam President, I rise to support the statements made by the Senator from Missouri with some reluctance, because I understand the Senator from Maine is essentially attempting to accomplish the same end as the Senator from Missouri, coming at it from different sides of the equation.

He spoke earlier about the extraordinary importance and effectiveness of the role of religious organizations and faith-based organizations in dealing with questions of welfare, poverty alleviation, poverty prevention and some of the social dislocations that exist in our country. Clearly, an examination, or even a cursory analysis of the effectiveness of those programs vis-a-vis Government programs, shows an extraordinary gap between the two. The religious organizations' programs have elements of care, elements of lower cost, elements of effectiveness that Government programs simply have not been able to match. So I think all of us recognize that and want to encourage their role in dealing with some of these seemingly intractable social problems.

I, like the Senator from Missouri, certainly have no problem with the first half of the amendment of the Senator from Maine regarding the establishment clause. I think that is proper.

But, as to the provision which removes the prohibition against States requiring the establishment of separate, nonsectarian operations by religious organizations, I think clearly—while the intent of the Senator from Maine is not to have unwanted State discrimination against those institutions, that very likely could be the result. The practical effect of all of that is, I believe, going to discourage, if not eliminate, most of the organizations from participating in these programs.

It is the ability to bring some semblance of their sectarian nature to addressing the problem that results in the effectiveness of dealing with the problem. To remove that and subject them to what may be a discriminatory—at least a test of absolute separation from the very basis underlying their program, I think defeats the program.

For that reason I urge my colleagues to support the amendment of the Senator from Missouri and oppose the amendment of the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Madam President, let me offer a few more comments. I do not know that any other Members are coming to the floor to debate this issue or whether we should move to a vote relatively soon. I have not had any requests for further debate on this side.

Mr. MOYNIHAN. Madam President, if I may, I do not see any Senators seeking recognition, nor have I been told of any.

We have no requests for speakers on this side.

Mr. COHEN. Let me, then, just conclude if I could. Then perhaps my colleague might have some other comments to offer.

We are seeking essentially the same goal. That is, namely, to involve our religious organizations in helping out in the distribution of funds in our welfare program. My concern has been that the first amendment may very well be violated if, in fact, we have religious organizations—using the words, once again, of the Supreme Court—that are so permeated with sectarianism that the Court would find that providing them with government funding violates the Establishment Clause.

I by no means have suggested that churches or any other religious organizations are second-class citizens. Quite to the contrary, they are first-class citizens and they do first-class work. They are great humanitarians and we need them desperately in the entire effort in our welfare system.

Second, they are well-meaning people. We do not want to punish well-

meaning people. I come back to the Supreme Court's language in Rosenberger versus University of Virginia:

There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

So the question then becomes, would the atmosphere in that particular religious organization be so permeated with sectarianism that it seeks to promote and endorse a religious message which would then be subject to attack by a lawsuit? Let me just suggest some of the arguments that could be raised if this language remains in the bill.

First of all, under the bill, religious organizations are permitted to discriminate when hiring persons to provide welfare services with Federal funds. Right now we allow religious organizations to discriminate on the basis of religious affiliation when they hire people. We accept that. We may have a Catholic Church that wishes to hire only those of the Catholic faith. We may have a Jewish synagogue that wants only those of the Jewish faith; or Mormons, that want employees of the Mormon faith.

Here, however, we go one step further and permit religious organizations to discriminate when employing persons to provide welfare services with Federal funds. Is that going to be a dispositive factor? I do not know. It may be one factor a court would take into account. We have no way of gauging that now.

Under the bill, however, we go one step further and say we prohibit States from requiring religious organizations from establishing separate nonprofit public entities, another factor that would be argued in all likelihood.

We require that organizations providing welfare services be allowed to have religious symbols on their walls and that they not be required to remove religious icons, scriptures, or symbols.

Whether the totality of that atmosphere would amount to a permeation of a sectarian message, I do not know. Only the court will decide.

What seems clear to me, however, is that a State might very well decide not to contract out with such a religious organization in order to avoid a lawsuit. No State can avoid a lawsuit—I think the Senator from Missouri is quite correct— we can do nothing short of a constitutional amendment, and even then it will be subject to a lawsuit for interpretation. But a State might very well be reluctant to draw in religious organizations under these circumstances.

So I suggest to my colleagues, one way to avoid the very thing that we are professing we want most—that is, to draw more people in, to draw the organizations in—is to push them away by virtue of the language contained in the Dole bill. So we have the same objective.

I simply point out, in the Bowen versus Kendrick, which both of us have cited, the Court noted that even when the statute appears to be neutral on its face:

We have always been careful to ensure that direct government aid to religiously affiliated institutions does not have a primary effect of advancing religion. One way in which direct government aid might have that effect is if the aid flows to institutions that are ''pervasively sectarian.''

I might point out that the court, in ruling in this case, upheld the facial validity of the statute. The Justices then sent it back down to the trial court to see if in application the funds were distributed in an unconstitutional manner.

So we had the very situation which we are likely to see replicated time and time again in the future. One way to avoid that situation is to strike section 102(d)(2)(B).

So I want to commend my colleague from Missouri. I think that he and I have the same objective. He believes that by leaving that language in, it will certainly not discriminate against the institutions, and that is correct. My view is it will, in fact, cause the State to discriminate in an adverse way, and that is not to contract with those various institutions which we want to be part of the system.

Mr. MOYNIHAN. Mr. President, as we prepare to vote, may I just hold the Senate for just a moment to read a passage from the message to the legislature by Gov. William H. Seward in New York State in 1840. Governor Seward went on to a distinguished career here in Washington, and we have Alaska, among other things, to thank him for. He said:

The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith.

Governor Seward was from Auburn, NY, far away from those foreigners, and, as a matter of fact, if you would like to know the fact, those were Irish. And they did not speak English. They spoke Gaelic. But the idea that they had a right to public school was very clear to people, and very close to the Constitution.

Just for purposes of innocent merriment and the possible instruction of the Honorable Justices of the Court, I would like to ask unanimous consent that, and a few succeeding paragraphs, be printed in the RECORD.

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

This situation prompted the Whig Governor William H. Seward to make this proposal to the legislature in his message for 1840:

''The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith.''

Instead of waiting for the rural, upstate legislature to ponder and act upon this proposal of an upstate Whig governor, the Catholics in the city immediately began clamoring for a share of public education funds.[44] The Common Council declined on grounds that this would be unconstitutional. In October, 1840, the Bishop himself appeared before the Council, even offering to place the parochial schools under the supervision of the Public School Society in return for public aid. When he was turned down, tempers began to rise.

In April, 1841, Seward's Secretary of State John C. Spencer, *ex officio* superintendent of public schools, submitted a report on the issue to the State Senate. This was a state paper of the first quality, drafted by an authority on the laws of New York State (who was also de Tocqueville's American editor). Spencer began by assuming the essential justice of the Catholic request for aid to their schools:

''It can scarcely be necessary to say that the founders of these schools, and those who wish to establish others, have absolute rights to the benefits of a common burthen; and that any system which deprives them of their just share in the application of a common and public fund, must be justified, if at all, by a necessity which demands the sacrifice of individual rights, for the accomplishment of a social benefit of paramount importance. It is presumed no such necessity can be urged in the present instance.''

To those who feared use of public funds for sectarian purposes, Spencer replied that all instruction is in some ways sectarian: ''No books can be found, no reading lessons can be selected, which do not contain more or less of some principles of religious faith, either directly avowed, or indirectly assumed.'' The activities of the Public School Society were no exception to this rule: ''Even the moderate degree of religious instruction which the Public School Society imparts, must therefore be sectarian; that is, it must favor one set of opinions in opposition to another, or others; and it is believed that this always will be the result, in any course of education that the wit of man can devise.'' As for avoiding sectarianism by abolishing religious instruction altogether, ''On the contrary, it would be in itself sectarian; because it would be consonant to the views of a peculiar class, and opposed to the opinions of other classes.''

Spencer proposed to take advantage of the diversity of opinion by a form of local option. He suggested that the direction of the New York City school system be turned over to a board of elected school commissioners which would establish and maintain general standards, while leaving religious matters to the trustees of the individual schools, the assumption being that those sectarians who so wished would proceed to establish their own schools.

''A rivalry may, and probably will, be produced between them, to increase the number of pupils. As an essential means to such an object, there will be a constant effort to improve the schools, in the mode and degree of instruction, and in the qualification of the teachers. Thus, not only will the number of

children brought into the schools be incalculably augmented, but the competition anticipated will produce its usual effect of proving the very best material to satisfy the public demand. These advantages will more than compensate for any possible evils that may be apprehended from having schools adapted to the feelings and views of the different denominations.''

The legislature put off immediate action on Spencer's report. But Catholics grew impatient. When neither party endorsed the proposal in the political campaign that fall, Bishop Hughes made the calamitous mistake—four days before the election—of entering a slate of his own candidates for the legislature. Protestants were horrified. James G. Bennett in the New York Herald declared the Bishop was trying ''to organize the Irish Catholics of New York as a district party, that could be given to the Whigs or Locofocos at the wave of his crozier.'' The Carroll Hall candidates, as they were known, polled just enough votes to put an end to further discussion of using public funds to help Catholics become more active citizens.

Mr. MOYNIHAN. I thank the Chair.

Mr. ASHCROFT. Mr. President, if I might for a moment say a few words to close to state my support for the Dole bill as it exists rather than as it has been proposed to be amended, I thank the Senator from Maine for endorsing the concept of widening and broadening the groups of individuals in the culture who will help us solve the welfare problem. But to elevate the States to the place of a judicial entity which seeks to determine whether or not there has to be a separate structure in place in order to avoid first amendment problems I think is a compound misunderstanding.

First of all, it is a misunderstanding to think that the States could make a difference. The truth of the matter is whether or not you violate the first amendment cannot be determined by the State. The State can cause additional expense, or can place barriers in the roadway for religious institutions, but it cannot provide any kind of guarantee that there will not be a lawsuit.

Second, it is well settled law. I am talking about the modern law, and I thank the senior Senator from New York for his comments about the relationship between our States and funding for social services, and other types of services. But it is well settled modern law that the test of whether or not there is an infringement of the establishment clause is not a test of structure. The test is the test of activity, and a test of administration.

If you had a totally sectarian organization which was using government funds to meet public purposes, it is clear that religious institutions, according to the case of Bowen versus Kendrick—that is the 1988 case of the U.S. Supreme Court—religious institutions are not disabled by the establishment clause from participating in publicly sponsored social welfare programs. You could have a totally secular organization, a private, even business, corporation endowed by funds from the Federal Government, and, if its activities were to somehow impose religion using those funds, it would be an affront to the Constitution.

Recognizing that it was the activities that could potentially offend the Constitution, and not the structure that could potentially offend the Constitution, the Dole bill was carefully drawn so as to prohibit offensive activities and to allow the religious organizations to maintain their structure. We do not want religious organizations to have to change their character. We do not want them to have to belie what they are. We do not want them to have to participate in hiring practices and other difficult situations which are inconsistent with their belief structure. We want their help but we do not want them to use public funds in achieving religious purposes.

So the Dole bill has clear language which goes to the heart of the relevant facts of activity, not of structure, and it makes it clear that, since structure is not really important, this barrier of expense and intimidation which would stop some from participating and coming to the table to participate in a full range of these activities should not be mandated or allowed to be required by the States.

It is with that in mind that we seek to enlarge the community of care in America, and we seek to enlarge it in a way which will bring in individuals who can really make a difference.

I pointed out earlier that we had the refugee resettlement program which has specific authority to deal with religious organizations—and, as a matter of fact, has been operating that way—so that we have a test. We already have organizations. As a matter of fact, I believe most of the Members who are in this Chamber now who were in this Chamber in 1980 voted for this program without these special provisions.

It is interesting to me that in the closing days of the Bush administration they made a proposal, as a part of their service to this country, which recommended exactly what we have asked be done; that is, that we enlarge the group of individuals who are capable of assisting by inviting religious organizations, not to proselytize, not to promote their religion but to participate when their activities are characterized by the public purpose. And the Supreme Court of the U.S. has explicitly indicated that it is not structure but it is, in fact, purpose, and it is, in fact, activity which determines.

I just add that the Bowen case in that matter indicated that when the activities were specific and public purpose in nature—and they were defined clearly enough so that there could be an assessment of those activities and an evaluation of them by the State—that was the real test which decided whether or not there was an improper intermixing of church and state that would be in violation of the first amendment.

Mr. COHEN. Will the Senator yield?

Mr. ASHCROFT. Indeed, I am happy to yield.

Mr. COHEN. The Senator has on at least two occasions indicated the Dole legislation as currently written prohibits proselytizing. I have been looking at the language. I could not find it. Perhaps the Senator could direct it to my attention, the specific prohibition.

Mr. ASHCROFT. I refer to line 7, section 103—no funds used for programs established or modified under this act shall be expended for sectarian worship or instruction.

Mr. COHEN. The word proselytizing, I was looking for the word. I have not found it.

Mr. ASHCROFT. If I spoke to use proselytization, the word to my understanding does not actually appear—the provision just prohibits using funds for purposes of sectarian worship or instruction. I do not think that it would obviously allow proselytizing.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. It is with this in mind that I urge the defeat of the Cohen amendment.

Mr. COHEN. Madam President, I believe we can dispose of part one of the amendment simply by voice vote, and then ask for the yeas and nays on the second part.

Mr. MOYNIHAN. That is quite agreeable, Madam President.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division I.

So division I of the amendment (No. 2586) was agreed to.

Mr. COHEN. Madam President, I ask for the yeas and nays on part 2 of the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division II. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 421 Leg.]

YEAS—59

Akaka	Feingold	Mikulski
Baucus	Feinstein	Moseley-Braun
Biden	Ford	Moynihan
Bingaman	Glenn	Murray
Boxer	Graham	Nunn
Bradley	Harkin	Packwood
Breaux	Heflin	Pell
Brown	Hollings	Pryor
Bryan	Inouye	Reid
Bumpers	Jeffords	Robb
Byrd	Johnston	Rockefeller
Campbell	Kassebaum	Sarbanes
Chafee	Kennedy	Simon
Cohen	Kerrey	Simpson
Conrad	Kerry	Snowe
Daschle	Kohl	Specter
Dodd	Lautenberg	Stevens
Domenici	Leahy	Thomas
Dorgan	Levin	Wellstone
Exon	Lugar	

NAYS—41

Abraham	Gorton	Mack
Ashcroft	Gramm	McCain
Bennett	Grams	McConnell
Bond	Grassley	Murkowski
Burns	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Coverdell	Helms	Santorum
Craig	Hutchison	Shelby
D'Amato	Inhofe	Smith
DeWine	Kempthorne	Thompson
Dole	Kyl	Thurmond
Faircloth	Lieberman	Warner
Frist	Lott	

So the amendment (No. 2586), division II, was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ASHCROFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I have an amendment that simply contains some technical corrections to an earlier amendment that I had tossed in. I would like to offer this amendment at this point. There is a pending amendment, however, is that correct, or is that not correct?

The PRESIDING OFFICER. Technically, all of the amendments are now pending.

Mr. SIMON. Mr. President, I ask unanimous consent that the pending amendments be set aside so that I may offer this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2681 TO AMENDMENT NO. 2280

(Purpose: To provide grants for the establishment of community works progress programs)

Mr. SIMON. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself and Mr. REID, proposes an amendment numbered 2681 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. CHAFEE. Mr. President, I see the distinguished majority leader here. I wonder if we can get a little progress report or an expectation report.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, it is my understanding that we are making progress.

[Laughter.]

Mr. DOLE. I have been talking to the distinguished Democratic leader throughout the day. We believe there are about four or five areas if we can reach some agreement on we might wrap this bill up fairly quickly. I think they are discussing it. Staff is in my office now. I have not had a chance to get back to the Democratic leader.

Hopefully, what we might be able to do tonight, if Senators WELLSTONE, FAIRCLOTH, CONRAD, a Republican amendment and then Senator DORGAN can offer their amendments tonight.

Mr. MOYNIHAN. And Senator EXON.

Mr. DOLE. We could stack those votes starting at 10 o'clock tomorrow morning. Debate the amendments tonight, have the vote starting at 10 tomorrow morning, if we can work it out. If not, we will just have to stay here tonight and vote.

Mr. MOYNIHAN. I would like to add Senator EXON.

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

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

AMENDMENT NO. 2680

Mr. HARKIN. Mr. President, I ask unanimous consent to call up amendment 2680 and ask for its immediate consideration.

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

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2680.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the Friday, September 8, 1995 edition of the RECORD.)

Mr. HARKIN. Mr. President, I understand the managers of the bill will accept this amendment. I will just take a very few minutes to describe it.

Mr. President, this amendment clearly expresses the sense of the Senate that any legislation we enact—whatever the final outcome of the welfare reform bill may be—should not eliminate or weaken the present competitive bidding requirements in any program using Federal funds to purchase infant formula.

This amendment does not impose any new requirements, but it says that whatever the outcome on this legislation, whenever Federal dollars are involved in purchasing infant formula, competitive bidding should be required in the same manner that it is now.

The reason I am concerned is that the House of Representatives has passed legislation that would create a new block grant encompassing the current WIC Program. But that bill does not require the States to use competitive bidding or equivalent cost containment, which is presently required for purchasing infant formula in the WIC Program.

WIC competitive bidding benefits two classes of people. It allows more people to be helped by WIC with the limited amount of money available. WIC still does not reach all eligible people, so savings allow more pregnant women, infants, and children to be served. And competitive bidding saves taxpayers' money because less spending is needed to achieve the objectives of WIC.

I must say at the outset, Mr. President, for the record, I personally do not favor converting WIC into a block grant or drastically changing it. WIC has been one of our most successful efforts to improve the nutrition and health of children.

Numerous studies have demonstrated the benefits and cost effectiveness of WIC. It saves money because it heads off a lot of problems that could be very costly. That is my own personal view.

Whatever may happen with respect to the WIC program, I strongly believe that we in Congress have a responsibility to prevent outright waste and squandering of Federal dollars. That is likely to result if we abandon the competitive bidding requirement.

The case for competitive bidding is too clear to ignore. Rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants, and children to achieve better nutrition and health through the limited WIC funds available.

The Department of Agriculture has estimated that in fiscal year 1995, rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children. For my State of Iowa, the fiscal year 1995 rebate savings will be about $7.8 million, allowing an estimated 12,734 more people to be served without one additional dime of cost to the taxpayers.

Mr. President, I worked very hard to include the provision in the 1987 Commodity Distribution Reform Act that allowed States to keep a portion of the savings they achieved through competitive bidding.

Without that provision, they could not have used those savings to serve more people. The money would have come back to Washington, DC. The chairman of the Agriculture Committee, Chairman LEAHY and I, worked closely together to get that legislation passed. In 1989, I introduced the Child Nutrition and WIC Reauthorization Act, which included a requirement to use competitive bidding or equally effective cost containment measures for purchasing WIC infant formula, and again worked closely with Chairman LEAHY in gaining its enactment.

All of the studies and the experience we have had since that time show that we have indeed saved a lot of money through competitive bidding, and we

have served a lot more people. It has been one of our most successful programs, as I said.

Mr. President, earlier this year, on February 28, 1995, there was an article in the Wall Street Journal. The headline says ''Four Drug Firms Could Gain $1 Billion Under GOP Nutrition-Program Revision.'' What the headline referred to was doing away with the competitive bidding requirement in legislation before the House of Representatives.

I ask unanimous consent this article appear at the end of my statement.

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

(See exhibit No. 1)

Mr. HARKIN. Just to repeat, this amendment is a sense-of-the-Senate resolution stating that whatever we do here we will continue to have competitive bidding in the purchase of infant formula using Federal funds.

I thank the managers of the bill. I thank Senator DOLE for his support and his willingness to accept this amendment.

EXHIBIT

[From the Wall Street Journal, February 28, 1995]

FOUR DRUG FIRMS COULD GAIN $1 BILLION UNDER GOP NUTRITION-PROGRAM REVISION

(By Hilary Stout)

WASHINGTON.—Four pharmaceutical companies stand to gain as much as a billion dollars under a Republican bill that overhauls federal nutrition programs for children and pregnant women.

The companies sell infant formula to the Women, Infants and Children (WIC) program, a federal initiative that provides formula as well as milk, beans, rice and other nutritious foods to poor children and to pregnant and breast-feeding women. Since 1989 the companies have been required by law to enter into a competitive bidding process in order to sell formula to WIC, resulting in rebates to the government that are expected to reach $1.1 billion this year.

A bill that cleared the House Economic and Educational Opportunities Committee on a party-line vote last week would turn the WIC program over to states in the form of a ''block grant,'' and with it repeal the cost-containment competitive-bidding measure. An amendment to restore it was defeated by the committee. The legislation now moves to the House floor for consideration.

The four companies, the only domestic makers of infant formula—Ross Laboratories, a unit of Abbott Laboratories; Mead Johnson, a unit of Bristol-Myers Squibb Co.; Wyeth-Ayerst, a unit of American Home Products Corp.; and Carnation Co., a U.S. subsidiary of the Swiss conglomerate Nestle SA—fought the competitive-bidding measure fiercely when it came before Congress in the late 1980s. Until then, they were collecting retail prices for the infant formula they sold to WIC.

Sen. Patrick Leahy of Vermont, the senior Democrat on the Senate Agriculture Committee and the lawmaker who led the effort to enact the cost-containment measures, threatened to fillibuster the bill yesterday if it reaches the Senate. ''It is really obscene,'' Sen. Leahy said. ''The most conservative of people should, if being truthful, like the competitive bidding. . . . It's just rank hypocrisy.''

If the bill reaches the Senate floor, Sen. Leahy continued, ''I've spent 20 years building bipartisan coalitions and working on nutrition programs. If it's necessary to discuss my whole 20 years' worth of experience in real time, I'll do it.''

In 1993, the latest year for which figures are available, the WIC program spent $1.46 billion in infant formula but received $935 million in rebates. That cut the overall cost of providing formula to $525 million, nearly a two-thirds reduction. Moreover, the states, which administer the program, were allowed to use the rebates to add more people to the WIC program.

The action on WIC comes as a liberal-leaning research group, the Center on Budget and Policy Priorities, released a study questioning the continuing effectiveness of some of the infant-formula rebates. The center's analysis found that in the last year, despite the cost-containment requirements, the cost of infant formula purchased through WIC has almost doubled in many states.

Since last March, the study said, 17 state WIC programs have signed rebate contracts with at least one of the major formula manufacturers. Under those agreements, the average net cost of a 13-ounce can of concentrated infant formula was 60 cents. compared with a 32-cent average price under rebate contracts signed during the previous 15 months, the study said.

The Federal Trade Commission has been investigating the infant formula makers' rebate and pricing practices, and at least one state, Florida, has filed suit against the manufacturers.

Mr. DOLE. We are prepared to accept the amendment.

Mr. MOYNIHAN. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2680) was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2545

Mr. DOLE. Mr. President, I will get a unanimous-consent agreement now that it has been cleared on each side.

In the meantime, what is the status of amendment 2545 offered by the Senator from Iowa—the other amendment, numbered 2545?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DOLE. I would be prepared to accept that amendment No. 2545 if we vitiate the yeas and nays and have no discussions.

Mr. HARKIN. If the leader will yield, that is very acceptable. I appreciate that very much.

Mr. DOLE. I ask the yeas and nays be vitiated.

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

Mr. HARKIN. I thank the Chair.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2545) was agreed to.

Mr. DOLE. 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.

UNANIMOUS CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent the following amendments be in order tonight, in the following sequence, and that following the conclusion of all debate, the Senate proceed to votes on or in relation to each amendment at 10 a.m., in the order in which they were debated, that there be 10 minutes of debate equally divided in the usual form before the first vote and the debate between the remaining stacked votes be limited to 10 minutes equally divided in the usual form, and all votes in the voting sequence after the first vote be limited to the 10 minutes: Wellstone, 2584; Faircloth, 2609; Conrad, 2528; Jeffords, 2581; Dorgan 2535; McCain 2589; Exon 2525; Nickles 2556.

Mr. DASCHLE. Reserving the right to object, I ask the majority leader if we could add as the next amendment an amendment by Senator DODD, which may or may not be offered? But he would like to be added to the list. Obviously, it will be subject to our ongoing negotiation. But if we could add Senator DODD?

Mr. MOYNIHAN. To the list for tonight?

Mr. DASCHLE. To the list for tonight.

Mr. DOLE. I have no objection to that. That would follow disposition of the Nickles amendment, which is the last one on this list, if we do not have some agreement by then. But I would not be able to enter into a time agreement.

Mr. DASCHLE. That is right, and I do not know that Senator DODD will even be interested in offering the amendment, but it was at his request that we add his name. I think that would satisfy the needs on our side.

The PRESIDING OFFICER. Does the majority leader modify the request?

Mr. DOLE. Yes, I modify my request, if in fact the Senator from Connecticut, Senator DODD, wishes to offer an amendment, he be recognized following the disposition of the Nickles amendment No. 2556.

The PRESIDING OFFICER. Is there objection to the modified request? Without objection, it is so ordered.

Mr. DOLE. Mr. President, my view is we are trying to reach an agreement on about four major issues. Hopefully, we will have that determined by the time we complete voting on these tomorrow. If, in fact, we can reach an agreement, I hope all the other amendments would go away, at least nearly every other amendment go away. If we cannot reach agreement, then we would have a cloture vote sometime tomorrow after consultation with the Democratic leader.

It is still my hope to dispose of this bill tomorrow night because we have six appropriations bills to do. We would like to start appropriations bills on