

I would like to think someone there is listening to what the Senator from Iowa said, and what I said. I doubt it very much. I will introduce that measure, or insist on it. But I may try to offer it as an amendment somewhere along the line.

The main point is, we enacted a good statute which has been trivialized, a fact which I regret, but about which I can do very little.

Mr. President, I see no other Senators seeking recognition. The chairman of the Committee on Foreign Relations is on the floor. He may be seeking the floor.

Mr. President, I yield the floor.

Mr. HELMS addressed the Chair.

THE PRESIDING OFFICER (Mr. CRAIG). The Senator from North Carolina.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, the last thing I want to do is shorten any remarks that the distinguished Senator from New York wished to make. He is a fine orator and a good Senator and a good friend.

Let me ask a parliamentary inquiry, if I may. Is there a time limitation on each amendment this day?

THE PRESIDING OFFICER. There is no time limitation on each amendment, but the Dodd amendment does have a 4-hour time limitation with a vote scheduled for 5 this evening, so debate on that particular amendment could begin no later than 1 o'clock.

Mr. HELMS. I see. So I will not be burdening the Senate if I take a few minutes longer than 5 or 10 minutes with my remarks, if no Senator is here to offer an amendment.

THE PRESIDING OFFICER. I think the Senator may proceed.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 2523

Mr. HELMS. Mr. President, I call up amendment, No. 2523, and ask it be stated.

THE PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2523.

Mr. HELMS. Mr. President, 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. HELMS. Mr. President, I had the clerk read what I considered to be the most relevant part of the amendment. It has to do with people sitting around on their posteriors and doing no work at all—not wanting to do any work at all—yet drawing food stamps regularly and purchasing anything they want to

purchase with them, regardless of the statute. I say this as a Senator who has been here for almost 23 years, as a Senator who has served as chairman of the Senate Agriculture Committee, during which time I did my best to crack down on the abuse of the Food Stamp Program.

I recall getting the inspectors general to conduct a pilot program in a number of States, and I specified that my State be first, the State of North Carolina. The inspectors went to cities like Fayetteville and Wilmington, Laurel Hill and Durham, Charlotte and High Point, Winston-Salem, Greensboro and Asheville. Everywhere they went, they found terrific fraud in the Food Stamp Program. That is the reason I am offering this amendment today.

Now, there are going to be Senators who will speak in opposition to it—including at least one who is a very close personal friend of mine, Mr. COCHRAN—as I understand it.

I intend to hold the floor until Senator COCHRAN can get here so that he can speak against my amendment, which I wish he would not do. But he does what he does in good conscience and I respect him for it.

Mr. President, I have seen the good intentions of Members of the Senate and the House of Representatives and others who have sponsored and advocated the Food Stamp Program. Instead, this program has moved rapidly into a multibillion dollar boondoggle with the American taxpayers footing the bill. I doubt there are very many citizens who, themselves, have not seen examples of exactly what I am talking about.

The Federal Food Stamp Program, over the past 3 decades, has clearly been a major contributor to the Federal debt which, I might add, Mr. President, will surpass the \$5 trillion mark before the end of this year.

Mr. President, as an aside, I went into the Cloakroom not long ago and posed a little question to several Senators. I asked, "How many million in a trillion?" I received five different answers from Senators who participate in the fiscal policy of this country. If the Chair wants to know how many million in a trillion, I will tell him. There are a million million in a trillion. That gives you a perspective of what we are doing to the young people in allowing this debt to increase and increase and increase while efforts to enact a balanced budget amendment to the Constitution are filibustered.

I say that as a preface to my having offered an amendment to the Dole substitute amendment to H.R. 4, the Work Opportunities Act. If Congress truly expects to achieve meaningful welfare reform, Congress absolutely, in my judgment, must insist upon responsibility and common sense in the operation of the Federal Food Stamp Program. On many, many occasions, I urged the Agriculture Committee and the various witnesses and nominees

who have come before the committee to reexamine their spending priorities when it comes to Federal nutrition programs.

I have pleaded, time and time again, that the Agriculture Committee decide, and decide now, whether the U.S. Department of Agriculture will be restored, as an entity, to its original purpose—that is to say, a department dedicated to America's farmers and agriculture—instead of the social services instrumentality that it has become during the past 30 years.

For the record, the USDA's 1995 feeding assistance and nutrition programs cost the American taxpayers an estimated \$39 billion with more than 40 million Americans participating in the free food and free services program. That is for 1 year. The Food Stamp Program alone costs \$27 billion of which \$3 billion is squandered due to waste, abuse, and fraud—as I described earlier when inspectors went into my own State of North Carolina. And what is true in North Carolina is true in every State in the Union.

Mr. President, to put these figures into perspective, 62 percent of the entire USDA budget goes for food and consumer services with the Food Stamp Program comprising 42 percent of the entire budget. I wonder how many Americans realize that. It is easy to understand why the farmers I hear from are sick and tired of being shoved around by the Federal agency created to serve them.

I recall my years as chairman of the Ag Committee in the 1980's. I focused attention time and time again, on specific, precise identification of the waste and fraud found in the Food Stamp Program. I found a program in desperate need of repair—that was 10 years ago—because of the countless numbers of people willing to take advantage of a Federal Government handout—and they still are. The only difference is there are more of them today than there were then. I discovered then what Reader's Digest reported in its February, 1994 issue:

... food stamps have become a second currency used to pay for drugs, prostitution, weapons, cars—even a house."

People have even bought homes. They have gone to houses of assignment, and the proprietors of such enterprises accept food stamps.

Unfortunately, the political climate today is the same as it has always been. Attempts to restructure Federal programs to meet the needs of the poor while trying to use wisely the money of the American taxpayers brings the same old cadre of people saying this is heartless and this is cruel. It is not. It is an attempt to straighten this Government out—one small facet of it, but one expensive facet nonetheless.

Those who support the status quo of maintaining unlimited resources for social programs without regard to the cost of these programs to the taxpayers of today, and tomorrow, have simply ignored two significant facts crucial to

the welfare debate—and I would be derelict in my duty if I did not bring that up.

First, Congress—not some bureaucracy downtown—the U.S. House of Representatives and the U.S. Senate, is responsible for the expensive and costly social service programs and the resulting runaway debt. These programs may have been recommended from downtown, or by some politician who was thinking of the next election instead of the next generation, but the final, ultimate responsibility for the debt, for the creation of these foolish programs, lies right here where we work. We cannot put it on any President or any department or any bureaucrat. It was done right here.

Every day that the Senate has been in session, for more than 3 years, I have reported—maybe some Senators have noticed it—the most recently available exact total of the Federal debt down to the penny. For example, as of the close of business on Thursday, September 7, the exact total stood at \$4,968,651,845,437.79. (On a per capita basis every man, woman and child owes \$18,861.09.)

The second point, which naturally follows the first, is that Congress must restore fiscal responsibility and integrity to federal social service and welfare programs. Nobody else is going to do it. Nobody else can do it. If we do not do it, it will not be done, which brings me to the current discussion on precisely how the Federal Government is going to remedy the broken and irreparably destructive welfare system. I intentionally used the word “irreparably” because the current system built on a foundation of a government handout with nothing in return is beyond restoration. The concept is bad. It is bad for the taxpayer. It is bad for the personal morality of the lawmakers who permit it to happen, and in fact, encourage it to happen. And, it is bad for the recipient of welfare who is able to work but just will not work.

So that is why I am here this morning. We must instill into the welfare instrumentality and infrastructure the components of the underpinnings of what I like to call the Miracle of America. Can you imagine what laughter would have ensued if a little over 200 years ago at Philadelphia the Founding Fathers had been confronted with the suggestion that they pay people not to work—if somebody had suggested a Food Stamp Program? I think Thomas Jefferson would have rolled on the floor in protest.

We absolutely owe it to the people of America to do what we can—and do it now—to build an accountable work ethic, personal responsibility and common sense in public policy. If we do not do this, we fail in our duty.

So the pending amendment, which I have offered to the Dole substitute amendment, will require able-bodied individuals who receive food stamp benefits to work at least 40 hours every month—not every week, 40 hours every

month—before they receive food stamp benefits. This amendment will save the American taxpayers \$5.6 billion.

My amendment focuses on people who are able to work. I do not want anybody coming to the Senate floor moaning and groaning, “How about the sick and the infirm?” And do not try to tell me that there are not some kind of jobs available. It may not be the kind of jobs or the kind of work that these people want to do. The problem is they do not want to work.

The underlying substitute amendment simply does not go far enough in work requirements, as far as I am concerned. It allows recipients to receive benefits for an entire year while requiring that they work only 6 months.

This loophole—and I admire the author of the substitute—allows recipients to sit on their rear ends and do nothing and yet continue to receive those benefits that cost the taxpayers billions of dollars.

My pending amendment sets the parameters so that able-bodied citizens receiving food stamp benefits—and this includes approximately 2.5 million people—must work before he or she receives their monthly allotment of food stamp benefits. In the meantime, while earning their food assistance, recipients will have ample time to look for further permanent employment so that they can move altogether off of the welfare rolls.

One additional important fact: the pending amendment exempts children; it exempts their parents; it exempts the disabled; it exempts the elderly. The pending amendment focuses—as I stated before—on the 2.5 million able-bodied food stamp recipients.

In my judgment, Congress simply can no longer look the other way when it comes to restoring responsibility to the Federal nutrition and welfare programs. Congress can no longer allow unlimited tax dollars to be used on misguided, although well-intentioned, social programs. It is time to stop throwing taxpayers' money at pie-in-the-sky Federal programs instead of working to get to the root of the problem. This is one step toward reaching the root of the problem.

It goes without saying that I hope Senators will help accomplish this goal with their support of this amendment.

Mr. President, I understood the distinguished Senator, my friend from Mississippi, Mr. COCHRAN, was to be here about 11 or 11:15 so that he could speak in opposition to my amendment. I hope the Chair will recognize the Senator from Mississippi at such time as he may appear in the Chamber for that purpose.

I yield the floor.

Mr. THOMAS. Mr. President, I would like to speak in general terms about the bill that is before us, not particularly on the amendment offered by the Senator from South Carolina, but I will be brief and be happy to yield if Senator COCHRAN comes to the floor.

Mr. President, I, of course, have watched with great interest over the

last week as we have talked about welfare, and much of it has been in great detail, as it should be. But I rise basically to support the Dole amendment. I rise to urge that we pass this bill. There will be changes. There should be changes. There should be great debates. There are differences of view. But those things can, indeed, be resolved.

The point is we have come to the time, the monumental time in which we can reform welfare—almost everyone says welfare needs to be reformed—and yet we go on and on in great detail and, indeed, risk the opportunity of passage of this bill.

So I rise to suggest to my colleagues that we need to move forward. We need to consider the amendments. We need to consider the ideas. Mostly, however, we need to be committed to taking this opportunity to passing welfare reform. It is a historic time. It is the first time in most of our memories when we have had an opportunity to really look at what are basically Great Society programs that have not been reviewed, have not been changed in a very long time, have not been questioned as to whether or not they are fulfilling the purpose for which they were devised, have not been measured in terms of their effectiveness, in terms of accomplishing that goal.

No one would oppose the idea that we need to help people who need help, but the purpose is to help them back into the workplace, back into the private sector so that they can help themselves.

Nobody would argue that making a career of welfare is a great thing to do. No one wants to do that. So we have for the first time an opportunity to make these measurements, and I certainly am encouraged that we are doing it.

I have to admit that we are somewhat discouraged in that this is not the first time this year we have entered into one of great debates when we have had people stand up on both sides of the aisle and say we certainly want a welfare bill, we want a nonpartisan bill, we want to move it, and then go into a very partisan posture of seeing that it does not move, of having 150 amendments that have to be treated.

So I hope, Mr. President, that we are prepared to complete this task and complete it in a responsible time, to complete welfare reform for the first time in many years.

We have to deal, of course, with the perverse incentives that are there, the incentives that encourage people to be locked into welfare, that encourage the idea of additional children while on welfare, that encourage the idea of one-parent families. These are things that no one agrees with, but these are in fact at least partially the results of things that we have been doing. In short, the system conflicts with the basic principles of this country in terms of equality and opportunity, and that is what we are seeking to do.

There is a need for a new approach. I have dealt with this, as most of us

have, for a good long time, starting in the Wyoming Legislature when we had the same kinds of debates. But I am persuaded that this is one of those things—and there are many of them—in which the needs in Wyoming are quite different than the needs in New York or New Jersey or indeed in California, so that we do need to allow the States to be the laboratories in which we devise the best delivery plans we can.

That is partly what this is all about. The States know the kinds of programs. We have developed programs in Wyoming, nonpartisan programs, by the way, that are designed to bring people back into the workplace, and to a large extent they are working.

Workfare programs in Wyoming, known as Wyoming opportunity acts, were started by a Democratic Governor several years ago. They are very limited. They are only in two or three counties out of 23, and we have had difficulty getting waivers from the Federal Government to do those things. But they are a move in the right direction, and that is the kind of flexibility we do need.

Obviously, the Federal Government will have a role, setting a framework for the States, requiring work, encouraging child care, stressing personal responsibility, cracking down on fraud, but we need to give the States the flexibility to devise the plan that works there.

I urge that we move forward. Many of the things that are talked about as being partisan are really the great debates. There are differences of view. There is a substantial difference between the general philosophy of our friends on the other side of the aisle and this side of the aisle.

We have to resolve those. That is what it is all about. That is why we take votes. And that is why we have a process. I guess I am urging more than anything, however, that we collectively commit ourselves to completing this task, to accomplishing the reform of welfare.

The President in his initial entry into national public life said we are going to change welfare as we know it. Unfortunately, there has not been much activity from the White House—very little activity from the White House. This week's radio program however says let us keep politics out of the welfare bill. I am for that. Let us identify those issues that we need to talk about. There are differences. We can resolve them. We need to do that.

Unfortunately, the White House says, let us keep politics out of it; and then turns loose the Press Secretary and many others in the administration to come in in various areas.

So, Mr. President, I just believe strongly that the 1994 election and the continuing polling indicates a particular message; that is, Americans want action and they want something changed. They want reform. The American people do not want us to debate

this in great detail and then leave it, walk away from it without some resolution. I think they indicated we are sincere and serious about breaking the cycle of welfare and giving the States flexibility.

Those are issues that almost no one can argue with. We certainly need to be concerned about the distribution formula, about the maintenance of effort in the States, about training. We had to do some of these things in our Senate legislature. We had perverse incentives. We found it was more attractive for a single mother to stay on welfare than to go off to a minimum-wage job and lose health benefits and lose child care. We had to change that.

So, Mr. President, I am very optimistic about our chances to do something that has not been done for a very long time. And I urge my fellow Members of the Senate to move forward, resolve these questions—they can be resolved; that is what the system is for—and produce a result this week.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We have the Helms amendment currently pending.

Mr. LEAHY. Is there a time limit on that?

The PRESIDING OFFICER. There is no limit on the amendment per se. We have the Dodd amendment that does have a time limit of 4 hours, which would speak to commencing debate at around 1.

Mr. LEAHY. I thank the Chair. And I thank Senator MOYNIHAN and Senator HELMS. I had wondered about a time limit. I did not know whether one had been entered into. I wanted to make sure.

Mr. President, I would like to speak to a number of amendments to be offered: the one by the distinguished Senator from North Carolina, Senator HELMS, No. 2523; but also ones to be offered by Senator ASHCROFT, No. 2562; Senator SHELBY 2527; Senator MCCAIN, No. 2542.

I realize we will be voting on all of these, but I will oppose them, and I know of others who may. I want to lay out my reasoning. I would start with the amendment of the distinguished Senator from North Carolina, No. 2523.

I oppose it because I believe that instead of encouraging people to work, it actually punishes hard-working Americans and it also punishes pregnant women. I know that the distinguished Senator from Indiana, Senator LUGAR, chairman of the Agriculture Committee, which, of course, is the committee of jurisdiction over the food stamp program, strongly opposes the amendment of Senator HELMS. In this case both the chairman and I, as ranking Member, join in opposing it.

In doing that, I want to lay out some basic facts. I want to remind everybody

here that over 80 percent of food stamp benefits go to families with children. Over 90 percent go to families with children, the elderly or disabled.

Keep in mind where this is going. The average food stamp benefit is around 76 cents per meal, per person. And if you read this amendment, and follow it to its logical conclusion, it says if you work hard for 15 years, pay your taxes for 15 years, abide by the law for 15 years, but your factory closes, and you are taking more than a month to find another job—maybe the main employer in the whole area closes—you cannot get food stamp assistance after that time.

And even though you put all this money into your taxes, though you paid for the program for 15 years, you are out. The amendment looks back 30 days. If a person has not worked in the last 30 days they are denied food stamps.

Well, we all remember the earthquake in California, and hurricanes in Florida—these disasters caused major disruptions to employment. Or think of an area where you have one primary employer, say a large factory, that closes—you are going to take a lot more than 30 days to find a job. But if you have not worked in those last 30 days, even though you are out actively trying to find a job, you are denied food stamps.

Incidentally, the amendment makes no exception for women who are pregnant with their first child. If their employer goes out of business, these pregnant women must find another job or work for free for the county or the State before they get any food assistance. I do not think it is fair for pregnant women, and it certainly is not going to help their unborn child.

Now, my understanding is that Senators LUGAR and COCHRAN agree with me that this amendment is not one to be supported, and it is not fair to hard-working Americans who play by the rules, the factory workers who are laid off and need some temporary food assistance. One of the reasons we have the food stamp program and why it is part of the safety net is because we cannot say, "Too bad, go get a job. Then we will give you food stamps." It is a time when they are out looking for a job and cannot get a job that they need the food stamps. Usually if you are able to get a decent job, you are not eligible for food stamps anyway and you do not need them.

I think hard-working Americans deserve a better break than that. They should, of course, try to find work. Everybody should. But they should not be punished because their factory moved or they went out of business or they had to lay off employees.

There are an awful lot of people who have paid the cost of the food stamp program, and of every other program the Federal Government has been involved in from the Department of Defense to agriculture. Those people are going to be affected by this.

Now, the amendment by Senator ASHCROFT, I oppose because of its affect on the elderly and disabled. Under the Ashcroft amendment, once anyone has received 24 months of assistance in their lifetime, they can no longer receive food stamps unless they are working. Elderly and disabled Americans may work very hard for decades and then become cut off from benefits by that amendment.

The amendment also denies States the right to make a decision, a decision that is offered in the bill by the distinguished majority leader, to choose whether to take a block grant or to participate in the food stamp program. Under Senator ASHCROFT's amendment States no longer have that option. It is a mandatory block grant. Senator DOLE's bill contains that option. And I agree with the handling of this by Senator DOLE—States should not be forced to take block grants.

The amendment also imposes on States, whether they want it or not, an unfair formula for providing funds.

The formula penalizes those States that are growth States, especially those in the Sun Belt. It penalizes those States that face recessions. And I think every one of us knows that recessions often hit individual States harder than the country as a whole, and that each one of us have seen times when our State may be hit by a recession when other States are not.

During the last recession, my home State of Vermont was one of the first States affected by the recession.

Vermont suffered significant job losses throughout the recession. Just when Vermont would most need its food assistance, the amendment would say, "Too bad. Have a hungry day."

I think States should at least have the ability to decide whether to take that block grant, and this Congress should not impose it.

So I urge my colleagues to vote against the Ashcroft amendment, since it takes away the State's right to decide, it hurts the elderly and disabled, and it hurts some States at the expense of others.

Now let me speak to the third amendment offered by the distinguished Senator from Alabama, Senator SHELBY. I strongly oppose this amendment. I believe it would lead to a huge increase in childhood hunger among low-income Americans. More and more children live in poverty in this country. But Senator SHELBY's amendment takes food assistance away from low-income families and provides it to higher-income families who may not need the assistance.

The bill of the distinguished majority leader, the Senator from Kansas, already makes huge cuts in food stamp funding, but under the Shelby amendment to the Dole bill, a lot of the funds that are left would be diverted to higher income families. That means low-income children go hungry.

Again, remember what I said earlier, 80 percent of food stamp benefits go to

families with children; 90 percent go to families with children, the elderly or the disabled. But in this case, the money is actually diverted to higher-income families.

Under the current law, just to explain this, food stamp benefits are carefully targeted to the most needy Americans. Almost all the benefits go to those who live in poverty. But under the Shelby amendment, much of the food stamp money can be diverted to benefit higher-income families.

It also allows States to divert substantial portions of the block grant away from food assistance.

That, in my mind, is enough reason to defeat the amendment, but there is something even worse. The funds are diverted in a manner that reduces work programs. The one thing I think we all agree on is to try to get people back to work. I know I want—and this has been my position for years—to get participants off food stamps and into the work force. But this amendment allows diversion of funds away from work-related activities that help create jobs and help get people back to work. It is counterproductive.

The best way to get families back on their feet is to help them find a job. We should not reduce job-search efforts or job training.

Lastly, Mr. President, I oppose the amendment of the distinguished Senator from Arizona, Senator MCCAIN. The amendment would have some unusual, and I have to believe, unintended effects. Let us go back first to the bill of the majority leader. Under Senator DOLE's bill, food stamp assistance could be used to provide subsidies to private employers to hire food stamp recipients. It is called wage supplementation. It has to be done carefully, but if it is done carefully, it can be a very good idea. Under Senator DOLE's bill, corporations can use this Federal money to subsidize wages for up to 6 months. Then the employer has to decide, do you hire the person or let them go?

Senator MCCAIN's amendment allows for a permanent subsidy for jobs for private employers. It takes money away from others who need help getting off food stamps and into the work force. We have already cut back the amount of money substantially in food stamps. So I oppose that amendment also.

Mr. President, none of these issues are easy when it comes to food stamps. There are improvements that can be made to the program. We have made some substantial ones over the years. One improvement that I strongly support—in fact, I have written an amendment to do this—is to get us as quickly as possible on to an EBT Program, an electronic benefits transfer program. It would save tens of millions of dollars in just the cost of printing and handling food stamps. We tend to forget that there are millions and millions and millions of dollars that are spent just in printing these coupons, in col-

lecting them and storing them, and even millions in carefully destroying them.

Electronic benefits transfer would use a credit-card type of system, with the computer ability to say, if you have 46 dollars' worth of benefits, you know exactly where the \$46 was spent, whether it was spent at a legitimate grocery store or fraudulently spent elsewhere.

Electronic benefits transfer would help us catch those who defraud the program. There are people in all parts of this country who are using this program, which was designed to help hungry children, the poor, the elderly, and the disabled, to rip off the taxpayers. We have had instances of stores, tiny little stores, that are doing hundreds of thousands of dollars of business a month on food stamps. It is obvious they are not selling that. They are a front to cash in these food stamps.

Under my plan, with electronic benefits transfer, we could find those stores more easily. We could identify them much more quickly. We could give the U.S. attorney far more evidence for prosecution. And, frankly, Mr. President, those who are defrauding the program in this way should go to jail. They should be taken off the program, the store should be taken off the program, the person using the food stamps should be barred from the program, and the person should be prosecuted and sent to jail.

I hear a lot of talk about what might prove to be a deterrent and what might not. I found during my years as a prosecutor nothing proved a better deterrent than the knowledge if you committed a crime you are going to do the time. I found the best deterrent was not to say, "Oh, we have all these laws on the books, you potentially could get nailed for this." If people know they are not going to get caught, that does not make any difference.

I will give one example. I used to give to police officers at the police academy, when I was a prosecutor, a lecture. I said: You have two warehouses side by side, both filled with television sets. One is well lit and has an alarm system. It is going to notify the police immediately if there is a breakin. The other is down the street around the corner off the view of the main thoroughfare, has no lights around it, has an old lock and has no alarm system. Now, the penalty for breaking into those warehouses and stealing the television sets is exactly the same, whether you break into the one with the alarm system and well lit, or the one around the corner where nobody is going to see you and you get away with it. The law is exactly the same. The penalty is exactly the same. The answer, of course, is simple. You are going to break into the one where you think you will not get caught. The penalty was not the deterrent. The deterrent was that you might get caught, you might get prosecuted, you might

go to jail. The same thing should be done with food stamp fraud.

If you are running a small store, some of which are about the size of our offices, and doing more food stamp business a month than a supermarket, and if you know you are going to go to jail, not just that you will be taken off the program and not allowed to sell, but you are going to go to jail if you do it, you are going to think twice about defrauding the program, especially if the Federal authorities have a new tool that gives the prosecution an ironclad ability to nail you. We must provide that tool.

We have to do that because there is one thing we have to remember: Those who commit fraud in the food stamp program are taking money from every American taxpayer, people who work very hard. Sometimes a husband and wife are holding down three jobs or four jobs between them just to pay the bills. They should not have to pay for those who are defrauding the system. For those of us who feel we should do something to help hungry children, it is also taking money away from them.

There are studies that show if we go to this, we could save \$400 million over 10 years. Frankly, I would like to see us save even more, and I suspect we will.

It will not be just the paperwork where we will save money or the printing and collecting and distribution of paper coupons. We will save money by reducing fraud. I think the benefits will be enormous.

My amendment allows States the option to convert statewide to EBT. I sent a "Dear Colleague" letter Friday, before we went out, to all of the offices. I know each one of us eagerly awaits "Dear Colleague" letters so that we can read them before we do everything else. If there are any other Senators who just came back and have not had a chance, as I eagerly read all of yours, hopefully, they will read mine. This is a way to save money. I see the Senator from Mississippi.

I yield the floor.

Mr. COCHRAN. Mr. President, I regret that I must oppose the amendment of my good friend, the distinguished Senator from North Carolina. I agree with him that our public assistance programs ought to encourage work and not dependency. But it seems to me that this amendment affects the wrong people.

For example, individuals who have a long job history, but who are laid off when a factory closes, would be denied benefits under the amendment. This result concerns me. Individuals who have never been on the Food Stamp Program and who have always worked seem to me to be those whom this program ought to help—people who face a temporary setback.

In the case I have described, individuals who have been laid off when a factory closes may face high local unemployment conditions and may find it difficult to get a job.

A major goal of the Agriculture Committee was to preserve a safety net for people who have played by the rules and need a helping hand through hard times, while ending the free ride for those who have taken advantage of the system.

As a matter of fact, there are numerous provisions in the bill to promote work and to deny benefits to those who will not work even though they are able-bodied and could be working. For example, States will—for the first time—be able to permanently disqualify repeat violators of work rules under this bill.

Mr. President, we have worked to analyze a number of suggestions for reducing the costs of this program, for tightening the rules, and making true reform come to pass. We think this is a balanced and thoughtful approach that we are recommending to the Senate for its action. I hope the Senate will support the committee's effort.

Mr. LUGAR. Mr. President, our public assistance programs should encourage work, not dependency. The Senator from North Carolina and I agree on this. However, this amendment affects the wrong people.

It would deny food stamps to able-bodied 18- to 55-year-old persons without dependents unless they work at least part time. Many people who fit that description are not long-term food stamp recipients.

Individuals who have long job histories but who are laid off when a factory closes would be denied benefits under this amendment. This result should concern all of us. Individuals who have never been on the Food Stamp Program and who have always worked are exactly the kinds of people that the Food Stamp Program should help—people who face a temporary setback.

Individuals who have been laid off when a factory closes may face high local unemployment and may find it difficult to get a job. The case of the people I have described is not unusual. Over half of all food stamp recipients will only stay on for a matter of months, and they will most likely leave because their earnings increase.

A major goal of the Agriculture Committee was to preserve a safety net for people who have played by the rules and need a helping hand through hard times, while ending the free ride for those categories of recipients who have most taken advantage of the system. Under the leadership bill, able-bodied, nonelderly adults without dependent children will have their benefits time limited if they are not in a job or employment program at least halftime. The time limit in the leadership bill prohibits the receipt of food stamps for those who were not working for 6 months out of a year. According to the Congressional Budget Office, approximately 700,000 people would be subject to this requirement in an average month. USDA's estimate is higher. However, under the leadership bill, the

Secretary of Agriculture may waive this provision in areas with over 8-percent unemployment or if there are insufficient local jobs.

The amendment by the Senator from North Carolina does not contain any waiver language. In addition, AFDC block grant recipients who violate an AFDC work program requirement will be sanctioned under the Food Stamp Program. For an AFDC recipient who has been disqualified from food stamps due to an AFDC work violation, the food stamp disqualification continues until compliance even if the recipient loses AFDC eligibility.

Numerous other provisions in the bill promote work. For example, States will—for the first time—be able to permanently disqualify repeat violators of work rules.

Mr. President, I urge Senators to vote against this amendment.

Mr. HELMS. Mr. President, I will not consume very much more time. THAD COCHRAN knows of my respect for him. There is no Senator in this body for whom I have greater respect. But I have to say to him, as I say to the distinguished Senator from Vermont, I do not know which amendment they are talking about, but they are certainly not talking about the pending amendment by JESSE HELMS.

For example, both Senators have said and have voiced a lamentation that people who are temporarily out of work would be cut off of food stamps. Clearly, on page 2 of the amendment, it says, "For the purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by a State or political subdivision."

Then, Mr. President, the distinguished Senator from Vermont mentioned people needing food stamps in earthquake situations—workers are needed for community service then more than ever. They should not be desirous of just sitting around while somebody cleans up the mess.

I, then, heard that we ought not to deny pregnant women food stamps. Mr. President, there are pregnant women all over this country working today. As long as they are able to work, they do. Some of them—who have worked in my office and at my television station before I lost my mind and ran for the Senate—worked until a few days before they went to the hospital. I am not saying that they ought to do that. But, to say that a pregnant woman should automatically get food stamps does not make sense. It is not fair to all the pregnant women who get up and go to work every day by the millions in this country.

Excluded from this amendment—let me repeat—excluded are children under 18, parents with dependents under 18, mentally or physically disabled, members of a household caring for incapacitated people, and people over 55 years of age.

Although many families with children receive some food stamp assistance, the overwhelming majority of them also receive aid from another Federal program, another costly Federal program—the AFDC. Welfare benefits are already given to these families.

Mr. President, we are supposed to be dedicated to working toward a balanced budget. The Heritage Foundation has estimated that 9 out of every 10 recipients will automatically drop off the roll if you require them to work under the pending amendment.

Also, according to the Congressional Budget Office, the pending Helms amendment will save \$5.6 billion of the taxpayers' money over the next 7 years.

As for the role of the States, the Republican welfare bill removes a mountain of redtape and administrative costs are cut tenfold. In addition, the U.S. Department of Agriculture, in a report from 1986, states that enforcing strong work requirements will save \$3 on welfare costs for every dollar the State invests in a work program.

Currently, there are 15 million State and local employees within 23,000 county and municipal governments. If absolutely nobody were to drop off the welfare rolls because of the Helms amendment—and this is next to impossible because of the Heritage Foundation estimate which I just stated—this amendment would increase the State and local employment rolls by only 3 percent, and then only for workers working one-fourth of the time.

Finally, it is easier for States to keep track of recipients when they sign up for work and benefits at the same time and place. Trying to keep track of recipients in private sector jobs while making sure that they are in fact working could be an administrative nightmare.

Therefore, I must respectfully decline to accept the criticism of the Helms amendment by my friend from Vermont and my friend from Mississippi.

Finally, Mr. President, I ask unanimous consent that the article of February 1994, from the Readers Digest to which I referred earlier, entitled "The Food Stamp Racket," be printed in the RECORD.

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

THE FOOD-STAMP RACKET
(By Daniel R. Levine)

Spyros Stanley was one of the wealthiest people in Charleston, W.Va. He owned a bar and practically every parking lot in the city. But, according to investigators, he had also purchased \$23,000 worth of food stamps—for a fraction of their value—from welfare recipients and crack-cocaine dealers. Stanley was buying the stamps to purchase food for himself and his bar.

In Brooklyn, N.Y., J & D Meats, Inc., looked like a typical big-city wholesaler, bustling with delivery trucks, vans and forklifts. Its finances, however, were anything but typical. J & D's owners were illegally trading meat for food stamps. The whole-

saler was converting the stamps to cash by depositing them into the bank account of a retail meat market it had once owned, but which was then out of business. In nine years, J & D Meats redeemed \$82-million worth of food stamps at its bank.

In Hampton, Va., food stamps became Lazaro Sotolongo's road to riches. Penniless when he arrived from Cuba in 1980, Sotolongo set up a drug ring that sold crack for food stamps at 50 cents on the dollar. He converted the food stamps to cash by selling them to unscrupulous authorized retailers. Over three years he took in more than \$8 million.

Says Constant Chevalier, Midwest regional inspector general of the U.S. Department of Agriculture (USDA):

"We've seen just about every type of fraud and abuse of the food-stamp program you could think of."

In 1968, 2.2 million Americans received food stamps at a cost of \$173 million. Today, 27 million Americans are enrolled in a food-stamp program that costs taxpayers \$24 billion a year.

Food stamps are available to anyone meeting certain eligibility requirements, including individuals whose monthly income is 30 percent above the poverty line. The eligibility requirements are so generous that a family of four earning \$18,660 a year (and an individual earning \$9,072) can qualify for limited benefits. Maximum benefits for a family of four with no income are \$375 a month, while a family of eight can receive up to \$676 a month. The value of the stamps is inflated to 103 percent of the cost of the government's basic nutrition plan. This three-percent boost costs \$850 million each year.

Even when required by law, getting Congress to cut food-stamp benefits is nearly impossible. Benefits are indexed for food-price inflation once a year. But when food prices dropped 1.3 percent between 1991 and 1992, Congress blocked the law's automatic reduction in food-stamp benefits, throwing a potential savings of \$330 million out the window.

At the same time President Clinton and Congress talk of reducing the federal deficit, food-stamp spending will increase by \$3 billion over the next five years. Now is a good time to take a look at what years of skyrocketing spending have already produced.

Second Currency. Once a month, a large percentage of food-stamp recipients receive "authorization to participate" (ATP) cards in the mail that show their monthly allotment based on household size and income. They take these to a post office, bank or check-cashing store and exchange them for food stamps, which are used to buy food in authorized retail stores.

But it's when recipients trade the stamps for cash or drugs that the system breaks down. A typical fraud works this way: A drug dealer approaches a food-stamp recipient outside an issuance center and trades \$50 worth of crack for \$100 in food stamps. The dealer then sells the stamps to a dishonest authorized retailer for \$75 in cash. The store then redeems the stamps at a bank for their full value. As a result food stamps have become a second currency used to pay for drugs, prostitution, weapons, cars—even a house. Says Cathy E. Krinick, a Virginia deputy commonwealth attorney, "Food stamps are more profitable than money."

In Camden, N.J., a USDA agent making an undercover investigation into food-stamp fraud received a startling offer in January 1991. Jack Ayoub, owner of a grocery store authorized to accept food stamps, had already received \$6700 in coupons from the agent for \$3300 in cash. Now Ayoub offered to trade a three-bedroom house for \$30,000 in food stamps and another house every two

months using the same scheme. After completing the first part of the deal, Ayoub was arrested by federal agents.

An art aficionado in Albuquerque, N.M., used food stamps to fund his collection. He also owned a general store authorized by the USDA to accept food stamps. But instead of milk or eggs, he gave customers cash at 30 to 50 cents on the dollar for their stamps. Then he redeemed them at the bank for their face value. With his profits, he bought \$35,000 worth of stolen art.

Food stamps are also easily counterfeited. Dennie Lyons of New Orleans printed more than \$127,000 worth of bogus stamps and tried to sell them around the country. When caught, he was sentenced to four years in prison, and his wife, Johnette, got five years' probation for aiding him. But it wasn't long before her phony food stamps were replaced by real ones—soon after her indictment, she was admitted to the food-stamp program.

Retailer Rip-Offs. Only stores authorized by the USDA's Food and Nutrition Service (FNS) can accept and redeem food stamps. But the procedures for receiving authorization are woefully inadequate. A retailer can receive certification merely by filing out an application and stating that staple foods account for over 50 percent of his sales. At the same time, however, there are some 175 FNS people assigned to monitor and investigate the activities of 213,000 authorized retailers, of which 3200 are estimated to be illegally exchanging stamps for cash.

The FNS is so outmatched that even official sanctions don't work. A USDA audit in 1992 found that there were "no effective procedures" to prevent disqualified retailers from continuing to accept and cash in food stamps. "The disqualification process is sorely lacking," says one regional inspector general.

Adds Craig L. Beauchamp, the USDA's assistant inspector general for investigations, "We are seeing more million-dollar-and-up frauds committed by retailers than we have ever seen before."

In Toledo, Ohio, grocer Michael Hebeke was convicted of fraud and permanently banned from the food-stamp program in 1984. Using falsified papers, he tricked officials into believing he had sold his Ashland Market to an employee. Soon the government reauthorized the store to accept food stamps, and Hebeke was back in business. When he was caught a second time in May 1991, he had already redeemed another \$7.2 million in stamps.

In Los Angeles, two small grocery stores bought food stamps for half their face value in cash and redeemed them for their full value. Between 1989 and 1992, they cashed in stamps worth more than \$20 million. For 16 months, one of the markets averaged \$19,000 a day in food-stamp redemptions—even though it had only \$10,000 in inventory.

In East St. Louis, Ill., Kenneth Coates, owner of Coates Market, paid as little as 65 cents on the dollar for food stamps, which he cashed in for full value. Over a year and a half, he redeemed \$1.3 million, enabling him to pay for his children's private schooling and have enough left over for \$150,000 worth of stocks, at least five rental houses and a Mercedes-Benz. This wasn't the first time Coates Market had defrauded the food-stamp program. Ten years earlier, it had been disqualified for fraud—only to be readmitted after six months.

Bureaucratic Nightmare. After Medicaid, the food-stamp program is the most expensive in the federal welfare system, and one of the most poorly run. Even when the number of recipients has dropped, operating cost have gone up. In 1990 there were 600,000 fewer people on the rolls compared with 1981. But administrative costs soared from \$1.1 billion

to \$2.5 billion. The bureaucracy has grown so unwieldy that mismanagement and inefficiency permeate the program.

Most welfare programs are jointly funded by state and federal governments. But food stamps are entirely funded and regulated by Washington, while state and local agencies are responsible for administering and distributing the coupons. Essentially, states run the day-to-day operation of a program in which they have little incentive to manage costs efficiently.

Mistakes are rife. In 1992, \$1.7-billion worth of food stamps were overpaid or sent to ineligible people. The government has fined states that have high error totals, but the penalties are rarely taken seriously. During the past 11 years, \$869 million in fines have been levied, and only \$5 million collected.

With over \$20 billion in federal food stamps circulating every year and little reason for the states to manage them effectively, it's no surprise that the program is easy pickings for crooks—even those "inside" the system.

In Detroit, the department of social services sent \$26,000 in food stamps to Mae Duncan. But she didn't exist. The name was one of 26 invented by Patricia Allen, a 39-year-old social worker. Over a nine-year period, she collected more than \$221,000 worth of food stamps. In Baton Rouge, La., two sisters who were social-service caseworkers issued \$50,000 in food stamps to nonexistent recipients. And in St. Paul, Minn., nobody noticed when a state clerk pocketed \$180,000 worth of returned food stamps in nine months.

Of the \$24 billion taxpayers fork over for food stamps, nearly \$2 billion is lost to fraud, waste and abuse. Says welfare and social-policy expert Charles Murray of the American Enterprise Institute, a Washington, D.C., think tank, "This is a program that for three decades has grown year after year, without any evidence that it should grow."

Clearly, radical reform is needed. Here's what can be done:

1. Tighten eligibility. Food stamps should be focused on helping the neediest Americans—those living at or below the poverty line. Lowering the income eligibility ceiling to that level (except for families with elderly and disabled members) would guarantee that taxpayer dollars are going to those who truly need assistance.

2. Cut excesses. Reducing benefits so that they reflect 100 percent, rather than 103 percent, of the government's basic food plan would save \$850 million annually. And states with excessive error rates in administering food stamps should be forced to reimburse the federal government for the lost money. If incentives are put into place, taxpayers could be saved hundreds of millions of dollars each year, and recipients would be served more efficiently.

3. Crack down on criminals. Last August, Congress passed legislation introduced by Sen. Mitch McConnell (R., Ky.) toughening penalties against recipients and retailers convicted of food-stamp trafficking. This is a good start, but much more can be done. Recipients should be permanently barred from the program the first time they are caught trading food stamps for drugs, just as they are when they trade for weapons, ammunition or explosives. Now they are given two chances.

As for retailers, information they provide the FNS, such as sales-volume and coupon-redemption data, should be shared with federal law-enforcement officials. Currently, only other welfare agencies are allowed to see these numbers. Also, tougher standards should be imposed before retailers can be certified to redeem food stamps and after a store has been disqualified. Regular store visits and interviews with the owners should

be the rule, not the exception. Some of the savings from the program should be used to hire much-needed additional FNS investigators.

Ultimately, however, it is up to Congress to control the rapid growth of food stamps. But over the program's 30-year history, Congress has rarely taken the bold steps necessary to rein in costs. Eliminating illicit trafficking and ensuring that food stamps reach only the neediest Americans in a cost-efficient manner should be a top national priority.

Mr. HELMS. I yield the floor. 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. HELMS. 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. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

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

The yeas and nays were ordered.

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

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

Mr. MOYNIHAN. Mr. President, I am taking a moment to expand on the remarks I made toward the end of our debate on Friday concerning the amendment I offered, the Family Support Act of 1995, a measure which simply brought up to a new set of standards the Family Support Act of 1988.

We began in 1988 saying all States would have to have 20 percent of their eligible adult welfare recipients in work, job training, or job search by 1995.

It was understood that as we got the hang of this, as States learned to handle what was a new idea, welfare should be an interim measure, as people moved to independence and became self-supporting. We agreed to change a program that began as a widows' pension and is no longer such.

It was contemplated we would work our way up to higher levels of participation, and indeed in the Family Support Act of 1995 we move to 50 percent by the year 2001, add money to the JOBS program, make improvements to the child support system, and build on a program which we have begun to feel is working.

Dramatic improvement does not happen instantly when one passes legislation, not in an area like this, not in a situation where we have so many communities that have been reduced to an extraordinary incidence of dependence.

I mentioned on Friday that, in the city of Chicago, 46 percent of children

were on welfare at some time in the course of the year 1993; in Detroit, 67 percent; in New York, 39; in Philadelphia, 57; San Diego, 30. These are massive problems.

It is not surprising that the first real reactions to the Family Support Act, the ones that were most innovative and effective, came in areas not necessarily rural, but not with the masses of poor who inhabit the great cities. Iowa is one of these areas with great significance.

On the floor a month ago, Monday, August 7, my good friend and comanager here, the Senator from Iowa, [Mr. GRASSLEY], said something very important. He said, "... my State of Iowa began the implementation of its program in October 1993. In the last 2 years, the number of AFDC employed recipients has increased from 18 percent of all welfare recipients to 34 percent—I believe now the highest of any of the States—as a percentage of welfare recipients who are working." If I may interpolate, I think that is correct. We had set 20 percent as the initial goal. Iowa went right by it to 38 percent, more than halfway to the goal of fifty percent we had contemplated in the Family Support Act of 1995 presented to the Finance Committee. That bill failed 12 to 8 in the Finance Committee and received 41 votes here on the Senate floor; 54 to 41, if I recall.

But that bill of 1988, which I say, once again, went out the Senate door 96 to 1, began to take hold. The program in Iowa that Senator GRASSLEY was talking about is the program created under the Family Support Act. Mr. President, the Federal government pays at more than 60 percent of the program costs in the JOBS program. The Family Support Act of 1995, which we voted on Friday, would take it from 60 percent to a minimum of 70 percent for all expenditures, including administrative costs. States have not in the past drawn down the full amount available to them to implement the JOBS program—by increasing the federal share, my bill would make possible the full implementation of the JOBS program.

I might just add as a preface to some of the other things I am going to say, Iowa passed a reform bill 2 years ago. Indeed, on that occasion, Mr. President, I put into the RECORD the Iowa Family Investment Program, for which basic approval under the JOBS program was requested in April 1993 and approved in August 1993. They received a waiver to raise the asset limit for applicants to \$5,000 for recipients, exempt equity value of an automobile up to \$3,000, adjust annual CPI by income deposited in an IDA account not to be counted as income, and so forth.

In Iowa, if you are out in the countryside and you do not have an automobile, you are not going to find a job. One of the debilitating things about welfare is that it has required its recipients not only to be paupers but to remain paupers. About 5 years ago a

mother was discovered in a Middle Western State who had been saving, had saved some \$12,000 to put her daughter through college, and was, in consequence, a criminal.

It just emiserates the population involved, and not a small number of persons. To say again, in some cities it is the majority of all the children living in the city—67 percent of the children in Detroit, 57 percent of the children in Philadelphia.

On Friday, Senator HARKIN gave a very careful and thoughtful description of the program in Iowa, following on some of the remarks by his colleague. He said he wanted to bring to his colleagues' attention what has happened in Iowa "since we changed our welfare system." He said:

We enacted a welfare reform program in October 1993, and almost 2 years later you can see what happened. Our total spending on welfare has dropped, and dropped dramatically since we had our welfare reform program.

Mr. President, what Iowa has been doing is exactly what the Family Support Act hoped States would do. And Senator HARKIN very properly said the program was enacted in October—that was following the approval from the Department of Health and Human Services in August. In Iowa, sixty-three percent of the JOBS funds are federal moneys.

Iowa has every reason to be proud of its program. But is Iowa certain that the program will continue when the funds are discontinued? The JOBS program is abolished by both the Democratic bill, that we voted on earlier last week, and the Republican bill. We are taking something that has worked and decided, no, it has not worked fast enough. Or has not worked far enough? The proposal to undo this is the nearest thing to vandalism I can recall in 19 years in the Senate. We will regret it and we may return to it. Or we may, as in the case of the deinstitutionalization, forget what we did and wonder what this new, ominous, inexplicable problem of child poverty is?

I say again, a 5-year limit in a situation where 76 percent of the recipients are on AFDC for more than 5 years, will lead to a situation out of control, if it is not already. We will not begin to see the effects for about 5 years. Five years is a very long time in our memory. I have said over and over again, how quickly we forgot that we emptied out our mental institutions and did not build the community health centers that President Kennedy contemplated.

We will forget, perhaps, what we have done, what we did on the Senate floor in this September. And we are doing it in the face of the first really good evidence that the JOBS program is working. The Manpower Demonstration Research Corporation, last July, put out a report on the programs it had been following around the country, because we built evaluation into our studies. And the overwhelming evidence was that the Family Support Act was

working. The most promising results involved a strategy that was tested in Atlanta, Riverside, and Grand Rapids, that emphasized rapid job entry. We learned something here.

Training? No, no. Get into a job situation, and you will learn the job. You will learn on the job if you can learn to get to the job.

The number of AFDC recipients dropped by 11 percentage points in those three. Employment rose by 8.1 percentage points. Expenditures dropped 22 percentage points, which was exactly what Senator HARKIN was describing. And the MDRC, which is a very careful organization, observed that the 22 percentage point drop in expenditures exceeds the savings achieved by experimentally evaluated programs in the last 15 years. We are finally beginning to understand this problem.

What we are dealing with here is the aftermath of an enormous increase in out-of-wedlock births. President George Bush was the first President to speak of this, and did so in a commencement note of 1992. President Clinton raised the issue in his State of the Union Address in 1994. Never before had Presidents touched on this subject. Never before have we debated it. We are doing so now, and as we must.

In the current issue of *The Economist*, Mr. President, a journal not necessarily read widely in the United States but certainly respected, this week's cover story, "The Disappearing Family," talks about the American experience, the awful experience. It includes a chart of the experience of this country for which I find myself cited as the source. It is the first time *The Economist* looked to me for data. Indeed we find that in every country in northern Europe there has been extraordinary increase in the ratio of births to unmarried mothers in the last 30 years. A few Western industrialized countries have not seen an extraordinary increase. Italy's rise has not been as shocking as ours, and Switzerland has had a fairly modest increase. Japan's ratio was 1 percent in 1970, and is 1 percent today.

This is going to be a major subject of cross-cultural studies in the next century as we find ourselves asking what are the forces that make for the dissolution of the marriage unit in Western society that do not similarly affect Eastern societies?

Just last Friday, as I believe, the Christian Coalition had a large conference here in Washington, and a number of Senators spoke. Mr. Ralph Reed is their director. They heard a stirring comment from Mr. Alan Keyes who spoke to them. This was the Christian Coalition's annual conference here in Washington. He said:

And we know the breakdown of the marriage-based, two-parent family is at the root of every problem, crime problem, poverty problem, deteriorating education, even the problem of entitlements, where we have backed away from the family system that

ought to take care of the children and the elderly and try to turn that task over to a Government that cannot get it right.

You know, Mr. Keyes I believe is a candidate for the Republican Presidential nomination. He said:

We are doing it wrong when we back away from the family system, and we have allowed the destruction of the family system because we are defining our freedom in a corrupt and a centrist way that destroys the loyalty and law and sense of obligation that is needed for family life. Now we know it is true, and I have a question for you then. If you know it is true, and you think it is right, then why on Earth would you sit back this time, when it matters more than anything else in this Nation that we put our No. 1 priority and put your seal of approval behind people who put it on the back burner and give it the back-seat and only talk about it when they force them to? What is the matter with you?

He went on to say:

The marriage-based family, the No. 1 priority of this Nation's life, nothing is more important, not the budget, not the deficit, not taxes, not the power of the Federal Government over the State government. We will rebuild our families or we will perish, and we know it.

Well, that is language that is perhaps more in the mode of bearing witness than of giving testimony. But it is a purposely legitimate setting and a purposely legitimate speaker saying something which I happen to think is entirely the case, and I think it is so important that we are talking about it. We used not to talk about it. We could not do it. We did not do it 30 years ago, or 20 years ago. We started to talk about it 10 years ago, and now we have reached it. We do not know what to do with very little evidence, no data. Only in the last Congress did I get a welfare indicators report established by statute, and in 2 years' time we get our first study. The idea is to match the economic report that was created by the Employment Act of 1946. We are getting there. Long before you get good answers, you have to ask good questions. I think we have begun to do that. I take heart from it.

I wish that my friend from Iowa would acknowledge that their success is success under a statute we passed in 1988, and it is well deserved. And we might do worse than to build on that success rather than dismantle the program. But there you are. That is a decision the Senate will make in good time.

I see my friend from North Dakota is on the floor. I understand he wishes to speak. In any event, Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair. The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, just for a couple of minutes to respond to what the Senator from New York had to say, I would very readily admit that a certain amount of flexibility under the 1988 act gave States the opportunity to change their plan and come to Washington and request waivers. It gave us an opportunity for the political laboratories of our system of Government, our State legislatures, to try

something new and to experiment. Most of those States participating have been very successful. I think my State of Iowa has been the most successful.

But I think that what we have seen is two phenomenon which dictates to me that we ought to move more aggressively toward flexibility to the States. The No. 1 thing is a dramatic increase in the number of people on welfare, 3.1 million now since the 1988 act went into effect. There was some leeway to States in that act that gave them an opportunity to make it possible for more people to get on welfare. I do not know whether that was intended or not, but it was an end result. So we have 3.1 million more people on welfare. The second phenomenon is that it is costing more money, and I think at a time when we thought we were passing an act that was going to save some money, that tells me, as I look back to my involvement with the 1988 Act, that I failed in making that judgment.

In the meantime, we have seen several States move dramatically forward, move people from welfare to work, save their taxpayers' money, and save the Federal taxpayers some money as well. And in that 7-year period of time, it has given me, and others of my colleagues, encouragement to have more faith in the States to do things even more dramatic and dynamic than they have done thus far under waivers.

I would suggest that if there is one reason that I wish to be able to move forward based upon the success of the Iowa legislature and their plan, it is the fact that, in my judgment, that Iowa would have gone much, much further in reforming welfare if they did not have to tailor a program that would meet the requirements of some obscure bureaucrat in the Department of HHS in order to get approval. So that is why Republicans have a bill that gives so much more authority to the States than ever before.

I will admit, in conclusion, that the stage was set for it by the 1988 Family Support Act; but it set a stage that tells us now that we can do even more than what we could do under the 1988 act and we ought to do it.

I yield the floor.

AMENDMENT NO. 2529

Mr. CONRAD. Mr. President, I would like to call up my amendment No. 2529.

The PRESIDING OFFICER. If there is no objection, that will become the pending question.

The Chair hears no objection.

Mr. CONRAD. I thank the Chair. I thank my colleague from New York for the opportunity to discuss my amendment.

Mr. President, the amendment that I offer I call a State flexibility amendment because it allows States to choose between the Dole AFDC and job training block grant and titles I and II of my own welfare reform plan, the WAGE Act, the Work and Gainful Employment Act, that I offered in May of this year. Titles I and II of the WAGE Act are based on four principles: First,

work; second, protecting children; third, providing States flexibility; and fourth, preserving the family structure.

I believe those are the fundamental principles of any serious welfare reform effort. My plan provides unprecedented flexibility to States while providing a safety net for children and an automatic economic stabilizer for States.

Mr. President, I agree strongly with my colleagues that States should be given great flexibility to design and deliver welfare programs. My amendment expands this principle by giving States a choice between block grants, the pure block grant approach as contained in the Dole proposal, and my totally new approach to welfare that has a combination of a block grant and a temporary assistance program that includes an automatic economic stabilizer so that States are not put in a circumstance in which they may not be able to meet the needs of children in their States due to economic conditions or a natural calamity.

Under my amendment, States are given a chance to choose the block grant approach in the Dole bill or the WAGE approach contained in my bill for 4 years, after which the State could choose to continue its program or switch to the other approach. In other words, the amendment that I am offering today expands the choice of individual States. They can choose the Conrad approach that contains a block grant as well as a temporary assistance program or they can choose the pure block grant approach of the Dole program.

For the past month, my Republican colleagues have engaged in extensive and arduous discussions to work out a formula for States with high rates of population growth. While we may differ with the merits of the formula, the negotiations dealt with the most important issue confronting the Senate as we debate welfare reform, and that is economic uncertainty.

None of us in this room can predict the economic future. History has taught us that the business cycle is not predictable, natural disasters are not predictable, State growth patterns are not predictable, and economic performance may differ dramatically between the States.

Economic uncertainty must be at the forefront of this debate. It is precisely the fact of economic uncertainty that leads millions of people to welfare during times of crisis. Welfare programs, with all their flaws, provide the safety net that helps families survive plant closings, droughts, floods, layoffs, and other crises.

When I set out to develop a welfare reform plan, I told my staff that the word "entitlement" was banned from their vocabulary. The word "entitlement" sends all the wrong messages and underscores the devastating problems of our current system.

Unfortunately, in the current system, there are no incentives to work.

Welfare recipients learn quickly that work does not make them better off and that not working entitles them to a guaranteed monthly check. I think that is the reason the taxpayers have no respect for the welfare system as it currently exists. Our current welfare system violates American values of hard work and personal responsibility. We must reform the status quo and create a system that encourages work, self-sufficiency, and that strengthens family.

I believe my welfare reform plan meets those tests. It does not entitle people to a free ride. Instead, it demands responsibility and a personal commitment to become self-sufficient in return for a transitional welfare check.

Mr. President, when I go to my State and I talk to the people in every corner of North Dakota, they say to me, "We're not unwilling to help somebody that has hit hard times or somebody that is permanently disabled or somebody that for some reason has fallen into a circumstance where they need some help for a time. And we're even willing to help people permanently who are disabled. But, you know, we are not willing to be shelling out to pay for somebody who could work who refuses to work. That's not fair."

Mr. President, they are exactly right. Unfortunately, the debate between entitlements and block grants has missed the fundamental issue highlighted by these intense Republican negotiations over formula, and that is economic uncertainty. I agree that the notion of the no-responsibility entitlement philosophy of welfare needs fundamental change, but the automatic economic stabilization must be retained.

States will experience hard times and prosperous times in the coming years. We cannot predict the economic winners and losers. The only thing we can predict is that the future will look very different in 1996, 1997, and 1998 than it looks in 1995.

Under the amendment that I am offering today, if States choose my transitional aid and WAGE programs, States will have almost complete flexibility to design welfare programs. At the same time, the funding mechanism will provide an automatic stabilizer to assure that States and regions in economic downturns receive the necessary funds.

Under the State flexibility amendment that I am offering today, States would be allowed to choose, first, the Dole block grant, or second, the Conrad WAGE and transitional aid program. States would choose one approach for 4 years, after which the State could either keep the program they have chosen or switch to the other program.

Under either approach, States would receive their proportional share of funding, assuming all States were participating in the same program.

I would like to briefly describe the specifics of my WAGE and transitional aid program. There really are two elements here:

The WAGE program which is a block grant for job training. The WAGE block grant gives States flexibility to provide job placement and supportive services to move individuals into jobs as quickly as possible. The WAGE block grant consolidates funding from five different current welfare programs.

The JOBS Program, emergency assistance, AFDC child care, transitional child care, and the administrative costs of AFDC.

Welfare would become what the American people want it to be, a temporary, employment-based program to move people into the work force. The States are given enormous flexibility under the WAGE block grant that is part of my overall proposal. States have complete flexibility to design employment programs. States may provide monetary incentives to case managers for successful job placements and retention, as well as to outsource job services and to use performance-based contracts. States determine eligibility criteria and participant requirements for the specific work and training programs. States have the option to require noncustodial parents with child support arrears to participate in WAGE. States can establish time limits of any duration that require individuals to work as a condition for benefits.

However, a State may not terminate participants from WAGE if the participants have played by the rules and complied with the requirements set forth in the WAGE plan.

States have the ability under the WAGE approach that I have introduced today to make the decisions on what the welfare reform program will be. We have heard the outcry that States ought to make these decisions. My approach allows States to make them within a certain broad framework. Self-sufficiency is the goal of my welfare reform plan. I am not interested in kicking kids into the streets with no support. If a parent is making a good-faith effort to get off welfare, as required by the State—and the State determines what is a good-faith effort, not the Federal Government—this parent should be encouraged to continue to strive for self-sufficiency.

States are given complete flexibility to determine the sanctions imposed on individuals who fail to comply with the State's program requirements. Again, it is not the Federal Government deciding, it is the States deciding. If a sanction results in the complete elimination of aid to a family, States must take measures to ensure the well-being of the children.

Mr. President, obviously there are certain requirements that are expected of the States. At the very minimum, States are required to administer a WAGE Program that promotes moving parents into private-sector employment. States must develop a wage employability plan with the recipient that

indicates the requirements necessary to move off of welfare.

There is a personal contract that is entered into between the person seeking temporary assistance and the State. They line out a contract of what the recipient is going to do in return for what they receive.

The States must ensure that children are protected by making certain that the child care is available for WAGE participants. The funding mechanism is very simple. The WAGE block grant is a cap entitlement to States based on historical funding for emergency assistance, AFDC child care, transitional child care, and the administrative costs of AFDC. The WAGE block grant includes additional funding each year to put people to work and to ensure that child care is available. The WAGE block grant grows 3 percent a year. States receive incentive payments for moving individuals off welfare and into employment, as well as for improvements in the number of individuals combining work and welfare.

Mr. President, my plan is serious about work. Work rates in the WAGE Program are phased in, reaching 55 percent in fiscal year 2000. That is the highest participation rate of any welfare reform program that is before this body. States focus specifically on getting people into work with work preparation activities with a minimum of 20 hours a week. If the State decides they want to require more than that, that is their decision. Half of the participation rate must be met by individuals who are working. After 2 years individuals must be working in order to meet State participation rate requirements.

In addition to the block grant approach that replaces current jobs programs, we also have eliminated AFDC and, in its place, created a transitional aid program. The transitional aid program maintains a basic safety net for America's children and provides an automatic stabilizer for States. This is where my plan differs fundamentally from the Dole plan that is before us, because the Dole plan contains only a block grant approach. My plan contains a block grant approach for the jobs programs, but has in the temporary assistance program, which replaces AFDC, a continuation of the automatic stabilizer. Because, again, Mr. President, none of us can predict what the future holds.

If there are floods in Mississippi or a drought in North Dakota, or some kind of economic calamity in the State of Vermont, we do not think it makes sense just to have a flat amount of money going out there to deal with any kind of emergency. It does not make sense.

We ought to continue the automatic stabilizer that allows this country to function as the United States of America, not just as 50 separate States. Let the 50 individual States experiment with any kind of welfare program they want to create, yes, absolutely. We ought to have 50 States operating in

that way. But, Mr. President, if there is an economic calamity, then this country ought to stand as one, all of the States standing together to help a sister State that may have experienced some incredible economic calamity or natural disaster. That is the strength of America. That is not something that ought to be abandoned.

The transitional aid program, as I have indicated, maintains that basic safety net for America's children. And for the States as well.

My plan fundamentally reforms welfare. It eliminates the Federal bureaucracy and overregulation that hampers State efforts to develop their own innovative welfare programs. The transitional aid program reduces the State plan to 14 elements, compared to the 45 in the current AFDC State plan. Instead of Federally mandated policies, States have the option to determine eligibility criteria, support and benefit levels and the form of those benefits, the treatment of earned and unearned income, the extent to which child support is disregarded when determining eligibility and benefits, the treatment of children's earnings, resource limits, restrictions imposed on eligibility for assistance for two-parent families.

And States have the ability to determine the requirements on recipients whether it be work, school attendance, or whatever. States have the ability to determine sanctions for individuals who fail to comply with State requirements. States determine the payment or denial of benefits to children born to individuals receiving assistance. And States decide the timeframes for achieving self-sufficiency.

Mr. President, for those on the other side of the aisle who say, "States ought to be the laboratory of experimentation in this country," I say, amen. Absolutely. Let us let the States experiment. Let us let all of the States have a chance to determine a welfare reform approach and see how it works. As the Senator from New York has said repeatedly, the only thing we can be certain about is that we do not know much about what works and what does not work. So let us give the States an opportunity to experiment. Let us let them have a chance to figure out what works and what does not work.

But, Mr. President, while we are doing that, while we are engaging in this great experiment, let us maintain the automatic stabilizer, let us maintain the underlying financing of a system that permits the United States to function as one country, that says if Iowa, for some reason, gets in special difficulty, that we are not going to just leave the children of Iowa out there on their own, that the other States of this Union will come together and help that State.

That makes sense, Mr. President.

My plan, with respect to temporary assistance, requires that a family meet the following criteria to be eligible for the transitional aid program: They must have a needy child that is defined

by the State; they must comply with the WAGE employability plan; and they must cooperate and comply with paternity and child support measures.

While I have indicated that States have substantial flexibility in the design of their transitional aid program, there are minimal Federal requirements: They must serve all families with needy children uniformly—uniformly—as defined by the State; they must operate a WAGE Program; they must operate a child support enforcement program; they must maintain categorical Medicaid eligibility for the transitional assistance program and provide transitional Medicaid for at least 1 year. It could be longer at State option. And they must maintain assistance in some form to needy children and families in which the parent is complying fully with all WAGE and other requirements.

The State designs the program. The State decides what it is, but if people are complying with that program, people cannot be kicked off for some other reason.

Mr. President, under my plan, welfare remains a Federal-State partnership. States draw down Federal funds for the transitional aid program using the Medicaid matched rate. My plan gives States extensive flexibility to design these programs and to invest State funds toward these efforts. The Federal Government continues to finance the majority of program costs.

In conclusion, my amendment allows States a choice. States can choose between the Dole approach and my approach, a new welfare program that combines the flexibility of block grants with an automatic stabilizer funding mechanism to respond to economic uncertainty.

Since day one, the welfare debate has focused on devolution, how much authority should be turned over to the States. Every plan of either party expands State authority and lessens Federal oversight, and that is appropriate.

There are many State officials, however, that have expressed grave con-

cern about ending the current funding mechanism and completely block granting welfare. The Dole plan will create 50 different safety nets across the country, some of which will hold strong and some of which will tear and dissolve when the vagaries of the market create economic downturns or in the face of a natural disaster. If States do not want to take this chance, we should allow them to choose the alternative approach I have presented in my amendment.

Mr. President, Americans are rightfully demanding welfare reform that focuses on work, personal responsibility, and accountability. My amendment focuses on the public's demands. It emphasizes work, it protects kids, it gives the States enormous flexibility.

Mr. President, I believe it is the right mix of allowing States the right to determine what welfare reform ought to look like while at the same time continuing the automatic stabilizer that has proved such an important part of our ability to function as the United States of America.

I ask support for this amendment to expand States' abilities to develop welfare programs to move parents toward self-sufficiency while protecting children.

I thank the Chair and yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. GRASSLEY. Mr. President, I have had a chance to sit with my friend from North Dakota as a member of the Senate Finance Committee where all this legislation on welfare reform comes from. I sense in him a true desire to work out compromises and solve some problems that he believes will result if we give too much leeway to the States.

I presume his legislation, where he gives the States a choice of continuing with a Federal program or adopting their own, is the ultimate of discretion. I do not know who can find any fault with that discretion; however, there

are goals that we have on this side of the aisle other than just choice and discretion to the States.

One of those is the fact that we have a terribly bad budget problem from 30 years of irresponsible spending. Some of that irresponsible spending—not all of it, but some of it—is directly related to the fact that we have programs that we call entitlements. That means basically that whatever is going to be spent, if you qualify, it will be spent and there is not much congressional control over the amount of money to be spent.

So his program would continue that entitlement. The Republican bill would end the entitlement aspect.

Also, we on this side of the aisle with our bill save \$70 billion. The Congressional Budget Office has put a cost on the Conrad amendment of \$6.99 billion over the next 7 years.

Mr. CONRAD. Will the Senator yield for a question or a point on that?

Mr. GRASSLEY. Yes, I will.

Mr. CONRAD. The amendment that I am offering as an amendment to the Dole welfare reform plan would reduce the savings by \$7 billion. So is it not correct to say that the total package would still achieve \$63 billion of savings over the next 7 years? In other words, I do not think it is correct to compare a \$70 billion savings under the Dole bill to a \$7 billion cost under my plan.

The correct comparison is a \$70 billion savings over 7 years under the Dole plan, \$63 billion of savings under the Conrad plan.

Mr. GRASSLEY. I am reading from the CBO estimate which says that your bill will cost \$7 billion over 7 years.

Mr. CONRAD. The Senator is absolutely correct, if I might say, the document from CBO—which I ask unanimous consent to have printed in the RECORD.

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

PRELIMINARY ESTIMATE OF AMENDMENT PROVIDING STATE FLEXIBILITY TO PARTICIPATE IN THE TAP OR WAGE PROGRAMS (CONRAD), ESTIMATED RELATIVE TO S. 1120, THE WORK OPPORTUNITY ACT OF 1995

[By fiscal year, outlays in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996-2002 Total
Option to Participate in WAGE Program								
Family Support Payments:								
Budget Authority	-874	-1,184	-1,106	-987	-688	-825	-742	6,607
Outlays	-838	-1,190	-1,107	-987	-689	-828	-743	-6,583
Food Stamps:								
Budget Authority	-26	-75	-121	-183	-250	-308	-376	-1,339
Outlays	-26	-75	-121	-183	-250	-308	-376	-1,339
Medicaid:								
Budget Authority	25	68	68	128	153	137	126	722
Outlays	25	68	68	128	153	137	126	722
Earned Income Tax Credit:								
Budget Authority	0	0	1	4	10	21	34	71
Outlays	0	0	1	4	10	21	34	71
Wage Block Grant:								
Budget Authority	1,123	1,695	1,914	2,176	2,414	2,478	2,530	14,329
Outlays	1,111	1,678	1,885	2,149	2,383	2,449	2,504	14,159
Foster Care:								
Budget Authority	0	0	0	-3	-9	-12	-15	-39
Outlays	0	0	0	-3	-9	-12	-15	-39
Total, All Accounts:								
Budget Authority	247	502	776	1,135	1,430	1,491	1,557	7,138
Outlays	272	476	746	1,108	1,399	1,459	1,530	6,992

Basis of Estimate:

The amendment would allow states to choose whether to participate in the Temporary Assistance for Needy Families (TANF) Block Grant as described in Title 1 of S. 1120 of the Work and Gainful Employment Act (WAGE) Program described in this amendment. The WAGE program would maintain AFDC benefits as an entitlement, but grant states new flexibility to design their programs. A new capped entitlement block grant would be created which would combine AFDC administrative costs, Emergency Assistance, AFDC Child Care and Transitional Child Care. The block grant would require no state match and would grow at 3% a year. Additional funds would be added to the block grant that are equal to 1995 federal JOBS spending and that would grow at a fixed amount equal to \$200 million in 1996, rising to \$2,200 million in 2002. CBO assumes that two thirds of sales would opt to participate in the block grant program established under S. 1120 and one-third would opt to participate in the Wage program established by this amendment.

This estimate does not include AFDC benefit savings associated with provisions limiting eligibility of non-citizens to benefits. If these savings were included, the cost of the amendment would be reduced. The estimate assumes that technical changes would be made in the amendment to ensure cost neutrality with an effective date later than 10/1/96. If technical changes were made to include At-Risk Child Care spending in the base amount of the WAGE Block Grant, the cost of this amendment would increase by \$300 million per year for each year 1996–2002.

(Mr. FRIST assumed the chair.)

Mr. CONRAD. Mr. President, that document makes clear that my amendment would reduce the \$70 billion of savings by \$7 billion over 7 years to still achieve \$63 billion of savings, but to give the States this added flexibility, which I think is critical.

Mr. GRASSLEY. Mr. President, while we are waiting to get that deciphered, I want to go on to another point that I wanted to make about the bill that is before us.

The Senator from North Dakota speaks about 55 percent of the people who would have to be working. That 55 percent seems higher than the 50 percent in the Republican plan, but it depends upon what group you talk about.

On the Republican plan, our goal and requirement is that 50 percent of everybody on welfare, the category of everybody on welfare, would have to be working.

In the bill of the Senator from North Dakota, he would have these categories of people exempted from the 55 percent rule: Parents of children under 12 weeks of age or, at the State's option, up to 1 year; individuals who are ill or incapacitated, as defined by the States; individuals needed in the home on a full-time basis to care for a disabled child or other household members; individuals over 60 years of age; individuals under age 16, other than teenage parents. I am not going to argue about the Senator's rationale for exempting certain populations.

So his goal is 55 percent of a group that has several exemptions in it as required to work. Whereas, in our bill, we have 50 percent of a whole, without exemption.

So for those reasons—the fact that it does not save as much money as our proposal saves, and the fact that it does not have as high a goal of people to work by the year 2000—we feel that this bill, even though it does give an option to the States of whether to choose the Federal entitlement or a program defined by the individual State, does not go far enough in eliminating a major problem with the welfare system of the last 40 or 50 years. That problem is the Federal entitlement. It seems to me the maintenance of a Federal entitlement is a litmus test of whether or not we are going to have business in welfare reform or whether or not we are going to have a completely new approach.

The plan offered by Senator DOLE is a completely new approach—no longer a Federal entitlement, no longer an environment in which there will be an encouragement for dependency; but instead a requirement where we are going to move more people from welfare to work.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, let me just say, with respect to the Republican plan, it is true that they have 50 percent of the total, but that total is a different total than the total I am talking about, because they take 15 percent of the caseload right off the top. They have 15 percent that are exempted right off the top. It is impossible to know whether the categories that we have exempted—that is, a mother with a child under 12 weeks, we think it is appropriate that the mother stay home with the child. If somebody is sick and disabled and cannot work, it is appropriate that they not be expected to work. They come at it a little different way. They take 15 percent off the top and say the provisions do not apply to them. We come at it by specifically categorizing those people who should not be expected to be part of the work force.

Mr. President, there is a larger issue of work here, as well, and that is, what is the fundamental complaint about welfare? The fundamental complaint is that we are not moving people to work. The Republican plan is sadly deficient with respect to that issue. According to the testimony we had by the Congressional Budget Office, in 44 of the 50 States, there will not be a work requirement because there is not sufficient funding for child care to get the people to work, and that 44 of the 50 States would be better off taking a 5-percent penalty than to have a work requirement. So if we want to talk about a work requirement, let us be honest about it.

The work requirement in the Republican plan is a hoax. It says it is tough on work, but they do not provide the funds necessary for people to actually go to work, because they do not have the child care. So people are not going to be going to work. And States will not have the work requirement because they are better off; rather than providing the child care necessary to get people to work, they will take the 5-percent penalty. That is CBO's analysis, not mine. CBO said that 44 of the 50 States will not have a work requirement under the Republican plan.

Mr. President, the proposal I am offering says we want to devolve power to the States. We want to give States the ability to experiment. We want to have a chance to have 50 different States have 50 different programs, and let us see what works. Absolutely, I am all for it. Sign me up. That is what my amendment does.

But my amendment also says there ought to be the economic stabilizer. I do not know if it has become an ideological question that you eliminate the

role for the Federal Government just because it feels good—because rhetorically it feels good. I do not get it. Are we saying that if California has massive earthquakes, tough luck? Are we saying if North Dakota has a devastating drought, tough luck? Are we saying if Mississippi has massive flooding, tough luck, the United States is not in on the deal? I thought this was the United States of America. I thought this was a Union. That is the America I know.

So there is this idea that we are going to cut States adrift and they can do whatever. Here is the money and good luck, I hope things work out. But if you have a disaster—a natural disaster or an economic calamity—and kids get put on the street, tough luck. I do not think much of that plan.

I was in California and I saw a young woman on the street with two little kids—a middle-class woman, begging. I went up to her and I said, "How did you get on the streets of San Francisco begging with these two little kids?" I tell you, if you would have seen that woman, you would have seen a person that looks like she just came from the shopping center, grocery shopping with her two little kids. She was an attractive woman, nicely dressed, and the kids were nicely dressed. They were out on the streets begging. Why? Because her husband had taken a hike and her house had gotten foreclosed, and she was homeless with two little kids. Well, some of us believe that is not a circumstance that should be tolerated in America. That woman and those little kids ought to have a place to go.

The Republican plan says we are so locked into ideology, the Federal Government should not have a role in anything, and we are willing to take that chance. Well, I am not willing to take that chance. I think if some State suffers a disaster, the United States of America ought to stand together and protect the kids—at least the kids. That is the difference.

Mr. President, this is dramatic welfare reform that is being proposed in my amendment—dramatic. It is not the Federal Government deciding these programs; it is the States deciding. But if we get to the circumstance where there is a disaster and the State cannot meet the needs of the kids, then I think we live in a United States of America.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2560

The PRESIDING OFFICER. Under the previous order, the pending question is amendment 2560, and the time until 5 o'clock will be equally divided.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

The struggle for decent child care is a daily fact of life that all working families understand, regardless of their income.

Some in Congress may want to ignore these realities, but a mother with young children who wants to work or go to school does not have that luxury.

Today and every day, millions of American families face impossible and heart-wrenching choices—between the jobs they need and the children they love—between putting food on the table and finding safe and affordable care for their children.

We have heard a lot about turning welfare into work—but precious little about who will care for the nearly 10 million children on AFDC while their parents meet the mandate to pursue job training or go to work. If we are serious about promoting work and strengthening families instead of punishing them, we must deal responsibly with the issue of child care.

Today—at long last—is our chance to do this long overdue reality check on the pending Republican welfare reform proposal.

Quality child care creates opportunity and increases productivity—not just for one generation, but for two. Child care is not about giving parents a blank check. It is about giving them a fair chance. Failing to make child care a centerpiece of welfare reform makes a mockery of any such reform. It will only pass the real life tragedy of dependency from one generation to the next.

Today, 21 million low-income children are eligible for Federal child care programs. Yet less than 7 percent of these children currently receive this essential support. Clearly more—needs to be done.

But too many of our Republican colleagues seem content with simply slashing benefits, and will do so at any cost. If that is the plan—the Dole program fits the bill. But those who seek truly to promote work and strengthen families understand the need to remove real world barriers to self-sufficiency.

For many, even most, the greatest barrier to self-sufficiency is lack of child care. The Census Bureau found that 1 of 3 poor women not in the labor force identified child care as their greatest barrier to participation. One in five part-time workers said that they would work longer hours—if child care was available and affordable.

A GAO study of participants in 61 welfare-to-work programs in 38 States found that more than 60 percent of respondents reported that a lack of child care was their number one barrier to participation in the work force.

The National Research Council recently documented that mothers with safe and adequate child care arrangements were more than twice as likely to successfully complete a job training program.

The link between child care and self-sufficiency is well documented in re-

port after report after report. The real question is—will the Senate act based on this mounting evidence.

We know that 60 percent of AFDC families have at least one preschool child. It is simple common sense that they would need child care assistance to enroll in job search, community service, or workfare activities. But while there have been loud calls for cutting benefits and ending welfare, there has been a deafening silence on the need for child care. It is time to break the silence and put together a realistic program—a program not based on rhetoric but on reality and results.

But when it comes to child care, the ever-evolving Dole bill continues to be fatally flawed. While we have now seen three modifications—one essential fact remains the same. The Dole bill does not dedicate a single dime to providing child care services to families on welfare. Behind Dole No. 1, Dole No. 2, and Dole No. 3—one reality remains clear—the primary goal is to reduce spending and not increase opportunity.

The Republicans may choose to call their bill the Work Opportunity Act—but this noble claim is nothing more than a hollow promise when you look at the fine print. Simply put, their numbers just do not add up. They know it and CBO has confirmed it. This bill is not welfare reform—it is welfare fraud.

Let us consider the facts.

As we prepare to move millions of American families into job search and workfare programs—the Dole bill repeals the child care programs targeted to these families.

That is outrageous. That is irresponsible. That is not a joke—it is a fraud. I ask—who will care for these children?

In 1988, by a vote of 96 to 1, the Senate passed and President Reagan signed into law a guarantee that child care would be provided to each and every AFDC family pursuing job training or education or participating in workfare programs to enable them to develop the skills necessary to secure private sector jobs.

That was not a radical idea then, and it should not be now. This is sound and sensible policy—adopted with strong bipartisan support. This policy appropriately acknowledged the critical link between child care and work. But in the Republican plan, this guarantee and the resources to make it real are gone, wiped out, taking with them the hopes and dreams of poor children and families in every State.

Some may say that these funds are not eliminated—just given to the Governors with greater flexibility to spend them as they see fit. I only wish it was that simple.

The Dole bill takes the funds for safety net benefits, job training, and child care—folds them into a single block grant—and freezes spending at the 1994 level through the turn of the century. As States feel the crunch of this dwindling Federal support, who will care for the children?

If you want to imagine the predicament the Republicans are putting the Governors in, just think about a family budget. Take the average family's annual budget—include food, rent, child care, and work expenses. Cut it back to what they spent last year. Tell them they get no increases for the next 5 years—regardless of inflation, sickness, fire, or other unforeseen disasters. Undoubtedly they will run into serious financial trouble.

That is exactly what is going to happen in State after State after State. Children and families are going to pay the price—and in the long run, so will the Nation.

The Dole bill professes to increase work participation rates by 131 percent over the next 5 years. That is an admirable goal, but who will be taking care of the children?

The Department of Health and Human Services estimates that States will have to spend \$11 billion more over the next 5 years on child care to make this happen. Senator DOLE's plan budgets \$12 billion less in real dollars.

All of us are for work—but this will not work. That is why some have called this plan the "mother of all unfunded mandates."

In Massachusetts alone, to meet the work requirement in the Dole bill, the State must increase participation from 10,000 to nearly 30,000 in 5 years. This means funding tens of thousands of new child care slots at a cost to the State of nearly \$89 million in the year 2000 alone. The State is already falling behind as 4,000 families wait for the child care they need—without help from the Federal Government. Who will care for these children?

Forty-four States are projected to simply throw up their hands and ignore the work requirements in the Dole bill, according to the nonpartisan Congressional Budget Office. CBO believes States would rather accept the sanctions for failing to comply, than try to reach the goals without the resources needed to make it possible.

States are far better able to afford the 5-percent grant reduction than a 165-percent increase in child care needed to make the program work. Only a handful of States may even bother to comply with the work requirement. That does not sound like progress to me. It sounds like tough talk and no action. It may provide the savings needed for a tax cut for wealthy individuals and corporations—but it certainly will not change the welfare system. It may reduce the welfare rolls, but it will not increase the future prospects of millions of American children and their families.

In fact, it is more likely to produce homelessness than opportunity. It is more likely to leave children home alone than in quality child care programs that can give them a decent head start in life. Is that the direction we want to go? I do not think so and I hope my colleagues do not think so.

Now let us review the ways that the various Dole plans have sought to fill this child care gap.

First, the Dole bill and each of its modifications includes the child care and development block grant unanimously reported by the Labor Committee. But this grant program was created to provide child care services to low-income working families to help make ends meet. Low-income families spend nearly one-third of their income on child care and they are too often only one pay check away from falling onto welfare.

Low-income working families need this help too—and we must do a better job of making work pay. The average cost of a child in child care is almost \$5,000 a year—yet the take home pay from a minimum wage job is stuck at \$8,500 a year. This is not manageable and it is not acceptable.

States already have long waiting list of working families who are desperate for this assistance. For example, California has 255,000 on its waiting list, Texas has 36,000, Illinois has 20,000, New Jersey has 25,000, and Minnesota has 7,000, just to name a few. In many States, young children will graduate high school before their names reach the top of the child care waiting list.

If the resources provided for this program are diverted to filling the child care void for welfare families created by the Dole bill, it will surely jeopardize the livelihoods of the 750,000 working families who currently depend on this assistance.

Such an approach is callous and counterproductive. In Massachusetts, of mothers who left welfare for work and then returned to welfare, 35 percent cited child care problems as the reason. Additional support at this critical time could have made all the difference. But the Dole bill will pull the rug out from under these families, just as they are getting on their feet.

And despite the clear reality that this program was created for low-income working families, and that it falls far short of being able to meet the rapidly growing need for child care services for welfare families, the Dole bill allows governors to transfer 30 percent of these essential resources to other purposes.

At every turn, the Dole bill chips away at child care for poor families struggling to make a better life for themselves and their children. This simply adds insult to injury and makes a bad situation worse. I ask again, who will care for the children?

For all of these reasons, the original Dole bill was rightly called Home Alone. It freed parents to work, but did nothing about child care. It left children home alone. In the end, it would wind up forcing more families onto welfare than we help get off welfare. That's certainly not reform.

And then came the sequels.

Home Alone II—or as I call it—Home Alone by 2—sought to address the need for child care by exempting mothers

with babies under the age of one from the work requirement.

But once you reached the age of one they said, you're old enough to care for yourself. You do not need child care. You are on your own. This may have been welcome news to the 10 percent of families on welfare with a child under the age of one. But it was a continuing nightmare for the mothers of preschoolers and school-aged children who had to face the choice of leaving their children home alone or losing their benefits and livelihood.

Home alone is not a joke or a Hollywood film. It is a real life tragedy for American families pressed to the wall. Just listen to the horror stories from families who have been put in this awful position—and have paid an unbelievable price.

Think about 6-year-old Jermaine James of Fairfax County and his 6-year-old friend Amanda, who were being cared for by his 8-year-old sister Tina. When a fire broke out in their apartment, Tina ran for help, inadvertently locking the younger children in the burning apartment. They died before the fire department could get to them. Sandra James and her husband needed two jobs to support their family and still could not afford child care. They tied to stagger their schedules but did not always succeed.

Think about 7-month-old Craig Pinner of San Francisco who drowned in the bathtub while his 9-year-old brother was trying to bathe him. His mother was working part time and participating in job training. She usually left the child with her family, but her car had broken down and she was no longer able to get them there. She was trying to find affordable child care but was unsuccessful.

Think about 4-year-old Anthony and 5-year-old Maurice Grant of Dade County. While home alone they climbed into the clothes dryer to look at a magazine in a hiding place, pulled the door closed, and tumbled and burned to death. Their mother was waiting for child care assistance and generally left the children with neighbors. But sometimes these arrangements fell through and she had to leave them home alone for just a few hours.

This did not happen in Hollywood—but in Virginia and Florida and California and elsewhere. We must do everything in our power to avoid putting families in this kind of a situation in the name of reform.

The most recent Dole modification prevents families with children under 5 from being sanctioned for not participating in the work program if they can not find child care. But 66 percent of families on welfare have a preschool child.

I believe our top priority and our primary strategy should be to assist families in securing the child care they need to enable them to work and achieve self-sufficiency. Is that not what real reform is all about?

Exemptions and other protections should be our fall-back plan and not

our national policy. If we are serious about promoting work and protecting children, we need to find the money to provide the child care that is needed. Home alone should not become stay at home under the present system.

As States face the difficult task of trying to move millions of people from welfare to work, we should not only give them additional flexibility but the tools they need to get the job done. We should help States push for real change—not just in the ledger books but in the real lives of their citizens who depend on them. If States are forced to do more with less, children will pay the price. That is not fair and it is not smart.

Investments in children pay off—not just in their lives—but for society as a whole. That is why the business community has been so outspoken about the importance of early childhood development programs. They know that the work force of tomorrow is being cared for—or not—today. Children deserve more than custodial care. They need structure and positive individual attention. Above all, they need a safe place to learn and grow.

I am pleased to join Senators DODD, MOSELEY-BRAUN, MIKULSKI, MURRAY, KOHL, KERREY, JEFFORDS, and others in offering this important child care amendment. Its purpose is simple and straightforward—it seeks to provide the child care assistance necessary to make the Dole bill work. It is not an attempt to change the intent of the bill, but to put resources behind the rhetoric to ensure real results.

The amendment is not about building bureaucracy or creating new entitlements. It is about providing States with the funding they need to meet, rather than ignore, the Dole bill's work requirements. It ensures children will be cared for in safe and appropriate child care settings. And it continues much-needed support for working families, rather than pitting them against families seeking self-sufficiency. It is a realistic pro-work and pro-family proposal.

We are in a budgetary era where we have to make some very difficult choices. But if we avoid these choices, we are not representing the real needs of the American people. We are taking care of the special interests of corporate America, and removing these special interests from the debate. Well, it is high time to make them a part of the debate, and take advantage of the billions of dollars in misguided tax expenditures that are provided to large corporations across the country.

We have spent enormous amounts of time debating the need for a balanced budget, and all of its ramifications on domestic spending—yet we have refused to take a long, hard look at tax expenditures and loopholes, which work against the goal of a balanced budget on a trillion dollar scale.

We at least owe it to the American people to close these loopholes that are truly egregious. Corporate America

and wealthy Americans with expensive tax lawyers have learned to navigate through them, but they do not represent good policy. They take away jobs for working families and those who want to work. And we can use those dollars to provide desperately needed child care.

At the present time, tax expenditures are not even reviewed on an annual basis.

When a tax loophole is approved, it is placed on the books and remains there unchallenged. It is no wonder that loopholes continue to grow and expand the budget deficit.

Over the next 7 years, these tax expenditures will eat up \$4.5 trillion—\$4.5 trillion. Many of these tax expenditures are necessary to spur investment in particular industries and goals, whether it is high technology, exporting, manufacturing, or achieving the American dream of buying a home.

The global economy within which we are now competing demands that we provide necessary tax incentives for investment in this country that will create new jobs for working families.

But it is time to take a closer look at corporate tax breaks. Often only the wealthiest can take advantage of them.

Primary examples of the tax expenditures that should be reviewed and thoroughly overhauled are the loopholes that United States and foreign-owned multinational corporations now use to minimize their U.S. taxes.

Companies are now taxed on their U.S.-generated income. They have a significant incentive to minimize the calculation of their U.S. income, and therefore their U.S. taxation—called transfer pricing. They shift income away from the United States and shift deductible expenses into the United States for tax purposes.

As this chart shows, the General Accounting Office has reported that, in 1991, 73 percent of foreign-based corporations doing business in the United States paid no Federal income taxes. And more than 60 percent of U.S.-based companies paid no U.S. income taxes. The number of large nontaxpaying firms has doubled in recent years.

IBM, for example, was fortunate enough to accumulate \$25 billion in U.S. sales in 1987. That same year, its 1987 annual report stated that one-third of its worldwide profits were earned by its U.S. operations. Clearly, its U.S. operations were appeared profitable and successful. Yet, its tax return reported almost no U.S. earnings.

Multinational corporations should pay their fair share of taxes. They should be required to pay taxes on their U.S. share of worldwide sales, assets, and payroll.

This is not a new problem. To the contrary, we have been trying to close these types of loopholes for almost 20 years. We knew then, as we know now, that it was a loophole that necessitated action. The only difference now is that it is a much bigger problem, much more pervasive, and much more costly to the Federal Treasury.

Our current tax laws have the unacceptable consequence of allowing multinational corporations to lurk in foreign tax havens, hide behind foreign subsidiaries and corporate shells, suck income and profits out of the United States, and then thumbing their noses at Federal tax officials and State tax commissioners in every State.

Multinational corporations can also take advantage of the so-called title passage rule; \$3.5 billion per year is lost because large multinational corporations sell U.S. goods abroad and avoid all U.S. taxes through some sleight of hand while the goods are on the high seas during the export process.

We have known about this serious loophole for some time. In fact, this loophole was closed by both the House and the Senate during deliberations on the Tax Reform Act of 1986. But for some reason it was dropped in conference.

As an example, a U.S. company makes a sale and ships the products from a U.S. port to a foreign country. Under normal circumstances, the shipment would generate the payment of taxes to the United States. But under a special rule, that company passes title to the products on the high seas, and avoids all Federal taxes. On top of that, the company pays taxes on the products in the country to which they are being exported, and uses those taxes to claim tax credits against other U.S. taxes it may owe. It is a lose-lose proposition all the way around for the United States.

This provision applies only to multinational companies. It is of no use to domestic, smaller companies.

Some will suggest that closing such loopholes will hurt exports and prevent the expansion of our markets to create new jobs for the economy. But these are unnecessary loopholes that were never meant to be used in these ways. When these provisions originally became law, Congress had no idea of the loopholes being created.

Additional tax breaks for multinational corporations are available by setting up corporations that exist only on paper. They are called foreign sales corporations, and provide exporters with the opportunity to exempt 30 percent of their export income from U.S. taxation.

Many other similar loopholes exist, such as tax credits provided to U.S. companies for payments made to foreign countries, or tax deferrals for U.S. companies on income of foreign operations that is not repatriated to this country.

These tax breaks cost the U.S. Treasury billions of dollars each year.

And, of course, there are other types of corporate welfare:

The peanut program and other agricultural subsidies provide billions of dollars to large corporations, although the family farmer was the intended recipient. Senator SANTORUM has filed legislation to phase out the peanut program.

The excessive mining subsidies provided through an 1872 law have never been changed. Senator BUMPERS was on the floor last week discussing the fact that the Secretary of the Interior was forced to sell 110 acres of Federal land to a large corporation for \$275—\$2.50 an acre. Yet the land has more than \$1 billion in mineral value.

The House Republicans capital gains tax cut now will add \$31 billion to the already existing \$57 billion capital gains subsidy that now exists.

The repeal of the alternative minimum tax will cost the U.S. Treasury almost \$17 billion, and enable many wealthy corporations to reduce their taxes to zero by playing the loophole game.

The accelerated depreciation loophole was partially closed in 1986 and 1993, but still generates more than \$100 billion in tax subsidies.

The billionaires' tax loophole allows super-wealthy individuals to renounce their U.S. citizenship and avoid U.S. taxes.

The bill before us seeks to balance the budget on the backs of poor children. Over the next 5 years, the Dole bill cuts \$50 billion for programs and services targeted to children and families in the toughest of circumstances. Current spending on AFDC benefits and job training and child care for families on welfare represents less than 1.5 percent of the Federal budget. It is true that we need to reduce the deficit—but the pain should be more evenly distributed.

We need to make difficult choices to balance the budget. But when we are choosing between children and the wealthy individuals and corporations that have shrewd tax attorneys, the choice is clear. Children should prevail. Welfare reform should include reform of corporate welfare too.

The futures of 10 million children are in our hands—and Congress should not leave them home alone under welfare reform, when reform of corporate welfare can provide the resources necessary to do the right thing on child care.

Mr. President, we have had a good opportunity, I think, in the past few days to address the issue on welfare reform. Quite obviously, there is a very strong commitment on both sides of the aisle to move legislation that is going on to enhance employment and employment possibility and diminish welfare dependency for the citizens. No one really wants that more than those that are participating in that process and system.

We have also begun, really, the debate on a key element about how effective we can be, and that is the debate that we talked about briefly during the time when this issue was called up last week; more precisely, on Friday last, when Senator DODD introduced the amendment, which I welcomed the opportunity to cosponsor, which is before the Senate at this time.

It is entirely appropriate as we start this week and the Nation gives focus

and attention to the U.S. Senate as to where we are going to end up on this debate, and where we are going to end up legislatively, to give full focus and thanks to a key element of this debate and of this legislation. That is, the availability in this legislation to provide for good, quality, decent child care for working families.

That is a key element. Republicans and Democrats alike understand that in the debate of last week, in the very brief exchange that I had with my colleague from Pennsylvania, Senator SANTORUM, who is a supporter of the legislation.

I went over after the discussion and reminded and talked with him about the legislation that he had introduced and worked for in the House of Representatives. A key element of that program was the child care program. I daresay, even as they went through the discussion earlier today with the Kassebaum amendment, talking about child care, it is something that reaches across both political spectrums, a recognition that if we are not going to have good quality child care we are not really going to have a meaningful welfare reform.

The idea of this legislation is to get people to work but not at the expense of the children in this country—not to be unduly harsh, punitive, to the children of this country.

I think we all understand the old adage that none of us had a chance to choose our parents. Children do not have a chance to make a judgment decision whether they will be born in poverty or to some degree of affluence. They have no control over it.

We want to make sure as we move ahead on this legislation that we are not going to get carried away with the punitive aspects of it and say that we are going to have a welfare reform, and as a result of it have a particularly harsh, devastating, unrealistic, and cruel impact on the children of this country.

One of the aspects that can be particularly cruel and harsh is separating children away from their parents in a way that denies those children, particularly at the early ages, from the kind of nurturing and care and affection and love as well as the food and resources and social services and health care, to ensure that they are going to have a good opportunity to be able to grow and to prosper.

We do not need much of a review and debate, Mr. President, on what is happening to children. The fact is an increasing number of children in our country are falling into poverty. We do not need to review again the importance of those early years, both the expectant mother, the various studies and reports and experiences which have taken place, the Beethoven project that was of such importance in terms of Chicago, that shows what happens when you provide expectant mothers with well-baby care, and also the newborn children with the kind of atten-

tion and support and nurturing as well as nutrition, and move them in helping them developing their various kinds of skills and talents, and what kind of results that they have in terms of their early years as compared to those that do not have those kinds of attention.

We do not need those additional kinds of studies. We have seen those studies. The evidence is out there both for the smallest of children, infants, as well as children in their earliest of years, moving on through their early teens.

We know what is really essential. We cannot guarantee if a child has healthy parents, if a child has good health care, if a child has given good nutrition, if the child is going to grow up without violence and surrounded by the other kinds of aspects which are so attendant to poverty, that that child is necessarily going to turn out to be an extraordinary success.

What we do know is that you deny that expectant mother the nutrition and the care. You deny those children the early kinds of intervention. You set those children, really, apart from the nurturing experience of their parents or loved ones. We know that the opportunities for those individuals to move ahead in the society in a constructive and positive way are significantly diminished.

I saw this morning a recognition by one of the Nation's publications where they were talking about the 100 companies that were family friendly. They were talking about again, the importance of one of the criteria being child care, and talking about the enormous changes that have taken place over the period of recent years, the economic realities where we went through in the 1980's and effectively required that they were going to have the mother enter the job market as well as the father, to make up for the needed resources to maintain a standard of living because of the freeze on wages and the freeze on employment opportunities.

We will have an opportunity to debate that at another time in terms of the increases in the minimum wage and what has happened in terms of the incomes of working families in this country and the earned-income tax credit.

All of this has demonstrated that with the restrictions on working families, with the limitations on income, the wives, the women in the families entered the job market in the period of the 1980's in order to try and maintain the joint income. We find now that opportunity does not exist in the 1990's with all kinds of attendant results which are putting additional kinds of pressures on the families.

One of the dramatic results from the mother entering the job market is that there has been an increasing number of children being left alone at home, the home alone concept, which I have referred to in the past, is something

which is a reality in this country and in our society and in the workplace.

We have reviewed for the Senate earlier in this debate the number of children, the thousands, millions of children, who are left unattended during the course of the day, even at the time of the afternoon when they come back from school.

We have to ask ourselves, what are the results of these factors, and why we are all as a society surprised when we see this extraordinary behavior by children in our society, the youngest people, to think that this comes right out of the blue, it comes completely off the wall.

We have to ask ourselves what have been the circumstances and conditions that so many of these children grow up in, where basically they are left behind. The children are not the ones that have been left out. It has been too often, under too many circumstances, the parents that have left them behind. The children want to be included. It has been the actions of the parents that have left them behind.

That, Mr. President, is important to recognize as we begin the debate and have had the debate on the questions of welfare reform. We are trying to take people that are able bodied, that can work, and give them the opportunity to work and make sure they will be productive members of our society.

We have learned a very fundamental fact, Mr. President. It has been understood in city after city and community after community in State after State. That is, if you are expecting those individuals to take the jobs that they are going to need to have some kind of a training or some kind of skill, they are going to have to have day care. They will have to at least have the assurance that their children will have some degree of health care that is being provided for them in that employment. Those are things that are provided in the existing kind of program that we are altering and changing. Those were evidenced in the 1988 act. But what we are seeing now, rather than understanding that experience and rather than building on that experience, we are moving in an alternative and very different direction.

We have to ask ourselves whether this is serious, meaningful reform. Are we really going to be presenting to the American people a program that is going to move people off welfare if we are not going to provide child care for their children? Not only are we not going to provide the care, but are we also going to eliminate the existing care that is actually provided under the three different programs under the Finance Committee that provides \$1 billion a year for some 700,000—some 643,000 children at the present time, that is being provided at the present time under the 1988 act? And also provided is 10 percent for 150,000 children at the present time.

Now, what has happened and where we are in this debate in the Senate as

we go through this, as the Dole amendment has effectively eliminated the \$1.1 billion—that is out, that is gone—what we are saying to the 643,000 children is, “That program will not be there. That program will not be there for those working mothers who today are able to benefit from that program.” We are saying to them, “Tough luck for you. Tough luck for you. Because the program that is out there today that is providing child care for your child is gone under this program, effectively gone.”

The \$1 billion that was developed over here with the discretionary programs, with strong bipartisan support—Senator DODD, Senator HATCH, Senator KASSEBAUM, other members of our committee that had developed it some years ago—that provides \$1 billion for 750,000 children, effectively one-third is being taken off that to be used for other purposes. That is a very, very dramatic emasculating of the existing child care programs.

Mr. President, if you look at what had been projected for child care over the period of time, over these future years, and look if we are going to conform with the recommendations that are included in the Dole proposal, we are basically saying half the people are going to have to work and of those able-bodied people who are going to have to work, half of those people are going to find child care on their own. How they are going to do it, we have not heard much of an explanation for it.

I wish they could come and talk to the parents in my own State of Massachusetts, who are on lists and have been on lists, and in scores of other States, where you have, 10,000, 20,000, 30,000 parents who are trying to get child care today. They say, “Somehow that will be done.”

It is not being done in the cities. It is not being done in the States. But somehow Washington knows best. Remember that slogan? Washington knows best. Under the Dole proposal, Washington knows best. Half of the able-bodied people are going to be able to get it on their own. That is what Washington knows, in spite of the fact that you have scores of States that have tens of thousands not providing it at the local level, the local community. We ought to be able to learn something from what is happening at the local community.

We are constantly being told we ought to learn something from what is happening back home. I can tell you what is happening back home. Working mothers, particularly single heads of household—but not just single heads of households, working families that are making just above the minimum wage, making that \$15,000, \$20,000, \$22,000, \$24,000, \$28,000 a year, are finding it extremely difficult to be able to get any kind of child care. Many of those families, depending on the size of the family, are living in poverty.

So, what are we finding out about what will be necessary? We are finding out what will be necessary from this chart here, over this period of time, under the projections of the Republican welfare program, under the total amounts of \$16.8 billion that will be in this program, flat-funded over the period of time. Then we take the projections of what will be necessary, needed to provide child care for welfare recipients mandated under the Home Alone bill. HHS has estimated it will cost \$11.2 billion of the 16.8. That leaves the other moneys available for all the other kinds of functions.

We may hear, during the course of the debate, “Well, Senator, you just don’t get it. You just don’t get it. What we are doing over here is, sure, we are canceling out the \$1 billion that we have under the welfare program and we are giving maximum flexibility to a third of that other billion dollars under the discretionary to let the Governors—and we all know the Governors will do it. Therefore, your argument really does not hold a lot of water.”

The answer to that is, 80 percent of the funding now that is provided here goes in the benefits of individuals. Let us have the testimony from those Governors who are going to do it, who say we are going to reduce the benefits, 80 percent of the benefits, not the child care, the benefits to individuals. When you look at what is happening in the States, you see that they are not doing it today. Why will we believe they will do it tomorrow when they are not doing it today? When you have all of these States that have these extraordinary lists for child care that are out there, they are not doing it today. They say, “You give us all of this money, this \$16.8 billion, and you just relax back there, because we are going to do it.”

When I hear from these Governors how we are going to take that \$16 billion and we are going to spell that out, how we are going to really meet the child care needs, and what benefits they are going to cut for the people in their States—we have not heard it from one Governor, Democrat or Republican. Not one. But we are asked to take that on good faith. We are told that is what is going to happen. “You just don’t understand, Senator. You give the Governors this \$16 billion. They will know how to deal with this correctly. They know how to balance. They know how to choose.” Yet, when they are using 80 percent of the current funds for benefits and they refuse to tell us about how they are going to use these kind of funds to take care of those children, I think it is important for someone to speak for children, for someone to say they are not going to be the ones who will be left out and left behind.

Mr. President, 10 million or 11 million of the 14 or 15 million Americans on welfare are children. And the principal debate is how we are going to get busy, in terms of how we are going to

get their parents busy. All of us want to make sure that able-bodied people who can work ought to work and go to work. That is included in the program.

But what we are going to do is at what price to the children? Someone has to speak for the children, and this amendment does it. That is what this amendment is about.

When this issue was brought up earlier in terms of the majority leader, and I inquired of him last week about the issue of child care, he indicated that there was support on both sides of the aisle to try to address this issue. Later in the week the new legislation was introduced, the modified—this legislation “as further modified” was introduced. This is 791 pages. This is always interesting to me, having gone through the health care debate. Remember the times that we had all of our Republican colleagues who said, “Look at this bill. Look at this bill. How could we ever wind our way through this bill? Look, it is 1,300 pages.”

You had 1,400 last week, one with the Dole and one with the modified. No one is squawking about that. No one is complaining about that.

Mr. President, 777 pages—we got the modified and we took a look at what was in the modification and all that was in the modification, what I call the Home Alone bill, all that was in the modification was to permit States, regarding mothers who had children up to 1—permit States, not mandate, not say to the States, “You cannot have the punitive aspects”—permit the States not to enforce the punitive aspects of this legislation and effectively cut off all the benefits if the child is under 1.

Then this issue was brought up again. It was said, look, we are still not adding child care. Effectively, what you are doing is taking about 10 percent of those we want to be able to work and effectively excluding them, if all the States are going to do it, and I expect we think they would, if we believed that mothers, primarily, with children under 1, should not be penalized for deciding to stay home and care for their child rather than to go to work.

So later in the week we have the other amendment, which is the third change that says we will permit them to exclude mothers who have children up to 5 years. That is 65 percent of the mothers on welfare. Do we understand? We are talking now about trying to reform the welfare program and we are saying effectively 65 percent of the people who are on welfare will not have to have the punitive provisions because they will not have to work because of the Snowe amendment. I mean, sometime people have to start to say what are we really debating here? What is this reform we are debating? All the measures that are being put in, I guess, are just being decided in some forum. We heard so much about the health care being decided behind closed doors. We have now three different positions

by the leadership on this issue that have moved from taking, I think emasculating, the child care programs to one position to saying we will permit the States to exclude at least 10 percent. Those are the mothers with small children up to 1. And then later in the week for children up to 5, which is 65 percent of this—all being done under a request to be able to modify the amendment as amended.

Now we have to ask ourselves where are we? I want to say to our Republican friends, I applaud their initiative and I applaud their actions because, if this measure is going to go into force, that is going to at least provide some protection for those children. But the fact of the matter remains that it does not add a single dime to saying to those mothers that may have the opportunity to work and they can work, we are saying to those mothers we are providing child care for you so that you can get your training, you can get your education, you can make the job search, you can go out and begin the process of working yourself up through the economic ladder. We are challenging you to go out and work.

How are you going to be able to do that? There is only one way to do it, and that is to provide child care. The real welfare bill will provide work and child care. That is why this amendment is so important. It is effectively providing the child care funding that is necessary and has been projected as necessary for those working mothers. It will provide restoring the existing program, or funding, that exists under the Finance Committee, and provide the additional \$6 billion to \$5 billion, which is the existing child care funding lumped into the general block grant, and \$6 billion in new money needed to make work requirements real.

That will be taken, hopefully, from what we call the corporate welfare. We have reduced it in this amendment by the savings, by the \$50-odd billion in savings. So that is specific. But our desire, Senator DODD and myself, is that we take it from the corporate welfare.

You can say, what are these types of corporate welfare? We will have a chance to go into those in some detail. I can still remember where we were in the debate on corporate welfare when we had the billionaire's tax, which is \$1.6 billion. Remember that here in the Senate of the United States? We came back with a small conference report a number of months ago. We went on for days before we could at least get a vote about whether we ought to close the billionaire tax loophole, which says effectively that you can make it big in the United States and then, if you become a Benedict Arnold and reject your citizenship and become an expatriate, you do not have to pay your taxes. That is the billionaire's tax loophole.

Some of us believe that they ought to pay their fair share, that anybody who has been here, has been a citizen and has been able to participate in the pro-

tections of freedom, independence, and liberty have some obligation, as greedy as they might be, and as desirous as they want to be of taking the money and running, we say we ought to close that loophole. That is \$1.6 billion. That issue about trying to close that loophole passed overwhelmingly. I think it was 96 to 4 in the Senate.

Do you think we have that particular proposal included, that \$1.6 billion, as a way of trying offset the child care? Do you not think the American people say, OK, that is \$1.6 billion. There is \$1.6 billion of that money for child care. Let us see if we cannot find the rest of it. Of course, we can. There is a whole series of different proposals that have been referred to as the corporate welfare proposal—we hear a lot about welfare—which I think ought to be considered.

All this amendment says is that we will reduce the savings by \$6 billion, but it follows on with this amendment to say, let us find the \$6 billion out of the billions of dollars—\$424 billion under the budget resolution—of tax expenditures. We ought to be able to squeeze those expenditures just like we are squeezing the earned-income tax credit that benefits working families that are making \$26,000; just like we are squeezing the students in this country, sons and daughters of working families that are talented, creative, and have the intellectual ability in order to go ahead. And we are squeezing them by the in-school interest payments, which will mean, for every student that borrows, \$3,000 to \$4,000 additional a year. We are squeezing those students out of \$32 billion in education funds. We are squeezing those students anywhere from \$8 billion to \$9 billion in different ways in education generally, under the instruction of the Human Resources Committee, out of all the money that we are spending in education. We are squeezing them out of \$8 billion to \$10 billion.

Out of \$400 billion, we ought to be able to get \$6 billion for child care. \$1.6 billion right off the top. We voted 96 to 4 for it. Why do we not say, all right, there is \$6 billion, let us take that right away and let us look at the other \$400 billion and see if we cannot get \$4 billion out of there to make it up and make sure that in a welfare reform program that requires work that we are going to provide the child care? Why do we abandon them? Why do we abandon the children? Why do we abandon working families? Why do we abandon workers who want to get off welfare and go ahead? Why do we say that corporate welfare is more important than the well-being of the children of this country, the 11 million of them that are the sons and daughters of welfare recipients?

Mr. President, I see my friend and colleague who is a principal sponsor on the floor now. I will not take additional time. But I will point out that on this chart where we are talking about a total of \$11 billion, and we

know that of this \$11 billion \$5 billion can be paid for by discontinuing the existing—and these are the changes that have been made over in the House—additional one-third of the \$60 billion. They want \$30 billion more in the capital gains tax. That is on the table over there.

Some of these items are examples of corporate welfare: 5-year cost, \$300 million; \$18 billion shifting U.S. sales overseas—\$18 billion. These are financial incentives to more jobs overseas and to make sure that the companies do not pay any taxes if they do so. That is a wonderful tax incentive. It seems that we ought to cut back a little bit on those measures.

I am mindful that we will not be able to get uniformity among all the Members on these different items. That is not the purpose of raising this chart here. But all we are saying, Mr. President, is that under the Dodd-Kennedy amendment, we will provide the necessary child care program, No. 1; that we have the \$5 billion under the existing programs that are authorized and appropriated under the existing financing. So we have to make up the \$6 billion. And under the Dodd bill, that \$6 billion is made up on reducing the savings, and it is our position that we can find the \$6 billion scattered across this range of corporate welfare starting with the billionaires' tax cut.

We are wide open to consider any suggestions from any of our colleagues as to how you package together that additional \$6 billion. I would suggest that the first part include the billionaires' tax cut, but we are wide open to how that can be done.

Ultimately, if you say we cannot even do that, at least let us say that this measure deserves to be passed because with it being passed, we will provide child care for the children of this country. We will say to them, as all of us are wont of saying, that they are our future and they are our priority. They deserve the first priority. And rather than just saying it or speaking about this rhetorically, we will be doing something for the children of our future. That is what this amendment is about, and I believe it is the most important amendment we will have in this debate.

I ask unanimous consent that the examples of corporate welfare be printed in the RECORD.

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

Examples of corporate welfare—five year costs

Shifting U.S. Income Overseas (Transfer Pricing), \$300 million; Shifting U.S. Sales Overseas (Title Passage), \$18.3 billion; Creation of Phantom Sales Corporations, \$7.5 billion; Billionaires' Loophole, \$1.6 billion; Peanut Program Phase-Out, \$264 million; Mining Subsidies for Major Corporations, \$280 million; Capital Gains Tax Break, \$57.4 billion; Repeal of Alternative Minimum Tax, \$16.9 billion; Accelerated Depreciation of Buildings and Equipment, \$115.1 billion; Market Promotion Program, \$425 million.

Corporate welfare—five year costs

SHIFTING U.S. INCOME OVERSEAS—COST: \$300 MILLION

Tax loophole allows multi-national corporations to avoid U.S. taxes by shifting income to foreign subsidiaries and shifting costs to U.S. facilities.

SHIFTING U.S. SALES OVERSEAS—COST: \$18.3 BILLION

Tax loophole allows multi-national corporations to avoid U.S. taxes by passing title for exported goods on the high seas. Loophole was closed by both the House and the Senate during deliberations on the Tax Reform Act of 1986—but was dropped in conference.

As a result of this and other tax breaks for multi-nationals, 62% of U.S. multi-national firms pay no U.S. income taxes.

CREATION OF PHANTOM SALES CORPORATIONS—COST: \$7.5 BILLION

Tax loophole allows exporting companies to set up phantom subsidiaries that exist only on paper and exempt up to 30% of their export income from U.S. taxation.

BILLIONAIRES' TAX LOOPHOLE—COST: \$1.6 BILLION

Tax loophole allows billionaires to renounce their American citizenship to avoid millions of dollars in taxes on income and capital gains. Loophole applies to those with a minimum \$600,000 in unrealized gains, which generally would necessitate a minimum \$5 million net worth.

Finance Committee and full Senate closed loophole with 1995 legislative action, but it was re-opened in Conference.

Senate voted 96-4 on April 6, 1995 to close the loophole. It is still open.

Loophole allows an individual to enjoy all the benefits of the U.S., grow rich because of them, and then renounce citizenship to avoid taxes on the wealth generated in this country.

PEANUT PROGRAM PHASE OUT—COST: \$264 MILLION

Program introduced during the Depression to assist struggling farmers by distributing poundage quotas to individuals to grow and sell peanuts. Less than a third of quota holders are farmers. Quotas are passed from generation to generation.

World market price for peanuts is \$350 a ton, and American price is \$678 a ton. Companies who use peanuts have moved plants to countries where peanuts are less expensive, costing U.S. jobs. Since 1990, peanut butter plants have closed in Virginia, Georgia, Alabama, Michigan, and New York.

MINING SUBSIDIES—COST: \$280 MILLION

Originally signed by President Grant to encourage settlement of the West, the current mining law has allowed the extraction of over \$200 billion in mineral reserves with minimal federal compensation. A company can "patent"—or buy—20-acre tracts of land at a price between \$2.50 to \$5.00 per acre. The land then becomes available for mining or any other use, with no royalties for the government.

Last week, Secretary of the Interior Bruce Babbitt was forced to sell 110 acres of federal land in Idaho for \$275. The land was sold to a Danish company for \$2.50 an acre, and reportedly contains \$1 billion of minerals.

Last year, prior to a moratorium put in place, a Canadian firm paid \$10,000 for federal land in Nevada. The land has mineral value of \$10 billion.

If the law stands, approximately 140,000 acres of public lands containing more than \$15 billion of publicly owned minerals will be given away. One of the largest involves the Jeritt Canyon Mine in Nevada. A South Africa company and FMC, a U.S. corporation,

propose to pay \$5,080 for land with an estimated mineral value of \$1.1 billion.

CAPITAL GAINS TAX BREAK—COST: \$57.4 BILLION

Capital gains tax break benefits the wealthiest 1% of the population. Legislation passed by the House as part of the Contract with America would expand this benefit by \$31.9 billion.

REPEAL OF ALTERNATIVE MINIMUM TAX—COST: \$16.9 BILLION

Alternative minimum tax was instituted in 1986 Tax Reform Act. Major corporations, despite massive profits in an expanding economy, were paying zero taxes because of their artful combination of tax loopholes. Examples include:

DuPont—Despite \$3.8 billion pre-tax profit, no taxes were paid; Boeing—Despite U.S. profit of \$2.3 billion, no taxes were paid; and General Dynamics—Despite \$2 billion pre-tax profit, no taxes were paid.

ACCELERATED DEPRECIATION OF BUILDINGS AND EQUIPMENT—COST: \$115.1 BILLION

Largest of all corporate tax loopholes are write-offs for accelerated depreciation of buildings and equipment.

Expanded as part of the 1981 Reagan tax plan, the tax break was curtailed in the 1986 Tax Reform Act and the 1993 reconciliation bill. Legislation passed by the House as part of the Contract with America would expand this benefit by \$16.7 billion.

MARKET PROMOTION PROGRAM—COST: \$425 MILLION

Market Promotion Program funds consumer-related promotions of products through advertising campaigns, trade shows, and commodity analyses on foreign markets.

In 1995, the Senate deleted funding, but the Conference Committee restored \$85 million. The House has just increased 1996 funding for the Program by 25%.

Funds are used to subsidize large companies like Miller Beer, McDonald's, General Mills, and M&M/Mars. American taxpayers spent \$29 million advertising Pillsbury Muffins abroad and \$10 million on Sunkist oranges. One report has cited \$100 million in expenditures for foreign-owned corporations.

House Majority Leader Army: "I wonder about our commitment to deficit reduction if we cannot take Betty Crocker, Ronald McDonald, and the Pillsbury Doughboy off the dole."

Program should target its resources to smaller companies attempting to expand their markets, not large multinational corporations that hardly need public assistance.

Mr. KENNEDY. I yield the floor.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

Before I speak about the amendment that the Senator from Massachusetts just discussed, I wish to settle an issue that I discussed with my friend from North Dakota on his amendment concerning just exactly what CBO says the cost of that amendment is.

I hope that there will not be any dispute on this point. The Conrad amendment costs money. He says it saves \$63 billion. There is nothing in this amendment that he has before us that saves \$63 billion. In fact, what he basically has done is add provisions to the Dole bill that cost \$7 billion.

I have the CBO estimate in my hand, and it says right here, \$6.992 billion is the cost over a 7-year period of time. So I hope that will put that to rest now as to the aspects of that amendment.

In regard to the amendment that is before us, the Dodd amendment, I wish

to remind my colleagues that the Dole modification to the original bill S. 1120 regarding child care—offered on September 8, last week—prohibits States from sanctioning a single custodial parent if appropriate child care for a child age 5 and under is not available within a reasonable distance of the home or work site, or informal child care by a relative is unavailable or unsuitable, or appropriate and affordable formal child care arrangements are not available.

So there will not be any sanctioning of any parent with a child under age 5 if these sort of suitable arrangements are not readily available.

Let me point out that S. 1120, as introduced, provided and continues to provide two streams of funding for child care. I think we are getting the opinion from the other side that there is no concern whatsoever about provisions for child care. That simply is not so. And the original had provisions for child care. But to address some Members' concerns, that maybe it did not go far enough, those provisions I just stated were added.

In the original S. 1120, the current AFDC-related child care provisions, like IV-A child care, transitional child care, and at-risk child care, are included as part of the cash assistance block grant to the States. Funding for that is \$16.8 billion for each year, fiscal year 1996 through fiscal year 2000.

The current child care and development block grant, the State dependent care planning and development grants, and child development associate credential scholarships are folded into a separate child care development block grant. Funding for these is authorized for fiscal year 1996 at \$1 billion and such sums as necessary through the year 2000.

The Dodd amendment earmarks \$1 billion of the cash assistance block grant for child care and provides an additional \$5 billion to States for child care. Furthermore, it mandates that the child care provisions apply to children 12 and under, including prohibiting States from applying sanctions to those who do not fulfill their work requirements.

Now, it seems as if liberals refuse to recognize that the main cash assistance block grant and the child care and development block grant will not constitute the only funding source available to AFDC children. Other funding sources for child care include Head Start, title 20 and chapter 1.

While liberals attack the Work Opportunity Act of 1995 as somehow being a Home Alone bill, like we have no care whatsoever for children, they continue to ignore the fact that most of the JOBS participants did not report receiving child care funded by AFDC day care. In fact, according to the CRS, only 38 percent of all AFDC JOBS children age 5 and under reported receiving IV-A paid child care in fiscal year 1993.

The other side complains that the measures to sanction mothers who

refuse to work are punitive because they may not be able to work due to a lack of available child care. However, this concern has been answered by the additional provisions offered on September 8 because the States will not sanction mothers that they determine cannot obtain appropriate child care. I hope we have addressed their concern satisfactorily.

Liberals claim that the Congressional Budget Office figures prove that S. 1120 will impose an unfunded mandate on the States concerning child care costs. The CBO estimates show additional costs of \$280 million in fiscal year 1998, \$830 million in fiscal year 1999, and \$2.2 billion in fiscal year 2000.

However, the Congressional Budget Office estimates are based on the 1994 caseload level for all 5 years. The fiscal year 1994 caseload was at a historically high level due to the massive expansion of the rolls following the Family Support Act of 1988.

The Republican bill provides the mechanisms to give the States the flexibility that is needed in order to lower costs and improve the quality of child care. Our bill enables States to transfer up to 30 percent of the available funds between the child care block grant and the main cash assistance block grant. This transfer of funds will permit States to make the proper provisions for both low-income and welfare children so that funding is available as parents shift from welfare to work. The ability to transfer funds between block grants then gives States the maximum flexibility to target resources where they are needed.

We in Washington, DC, and the Congress of the United States, cannot expect to pour one mold here in Washington, DC, where we are going to solve all the child care problems or all the welfare problems as they exist in New York City or my State of Iowa in exactly the same way. We cannot expect a good use of the taxpayers' money to accomplish the most.

We have to wake up to the fact in this body and in this town that our population is so heterogeneous, our Nation so geographically vast, that it is impossible to make these very critical decisions in Washington, DC, that are going to solve the welfare problems the way they ought to be solved with the best use of the taxpayers' money moving people from welfare to work in the process.

Our bill gives States the flexibility to accomplish that. The reason that we give States the flexibility to do that is because so many of our States have shown the ability in their welfare reform legislation to move people from welfare to work and save the taxpayers money.

This legislation builds upon the success of several States, albeit under waiver from the Department of HHS, to experiment, to use new dynamic approaches to welfare reform. But they are doing it. And we observe that. We observe that States are going to do it

better than we can. In fact, considering the fact that 3.1 million more people are on welfare now than in 1988, the last time Congress acted, it ought to prove to us dramatically that our efforts toward welfare reform have failed.

Now, in addition to what I said about the 30 percent that can be transferred between the block grants by the States—and that is a legitimate discretion to the States—our bill says that the States can determine the proportion of funds to be allocated for child care and the method of delivery. It could be cash, it could be vouchers, it could be reserved spaces in designated facilities. It gives to the States the method of delivery in the main cash assistance block grant, and the provision to improve the quality of care for children, enabling relatives and religious providers to care for children without onerous regulatory burdens. At the same time, we hope to be able to do it by lowering the cost of child care.

Our bill strengthens current law regarding parental choice by eliminating the registration requirements for relatives who serve as child care providers as a condition of receiving a subsidy from the block grant, and includes provisions requiring that referrals honor parental choice of child care providers. Our bill permits the States to provide vouchers to recipients so they can contract for child care by charitable, religious, and private organizations through a voucher system.

Our bill allows us to move beyond the point that Government is the answer to every problem and that only Government can solve our social problems. We have a number of examples that serve as a structure for charitable, religious and other private organizations, with a little help through a voucher system, that are able to help solve these problems in a much better way than the Government. We should not assume here in Washington that Government generally is the answer to every one of our problems. And when we assume that Government is an answer—obviously, through this legislation, we are not assuming that the Federal Government is the only answer to every problem, but that there is a role for State and local governments.

But an obvious step beyond that is not to assume that Government, and a Government program, is the answer, but that there are other organizations out there in our society—charitable, religious and private organizations—that can help, and maybe even do a better job of it than we in Government can do. So our bill does that.

Our bill also allows States to count welfare mothers as fulfilling work requirements by providing child care services for other welfare mothers. To the other side I say, it is legitimate maybe to think in terms of problems that might be created, that children need to be taken care of when mothers are working. But the answer to that problem might be in the very neighbor-

hood of the welfare mother who wants to go to work by giving income to another welfare mother who wants to provide child care in the home. This will help them move from welfare to work, maybe to establish a very successful occupation and business they would not otherwise be able to start.

So neighbor helping neighbor is one answer to this problem, as well. You do not have to look just to some sophisticated organizations to provide child care. Give options to the families. Give neighbors an opportunity to help, particularly if that neighbor is somebody on welfare that wants to move to other sources of income. This gives that opportunity.

Now, under our bill, States can meet work participation rates without incurring major additional child care costs by moving recipients with older children off the rolls and into work.

According to the General Accounting Office, JOBS participants tend to be older and have older children than nonparticipants. The most recent data available from the Department of Health and Human Services indicates that for 39 percent of the AFDC families, the youngest child was 6 years old and over.

The Dodd amendment constrains State flexibility by eliminating \$1 billion from the cash assistance block grant and making a decision here in Washington, DC. It earmarks it through congressional enactment for child care rather than leaving the decision to the States.

In addition, it appropriates \$5 billion—that is in addition to the \$1 billion I just spoke about—in Federal funds for child care grants over the next 5 years, even though the need for these funds has not been demonstrated.

Under the Republican bill, the child care block grant calls for such sums as are necessary in fiscal years 1997 through the year 2000. So if there is a need for increased funding, then funds can be appropriated through this provision rather than locking Congress into a decision to spend \$5 billion right now.

The Dodd amendment effectively provides sufficient funding for every parent to have child care for children 12 and under and enforces the entitlement by eliminating the State's ability to sanction parents who choose not to work.

We assume that the States have the ability to make that decision, for children over 5 that they ought to have that right to make that decision. Our bill does that.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, do I control the time?

The PRESIDING OFFICER. Yes, you do.

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

much time remains? There is a voting time. Parliamentary inquiry, we do not have an allocation of time?

The PRESIDING OFFICER. There is a vote set at 5 o'clock, with the time divided equally. You have about 82 minutes.

Mr. DODD. I yield myself 10 minutes. If the Chair will notify me in 10 minutes. If I need more time, I will yield some. I will try to stick to this time constraint.

Let me quickly respond to my colleague from Iowa before he leaves the floor, if I may, on a point he has made on the earmark.

Senator HATCH of Utah has an amendment pending which deals with the earmark which I think is pretty much unanimously supported. That is, to earmark out of the \$48 billion, \$5 billion for child care. I strongly support it. I think most people do.

What we are talking about in the Dodd amendment is not only the Hatch amendment, the \$5 billion, but an additional amendment that we would be putting into the Child Care Program. The reason we do that, I say to my colleague from Iowa, is, in effect, to try and really assist the Dole proposal so that it can be done, if we try to achieve the desired goal here, and that is to get as many people to work as possible.

Under the Dole welfare reform proposal, 25 percent of all people on welfare are required, under the law, to be at work within 2 years, and then 50 percent of all people on AFDC to be at work by the year 2000.

Mr. President, I have to be careful about numbers, but this is a report that was put together on the Republican leadership plan. I will tell you who put this together in a minute. It is an analysis of the projected numbers of people that would be required to be at work under the majority leader's bill.

There are several columns. It goes State by State. The first column is the "Projected number required in the year 2000 to participate in work under the Senate Republican leadership plan." Go over two columns and it is, "Projected number required to actually participate," with a number in between, "Projected number of leavers, combiners, and sanctioners that count toward participation."

I do not know what that means, except that it reduces the number. It must mean that people who otherwise would be exempt under the proposal, for one reason or another, because it reduces the first number by almost 50 percent.

If you take the first number, the projected number by the year 2000, it is in excess of 2 million people who would have to be at work by the year 2000.

In Tennessee, the number of people is 46,000. My State of Connecticut is 26,000. Iowa is 17,000. If you take the Tennessee number and the Connecticut number, as it is reduced down, the Tennessee number actually gets you down to 23,400. The Connecticut number reduces from 26,000 down to about 13,500.

It is exactly in half. I do not know quite how that happened. Let us just accept that number, somewhere between 2 and 1 million. Fifty eight thousand will have to meet that criteria.

Maybe someone can explain that middle column to me at some point, what a lever and combiner is that reduces that number.

The point is this. It is estimated that the number of child care slots that will be necessary to move these people from welfare to work is roughly increasing the number by 165 percent. If we do not do that, the States are going to be faced with penalties, a 5-percent penalty, 5 percent on the block grant the State would get.

As you calculate that, the 5-percent penalty is probably less than saddling the State with the cost. I will give you the numbers of what is estimated State by State. I will ask unanimous consent to print this in the RECORD.

The estimated cost State by State related to child care alone, beyond what we presently have in the bill, would require an expenditure in Connecticut of \$48 million. In Iowa, it is \$32 million; California, \$652 million; in Tennessee, it is \$84 million, and each State goes down.

I see my colleague from Utah. Utah is \$14 million. This is what the States would have to come up with, we are told, in order to meet the child care requirements. Sixty-four percent of these people have children under the age of 5. You are either looking at reducing spending in other areas or coming up with a tax increase to meet that number. We are doing what Hatch proposed, and we are allocating of the \$48 billion, \$5 billion to child care.

We are going a step further by saying the demand is such you have to have a resource allocation to avoid putting States in the position of having to pay the penalty because you are not able to get there unless they come up with this kind of revenue increase, which I think is going to be difficult in many cases. Or they probably would opt for the penalty, given the lower cost of paying the penalty.

In the debate on welfare reform, we should not be in the business of trying to promote penalty payments or necessarily asking States to meet this criteria to come up with a tax increase on their own. What we are talking about is an allocating of existing resources under the block grant and additional resources to meet the demands.

The number is somewhat in debate, depending upon, like most things in this town, when you start talking beyond the \$5 billion. Everyone admits beyond the \$5 billion, you need more resources. We are told roughly it is close to \$6 billion over 5 years. Others will say it is \$3 or \$4 billion, and we are roughly in that range. Depending upon what happens with the numbers I outlined to begin with on how many people are actually moved to welfare, if it is the 2 million or the 1 million, that number, that \$6 or \$3 billion would

probably change somewhat. But clearly, we need some if we are going to make this work.

Again, I do not know anyone who disagrees with the notion that when you have young children—by the way, I applaud the majority leader's decision to take the exemption from 1 to 5 years. That is going to help, I believe. What it does too often is it gives people an excuse not to get from welfare to work. I appreciate trying to help out those families, but I believe our underlying goal ought to be, how do we move people from public assistance to work. Not giving them a reason not to, but rather, how do you achieve it, not just in economic terms, in dollars and cents. There is a societal benefit, in my view, that exceeds whatever dollars we invest or save here, that far exceeds the numbers that we benefit or costs us to do this.

The value of work, a family at work is so much more important in many ways than the budgetary implications. There is nothing that is more salutary for a family, a neighborhood, a community than work.

And so while I applaud the decision to exempt these families, and understand it, we ought to be doing everything we can not to create exemptions but to create opportunities for work. So while I fully understand and accept the concern about an additional \$3 to \$6 billion over 5 years, Mr. President—not 1 year; over 5 years—I happen to believe that is a good investment, if we stick to our common goal, and that is to do everything possible to make it possible for people on public assistance to get to work.

There are other elements as well, the job training and so forth, the health care elements, but one of them clearly is the child care question.

Again, you do not have to be on welfare to understand the child care question. As I said the other day, any family in this country with young children, regardless of their income, knows of the anxiety of child care, particularly if it is a single-parent family raising children or two-income earners out there. They worry about it every day, every week, every month, wondering about whether the child care will be there next week, is it good child care, is it safe—all of these questions that people worry about.

No one is necessarily going to have to get into the shoes of a welfare recipient to appreciate the feelings of a mother or parent that is going off to work and wants to know where those children are. I might add, Mr. President, that in fact not only is this going to help people get to work, but, based on what Senator HATCH and I did a few years ago on child care—by the way, we had the same qualities, standards, and so forth, incorporated as part of our block grant as are included here. We happen to believe that the child care settings are a lot better than some of the settings we would be talking

about where some of these children would be.

There is another educational element here. Not every single case, but most of the child care programs, church-based and community-based programs, are pretty good programs. They have sliding scales and so forth to make it possible. All we are saying here is that to really make our welfare reform program work, to really make the Dole bill work, you have to have some feature to this that makes it possible for people to be able to leave their homes in the morning, knowing full well that their most important asset, the thing they care about the most, their children, are taken care of. They are not going to go out the door—and they will pay any price—particularly if they have infant children, and even 5, 5½ years of age, even though there are preschool programs, they will not leave those children unattended. They will go to jail or pay fines.

We ought to create an environment where it is inviting to go to work, not create obstacles. How do we take down the barriers? In any survey that I have read over the last 5, 6 years on welfare to work, if not the top reason, Mr. President, one of the top two or three reasons is the absence of child care. In fact, one of the problems is that in our urban areas, unlike suburban areas where you get more options of child care because there are a lot more people in the business of child care, in our urban settings, there is less of that. So the options available to people in our poorer areas—urban and particularly rural areas—is more difficult.

The problems in rural America and urban America are more difficult in trying to find child care settings for people. A lot of people are not in the business of child care, for obvious economic reasons. The pressures are great in the areas where we find the larger concentrations of people on public assistance, in our poor areas, and there is not the kind of availability.

What we are hoping to be able to do with this amendment—and I truly hope it is bipartisan—is bring everyone together on this one issue. Senator HATCH and I did that 5 years ago in our child care program. It really united a lot of people here around a common theme of trying to eliminate one of the major obstacles of going from welfare to work—to come up with a proposal that provides resources.

This is not an entitlement. It is not that somebody has a right to go into court and demand these resources. It is truly an assistance to the States that have good child care programs, that have flexibility, that we are asking to do a lot. This is a mandate, a Federal law that says, within 2 years, you have to have 25 percent and, by the year 2000, 50 percent have to be at work, or we penalize you 5 percent of your block grant.

Now, again, that is a mandate. All we are suggesting here is to make it possible for these States to achieve those

goals and those numbers—whether it is the 2 million, Mr. President, or the 1 million. Again, I will try to sort out that number. It is somewhere in between here. Clearly, those are going to be difficult numbers to reach. In California, 358,000 people are going to have to find work slots. We know how difficult it is to find work for people. Here are 358,000 new jobs we are going to have to come up with in California. The number is 17,000 in Iowa, 102,000 in Michigan, 200,000 in New York, 104,000 in Ohio, and 46,000 new jobs in Tennessee in the next 2 years. We all know of the pressures of people being laid off, losing jobs, with downsizing and so forth. So as we try to create new jobs and requiring people to move into them, to make it possible and ease that burden of child care seems to me to be critically important.

One additional element. Again, I respect the 5-year-olds and less on the exemption. But if you have four children, and three of them are over 5 and one is under, you are exempted because you have one child under 5. So if you have three children—maybe 12, 13, and one is under 5—you fall into the exemption category.

We ought to be trying, as I say, not to create a situation where people say, “How do I avoid this and continue to collect public assistance?” But we ought to try to move people into that work category. Again, I respect the exemption and applaud it in some ways; I welcome it as an improvement here. What I really hope, Mr. President, is that we can come together here in the next few hours on this proposal. It is not draconian or radical. It is a simple enough idea. I think you build a much stronger base of support for the majority leader's bill with the result of the adoption of this. I think the President would welcome this, in terms of his signature. Also, I think it would really make it possible to reach the kind of numbers we are talking about here to be entering that work force, moving away from public assistance. And the tremendous value, beyond the dollars and cents we talk about, the value to those families and to those children, I think, does not show up on all these graphs and charts we talk about. It is hard to put a price tag on the value of somebody at home who has a job, and what it means to that family and neighborhoods and communities when people are working.

For those reasons, I urge adoption of the amendment. I thank our colleague from Vermont for cosponsoring the bill. We adopted unanimously in the Labor and Human Resources Committee a sense-of-the-Senate resolution which concludes by saying, “It is the sense of the Senate that the Federal Government has a responsibility to provide funding and leadership with respect to child care.” That is in anticipation of this bill coming along. And as the distinguished occupant of the chair is a member of that committee, I appreciated his support of that resolu-

tion. I hope that he, along with others, will be supportive of the amendment pending.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. There are 67 minutes on that side and 97 minutes to the Senator from Utah.

Mr. KENNEDY. I yield 10 minutes to the Senator from Washington.

Mrs. MURRAY. Mr. President, I began listening to this debate several weeks ago with the hope that some positive changes could be made to the current welfare system. Since then, I have spent weeks in my State talking with friends and parents and members of communities about this issue.

I must admit, as we continue this debate, I have mixed feelings. I still believe the Senate can achieve real welfare reform that works for families. But I have been disheartened by the Senate's rejection of the work-first amendment, because I believe that amendment reflected a workable, non-partisan, solution-oriented approach to fixing the welfare system.

Now we are considering an amendment that goes to the very heart of the welfare debate: childcare services. Make no mistake about it, Mr. President: childcare is the key to successful welfare reform.

Mr. President, I bring a unique perspective to this debate on the Senate floor. I am a mother with school-age children. I have been a preschool teacher, dealing with kids from all economic classes. I have run parent education classes, counseling young parents to help them develop their skills as mothers and fathers in the modern world.

I can tell you what it's like to take a phone call from a young single mom at the end of her rope. She is burning the candle at both ends, trying to work, worrying all day long about her kids. For this parent, her paramount concern is childcare; she cannot focus on doing a good job without knowing her kids have adequate nourishment, supervision, and care during the day.

Fully 34 percent of current welfare recipients have identified access to childcare as the single barrier between them and reentering the work force.

To succeed in reforming welfare, we have to understand the everyday challenges of everyday parents. We have to speak their language, and know their issues. Only by knowing and understanding these challenges can we design a welfare reform proposal that truly gives struggling families a boost to economic stability. That, Mr. President, means we need to address childcare in this bill.

For the past 5 months I've been participating in a unique program called Walk-a-Mile. Some of my colleagues, including Senator SIMON, have also taken part. Walk-a-Mile started in Washington State as a collaborative effort between the University of Washington and the Northwest Resource

Center for Children, Youth, and Families.

The program pairs a welfare recipient with an elected official, and the two speak frequently on the telephone about each others' experiences. I was lucky enough to be paired with June, a single mother of two from a Seattle suburb who survived an abusive relationship.

During her time on welfare, June attended school and earned a degree from evergreen State College. Her classroom time was frequently interrupted, however, because her 6-year-old son Jonathan suffers from attention-deficit disorder, a side effect of the abuse suffered in their previous home.

Since earning her degree, June was divided her time between looking for work and looking for childcare. She has been told by six different daycare providers that her son could not be cared for, because of his explosive and erratic behavior.

Her dilemma is a familiar one: in the absence of childcare, she cannot work; yet she is qualified, and eager, to work today.

How does this story related to the Dole bill? the pending legislation glosses over the childcare question, and leaves demand for childcare services unmet.

In 1994, there were 3,000 children on waiting lists for childcare in my State. Nearly 23,000 other kids received childcare services that would be eliminated under the Dole bill. That adds up to 26,000 children for whom childcare is thrown into question under this bill.

The Dole bill would compel my State to spend \$88 million in childcare in order to meet its work requirements. At the same time however, we stand to lose over \$500 million in Federal funding over the same period.

The bill cuts current services; it severely limits Federal funding; and forces my State to spend more of its own scarce money. Worse, it stands to create an expanded, unaddressed demand for childcare. This is a major unfunded mandate, and a major problem for Washington State.

Mr. President, this is not reform; this is reshuffling the chairs on the *Titanic*.

If we want to move people into the work force, we should do it. I think this is a very worthy and important goal. But we should be realistic about what that will take.

As a preschool teacher, and parent education counselor, I can tell you—based on firsthand experience—given the choice between work and kids, a parent with limited options will stay on welfare if it's the best childcare option, just for the security of her family.

This is why the Dodd-Kennedy amendment is so important. It addresses the need for childcare services, pure and simple.

It provides resources in a fiscally prudent, credible way through direct grants to States with only one purpose: to fund childcare needs created by new

work requirements. Funding levels would be set according to CBO estimates of the childcare demands created by the underlying Dole bill.

What is the purpose of the amendment? It is not to give bureaucrats more money; it is not to place more regulations on States; the sole purpose is to move parents into the work force.

I believe this is not only appropriate, but necessary.

Think back to my Walk-a-Mile partner, June. For people like her, the Dodd-Kennedy amendment gives them peace of mind to invest themselves in education or training programs that will equip them to move into the work force, without worrying about whether their kids will be looked after during the day.

Mr. President, I know what worries parents, and I know what scares the kids. I've seen it firsthand, and I've studied it closely over the past 3 years.

We have a unique opportunity to do something concrete for real people in this bill. We can build a foundation for families. We can provide opportunity for children and their parents.

Mr. President, 78,000 children in my State live in poverty. Their parents struggle every day to make ends meet. How do we know one of those kids will not be the next Einstein, or the next Cal Ripken, or the next Bill Gates?

If we do not do our part to create a foundation to care for children and provide options for parents, our Nation stands to lose in the long run.

These are the fears of moms and their children. This is why moms get trapped in dependency, and why their kids look for their solutions on the streets. And unless we do something to remove these fears, we will not accomplish reform.

The Dodd-Kennedy amendment provides that foundation. The Senate must adopt this language, or something very close to it, if our reform effort is to succeed.

Mr. President, I urge my colleagues to look carefully at this language. It is fiscally smart, and I believe it will help welfare parents turn the corner.

I urge my colleagues to consult with their States. Do the math. Ask yourselves what happens to children under the Dole bill, in the absence of better childcare provisions.

Ask yourself whether the work requirements are realistic in the absence of strong childcare provisions. If you don't know the answer, talk to someone like June, my Walk-a-Mile partner, someone with real experience who understands life on the lower half of the economic ladder in this country.

If you do this, I believe you will have no choice but to reach the same conclusions I have: Moving welfare recipients into the work force can work, but only if we do it right. We simply must address critical childcare needs in this bill.

I yield the floor.

Mr. KENNEDY. Mr. President, how much time is on each side of this?

The PRESIDING OFFICER. The Senator from Connecticut has 58 minutes; the Senator from Utah has 96 minutes.

Mr. KENNEDY. Mr. President, I see both the Senator from Connecticut and Washington are here. We hoped to have an opportunity to debate this important measure with the leadership because it is, I think as I mentioned before, the most important amendment, I think, coming on welfare.

We welcome the opportunity to make presentations. The proponent of the amendment, Senator DODD, myself, Senator MURRAY and others on Friday outlined the amendment, and again today. We want to try and have a chance to enter into a debate on it.

Mr. President, I yield myself 4 minutes.

Mr. President, I ask to have printed in the RECORD a very excellent address on related matters provided as a keynote address to the 25th anniversary of the Campaign for Human Development by Cardinal Bernardin from Chicago.

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

THE STORY OF THE CAMPAIGN FOR HUMAN DEVELOPMENT: THEOLOGICAL-HISTORICAL ROOTS

(Joseph Cardinal Bernardin)

I am delighted to serve as Honorary Chairman of this event and to welcome you to Chicago for the 25th anniversary celebration of the Campaign for Human Development. I thank Bishop Garland and Father Hacala for the kind invitation to speak at this gathering. This is the first address I have undertaken since my illness, so it is indeed good to be here with you!

It is fitting that we are gathered here because since the beginning, Chicago has been important to the Campaign and the Campaign has been important to Chicago. As you may know, Msgr. George Higgins of this Archdiocese wrote a Labor Day message in 1969 that pointed the way to the Campaign.

Auxiliary Bishop Michael Dempsey of Chicago was CHD's first spokesperson.

Msgr. Jack Egan organized the "Friends of CHD" in the mid-1970s and for decades has been an inspiration to the Campaign's work.

The great work of community organizing began in Chicago, and Chicago has many important networks and training centers.

CHD enjoys a rich tradition of support here, both in the form of active and enthusiastic participation by people in organizations and projects funded by CHD, and in the generous donations to the annual CHD collection. Again this past year, despite many other urgent and worthwhile requests for assistance, Catholics throughout the Archdiocese donated nearly three quarters of a million dollars.

An anniversary is a good time to reflect on the splendid accomplishments of the past and to look to the significant challenges of the future. This evening, I will highlight CHD's historical and theological roots and share some thoughts on its importance for the future.

In his labor Day message in 1969, Msgr. George Higgins urged the Catholic Church to make "a generous portion of its limited resources available for the development and self-determination of the poor and powerless." At the bishops' meeting that fall, the late Msgr. Geno Baroni continued to lay the groundwork for this initiative by urging the bishops to take up the plight of the poor in a new, significant way.

In response, the bishops resolved (a) to raise \$50 million to assist self-help programs designed and operated by the poor and aimed at eliminating the causes of poverty; (b) to educate the more affluent about the root causes of poverty; and (c) to change attitudes about the plight of the poor. The bishops were inspired by Jesus' life and mission, by almost a century of Catholic social teaching, and by Pope Paul VI, who had called for determined efforts to "break the hellish circle of poverty" and to "eradicate the conditions which impose poverty and trap generation after generation in an agonizing cycle of dependency and despair."

As General Secretary of the National Conference of Catholic Bishops at the time, I was directly involved in this exciting endeavor. While enthusiasm among the bishops was high, details about how the crusade would be implemented had yet to be developed. As I have often noted, the bishops voted in this collection and left it to me and staff to work out the details! Despite the complexities involved in such an enormous undertaking, I was motivated by my strong belief that the idea behind what would become known as the Campaign for Human Development was "blessed from the beginning," and was eager to get it underway.

Even though we had to create a program, manage a national collection, and decide how to distribute millions of dollars in grants—all in only a few months—we were determined to make it a success. Thanks to a dedicated staff, and many others, some of whom are with us this evening, the Campaign did get off to a good start. Indeed, the first CHD collection was the most successful national Catholic collection ever taken up in the United States, raising \$8 million. And we received a thousand requests for grants!

The Campaign for Human Development has a threefold mission of empowering the poor, educating people about poverty and justice issues, and building solidarity between the poor and non-poor, it is a remarkable expression of Catholic social teaching. CHD embraces the basic principles of that teaching: the God-given dignity, rights, and responsibilities of the human person; the call to community and participation in that community; the option for, and solidarity with, the poor.

CHD funds have helped organizations effectively address the larger issues of the community by promoting changes in detrimental laws and policies and by opening lines of communication with government, banking, business, and industry. According to a recent study sponsored by the Catholic University of America, CHD seed monies have generated billions of dollars' worth of resources for underprivileged communities. That same study indicates that CHD-funded projects currently benefit in some way fully half of the poor in the United States!

CHD-funded groups have helped to shape U.S. public policy and improved life for families and communities in many ways. They helped enact legislation to ban redlining, require mortgage information disclosure, and require reinvestment in communities. They helped enact federal standards that virtually eliminated "brown lung" disease in the textile industry. They helped pass the Family and Medical Leave Act and strengthen enforcement of child support.

However, more important than what CHD-funded groups have done is how they have done it. While some political leaders have lately begun to talk about "empowerment," CHD has made empowerment its very reason for existence. CHD has successfully promoted self-determination and participation for countless people.

One of my joys as Archbishop is meeting individuals who, thanks to CHD, now share

more fully in decision-making processes that affect them. For example, just yesterday the following 1995 CHD grants for the Chicago area were announced at a press conference:

Chicago ACORN received \$45,000 to fund the Chicago Parents Organizing Project's efforts to unite parents and young people to improve schools in low-income communities;

Chicago's Homeless on the Move for Equality received \$30,000 to expand its operations to serve better the needs of the homeless in Chicago;

Illinois Fiesta Educativa of Chicago received \$40,000 to fund educational programs and services to Latinos with disabilities; and

Chicago Metropolitan Sponsors, with which I have been personally involved, received \$116,000 to address such social issues as crime, unemployment, and education in Chicago and surrounding suburbs.

Twenty-five years, nearly \$250 million dollars, and 3,000 funded projects later, CHD remains a leader in community organizing and education about the impact of poverty, the social structures that perpetuate it, and ways to overcome it. CHD has consistently taught all of us about systemic injustice that limits people's ability to improve their lives. It has also changed attitudes among the poor by fostering self-esteem, self-confidence, and self-reliance, as well as encouraging a sense of hope about being able to address injustice effectively and create a better life for the poor. As CHD's "25th Anniversary Challenge" document notes, "CHD is an unusual combination of religious commitment, street-smart politics, commitment to structural change, and commitment to the development of the poor."

Pope John Paul II highlighted CHD's effectiveness when he was in Chicago in 1979, saying, "The projects assisted by the Campaign have helped to create a more human and just order, and they enable many people to achieve an increased measure of rightful self-reliance." In a recent letter to Cardinal Keeler, the President of our Episcopal Conference (for whose presence this evening I am very grateful), the Holy Father echoed similar sentiments of admiration and respect. And in their 1986 pastoral letter, "Economic Justice for All," the U.S. Catholic bishops underscored CHD's efforts, pointing out that: "Our experience with CHD confirms our judgment about the validity of self-help and empowerment of the poor. The Campaign * * * provides a model that we think sets a high standard for similar efforts."

Despite CHD's successes, tragically, poverty is more entrenched today than ever before in our nation's history. Indeed, reducing poverty today is even more daunting than a quarter-century ago because it is often exacerbated by other serious, societal problems that have increased significantly. Out-of-wedlock births, particularly among teens; inadequate housing, health care, education, and job opportunities; lack of community involvement; and most of all, the collapse of family structures—all are undermining our society and making it all the more difficult for people to escape from the grips of poverty. Moreover, senseless violence, rampant crime, drug abuse, and gang warfare dramatically and tragically diminish the quality of life in many communities.

As a result, our country is even more divided today between the "haves" and "have-nots." There is an increased concentration of wealth and political power alongside a growing feeling of powerlessness among many of our citizens. Rapidly developing technology, layoffs, diminishing health benefits and retirement security, and more part-time jobs offering little or no benefits have left the middle-class and working-poor very insecure and growing more resentful toward both government and the non-working poor who depend on society for aid and assistance.

Building solidarity between the "haves" and the "have-nots" is vital if we are to overcome poverty and the many other problems facing our society. So, even though the challenge of reducing poverty is greater today, the fact that one of CHD's greatest strengths is its ability to bridge the gaps—between the poor and the affluent, the powerful and the powerless, workers and management—will enhance its influence. However, as you and I know very well, it will require much more than "bridging the gaps."

Twenty-five years ago, Msgr. Baroni emphasized this point when he spoke to the U.S. bishops about the urgent need to address poverty, racism, and injustice in our nation. He pointed out that "something spiritual is lacking—the heart, the will, the desire on the part of affluent America to develop the goals and commitments necessary to end the hardships of poverty and racism in our midst."

Today, for example, there appears to be a great desire to address one dimension of poverty, namely, welfare reform. Unfortunately, the debate about such reform seems to spring not so much from an authentic concern for the poor as from pragmatic concerns about the federal budget deficit and taxpayers' pocketbooks. Now the federal budget and taxes are realities that must be dealt with, but they should not be resolved apart from a sincere and objective consideration of the common good of all citizens.

If we are to solve these problems, then, we must shift the discussion about welfare reform from a merely pragmatic or myopic concern to a more fully humane concern for all. To address poverty realistically and humanely involves more than appealing to people on an intellectual or a political level. It requires calling people to a real conversion of heart for the sake of the common good, which includes the well-being of the poor and needy. It means nurturing a new spirit in the Church and in our nation:

a new spirit of compassion, generosity, and love for "the least among us";

a new spirit that rejects the vicious rhetoric and the push for punitive measures that is so common today and instead encourages a new, determined approach to addressing the root causes of poverty;

a new spirit that challenges those who are not poor to disavow stereotypes of the poor and shatter myths that enable people to look down upon the indigent;

a new spirit that encourages an honest and informed consideration of issues in the light of human values and a moral commitment; and, ultimately;

a new spirit that trusts in God's grace to transform our hearts and to empower our communities and Church—from sin and evil to love and justice.

There is no doubt that welfare reform is an urgent national priority. No one should support policies that are wasteful or counterproductive, policies that perpetuate poverty and dependence. Rather, such reform should aim to enhance the lives and dignity of poor children and families and enable them to live productive lives. Saving money in the immediate future should not be the only criterion because such short-term savings lay the groundwork for greater difficulties and costs in the future. Remember also that welfare funds amount to only 1% of the national budget. Reforms that effectively punish the innocent children of unwed teenage mothers, wittingly or unwittingly promote abortion, or burden states to do more with less resources are not the answer.

The success of Campaign for Human Development clearly shows that combining personal responsibility and social responsibility is a potent catalyst for change, renewal, success, and hope for the future. Now is the

time to demand a halt to the political rhetoric and posturing, which are fueled by individual interests and those of special interest groups. Now is the time for creative solutions and bold strategies that invest in human dignity and potential rather than scapegoat and punish the poor, further exacerbating the already dire situations many poor people face today. We know that true reform will not be easy, but we also know that poor people, with the right kind of assistance and opportunities, can make a better life for themselves and can contribute to the common good.

So, this evening, this weekend, and as we return home, let us renew our commitment to economic and social justice for all by continuing to engage people in their faith life and by encouraging them to put their faith into action. If we do, we can and will make a difference. I am convinced that CHD harbors a vast reservoir of untapped potential.

In a speech to students in South Africa, the late Senator Robert Kennedy, said, "Each time a man stands up for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance." (Senator Kennedy's widow, Ethel, is featured in CHD's current radio ads, and his daughter, Kerry, now serves on the USCC/CHD Committee.)

The Campaign for Human Development began as a ripple and has become a current cascading through lives and communities—bringing new opportunity in its wake. It is a sign of hope for the poor and for all Americans who seek justice. You, my friends, help to make that hope possible!

My dear sisters and brothers, let us thank God for the grace of the past quarter of a century. Let us also open ourselves to the inspiration and strength of the Holy Spirit so that we will be able to: change hearts; face the challenges and opportunities of the future; and nurture a new spirit of compassion and solidarity with the most vulnerable members of our society.

May God who has begun a good work among us bring it to fulfillment.

Mr. KENNEDY. Mr. President, let me quote from a few paragraphs of Cardinal Bernardin in his excellent address on August 25. "Today, for example, there appears to be a great desire to address one dimension"—he talks in the early part of the speech about the problems of poverty and welfare and the importance to eradicate, to break the hellish circles of poverty is to eradicate the conditions which impose poverty and trap generation after generation in an agonizing circle of dependency and despair. He could be talking about the whole welfare issue we are addressing here today.

Today, for example, there appears to be a great desire to address one dimension of poverty, namely, welfare reform. Unfortunately, the debate about such reforms seems to spring not so much from authentic concern for the poor, as from pragmatic concern about the Federal budget deficit and taxpayers' pocketbooks. Now, the Federal budget and taxes are realities that must be dealt with, but they should not be resolved apart from a sincere and objective consideration of the common good of all citizens.

If we are to solve these problems, then, we must shift the discussion about welfare reform from a merely pragmatic and myopic concern to a more fully humane concern for

all. To address poverty realistically and humanely involves more than appealing to people on an intellectual or political level. It requires calling people to a real conversion of heart for the sake of the common good, which includes the well-being of the poor and the needy.

He continues:

There is no doubt that welfare reform is an urgent national priority. No one should support policies that are wasteful or counterproductive, policies that perpetuate poverty and dependence. Rather, such reform should aim to enhance the lives and dignity of poor children and families and enable them to live productive lives. Saving money in the immediate future should not be the only criterion because such short-term savings lay the groundwork for greater difficulties and costs in the future. Remember also that welfare funds amount to only 1 percent of the national budget. Reforms that effectively punish the innocent children of unwed teenage mothers, wittingly or unwittingly, promote abortion or burden States to do more with less resources are not the answer.

He then continues:

The success of Campaign for Human Development clearly shows that combining personal responsibility and social responsibility is a potent catalyst for change, renewal, success, and hope for the future. Now is the time to demand a halt to the political rhetoric and posturing, which are fueled by individual interests and those of special interest groups. Now is the time for creative solutions and bold strategies that invest in human dignity and potential rather than scapegoat and punish the poor, further exacerbating the already dire situations many poor people face today. We know that true reform will not be easy, but we also know that poor people, with the right kind of assistance and opportunities, can make a better life for themselves and can contribute to the common good.

The excellent address goes on.

Mr. President, I daresay I would like to believe, although obviously the Cardinal was not focusing on this amendment, that is really what this amendment is all about, investing in people; in the human dignity of, in this instance, needy children. He states it, I think, in a very eloquent, uplifting and inspiring way. But it seems to me it is right on target for this debate.

Mr. President, I will withhold the remainder of our time. We have a number of speakers who will be coming to the floor.

I suggest the absence of a quorum, with the time to be evenly divided.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. 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. BREAUX. Mr. President, I ask the distinguished manager of the amendment to yield to me 10 minutes.

Mr. KENNEDY. I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Senator for yielding.

Mr. President and my colleagues, I take the floor to make comments in support of the Dodd-Kennedy amendment that is currently pending to the welfare reform bill. I do so with great enthusiasm because, like any effort, unless you have all the parts together you cannot accomplish the ultimate goal. In welfare reform there are a number of significant things that have to be done in order to pass a true reform bill. Congress cannot come on the floor, obviously, and pass a resolution that says welfare will be over with by the year 2000 and do nothing else. Any legislative effort that attacks this tremendous problem that we are facing as a Nation has to be composed of a number of significant measures in order to bring these measures together to accomplish real reform. It is not easy. It is not going to be cheap. But it is absolutely essential that we do it.

One of the things that we as Democrats, and I think Republicans as well, agree on is that the welfare system as we know it today does not work very well for those who are on it, nor does it work very well for those who are paying for it. The system has generated generation after generation of people who are dependent on government help in order to survive. We in this Congress I think have an obligation to try to come up with a real reform bill that breaks that cycle. It is not going to be easy. I think it has to be bipartisan. We have to have our Republican colleagues join us when we have a good idea and I am willing to join them when they have a good idea. We do not have enough votes by ourselves to pass a welfare reform bill. We simply do not have a majority any longer. But I would suggest that they alone do not have enough votes to pass a bill that will be signed into law by this President unless we too are involved in helping to craft a measure that makes sense.

Some have argued that the Federal Government and the States have been trying to solve the welfare problem for years and it has not brought about any real solution. Therefore, we are just going to give the whole mess to the States and let the States handle it because they are more inventive and have better ideas about how to solve the problem. I would suggest that approach is simply too simplistic and it is not going to work.

This problem is big enough for both the Federal Government and the State governments working together to try to help solve this immense problem. I would suggest that State and local governments cannot solve it by themselves, and I would also suggest that the Federal Government cannot solve it by itself. Therefore, real reform has to be a coming together of the best ideas from the States and the Federal Government working together to provide money both from the State level and the Federal level in order to try to create sufficient funds to bring about real reform.

There are those who suggest that, no, that is not the answer. We are just going to send all of the problems to the States and let them solve it. I have said that type of an approach is sort of like those of us in Washington putting all the problems of welfare into a big box and mailing it off to the States and say, "Here. It is yours. You solve it." That is the block grant approach. When those State representatives and State officials open that box they are going to find a lot of problems. They are not going to find enough money to help them solve those problems. Therefore, it is absolutely essential, in my opinion, that we forge a joint venture, a partnership with the States and the Federal Government, to help bring about the best ideas and the best solutions to this problem working in partnership.

The Federal Government should absolutely have to contribute money from the tax base that we have access to to help generate sufficient funds to solve the problems. But the States also have to participate.

There are some who would suggest that the States should have no maintenance of effort at all. The Federal Government will pay the whole bill. But we will let the States get off without having to contribute anything. I think that is the wrong approach.

Tomorrow, myself and others will be joining together to offer an amendment dealing with State maintenance of effort, to give the States an incentive to match Federal money to try to create a program that makes sense. I am absolutely convinced that if State officials, no matter how good and honest they are, know all the money in the program is going to be from Washington, they are less inclined to make the right decisions, to spend the money wisely, if they do not have to put up any of their own State dollars. Therefore, I think we have to urge them to participate, to maintain most of the effort they have made in the past and to join with us in a partnership arrangement to in fact solve this problem.

Let me talk specifically just for a moment about the Dodd-Kennedy amendment. I do not think that there is a social scientist or a housewife or an individual in this country, no matter what their profession, who can look at the welfare problem in this country and say that we can solve it without addressing the problem of child care. We cannot solve welfare problems in this country just by passing a law that says all mothers should go to work and do nothing about the mothers who have small children at home, maybe 1 or 2 or 3 years old. We cannot pretend that if they have to go to work without something being done to help them with their child care, that is a real solution to welfare. In fact, that is not only not a solution, it in fact is a greater problem than we have right now. The Republican proposal requires—as does ours—that by the year 2000, 50 percent of the people who are

now on welfare have to be in work. The Republican proposal and the Democratic proposal are the same essentially on that issue. The difference is how we get people to that point. The Republican proposal does not provide any additional financial assistance to pay for child care. That is the real defect in that approach.

Our legislation, on the other hand, provides \$9.5 billion in new funds over the next 7 years—which is more than paid for through spending cuts—to provide child care so people can go to work and we can have true reform.

If the Republican proposal is adopted without the Dodd-Kennedy amendment, we are passing the largest unfunded mandate on to the States in the history of this country. We would do this at a time when the ink is not yet dry on the unfunded mandate legislation that so many people took so much credit for adopting—which recently this Congress passed and we sent to the President—saying that we are not going to pass an unfunded mandate on to the backs of the States any longer. But this bill without the Dodd-Kennedy amendment is, in fact, a huge unfunded mandate because it tells the States, Louisiana, or Massachusetts, or Utah, or any State in the Union, that they have to pay for the child care to put half of the people on welfare to work by the year 2000. But they are not going to be able to reach that goal without raising an incredible amount of State taxes in order to pay for the child care.

I suggest that we ought to provide child care in partnership, the Federal Government and the States, and that is exactly what the Dodd-Kennedy amendment does.

Over the next 5 years, Health and Human Services says that about \$11 billion would be needed to meet the child care requirements of the Dole bill. The Dodd-Kennedy amendment provides those funds. The Republican bill does not provide those funds.

I heard some suggest that the States will have more money because we will eliminate some of the red tape. How many times have we heard the argument that if you eliminate red tape, we will solve all the problems of Government? I have heard it time after time in the years that I have been in the Congress, both in this body and the other body that, well, if you eliminate red tape, the States would have enough money to do everything they have to do. That is a ridiculous notion. It is not true, and it is not factual.

This reform is going to cost us money in order to achieve the long-term results. I should point out that the long-term result will be financially beneficial to society. It will be beneficial to individuals. It will make them more responsible citizens, and it will teach them that there is no free lunch; that people have to work in order to be able to be successful in this country.

But again, it has to be a partnership. I know that my State of Louisiana can-

not come up with the necessary funds to meet that 50-percent-work requirement in the year 2000. We are suffering, as many States are, from the lack of adequate funding for roads and hospitals and health care needs and all of the other needs that a State has to address.

I suggest that child care is not a high priority among the people who get paid to lobby around State legislative bodies. Therefore, unless we require some type of a financial partnership to help provide for child care for mothers who are going to be required to go to work, those moneys will not be provided at the State and local level.

The General Accounting Office recently released a research study which provided evidence of what I am saying I think in a very commonsense way. Their study, entitled *Child Care Subsidies Increase the Likelihood That Low-Income Mothers Will Work*, finds that among the factors which encourage low-income mothers to work, in fact, child care affordability is one of the decisive ones.

I think we should listen to the General Accounting Office, which certainly is a bipartisan and nonpolitical organization, and their recommendation that we simply cannot have real reform in welfare, that we will not be able to get mothers who have small children to go to work, unless there is an answer to the very difficult child care problem. I have occasion from time to time in my State of Louisiana to visit welfare offices, to talk with groups that are trying to reform the welfare system, and great progress is being made, but in every one of these institutions, in every one of the talks I have been able to engage in, availability of child care was raised as such an important ingredient in the solution to this particular problem.

Unless Congress acts in a forceful and affirmative way to guarantee child care funding will be available, I suggest that no matter how laudatory the other provisions of the bill happen to be, it will truly not be reform. What it will be is a major unfunded mandate on the backs of the States.

I do not think we can find a Governor who is going to say they want to have to put 50 percent of the people to work without any help from the Federal Government. This is an absolutely essential, critical amendment. Without it, the bill I think will be fundamentally flawed and one that should not be signed into law.

If we are going to do real reform, we have to recognize our responsibility in participating as a Federal Government along with the States and local governments to build the necessary funds to bring about a real reform bill.

I congratulate Senators DODD and KENNEDY and all others who have joined with them in helping to craft this amendment. They have worked long and hard and tirelessly over the years to see to it that adequate child care is part of any reform package that

we will consider in this Congress. Without it, this bill will not be reform. It will be highly destructive and should not be signed. With it, it will go a long way to fundamental bipartisan reform legislation to which President Clinton should proudly affix his signature.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, how much time now remains on this side?

The PRESIDING OFFICER. Thirty-five minutes.

Mr. KENNEDY. For the proponents. And how much for the other side?

The PRESIDING OFFICER. And 91 minutes for the opponents.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

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

PREMIUMS UNDER REPUBLICAN MEDICARE PLAN

Mr. KENNEDY. Mr. President, the Republican secret plan for deep cuts in Medicare will finally be unveiled, we are told, this Thursday. Yet, only 4 days before the announcement, the Republican disinformation campaign about what their program will mean for senior citizens is still in high gear.

Before the 1994 election, the Republicans said they were not planning to cut Medicare at all, but their budget resolution provides for an unprecedented \$270 billion in Medicare cuts. After the budget resolution was adopted, the Republicans said the cuts would not hurt senior citizens. That pledge was preposterous on its face since cuts of that magnitude would obviously have a substantial impact on millions of elderly Americans.

Now our Republican friends are beginning to reveal the true impact. Yesterday, on "Meet the Press," the Speaker of the House of Representatives stated that the Republican plan would require the part B premium for Medicare to be set at 31.5 percent of program costs. He claimed that this program would cost senior citizens an additional \$7 a month. He also said that the premium increases under the Republican plan are not in any way unreasonable.

The facts are otherwise. According to the independent actuaries at the Health Care Finance Administration, if the premium is set at 31.5 percent of cost as the Republicans propose, the monthly premium will go up to \$96 a month, an increase of \$37 a month compared to current law, not \$7. On an annual basis, seniors will have to pay an additional \$442 in the year 2002, a premium of almost \$1,200 a year, more than twice as much as they pay today. That is from the Health Care Finance Administration. Those are their estimates.

Over the life of the Republican plan, each senior citizen will have to pay an additional \$1,750 in Medicare premiums. Each senior couple would pay \$3,500 more. These numbers are approximate because they are based on cur-

rent projected spending under Medicare part B. They will undoubtedly change somewhat when the full Republican plan is finally laid out to the American people. Estimates by the Congressional Budget Office may even be higher.

However, the basic point is clear. We are not talking about senior citizens paying a few dollars more for Medicare. Under the Republican plan, senior citizens will be asked to pay thousands of dollars more for Medicare in order to fund a Republican tax cut for wealthy Americans.

That additional burden is unreasonable and unfair, and I believe the American people will reject the Republican plan. I urge the Congress to do so as well.

Mr. President, these figures that I am quoting are the result of the Health Care Finance Administration and their actuaries from their evaluation of the Republican plan.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have been listening to my colleague from Massachusetts very carefully, not only on the child care amendments but also on capital gains, on the so-called Republican amendment, and how Medicare is going to be so seriously hurt if the Republican approach is taken.

I do not think it is a Republican approach. It is a pro-American approach. Right now, I do not know of anybody who does not agree that Medicare is in serious financial condition and faces bankruptcy early in the next century.

As of next year it starts to go broke. By the year 2002 it will be broke, and 37 million Americans will be the losers. I do not know why we have to make this so partisan because I have to say the Democrats have basically been virtually in control of Congress for all of the last 40 years, every year that Medicare has been in existence. And here we are today with Medicare's financial crisis.

Now, rather than complaining about efforts to try to save it, it seems to me they ought to pitch in and help us. The fact is, if we do nothing but throw authorized dollars that are not there, it is not going to solve the underlining problem. And under the approach that the House Members are taking, Medicare is going to increase 6.4 percent each year. Not only increase 6.4 percent, but the average payment under Medicare is currently \$4,800 a year per senior and that will increase to \$6,700 by the year 2002.

Clearly, nobody is cutting Medicare. The 37 million-plus beneficiaries who currently are on Medicare will continue to be taken care of. And, the program will be there for the rest of us in the future. The American people understood this when they, for the first time

in 40 years, put Republicans in control of the House of Representatives. The American people knew that if they kept business as usual by keeping Democrats in control—who believe the answer to everything is the Federal Government—then we would never solve Medicare's financial situation.

And Medicare is soon going to be broke if it is not fixed. And the Medicare trustees' April 3, 1995, report on part A, the Medicare Hospital Insurance trust fund, under the most likely scenario, would be bankrupt in 7 years by the year 2002. It will begin running a deficit as early as October 1 of next year. The average two-income couple retiring in 1995, according to the Trustees Report—and four of the six Trustees are Clinton appointees—will receive \$117,000 more in Medicare benefits than they paid into the Trust Fund during their working lives. Now, I do not have any problem with that as long as we have a fiscally responsible approach to solving the problems. So Congress will save Medicare, not by cutting it, but by slowing its rate of growth. This is based not on rhetoric but on the Congressional Budget Office analysis.

The Budget resolution proposes to increase total Medicare spending from \$181 billion in fiscal year 1995 to \$276 billion in fiscal year 2002—an increase of \$96 billion or 52 percent overall.

As I said, the Budget resolution proposes to increase the amount spent per beneficiary from \$4,800 in fiscal year 1995 to \$6,700 in fiscal year 2002. That is \$1,900 per person on Medicare or a 40 percent increase over that 7-year period. Congress will increase spending over 7 years by \$355 billion more than if it were held at its current level. That amount of increase is equal to twice the total amount that will be spent on Medicare this year.

Who is kidding whom? It is nice to get up and harangue about the fact that we have to restrain the growth of Medicare. It is not a cut; it is a reduction in growth. We cannot just assume that Medicare is going to continue to run off the charts at 10.4 percent every year. That is totally unrealistic. It would bankrupt Medicare and jeopardize the program for future generations.

That is why we experienced a change in congressional leadership in the last election. The American people, in despair, realized that the only way they will get this problem under control is to get more moderate to conservative leadership in the Congress. That is what they did in voting for Republicans the last time.

Spending, as I said, is going to increase by 6.4 percent each year for the next 7 years if the Republican budget resolution proposal is adopted. The slowed spending rate is designed to save Medicare—not to balance the budget or pay for tax cuts. If the budget were balanced today, Medicare would still be broke tomorrow. Medicare's trustees, three of whom are members of the Clinton Cabinet, have