SENATE—*Monday, September 11, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

The Word of the Lord is: "Be still and know that I am God; I will be exalted among the nations, I will be exalted in the earth!"—Psalm 46:11.

Let us pray:

Holy God, Your call to prayer startles us. Be still? We are wordsmiths and find it difficult to be still. Our craft is to talk and we are proud of our polished sentences and carefully worded paragraphs. Sometimes we forget to listen to Your voice before we speak. Now in the quiet of this time of prayer we realize how much we want You to be exalted among the nations, particularly this Nation You have called us to lead. Our deepest desire is to know what You desire; our lasting pleasure is to please You. Be exalted in our hearts: our goal is to glorify You. Be exalted in our minds: our purpose is to be bold and creative thinkers. Be exalted in this Senate as each Senator humbles himself and herself to speak the truth as You reveal it and listen to each other with patience and openness. Remind us again that the meaning of the Hebrew words "Be still" imply "let go, leave off, let up." We want to do that consistently today as we open the floodgates of our minds and hearts to receive the inflow of Your power and peace. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Iowa is recognized.

SCHEDULE

Mr. GRASSLEY. Mr. President, for the information of all Senators, the Senate will be immediately resuming the consideration of the welfare reform bill.

Under the consent agreement, which was reached on Friday, there will be three consecutive rollcall votes beginning at 5 p.m. today. A large number of amendments, as we know, are pending to H.R. 4. Therefore, additional rollcall votes are expected this evening on amendments to this welfare reform bill.

As a reminder to all Members, the voting sequence at 5 o'clock will be, first, the Dodd amendment regarding child care to be followed by the Kassebaum amendment regarding block grants, that to be followed by the Helms amendment on work requirements for food stamps.

The first vote will be 15 minutes in length with the remaining votes in sequence limited to 10 minutes each.

Mr. MOYNIHAN addressed the Chair.

The PRESIDENT pro tempore. The able Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, may I simply thank my distinguished friend and colleague for setting out the day's procedure, and call to the attention of those who might be listening that we have some 200 more amendments that were filed on Friday, and that if we are to dispose of them by Wednesday, as the majority leader has indicated would have to be done if we are going to get through with the year that ends in 3 weeks' time, we will have to hear from Senators about which amendments they wish to have called up and get time agreements for them as we have done today.

I see the distinguished Senator from Kansas has risen, and I look forward to her remarks.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. KYL). Under the previous order, leadership time is reserved.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

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

The Senate resumed consideration of the bill.

Pending:

Dole Modified Amendment No. 2280, of a perfecting nature.

Subsequently, the amendment was further modified.

Feinstein Modified Amendment No. 2469 (to Amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

Feinstein Amendment No. 2470 (to Amendment No. 2280), to impose a child support obligation on paternal grandparents in cases in which both parents are minors.

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

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

Moseley-Braun Amendment No. 2473 (to Amendment No. 2280), to modify the job opportunities to certain low-income individuals program.

Moseley-Braun Amendment No. 2474 (to Amendment No. 2280), to prohibit a State from reserving grant funds for use in subsequent fiscal years if the State has reduced the amount of assistance provided to families under the State program in the preceding fiscal year.

Feinstein Amendment No. 2478 (to Amendment No. 2280), to provide equal treatment for naturalized and native-born citizens.

Feinstein Amendment No. 2479 (to Amendment No. 2280), to provide for State and county demonstration programs.

Feingold Amendment No. 2480 (to Amendment No. 2280), to study the impact of amendments to the child and adult care food program on program participation and family day care licensing.

Feingold Amendment No. 2481 (to Amendment No. 2280), to provide for a demonstration project for the elimination of take-one-take-all requirement.

Bingaman Amendment No. 2483 (to Amendment No. 2280), to require the development of a strategic plan for a State family assistance program.

Bingaman Amendment No. 2484 (to Amendment No. 2280), to provide funding for State programs for the treatment of drug addiction and alcoholism and for the National Institute on Drug Abuse Research.

Bingaman Amendment No. 2485 (to Amendment No. 2280), to provide Indian vocational education grants.

Simon Amendment No. 2468 (to Amendment No. 2280), to provide grants for the establishment of community works progress programs.

Levin Amendment No. 2486 (to Amendment No. 2280). to require recipients of assistance under a State program funded under part A of title IV of the Social Security Act to participate in State mandated community service activities if they are not engaged in work after 6 months receiving benefits.

Breaux Amendment No. 2487 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Breaux Amendment No. 2488 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Breaux Amendment No. 2489 (to Amendment No. 2280), to improve services provided as workforce employment activities.

Breaux Amendment No. 2490 (to Amendment No. 2280), to strike provisions relating to workforce development and workforce preparation.

Rockefeller Modified Amendment No. 2491 (to Amendment No. 2280), to provide States with the option to exempt families residing

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

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in areas of high unemployment from the time limit.

Rockefeller Modified Amendment No. 2492 (to Amendment No. 2280), to provide for a State option to exempt certain individuals from the participation rate calculation and the time limit.

Snowe/Bradley Amendment No. 2493 (to Amendment No. 2280), to clarify provisions relating to the distribution to families of collected child support payments.

Snowe Amendment No. 2494 (to Amendment No. 2280), to clarify that the penalty provisions do not apply to certain single custodial parents in need of child care and to exempt certain single custodial parents in need of child care from the work requirements.

Pryor Amendment No. 2495 (to Amendment No. 2280), to modify the penalty provisions.

Bradley Amendment No. 2496 (to Amendment No. 2280), to modify the provisions regarding the State plan requirements.

Bradley Amendment No. 2497 (to Amendment No. 2280), to prohibit a State from shifting the costs of aid or assistance provided under the aid to families with dependent children or the JOBS programs to local governments.

Bradley Amendment No. 2498 (to Amendment No. 2280), to provide that existing civil rights laws shall not be preempted by this Act.

Bond Amendment No. 2499 (to Amendment No. 2280), to establish that States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

Glenn Amendment No. 2500 (to Amendment No. 2280), to ensure that training for displace homemakers is included among workforce employment activities and workforce education activities for which funds may be used under this Act.

Grassley (for Pressler) Amendment No. 2501 (to Amendment No. 2280), to provide a State option to use an income tax intercept to collect overpayments in assistance under the State program funded under part A of title IV of the Social Security Act.

Grassley (for Cohen) Modified Amendment No. 2502 (to Amendment No. 2280), to ensure that programs are implemented consistent with the First Amendment.

Wellstone Amendment No. 2503 (to Amendment No. 2280), to prevent an increase in the number of hungry children in states that elect to participate in a food assistance block grant program.

Wellstone Amendment No. 2504 (to Amendment No. 2280), to prevent an increase in the number of hungry and homeless children in states that receive block grants for temporary assistance for needy families.

Wellstone Amendment No. 2505 (to Amendment No. 2280), to express the sense of the Senate regarding continuing medicaid coverage for individuals who lose eligibility for welfare benefits because of more earnings or hours of employment.

Wellstone Amendment No. 2506 (to Amendment No. 2280), to provide for an extension of transitional medicaid benefits.

Wellstone Amendment No. 2507 (to Amendment No. 2280), to exclude energy assistance payments for one-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices from income under the food stamp program.

Simon Amendment No. 2509 (to Amendment No. 2280), to eliminate retroactive deeming requirements for those legal immigrants already in the United States.

Simon Amendment No. 2510 (to Amendment No. 2280), to maintain a national Job Corps program, carried out in partnership with States and communities.

Abraham/Lieberman Amendment No. 2511 (to Amendment No. 2280), to express the sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress.

Abraham Amendment No. 2512 (to Amendment No. 2280), to increase the block grant amount to States that reduce out-of-wedlock births.

Feinstein Amendment No. 2513 (to Amendment No. 2280), to limit deeming of income to cash and cash-like programs, and to retain SSI eligibility and exempt deeming of income requirements for victims of domestic violence.

Moynihan (for Lieberman) Amendment No. 2514 (to Amendment No. 2280), to establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs.

Moynihan (for Lieberman) Amendment No. 2515 (to Amendment No. 2280), to establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Hatch Amendment No. 2516 (to Amendment No. 2280), to establish a block grant program for the provision of child care services.

Hatch (for DeWine) Amendment No. 2517 (to Amendment No. 2280), to provide for quarterly reporting by banks with respect to common trust funds.

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

Hatch (for DeWine) Amendment No. 2519 (to Amendment No. 2280), to provide for a rainy day contingency fund.

Hatch (for Burns) Amendment No. 2520 (to Amendment No. 2280), to establish procedures for the reduction of certain personnel in the Department of Health and Human Services.

Hatch (for Simpson) Amendment No. 2521 (to Amendment No. 2280), to ensure State eligibility and benefit restrictions for immigrants are no more restrictive than those of the Federal government.

Hatch (for Kassebaum) Amendment No. 2522 (to Amendment No. 2280), to modify provisions relating to funds for other child care programs.

Helms Amendment No. 2523 (to Amendment No. 2280), to require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks.

Exon Amendment No. 2525 (to Amendment No. 2280), to prohibit the payment of certain Federal benefits to any person not lawfully present within the United States.

Shelby Amendment No. 2526 (to Amendment No. 2280), to amend the Internal Revenue Code of 1986 to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses.

Shelby Amendment No. 2527 (to Amendment No. 2280), to improve provisions relating to the optional State food assistance block grant.

Moynihan (for Conrad/Lieberman) Amendment No. 2528 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Moynihan (for Conrad/Bradley) Amendment No. 2529 (to Amendment No. 2280), to provide States with the maximum flexibility by allowing States to elect to participate in the TAP and WAGE programs.

Moynihan (for Conrad) Amendment No. 2530 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Moynihan (for Conrad) Amendment No. 2531 (to Amendment No. 2280), to prevent States from receiving credit toward work participation rates for individual who leave the roles due to a time limit.

Moynihan (for Conrad) Amendment No. 2532 (to Amendment No. 2280), in the nature of a substitute.

Moynihan (for Levin) Amendment No. 2533 (to Amendment No. 2280), to improve the provisions relating to incentive grants.

Moynihan (for Pell) Amendment No. 2475 (to Amendment No. 2280), to clarify that each State must carry out activities through at least 1 Job Corps center.

Moynihan (for Dodd) Amendment No. 2534 (to Amendment No. 2280), to award national rapid response grants to address major economic dislocations.

Moynihan (for Dorgan) Amendment No. 2535 (to Amendment No. 2280), to express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislative.

Moynihan (for Lieberman) Amendment No. 2536 (to Amendment No. 2280), to establish bonus payments for States that achieve reductions in out-of-wedlock pregnancies, establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Moynihan (for Lieberman) Amendment No. 2537 (to Amendment No. 2280), to establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Moynihan Amendment No. 2538 (to Amendment No. 2280), to strike the provisions repealing trade adjustment assistance.

Hatch (for Coats/Ashcroft) Amendment No. 2539 (to Amendment No. 2280), to provide a tax credit for charitable contributions to organizations providing poverty assistance.

Hatch (for McCain) Amendment No. 2540 (to Amendment No. 2280), to remove barriers to interracial and interethnic adoptions.

Hatch (for McCain) Amendment No. 2541 (to Amendment No. 2280), to provide that States are not required to comply with excessive data collection and reporting requirements unless the Federal Government provides sufficient funding to allow States to meet such excessive requirements.

Hatch (for McCain) Amendment No. 2542 (to Amendment No. 2280), to remove the maximum length of participation in the work supplementation or support program.

Hatch (for McCain) Amendment No. 2543 (to Amendment No. 2280), to make job readiness workshops a work activity.

Hatch (for McCain) Amendment No. 2544 (to Amendment No. 2280), to permit States to enter into a corrective action plan prior to the deduction of penalties from the block grant.

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Harkin Amendment No. 2545 (to Amendment No. 2280), to require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility contract or a limited benefit plan.

Chafee Amendment No. 2546 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Chafee (for Cohen) Amendment No. 2547 (to Amendment No. 2280), to deny supplemental security income cash benefits by reason of disability to drug addicts and alcoholics, and to require beneficiaries with accompanying addiction to comply with appropriate treatment requirements as determined by the Commissioner.

Moynihan (for Kerrey) Amendment No. 2549 (to Amendment No. 2280), to allow a State to revoke an election to participate in the optional State food assistance block grant.

Moynihan (for Kohl) Amendment No. 2550 (to Amendment No. 2280), to exempt the elderly, disabled, and children from an optional State food assistance block grant.

Moynihan (for Kohl) Amendment No. 2551 (to Amendment No. 2280), to expand the food stamp employment and training program.

Moynihan (for Bryan) Amendment No. 2552 (to Amendment No. 2280), to provide that a recipient of welfare benefits under a means-tested program for which Federal funds are appropriated is not unjustly enriched as a result of defrauding another means-tested welfare or public assistance program.

Moynihan (for Bryan) Amendment No. 2553 (to Amendment No. 2280), to require a recipient of assistance based on need, funded in whole or in part by Federal funds, and the noncustodial parent to cooperate with paternity establishment and child support enforcement in order to maintain eligibility for such assistance.

Moynihan (for Bryan) Amendment No. 2554 (to Amendment No. 2280), to provide that State welfare and public assistance agencies can notify the Internal Revenue Service to intercept Federal income tax refunds to recapture over-payments of welfare or public assistance benefits.

Moynihan (for Bryan) Amendment No. 2555 (to Amendment No. 2280), to provide State welfare or public assistance agencies an option to determine eligibility of a household containing an ineligible individual under the Food Stamp program.

Hatfield Amendment No. 2467 (to Amendment No. 2280), to increase the participation of teacher, parents, and students in developing and improving workforce education activities.

Hatch (for Nickles) Amendment No. 2556 (to Amendment No. 2280), to require the transmission of quarterly wage reports in order to relay information to the State Director of New Hires to assist in locating absent parents.

Hatch (for Jeffords) Amendment No. 2557 (to Amendment No. 2280), to amend the definition of work activities to include vocational education training that does not exceed 24 months.

Hatch (for Jeffords) Amendment No. 2558 (to Amendment No 2280), to provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education.

Hatch (for Kyl) Amendment No. 2559 (to Amendment No. 2280), to require the establishment of local workforce development boards.

Dodd Amendment No. 2560 (to Amendment No. 2280), to provide for the establishment of a supplemental child care grant program.

Ashcroft Amendment No. 2561 (to Amendment No. 2280), to replace the supplemental security income program for the disabled and blind with a block grant to the States.

Ashcroft Amendment No. 2562 (to Amendment No. 2280), to convert the food stamp program into a block grant program.

Graham (for Kennedy) Amendment No. 2563 (to Amendment No. 2280), to terminate sponsor responsibilities upon the date of naturalization of the immigrant.

Graham (for Kennedy) Amendment No. 2564 (to Amendment No. 2280), to grant the Attorney General flexibility in certain public assistance determinations for immigrants.

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

Graham Amendment No. 2566 (to Amendment No. 2280), to require each responsible Federal agency to determine whether there are sufficient appropriations to carry out the Federal intergovernmental mandates required by this Act, and to provide that the mandates will not be effective under certain conditions.

Graham Amendment No. 2567 (to Amendment No. 2280), to provide that the Secretary, in ranking States with respect to the success of their work programs, shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

Graham Amendment No. 2568 (to Amendment No. 2280), to set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line.

Graham Amendment No. 2569 (to Amendment No. 2280), to provide for the prospective application of the provisions of title V.

Dodd (for Leahy) Amendment No. 2570 (to Amendment No. 2280), to reduce fraud and trafficking in the Food Stamp program by providing incentives to States to implement Electronic Benefit Transfer systems.

Jeffords Amendment No. 2571 (to Amendment No. 2280), to modify the maintenance of effort provision.

Santorum (for Domenici) Amendment No. 2572 (to Amendment No. 2280), to improve the child support enforcement system by giving States better incentives to improve collections.

Santorum (for Domenici) Amendment No. 2573 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Santorum (for Domenici) Amendment No. 2574 (to Amendment No. 2280), to express the sense of the Senate regarding the inability of the noncustodial parent to pay child support.

Santorum (for Domenici) Amendment No. 2575 (to Amendment No. 2280), to allow States maximum flexibility in designing their Temporary Assistance programs.

Santorum (for Domenici) Amendment No. 2576 (to Amendment No. 2280), to create a national child custody database, and to clarify exclusive continuing jurisdiction provisions of the Parental Kidnapping Prevention Act.

Santorum (for D'Amato) Amendment No. 2577 (to Amendment No. 2280), to change the date for the determination of fiscal year 1994 expenditures.

Santorum (for D'Amato) Amendment No. 2578 (to Amendment No. 2280), relating to claims arising before effective dates.

Santorum (for D'Amato) Amendment No. 2579 (to Amendment No. 2280), terminating efforts to recover funds for prior fiscal years.

Santorum (for Grams) Amendment No. 2580 (to Amendment No. 2280), to limit vocational education activities counted as work.

Jeffords Amendment No. 2581 (to Amendment No. 2280), to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Dodd (for Wellstone) Amendment No. 2582 (to Amendment No. 2280), to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act.

Dodd (for Wellstone) Amendment No. 2583 (to Amendment No. 2280), to exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill.

Dodd (for Wellstone) Amendment No. 2584 (to Amendment No. 2280), to exempt women and children who have been battered or subjected to extreme cruelty from certain requirements of the bill.

Stevens Amendment No. 2585 (to Amendment No. 2280), of a technical nature.

Santorum (for Cohen) Amendment No. 2586 (to Amendment No. 2280), to modify the religious provider provision.

Santorum (for Specter) Amendment No. 2587 (to Amendment No. 2280), to maintain a national Job Corps program, carried out in partnership with States and communities.

Santorum (for Chafee) Amendment No. 2588 (to Amendment No. 2280), to require States to provide voucher assistance for children born to families receiving assistance.

Santorum (for McCain) Amendment No. 2589 (to Amendment No. 2280), to provide for child support enforcement agreements between the States and Indian tribes or tribal organizations.

Moynihan Amendment No. 2590 (to Amendment No. 2280), to provide that case record data submitted by the States be desegregated, and to provide funding for certain research, demonstration, and evaluation projects.

Moynihan (for Boxer) Amendment No. 2591 (to Amendment No. 2280), to provide for a child care maintenance of effort.

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

Moynihan (for Boxer) Amendment No. 2593 (to Amendment No. 2280), expressing the sense of the Senate on restrictions on providing medical information by recipients of Federal aid.

Santorum (for Faircloth) Amendment No. 2594 (to Amendment No. 2280), to prohibit direct cash benefits for out of wedlock births to minors except under certain conditions.

Santorum (for Faircloth) Amendment No. 2595 (to Amendment No. 2280), to require the Secretary of Housing and Urban Development to submit a report regarding disqualification of illegal aliens from housing assistance programs.

Santorum (for Faircloth) Amendment No. 2596 (to Amendment No. 2280), to express the sense of the Congress regarding a work requirement for public housing residents.

Santorum (for Faircloth) Amendment No. 2597 (to Amendment No. 2280), to require ongoing State evaluations of activities carried out through statewide workforce development systems.

Santorum (for Faircloth) Amendment No. 2598 (to Amendment No. 2280), to provide for transferability of funds.

Santorum (for Faircloth) Amendment No. 2599 (to Amendment No. 2280), to provide for transferability of funds allotted for workforce preparation activities for at-risk youth.

Santorum (for Faircloth) Amendment No. 2600 (to Amendment No. 2280), to allow a State agency to make cash payments to certain individuals in lieu of food stamp allotments.

Santorum (for Faircloth) Amendment No. 2601 (to Amendment No. 2280), to integrate the temporary assistance to needy families with food stamp work rules.

Santorum (for Faircloth) Amendment No. 2602 (to Amendment No. 2280), to limit vocational education activities counted as work.

Santorum (for Faircloth) Amendment No. 2603 (to Amendment No. 2280), to deny assistance for out-of-wedlock births to minors.

Santorum (for Faircloth) Amendment No. 2604 (to Amendment No. 2280), to provide for no additional cash assistance for children born to families receiving assistance.

Santorum (for Faircloth) Amendment No. 2605 (to Amendment No. 2280), to deny assistance for out-of-wedlock births to minors.

Santorum (for Faircloth) Amendment No. 2606 (to Amendment No. 2280), to provide for provisions relating to paternity establishment and fraud.

Santorum (for Faircloth) Amendment No. 2607 (to Amendment No. 2280), to require State goals and a State plan for reducing illegitimacy.

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

Santorum (for Faircloth) Amendment No. 2609 (to Amendment No. 2280), to prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance.

Moynihan Amendment No. 2610 (to Amendment No. 2280), to amend title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas.

Moynihan Amendment No. 2611 (to Amendment No. 2280), to correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending.

Abraham/Lieberman Amendment No. 2476 (to Amendment No. 2280), to express the sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress.

Santorum (for Gramm) Amendment No. 2612 (to Amendment No. 2280), to limit the State option for work participation requirement exemptions to the first 12 months to which the requirement applies.

Santorum (for Gramm) Amendment No. 2613 (to Amendment No. 2280), to require that certain individuals who are not required to work are included in the participation rate calculation.

Santorum (for Gramm) Amendment No. 2614 (to Amendment No. 2280), to provide for increased penalties for failure to meet work requirements.

Santorum (for Gramm) Amendment No. 2615 (to Amendment No. 2280), to reduce the Federal welfare bureaucracy.

Santorum (for Gramm) Amendment No. 2616 (to Amendment No. 2280), to require paternity establishment as a condition of benefit receipt.

Santorum (for Gramm) Amendment No. 2617 (to Amendment No. 2280), to prohibit the use of Federal funds for legal challenges to welfare reform.

Moynihan Amendment No. 2618 (to Amendment No. 2280), to eliminate the requirement that HHS reduce full-time equivalent positions by specific percentages and retain requirements to evaluate the number of FTE positions required to carry out the activities under the bill and to take action to reduce the appropriate number of positions.

Moynihan (for Kennedy) Amendment No. 2619 (to Amendment No. 2280), to terminate sponsor responsibilities upon the date of naturalization of the immigrant.

Moynihan (for Kennedy) Amendment No. 2620 (to Amendment No. 2280), to grant the Attorney General flexibility in certain public assistance determinations for immigrants.

Moynihan (for Kennedy) Amendment No. 2621 (to Amendment No. 2280), to ensure that programs are implemented consistent with the First Amendment to the U.S. Constitution.

Moynihan (for Kennedy) Amendment No. 2622 (to Amendment No. 2280), to repeal food stamp provisions relating to children living at home and to reduce tax benefits for foreign corporations.

Moynihan (for Kennedy) Amendment No. 2623 (to Amendment No. 2280), to permit States to apply for waivers with respect to the 15 percent cap on hardship exemptions from the 5-year time limitation.

Moynihan (for Kennedy) Amendment No. 2624 (to Amendment No. 2280), to permit States to provide non-cash assistance to children ineligible for aid because of the 5-year time limitation.

Moynihan (for Kennedy) Amendment No. 2625 (to Amendment No. 2280), to require States to have in effect laws regarding duration of child support.

Moynihan (for Kennedy) Amendment No. 2626 (to Amendment No. 2280), to eliminate a repeal relating to the Trade Act of 1974.

Moynihan (for Kennedy) Amendment No. 2627 (to Amendment No. 2280), to improve provisions relating to the Trade Act of 1974.

Moynihan (for Kennedy) Amendment No. 2628 (to Amendment No. 2280), to improve provisions relating to the Wagner-Peyser Act.

Moynihan (for Kennedy) Amendment No. 2629 (to Amendment No. 2280), to improve provisions relating to the unemployment trust fund.

Moynihan (for Kennedy) Amendment No. 2630 (to Amendment No. 2280), to clarify that the responsibilities of the National Board are advisory.

Moynihan (for Kennedy) Amendment No. 2631 (to Amendment No. 2280), to improve provisions relating to workforce development activities and funds made available through the unemployment trust fund.

Moynihan (for Kennedy) Amendment No. 2632 (to Amendment No. 2280), to exclude employment and training programs under the Food Stamp Act of 1977 from the list of activities that may be provided as workforce employment activities.

Moynihan (for Kennedy) Amendment No. 2633 (to Amendment No. 2280), to provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education.

Moynihan (for Kennedy) Amendment No. 2634 (to Amendment No. 2280), to establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs.

Moynihan (for Kennedy) Amendment No. 2635 (to Amendment No. 2280), to require that 25 percent of the funds for workforce employment activities be expended to carry out such activities for dislocated workers.

Moynihan (for Kennedy) Amendment No. 2636 (to Amendment No. 2280), to establish a definition of a local workforce development board.

Moynihan (for Kennedy) Amendment No. 2637 (to Amendment No. 2280), to provide a conforming amendment with respect to local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2638 (to Amendment No. 2280), to require the establishment of local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2639 (to Amendment No. 2280), to clarify the role of the summer jobs program.

Moynihan (for Kennedy) Amendment No. 2640 (to Amendment No. 2280), to expand the provisions relating to the limitation of the use of funds under title VII.

Moynihan (for Kennedy) Amendment No. 2641 (to Amendment No. 2280), to improve the State apportionment of funds by activity.

Moynihan (for Kennedy) Amendment No. 2642 (to Amendment No. 2280), to clarify the role of the summer jobs program.

Moynihan (for Kennedy) Amendment No. 2643 (to Amendment No. 2280), to increase the authorization of appropriations for workforce development activities.

Moynihan (for Kennedy) Amendment No. 2644 (to Amendment No. 2280), to limit the percentage of the flex account funds that may be used for economic development activities.

Moynihan (for Kennedy) Amendment No. 2645 (to Amendment No. 2280), to make a conforming amendment regarding limiting the percentage of the flex account funds that may be used for economic development activities.

Moynihan (for Kennedy) Amendment No. 2646 (to Amendment No. 2280), to provide for national activities.

Moynihan (for Kennedy) Amendment No. 2647 (to Amendment No. 2280), to ensure that students have broad exposure to a wide range of knowledge on occupations and choices for skill training.

Moynihan (for Kennedy) Amendment No. 2648 (to Amendment No. 2280), to clarify the advisory nature of the responsibilities of the National Board.

Moynihan (for Kennedy) Amendment No. 2649 (to Amendment No. 2280), to provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce development activities.

Moynihan (for Kennedy) Amendment No. 2650 (to Amendment No. 2280), to provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce preparation activities for at-risk youth.

Moynihan (for Kennedy) Amendment No. 2651 (to Amendment No. 2280), to ensure that States reference existing academic and occupational standards in their State plans.

Moynihan (for Kennedy) Amendment No. 2652 (to Amendment No. 2280), to ensure that State plans describe activities that will enable States to meet their benchmarks.

Moynihan (for Kennedy) Amendment No. 2653 (to Amendment No. 2280), to clarify that the term "labor market information" refers to labor market and occupational information.

Moynihan (for Kennedy) Amendment No. 2654 (to Amendment No. 2280), to explicitly include occupational information in labor market information system provided under workforce employment activities.

Moynihan (for Kennedy) Amendment No. 2655 (to Amendment No. 2280), to provide a conforming amendment relating to labor market and occupational information.

Moynihan (for Kennedy) Amendment No. 2656 (to Amendment No. 2280), to maintain the administration of the school-to-work programs in the School-to-Work office.

Moynihan (for Kennedy) Amendment No. 2657 (to Amendment No. 2280), to make the list of workforce education activities for which funds may be used more consistent with the provisions of the amendments made by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, and the provisions of the School-to-Work Opportunities Act of 1994.

Moynihan (for Kennedy) Amendment No. 2658 (to Amendment No. 2280), to clarify the role of the State educational agency with respect to workforce education activities and at-risk youth.

Moynihan (for Kennedy) Amendment No. 2659 (to Amendment No. 2280), to include the participation and resources of the education community with that of business, industry, and labor in the development of statewide workforce development systems, local partnerships, and local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2660 (to Amendment No. 2280), to include volunteers among those for whom the National Center for Research in Education and Workforce Development conducts research and development, and provide technical assistance.

Moynihan (for Kerry) Amendment No. 2661 (to Amendment No. 2280), to provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse.

Moynihan (for Kerry) Amendment No. 2662 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Moynihan (for Kerry) Amendment No. 2663 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Moynihan (for Kerry) Amendment No. 2664 (to Amendment No. 2280), to require applicants for assistance who are parents to enter into a Parental Responsibility Contract and perform satisfactorily under its terms as a condition of receipt of that assistance.

Moynihan (for Harkin) Amendment No. 2665 (to Amendment No. 2280), to reduce the income tax rate for individuals to equal the estimated cost of certain repealed programs.

Moynihan (for Kerry) Amendment No. 2666 (to Amendment No. 2280), to make the workforce development system more responsive to changing local labor markets.

Moynihan (for Breaux) Amendment No. 2667 (to Amendment No. 2280), to improve the services provided as workforce employment activities.

Moynihan (for Mikulski) Amendment No. 2668 (to Amendment No. 2280), to eliminate a repeal of title V of the Older American Act of 1965.

Moynihan (for Mikulski) Amendment No. 2669 (to Amendment No. 2280), to encourage 2-parent families.

Moynihan (for Kerrey) Amendment No. 2670 (to Amendment No. 2280), to allow a State to revoke an election to participate in optional State food assistance block grant.

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

Moynihan (for Daschle) Amendment No. 2672 (to Amendment No. 2280), to provide for a contingency grant fund.

Santorum Amendment No. 2673 (to Amendment No. 2280), regarding implementation of electronic benefit transfer system.

Santorum (for McConnell) Amendment No. 2674 (to Amendment No. 2280), to timely rapid implementation of provisions relating to the child and adult care food program.

Santorum (for McConnell) Amendment No. 2675, to clarify the school data provision of the child and adult care food program.

Santorum (for Packwood) Amendment No. 2676, to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Moynihan (for Kennedy) Amendment No. 2677 (to Amendment No. 2280), to provide for an extension of transitional medicaid benefits.

Santorum (for D'Amato) Amendment No. 2678 (to Amendment No. 2280), relating to the eligibility of States to receive funds.

Moynihan (for Kerry) Amendment No. 2679 (to Amendment No. 2280), to provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse.

Moynihan (for Harkin) Amendment No. 2680 (to Amendment No. 2280), to assure continued taxpayer savings through competitive bidding in WIC.

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas, Mrs. KASSEBAUM, is recognized to offer an amendment.

AMENDMENT NO. 2522 TO AMENDMENT NO. 2280

Mrs. KASSEBAUM. Mr. President, I am happy to be able to start off by offering one of the 200 amendments that will be considered today. As we know, all these amendments were laid down before the close of business on Friday.

The amendment that I am offering and that I would like to discuss briefly this morning would restore provisions contained in the Child Care and Development Block Grant Amendments Act of 1995. This is the reauthorization of legislation that has been in law for 5 years. It was approved by the Committee on Labor and Human Resources by a unanimous vote on May 25.

While I am committed to ending the concept of welfare as an entitlement, I have some concerns about the legislation before us, the Work Opportunity Act, regarding changes that have been made to child care.

It seems to me that one of the most important considerations we have to undertake when we are considering welfare reform is how we handle child care. I think that all of us here in the Senate on both sides of the aisle regard our ability to structure welfare reform in an effective manner a top priority for the 104th Congress. We can talk about ending support for mothers who should be working, for families who should be working, but it is the children who become a crucial element. It is with the children that we have to be careful and must begin breaking the cycle of dependence that has occurred through years of being on welfare. It is the protection of the children that is the most important responsibility that we have.

Title VI of the welfare reform bill includes the reauthorization of the Child Care and Development Block Grant. It is called the CCDBG and it was enacted in 1990 with bipartisan support because Congress recognized there was a lack of adequate child care for many low-income working families. These just are not families on welfare. These are families that are in the work force, frequently with low-paying jobs, but who do not have the access to affordable, quality child care.

It was in that light that we felt it was very important to address this, with a sliding fee scale determined by the states, so that low-income families could be participants with some subsidies as they worked their way into better paying jobs.

I think this continues to be a nationwide problem. One of the primary goals of the CCDBG as it came out of committee is to ensure that there is a seamless system of child care where it counts the most at the point where the parent, child, and provider meet.

The provision that was in S. 850 that would have consolidated child care funds into one unified system is not included in the leadership welfare reform bill. The amendment I offer today restores that provision so that we will have one unified system of child care, one State plan, and one set of eligibility requirements.

I believe this only makes sense, Mr. President, as we are trying to consolidate and trying to work together to form a better system. Why continue to have two different child care systems—one under the child care and development block grant, and one under the welfare child care system? I think it makes sense to bring the two systems together in a unified approach.

My amendment does make one change to the original consolidation provision that was included in S. 850, the legislation that we approved out of committee, and that relates to the 15-percent set-aside for quality improvement activities. The set-aside will apply to the discretionary funds appropriated for the CCDBG, but will not apply to other child care services provided through the unified system.

We have tried to take into account some of the concerns of Governors who obviously would like to have a system that does not have too many requirements from Congress, and we have tried to do that. On the other hand, we believe that through the CCDBG there are some important requirements that have proven to be of benefit and to

have created a successful child care approach in the States.

My amendment also strikes the provision in the welfare bill that would allow up to 30 percent of the funds to be transferred between the CCDBG and the cash assistance block grant. I oppose the transferability provision for two major reasons.

First, I am concerned that there is too little child care money available now. Funds transferred out of the CCDBG would not necessarily be used for child care, which would create an even bigger problem; the Governors could use it for other assistance such as cash benefits, which they might choose and which they may feel is important. But I feel strongly that these funds need to be targeted toward child care. If we fail in this, we are going to fail to reform welfare in ways that will be beneficial for years to come.

Second, the primary purpose of the CCDBG is to assist the working poor who contribute something toward child care through the sliding fee scale. Having this type of assistance available will become even more important as individuals make the transition from welfare to work. I think we all know that finding the right child care can be one of the most costly and stressful aspects for parents as they enter the work force. Not everyone is fortunate enough to have a grandparent or an extended family member who can help with child care. In fact, many today do not have relatives that can or will care for their children. And that becomes one of the most stressful problems that a mother faces when she goes to work in the morning, if she cannot be certain of some quality child care, or cannot count on child care that she feels comfortable with for her children.

Having this type of assistance available to those who are trying to work their way off welfare will become even more important as we stress the transition from welfare to work. Diverting CCDBG funds for other purposes diminishes a program which is badly needed by the working poor, and I believe it is unfair to penalize those who are struggling to provide for themselves and their families.

I hope that all of my colleagues can support the amendment I offer today, Mr. President, to consolidate child care into one unified system and to preserve the limited funds allocated to child care.

I yield the floor.

Mr. GRASSLEY. Mr. President, on a Monday morning, to focus on a very important amendment that the Senator from Kansas has offered, when we are going to have a very long week on this bill, is a sharp contrast from sometimes the easy subjects we are discussing on Friday afternoon when we adjourn for a weekend. To start out with the very basic issue of child care that Senator KASSEBAUM has brought up is really starting out with a heavy burden. The Senator from Kansas is always well prepared, and so we cannot find any fault with the preparation for her amendment, but we do take exception to the rationale behind the amendment and consequently cannot support it.

Behind the amendment I believe is an assumption that somehow if you are on welfare, or are low income, and it comes to the subject of getting up in the morning and going to work—and obviously if you are on welfare, there is a family involved, so there is a child that must be taken some place when you are on welfare—it assumes somehow that low-income people are different than other people; that when it comes to child care, they cannot do it; they cannot seek good child care, go through the business arrangements required, and on their own, without the help of the Federal Government or without the help of the State government, be able to provide for the care of a child while the mother and/or father are at work. It assumes that low-income people are not capable of this or assumes that they do not want to do it.

One of the things our reform proposal intends to do is to assume that whether people are low income or not, they are, first of all, concerned about their family; and, second, that they have the capacity to do what must be done for their family; that you just cannot assume because people are low income, somehow they do not have that ability.

Part of the basis for welfare reform is to enhance individual responsibility, detract from the dependency of the State that has been paramount to the system we have had historically and to start out with the assumption that low income people have the basic innate capabilities that other people have if given the opportunity.

Just recently, as I have said so many times on the floor of this body, our State of Iowa passed a welfare reform proposal that is going to enhance this individual responsibility. In fact, under our system, welfare recipients sign a contract with the State establishing certain points in the near future when they will take certain actions regarding the family, regarding seeking a job, regarding education, if that is necessary before a job, and eventually to getting a job so they work their way off welfare. Individual responsibility is the essence of that contract which the recipient signs with the State of Iowa.

There is a welfare recipient in my State who recently told a State legislator that the problem with the Iowa welfare reform was that we had gone from a system of no choices, where the State told her what to do, when to do it, and where to do it, to a system of choices in which she had to plan for her future, decide what opportunities to take and, in her words, "to be responsible."

For her being faced with choices was the hardest part of the reform, but I hope she recognizes, and us as well, that the hardest part of the reform is basic to whether or not things are going to be different under a new system. The issue comes down to whether we are going to assume the capabilities that all Americans have of making decisions and wanting to make decisions and set up an environment for those decisions to be made.

I think the amendment that has just been presented by the Senator from Kansas assumes that the welfare recipient might not be totally capable, or ought not to have the responsibility even, of making that decision.

The story I mentioned about the Iowa welfare recipient is true. I think it epitomizes what is wrong with the current system. And when we give States an opportunity to do better than what the Federal Government wants to do, we can move in the direction of changing our paternalistic system. It is promoting and even rewarding dependency.

There are many low-income American families who are struggling to make ends meet and be responsible without any public assistance. They take pride in their successes. And they have dignity for their efforts to be self-sufficient through employment. They get up every morning and they take their children to child care. They go to a job where they work all day. They pick up their children in the afternoon and go home.

That is what most American families do. That is what even most American families who are low income or "working poor" do without any concern by any bureaucracy. They just do it. When you lump in some of the other benefits that go with AFDC that may not have an immediate cash value, there are some people on welfare who are not too far below what low-income working people make over the course of a year.

And yet somehow with this amendment the assumption is that if you are on welfare and make *X* number of dollars, the State has all this responsibility to see that you have food on the table, child care, job training before you go to a job, and assistance in finding a job.

In contrast, if you have never been part of the welfare system and you have a job that does not pay very well, you get up in the morning, find your own job, take your kids to child care, pick them up at night. Additionally, you had to worry about your own training if there was training for that job, without any concern of a bureaucrat looking out for you.

Why the difference? One system breeds dependence. The other independence. We want to change that. We want people who are on welfare to assume responsibility and to move forward with life.

They should not somehow be segregated as different from other people without the capability of exercising a normal life.

Well, those families who work are faced with decisions on how to deal with their daily challenges, how to budget for their family's needs, what to do if their child care falls through for the day and how to plan for their future. In contrast, today's welfare system does not allow, expect, or encourage welfare recipients to make these normal, everyday decisions.

I think this legislation is about changing all that, ending business as usual for families, requiring recipients to take responsibility and learn to make decisions that most American families are faced with every day.

And, of course, one of those decisions is child care.

It is conceivable that a State may want to take a new approach of combining cash assistance and child care funding into a single grant to a family. The family then would make the decision on who to provide care for their children and the fair rate that they need to pay in a negotiated agreement with the providers.

That is what most American families do. The amendment before us by the Senator from Kansas would apply all of the child care development block grant standards to all child care funding, no matter what the source of the Federal dollars might be.

For instance, the amendment assumes payment to the provider would be guaranteed directly from the State. This would take away the premise of family responsibility and independence. This is what we need to change. We need a system where a State would be allowed to challenge public assistance recipients to be responsible and to make the child care decisions themselves as well as making the payments themselves.

We should not assume the worst about public assistance recipients, that they are incapable of making these decisions in the best interest of their children and family. If we really want an environment of State flexibility, we should be minimizing standards, not maximizing them. As we all know, the best welfare reform proposals have come from the State level, not from the Federal Government. So, if we maximize State flexibility to be creative with reforms, including child care, we do that by leaving these decisions to the States. So if we want to give States block grants and the flexibility that goes with it, rather than continue the rigid existing programs and regulations, then it seems to me that we have to limit prescriptive operating guidelines in our legislation.

As well intended as the Senator's amendment is, it is tied to the old way of doing business. It is tied to the philosophy that, first of all, when it comes to the families of AFDC recipients, everyone needs a bureaucrat looking out for them. It assumes that government knows better. It assumes that when government knows better, that of all governments, the Federal Government knows better. It assumes that parents, if low income and on a government program, know less about meeting the needs of their families than low-income families who are not on public assistance.

It assumes because you are low income that you have capabilities less than people who are middle income or higher income, and that is not true.

It segregates too many Americans into certain categories. We ought to be eliminating the categorization of Americans, the balkanization of our society. We ought to be working in this body to bring our country together, not to separate it.

We should be working in this body for eliminating any differences we can, particularly those differences that come because of Government involvement.

So, I hope that the amendment of the Senator from Kansas can be defeated. I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I wish to respond for a moment to the Senator from Iowa. I know that Senator GRASSLEY cares as much as I do about making sure that we can enact a welfare reform initiative and the importance of doing that. But I think I need to reiterate that the amendment I am offering deals with child care for low-income working families.

The child care and development Block Grant, which has been in law for 5 years, and is being reauthorized, has been included in this overall welfare reform package. It was designed to provide, as I said earlier, a sliding fee scale of support for low-income working families. It is not addressing the child care provisions for AFDC recipients. It does bring them together into a single system rather than a two-track system, but it is not Government bureaucracy so much as I would argue the need to continue that support for families that are moving off welfare.

Child care is very expensive. As I say, if you are not lucky enough to have some member of the family or a good neighbor or friend who is assisting with child care—sometimes those provisions and tradeoffs can be made; having a daughter and daughters-in-law who work, I know that sometimes it is possible, but many times it is not—child care can range as low as $60 to $80 per week to as high as $150 to $200 a week. That is a lot of money for families who are trying to enter the work force at very low-income levels, and that is why I feel strongly about not permitting transferability of funds out of the CCDBG account so that we can help those families in transition.

It seems to me that this is a very important part of this provision. I think we should be concerned about low-income families who do not have any support for child care versus the welfare family who would have total support for child care. For those just right over the line, it is difficult and it does not make a lot of sense. That is why I feel strongly about a sliding fee scale where recipients make a contribution to their child care and are given some Federal assistance based on their income as they are trying to break away from welfare assistance.

I think every State, including Iowa, has some concerns about how to help a population that has been very dependent on benefits over the years and how to make this transition without harming children. This is what I am trying to address by keeping intact the provisions of the child care and development block grant.

I yield the floor, Mr. President.

Mr. President, I call up my amendment, which is No. 2522.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 2522.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

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

Mrs. KASSEBAUM. Mr. President, as has been indicated, this will be one of the amendments that will be voted on after 5 o'clock this afternoon.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I announce to Members of this body who have amendments that are pending—and I think under the rules all amendments must have been filed by last week—that several of those amendments have been reviewed and agreed to. If those amendments can be offered today, we would like to have the Members come and bring those amendments up, and those amendments will be accepted.

I and other managers of this legislation, throughout the course of the day, will be happy to handle those amendments if the Members are not able to do so or do not want to do so this morning, so that we can use this time before the votes at 5 o'clock this afternoon to expedite as many amendments as we can from our list of over 200.

Mr. President, I am going to take this opportunity to speak as in morning business. When somebody comes and wants the floor for work on welfare reform, I will yield it.

I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

DECLINES IN FUNDING FOR INTERNATIONAL NARCOTICS PROGRAMS

Mr. GRASSLEY. Mr. President, in the past several months, the international drug program has not fared very well in Congress. Funding for interdiction, law enforcement, and international efforts have declined steadily. In part this is the result of a failure by the administration to either present a serious strategy or to fight for it in any meaningful way. The President has been all but invisible and his drug czar, left without support, has been ineffective. The obvious consequence of this dereliction in tough budget times is an erosion of funding and support to other projects that have more defenders.

Unfortunately, the administration's indifference has reinforced the attitudes of some in Congress that the program is not worth fighting for, that nothing we do to combat drug use works, and so we should surrender. The result has been devastating for our international effort and for the morale and capabilities of our frontline forces.

It is a myth to believe that nothing we do to combat illegal drugs works. In fact, whenever we have consistently and seriously attacked the problem—and we have a history going back to the beginnings of this century—we have had considerable success in reducing drug use and reversing epidemics. The trouble comes in believing that we should only have to combat illegal drug use once.

The belief in some quarters seems to be that, unlike any other major social problem, we should have some magic formula that banishes the issue forever. This attitude seems peculiarly endemic to our counter drug efforts. Despite a long history, we have yet to solve the problem of murder, spouse abuse, incest, rape, or theft. One rarely hears the call, however, that because these problems persist we should give up trying to stop them or legalize them as a way out of solving our problem. Everyone recognizes that to seek such a solution would be irresponsible. Yet, when it comes to drugs, we seem to take a vacation from common sense.

We must also remind ourselves that our measure for success cannot be some simplistic formula. Too often, the standard that critics apply to the counter drug effort, to prove that nothing works, is to create an impossible standard of perfection by which to judge it. For some, if there is one gram of cocaine on the streets of America somewhere, or one trafficker left in Colombia, then our efforts are a bust. Such counsels of perfection are enemies of realistic approaches. It is a lot like arguing that because we beat the other team 28 to 17 we really lost because they managed to score. Like a football team, our effort must be continually renewed. You do not win the championship once and for all, you have to train for the next season. The struggle to control illegal drug production and trafficking does not simply end when the whistle blows. Nor can our efforts simply stop.

But let us look more closely at whether all our drug efforts are failures. In the mid-1980s, The American public made it quite clear to this body that stopping the flow of illegal drugs to the United States and ending the poisoning of millions of America's young people was a top priority. We got the message. In a series of legislative initiatives, we forced the administration to take the drug issue seriously. We created a drug czar to coordinate efforts. And we voted to increase funding across the board for counterdrug programs, from law enforcement to education and treatment.

Remember that those efforts came after almost two decades of tolerance of drug use and a major cocaine and crack epidemic. When we decided to act, we faced a massive addiction problem and a widespread acceptance of drugs as an alternate life style. Yet, look at what happened. In the space of a few years, less than a third of the time it took us to get into the mess we created, we reversed attitudes toward drug use, and cut causal use of drugs by 50 percent and cocaine use by over 70 percent. Working with our Latin America allies, we wrapped up the Medellin cartel—which critics said would never happen—and made significant inroads in stopping the flow of drugs to this country.

Now, we clearly did not eliminate either drug use or trafficking, but elimination was hardly the criteria for our programs nor the measure of success for evaluating them. It is also clear that we have more to do. But serious reflection on the issue shows that this is one of those problems for which continual effort is our only possible response. And our efforts pay dividends. While there is no ultimate victory parade, surrender is not an option—unless we are prepared to live with the consequences. Our past responses to public concern indicates that we are not.

But can we afford the price? The notion that we are spending an inordinate amount of money on fighting drug use is one of the arguments used to justify cuts in the program. Such criticism, however, only works in isolation. Looking at the context shows a different picture.

The total Federal budget is $1.5 trillion. Of that, the entire drug budget of the United States—for all drug-related law enforcement, treatment, education, and international programs—is less than 1 percent of the total. Of the money we allocate to the drug program—before present proposed cuts—we spend less than 4 percent of the total on international efforts. Even adding in all DOD detection, monitoring, and law enforcement support the total is only 8 percent of the Federal drug budget. Hardly significant sums.

Compared to what Americans spend on other activities, these sums are insignificant. We spend annually five times as much on beauty parlors and personal-care products than we spend on the total drug budget. At current wholesale prices, a mere 8 percent of the cocaine imported into the United States would more than cover the costs of our entire international counterdrug effort; and 20 percent would cover the costs of adding in DOD efforts.

Moreover, we cannot afford the annual the costs of not acting. At present levels, the annual costs of drug use—some $60 billion to industry, some $50 billion spent on drugs, and untold billions in the costs of crime, violence, and medical costs—dwarf our expenditures on counterdrug programs and create major social problems. Yet, critics argue than we spend too much. We could double our drug budget and still be spending only half of what we spend on legal services. It is simply not the case that we are spending too much.

The issue, however, is not just a question of throwing money, however small, at a problem, but of what we are getting for our investment. As I indicated, the returns are significant and if they had been achieved in other areas of public problems we would regard them as successes. Yet, we act as if a 50-percent overall reduction in drug use is a failure. We become frustrated because this is one of those problems that requires ongoing efforts not one-time quick fixes. If we forget this simple fact, we will find ourselves repeating history—of once again having to dig ourselves out of a major addiction problem. The signs that we are drifting in that direction are already there, we ignore them at the peril of our young people. We need to sustain the efforts that have proven themselves in the past. Success, however, is not a one-time thing. It requires both the moral leadership and the consistent message to our young people that illegal drug use is risky business.

In this regard, I intend to work with my Senate and House colleagues to restore realistic funding to our counterdrug efforts and to raise the priority. We cannot afford to return to disastrous policies of the 1970's that did so much harm. We cannot afford to ignore the continuing public concern over this issue. We cannot afford to spend less on our counterdrug programs, or expect less for our investment.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I might proceed as in morning business to comment on the very able remarks of my friend and collaborator at this point from Iowa.

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

Mr. MOYNIHAN. I would like to share his concern about the state of the White House operation in this matter—the matter of drug interdiction and drug abuse—which was established by legislation in 1988. The then majority leader, ROBERT C. BYRD, created a task force which consisted of the Senator from Georgia, Mr. NUNN, and myself, and I think we had more than a little influence in the legislation that finally passed. I will take a moment of the Senate's time to speak about that legislation. We saw the problem as being twofold.

One was the reduction in the supply of drugs—most of which began as legal pharmaceutical products. They arrived from the onset of organic chemistry in German universities in the early 19th century.

You take this gradual escalation from opium to morphine to heroin. Heroin, Mr. President, is a trade name. You can find advertisements in the Yale Alumni News, if you wish, for heroin in 1910 or thereabouts. It was developed by the Bayer Co., that produced Bayer aspirin. Aspirin is a trade name. Heroin was tried out and tested on its employees and it made them feel heroisch in German, heroic.

Cocaine emerged from the same process, from the coca leaf to the synthesized product. Sigmund Freud's first publication "Uber Coca" described his use of cocaine as a means of treating morphine addiction, which did not succeed, and he became very much opposed to it.

These drugs were outlawed in 1915, if memory serves, by the Federal Government, and remain so. It is the last of the prohibition decrees of that era.

We thought in terms of supply and demand. If I can tell my friend a little story, I think it may be said that in the late 1960's we had a heroin epidemic in this country, very much so in this city. You could tell it by the incidence of robbery of small grocery stores and food outlets—small amounts of money needed by persons who are getting withdrawal symptoms from the lack of heroin.

It was so serious that—at this point I was Assistant to President Nixon for Urban Affairs—I was called to a meeting across the street, cater-cornered from the White House, by some of the most respected and responsible citizens in the city of Washington, who asked me if I would ask the President to garrison the Capitol. Such was the problem.

This particular flow of heroin originated in the opium fields in Turkey, made its way to Marseilles, where, in small simple laboratories, it was converted into heroin, thence smuggled into New York, more or less directly, and then around the country.

It seemed to me a curious thing. In 1969, as Assistant to the President for Urban Affairs, I thought the most important thing we had to deal with was welfare, which we are doing today, and next the heroin epidemic.

President Nixon, in August of that year, sent to the Congress a very wide-ranging proposal, the Family Assistance Plan, which would establish a guaranteed income and replace the welfare program altogether. It passed the House twice and never get out of the Finance Committee in the Senate.

That done, I left immediately for Turkey by way of India, which is still the largest source of illicit opium. I would not want to live in a world without morphine, not with my teeth. But it is still widely used properly as a medicine for medicinal purposes.

I went to Turkey, to Istanbul, and met with the Foreign Minister, representing the President of the United States. I said, we have an epidemic in our country and we have to stop it. That means we have to stop the production of opium in the province of Afyon. Opium is made from poppy seeds. Poppy seeds are part of the Turkish cuisine. They put poppy seeds on their bread.

This was not an easy thing to do. It is like someone arriving in Washington and telling our Secretary of State they had to stop growing corn in Iowa—sorry about that, you just have to stop. The Secretary of State will say, I see, of course.

Actually, they did not close them down; they just harvested them in a different way, called straw poppy. You could still extract the ingredients needed for pharmaceutical purposes, but without the paste which is derived by simply putting an incision on the stamen of the poppy plant, collecting the moisture which oozes out by fingers and wrapping it up in a leaf until it gradually became raw opium.

I then went to Paris where I found the American Embassy was not aware that anything was going on in Marseilles, much less going on in Washington. But they took my word for it and I met with the director of the Surete, their internal police, which has been there since the Napoleonic age.

These conversations went back and forth a number of times. Finally the French agreed, all right, they would close down the Marseilles operations, and the Turks agreed they would move to this new mode of harvest.

I was in a helicopter—I wonder if my friend from Iowa might hear this because it would help him—I was in a helicopter on my way up to Camp David and just back from Paris. The only other person present was the then Director of the Office of Management and Budget, George P. Shultz. I said to him, "George, I have good news, I think we are going to close down the French connection." This is what it became known as. He looked up from his papers and said, "Good," and then I said, a little deflated, "No, no, really. This is important. They are going to close it down. I have it from the head of the Surete in Paris." And he looked up and said "Good." Then, quite crestfallen, I said "I suppose"—he being an economist—"I suppose you think that so long as there is a demand there will be a supply?" He looked up at me and said, "You know, there is hope for you yet."

Of course in 3 to 4 years' time the Mexicans were providing heroin. Now it comes in from anywhere in the world, and will continue to do so.

That is why in our 1988 legislation, we said there will be two deputies in the newly created White House office—the Office of National Drug Control Policy. One would be the Deputy Director for Demand Reduction, who would seek a clinical device, a pharmaceutical block, an equivalent in one way or another in that general field of methadone treatment for heroin, who would learn the chemistry of this subject enough to have some treatment beyond the sort of psychiatric, psychological treatment available. The numbers would overwhelm us. We cannot cope.

President Bush made extraordinary, fine appointments. He appointed Dr. William Bennett as the head of the office. As the Deputy Director for Demand Reduction he appointed Dr. Herbert Kleber, a physician at the Yale Medical School, a research scientist, and exactly the man you would want for this.

Then after a while Bennett left, and Kleber also left. Kleber has gone to Columbia College of Physicians and Surgeons and is working at the New York Psychiatric Institute in this field.

Nobody succeeded him in a scientific role. There have been a number of persons in the job. I am sure they are good persons, but they are nothing like what we had in mind in the legislation.

Just 2 weeks ago, I tried to learn what had been the professional qualifications of the persons who had succeeded Dr. Kleber, and I found that in this office in the White House, they could not tell me. They did not know. This was not a long time back. It was 1988—well, 1990. They did not know their history 5 years back. They had no idea what the statute intended. They were not doing anything the statute contemplated.

So I actually thought I would put in legislation abolishing the position, on the grounds that if it was not going to do what it was intended to do by statute, why not just eliminate it?

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 assignation, 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 North 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 collecting 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 wholesaler 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 Ayboub, 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 wcefully inadequate. A retailer can receive certification merely by filling 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 Hebeka 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 Hebeka 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 foods 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 eviscerates 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 cf 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 backseat 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 concern 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 (TAP) 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—not less—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 report 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 tried 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 attention 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 emasculation 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 protections 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 to 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 Armey: "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 neighborhood 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 leaver 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 resolution. 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, nonpartisan, 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." A 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. It 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.

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He continues:

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He then continues:

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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 cannot 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 current 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 made this clear, but the President refuses to admit it. And so apparently do others here in the Senate.

Medicare reform is not related to Congress' promise of tax relief for America's middle class. Clinton's charge to the contrary is hypocritical. His own budget combines slow growth in Medicare spending with $110 billion in tax cuts. So who is kidding whom? Let us quit playing politics. Let us do what is right for Medicare and the American people. We have got to restrain the growth of this program and we have got to do it now. And that means, in part, some people are going to be means tested, and some of us are going to have to pay slightly more Part B premiums.

I think President Clinton and those who support him and who are playing politics with this are playing politics with our senior citizens' health. Rather than focus on Medicare's problems, you do not hear any solutions from these people who have controlled Congress for 40 years and who will control the White House for at least another 1½ years. You do not hear any solutions from them. Rather than focus on Medicare's problems, its impending bankruptcy, President Clinton seems to want to have us focus on politics and exaggerate spending differences between his and the Republican's plan.

When I hear that the Republicans want to hurt Medicare so they can fund their tax cuts for the wealthy, who is kidding whom? If you look at the Republican tax cuts, they primarily benefit the middle class. So let us not kid each other. And let us quit playing politics and start facing the facts and work together to solve this problem while, at the same time, developing prudent tax policy that encourages growth, economic development, and jobs enhancement rather than encouraging the growth of Federal spending.

A comparison of CBO's estimate of Congress' plan and the President's own estimation by the Office of Management and Budget of his plan shows the spending differences to be minuscule. Medicare spending will increase under both the President's and Congress' plan, assuming Congress will pass it.

Let us call it the Republican plan, if you want, because right now that is fair. However, there are going to be Democrats who support it who are as concerned about the future of Medicare as are Republicans who now know that reform is inevitable. It is apparent that Medicare spending cannot continue at current levels if the program is to survive for future generations of Americans.

And what is this rhetoric that cutting taxes is to take care of the wealthy? Proposed tax cuts are based on responsible reasons just as the Republican Medicare reform proposals are based.

And, in fact, President Clinton's current budget is closer to Congress' than it is to the first one he proposed just 4 months earlier. The Clinton budget would spend 7.4 percent more every year for the next 7 years. Congress would spend 6.4 percent.

(Mr. DEWINE assumed the chair.)

Mr. HATCH. Mr. President, also, according to the Senate Budget Committee, Federal benefits spending is going to grow by 6.4 percent. The difference between Congress' plan and the President's—1 percent—is well less than the difference between projected spending under current law—CBO says 9.98 percent—and the President's plan, a 1-percent difference. Yet, we hear this rhetoric that the Republicans are going to ruin Medicare and that they are going to take money away from the poor and give it to the rich. That is simply not true, and it is time for those who make those allegations to become more responsible and to stop misleading the American people.

True, the Republicans restrain the growth slightly more than the President's proposal, and I think there is a case, a very important case, to be made that is an appropriate thing to do.

The reform differences are crucial, however. Under Congress' budget, the problem is identified. Medicaid will be saved, and the budget will be balanced. That is the difference. The problem is identified, Medicare will be saved, and the budget will be balanced under the Republican approach. I should say, the Republican—with moderate/conservative Democrats—approach to solving the problem. Reform will mean Medicare is not only secure for the future but strengthened with more choices, less waste, and less abuse.

So I felt I had to make a few comments about this issue because of some of the comments made by several of my dear colleagues.

I would like to thank the distinguished Senator from Connecticut and the distinguished Senator from Massachusetts, both of whom are close and dear friends of mine, for their kind words about my involvement in the enactment of the child care development block grant. I do, indeed, consider this landmark legislation. I was proud to have played a role in its passage, and I have to say that working with my friends, the Senators from Connecticut and Massachusetts, as well as Senator MIKULSKI from Maryland, to accomplish this legislation was certainly one of the highlights of my last term in the Senate.

I agree with the thrust of the Senator's amendment in this case. I agree that we need more money for subsidized child care. I do not think anybody can disagree with that. The figures just show we need more money, not only to enable those on welfare to get off, but also to enable those who are working but have low income to stay off welfare.

I personally believe that child care is one of the key components to the reduction of welfare rolls in virtually every State. These points are well made, they are well taken, and I do not know many Senators in the Senate who would disagree with them. I have to say that if the distinguished Senators were suggesting the mere addition of funds to the CCDBG, the child care development block grant, or to the child care carve-out that I am suggesting in title I, I think it would be a pretty tempting proposition. But I have several reservations about this approach. I am going to keep an open mind as we debate it, but I still have several reservations.

First, it is a separate program, a new separate program established completely apart from title I. I believe we need to delineate funds for child care under the welfare program, and the reason we do is because if you just block grant them to the Governors, children do not vote and it becomes too easy to use those funds for other children's programs. That is a pretty wide array of programs, some of which may or may not benefit children and may or may not benefit them very much, if at all.

So I think we do need to delineate funds, but I do not believe the two efforts should be so completely separated that they cannot be effectively coordinated. I believe this is particularly important if we want to reduce the strain on the CCDBG, the child care development block grant, to provide child care for a welfare population at the expense of services for the working poor.

Second, one of the primary purposes of this block-grant approach is to simplify things for States. We want to spend less on bureaucracy at all levels and more on services at all levels. So I see no reason for a separate State application and a different format, which is what this amendment does. It just adds more bureaucracy, more Federal control, less money, less services, even though they are adding 6 billion new dollars.

Third, while I certainly appreciate what I take to be an effort of flexibility, I think subsection (e) is a little too flexible. Here I believe it is appropriate to specify that the use of funds are exclusively for child care services, not for a whole host of other child-care-related functions performed by States and localities.

Along this line, I would like to see some indication that parents will have a full array of child care options. My amendment, which we will take up later, states that "eligible providers"

are centers, family-based or church-based.

Then, finally, there is the dreaded "M" word, and that is "money." As I stated earlier, I agree that an excellent case could be made for child care funding. In fact, I will be using similar arguments about the need for child care during my presentation on my amendment to split child care funding out from title I funding. I hope I can deliver my statement with as much passion as the Senator from Connecticut and the Senator from Massachusetts have done, because I wholeheartedly believe that we must enable parents to access safe, affordable child care.

The problem that I have with a quarter-billion-dollar add-on in the first year and a ballooning of that add-on to more than $3.7 billion in the year 2000 is that unless the Appropriations Committee has been holding out on us and has a money tree somewhere that can grow an additional $6 billion between now and the year 2000, I just do not think that it is very wise or even fair to authorize this money and pretend that it is going to materialize. Sitting on the Finance Committee, I have to tell you, the Finance Committee already has to come up with almost $600 billion in savings over the next 5 years.

I think an authorization should be realistic. It creates an expectation among the States, local governments, and potential recipients of this child care assistance, and we should not be promising that which we cannot deliver, and we cannot deliver at this time an additional $6 billion on top of the moneys that we have. I wish we could. If we could, I would certainly be in favor of doing it.

For those who work on these very crucial money committees, like the Finance Committee, I have to tell you, there are a lot of programs that are going to have to pay their fair share. I wish they could all be funded to the fullest degree. It is a lot more fun to spend money than it is to conserve, but there comes a time in everybody's life when they have to conserve, where they have to live within their means, where they have to try and balance budgets, and this is that time. We cannot continue on the way we are going.

It is not enough to believe child care is the right thing to do; we have to make it happen as well. I do have these problems, among others, with my friend's amendment today. It is a matter of great concern to me, because as everybody knows, I take a very strong and vital interest in child care and have from the beginning and would like to think I played a significant role in passing the Child Care Development Block Grant Act, which I think was long overdue.

I suggest to my colleagues who agree with both the Senator from Connecticut and me that child care is an essential component of this bill that they will have an opportunity later on in this debate to support a carve-out for child care within the title I block grant.

I have offered my amendment, and I will be bringing it up during the debate. I do believe that Senators will find that the Hatch child care amendment is more workable and more viable as an alternative in the overall context of this welfare reform bill.

That is not to disparage the efforts of my friends, because like I say, if the moneys were there, if we had a reasonable chance of getting those moneys, if we really go could go out and find them somewhere, certainly I would be very much in favor of trying to do that. But I am not in favor of creating an additional program to be run by HHS. The purpose of this is to block grant the funds to the States and let the States use less bureaucracy and get the moneys to the people who really need them—they claim they can do it better, and I have no doubt about that—than if we launder it through the HHS, this humongous bureaucracy bank that eats it up as fast as we launder it through.

I should say there are some differences between our amendments, and maybe I will speak on that later. I cannot find fault with anybody who feels deeply about this, arguing for this amendment. I know my friends from Massachusetts and Connecticut feel very deeply, as do I, about the whole issue of child care. We fought together on this floor for it, and we fought a very difficult battle, which was very costly to some of us. I would do it over again. But I also think we have to look at reality, too. I just plain do not want to start another separate child care program when we have one that is working very well right now, that we fought for and gave a lot for and have seen work well once it was enacted.

Mr. President, I feel so deeply about child care issues. I feel deeply about the single heads of household—primarily women, who do not know where to turn, who really cannot work because they worry about their children. I worry about latchkey children, who do not have anybody to supervise them at home. I worry about 6- and 7-year-olds watching over babies. These are all important points.

I think we should carve out and make it clear that we are going to protect these people who do not have votes right now, because over the years, as we have been concerned about our seniors—and rightly so—the bulk of the money is going to seniors because they vote, and the people who are being left out are children because they cannot vote. That is why I think we should have a carve-out so they have to use this money for child care and for the purposes of child care. But I do not think we should be sending messages that we have $6 billion when we do not. There is no real reason why we are going to have it.

Having said that, Mr. President, I suggest the absence of a quorum—I withhold that.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes. I know there are others of our colleagues who want to speak on this issue. I want to respond very briefly to some comments that my friend and colleague from Utah made with regard to the Medicare issue.

Of course, as the Senator from Utah knows, it is not part B of Medicare that is in trouble now, it is part A. That is the part of the Medicare system that needs focus and attention. The increase in the premiums that the Speaker has talked about and that is part of the Republican program is in the part B program. That is important to understand right at the outset.

We saw earlier in the year where the Republicans in the House of Representatives took $87 billion over ten years out of the Medicare part A trust fund in order to support their tax fund program. And still they continue to advocate for $245 billion in tax relief, while they are cutting Medicare $270 billion. So while Medicare part A is the part that is in difficulty, it is part B that we are going to have the increases in. But part B is not subject to bankruptcy, from a statutory point of view. That is important to understand. Again, it is part B where we are going to see the dramatic increases. Under the Republican plan, individuals will have to pay an additional $442 in the year 2002—a premium of almost $1,200 a year. These increases will cost individuals about $1,750 more in Medicare premiums over the life of the program, which means each senior couple will pay $3,500 more.

I just say, in response to my friend and colleague, that it does very little good, at least to the seniors in my State, to say, well, we are increasing the amounts which we are expending for you in terms of Medicare, but we are not increasing them to the extent to cover your health care needs, as we have in the past. And you are going to have to pay some $3,500 more. Maybe the seniors in Utah have a different reaction than the seniors in Massachusetts. People have paid into the Medicare system; they are working families. Two-thirds of them are making less than $17,000 a year, and $3,500 is a great deal of money for any family, any middle-income family and any retirees. And to say to the seniors, well, we are raising the expenditures on Medicare, but not the amount to cover the same range of health care services to the extent of $3,500 to the seniors in my State. They say that is a cut.

Here is the final point I will make with regard to the Medicare. First of

all, we find that the statement the Speaker made with regard to a $7 a month increase in the part B premium is absolutely wrong. According to the Health Care Financing Administration, the monthly premium will go up to $96 a month in the year 2002, an increase of $37 a month, not $7 a month.

So it is important that seniors understand, as this debate takes place, what the facts are. There is going to be up to $37 a month increase, not $7 a month increase, in the year 2002 alone. And individuals will pay $1,750 more over the next 7 years of the program and couples will pay $3,500 more. So the argument that we will be raising the reimbursement falls flat to the seniors of my State that will be paying that much more—$3,500 more—over the next 7 years.

Finally, it is important in health care to understand what has been going on in Medicare over the last 10 years. The fact is that Medicare, per patient, has not increased as much as in the private sector. We understand that. The increases in Medicare for treatment has not increased as much as the cost for the treatment of those that are not in Medicare. The increase in the costs, therefore, are a result of the Congress not acting to hold costs down. And to say to our senior citizens that it is just too bad that you are paying more out of your pocket because we in Congress refuse to come to grips with the escalation of health care costs, I find to be an unsatisfactory way to approach this situation.

Mr. President, I daresay we will have more of a chance to deal with and discuss the Medicare issue. I think it is obviously an overarching, overriding issue, because it involves the social compact which is a part of Social Security. Social Security and Medicare are part of one single contract. We heard a great deal around here about how we are not going to cut Social Security, but somehow that promise did not, for some reason, extend to Medicare. And now we have seen at the beginning of that debate, which will continue over the period of these next few weeks, serious misrepresentations in terms of the costs for our seniors. That is a disservice to the debate and discussion which needs to take place.

So, Mr. President, finally, let me just say this regarding the Senator's comments on the child care proposal. As the Senator from Connecticut and I have stated during the course of this debate, the provisions in the child care and the discretionary program would not be law today if the Senator from Utah had not supported those provisions.

That was at a time when we had real renewed attention and focus on the issues of children. It was at a time we were debating the Family and Medical Leave Program on which my friend and colleague, the Senator from Connecticut, Senator DODD, was a leader up here, as well as on the child care program where, again, he, Senator HATCH, Senator KASSEBAUM, and others were the real leaders.

When he speaks and expresses his commitment and concern, all who have been a part of this whole process respect that.

The only point I make is that we are, in characterizing this amendment, as the Senator provides $1 billion for earmarking for the child care program in a way that it will work its way through the block grants to the States and through the State organization, we have accepted that same approach in terms of the Dodd-Kennedy increase in funding.

We are following identically the same kind of process. The difference is we will meet the responsibilities to the increased demand for child care, we think. We all respect the approach of the Senator from Utah that falls far short.

Mr. President, I see my friend here from Minnesota. I expect the Senator wants some time.

How much time remains?

The PRESIDING OFFICER. The Senator has 21 minutes and 22 seconds.

Mr. KENNEDY. I yield 6 minutes to the Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I say to my colleague from Massachusetts that I will not use any of this time to talk about health care, but I do want to associate myself with his remarks. I think we really will have a nationally and historically significant debate about Medicare and health care policy soon which will be extremely important for this Nation.

I hope people throughout the country are very engaged in this debate.

Mr. President, I ask unanimous consent that I be included as an original cosponsor of the Kennedy-Dodd bill.

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

Mr. WELLSTONE. Mr. President, this amendment would provide a direct spending grant to States of $11 billion over the next 5 years, which is precisely the amount that HHS estimates the child care would cost under the Dole bill.

I say to my colleague from Utah and I say to the rest of my colleagues, as well, that you cannot have real health care reform, as opposed to what I describe as reverse reform, which is what we have right now with the Dole bill, unless you have a commitment to family child care. This amendment really invests the necessary resources.

Mr. President, there have been any number of different studies in Minnesota, and I cite one study by the Greater Minneapolis Day Care Association in 1995. I am not even going to go through all the statistics because sometimes I think our discussion on the floor of the Senate becomes too cut and dried when we just focus on statistics.

The long and the short of the study is that there are many families, single-parent and two-parent families, that really are doing everything they can to get on their own two feet and be able to work. The problem is affordable child care.

In cases of a single-parent family—and when we talk about welfare families, we are talking in the main about a family with a woman as a single parent. I wish men would accept more responsibility. I know the Chair agrees with me 100 percent on that. In the case of a single-parent family welfare mom, quite often the pattern over a period of time is that a mother will move from welfare to workfare. But then what happens is the cost of child care is so prohibitively high or it is just so difficult to find the child care in the first place, or the child becomes sick for a week and the mother loses her job, you name it, that she has to then go back to welfare.

I am all for the welfare reform. Guess what? It is not just Senators that are for the welfare reform. The citizens that are most for real reform as opposed to something which is punitive and degrading are the welfare mothers themselves, the ones who all too many Senators have been bashing for the last week and a half.

Mr. President, this amendment is extremely important. If we want to have the reform, we have to invest the resources into affordable child care.

Mr. President, I noticed there is a provision now in the Dole bill which I think is interesting and I think it is relatively important, which essentially says, as I understand it, that if, in fact, the State does not allocate the money or does not have the resources for the affordable child care for the mother, then the mother would not be sanctioned by not taking a job and going into the work force.

That makes a lot of sense because these mothers, like all parents, are worried about their children.

By the way, Mr. President, if we have silly cutoffs like 1 year, it does not make any sense. I am a father of three children, a grandfather of two, going to be a grandfather of three in the next month or so, and I can tell you that a child at 1 year and 1 week is not exactly ready to clean the kitchen, do the housework, stay at home alone, et cetera.

The question is, What happens to these small children? The last thing in the world we want to do is punish children.

This commitment of some resources to child care goes some way toward making this real welfare reform as opposed to reformatory; that is to say, something which is punitive and puts children in jeopardy.

The second point I want to make, Mr. President, with this provision that is

now in the Dole bill, is that as I see it, if this provision is taken seriously, what will happen is a lot of this is just going to be at a standstill because as a matter of fact without the commitment of resources for child care, and we did not have that commitment of resources in the Dole bill—this amendment attempts to invest those resources—a lot of mothers will be in a position back in our States of saying with the long waiting lists already for affordable child care, without the resources to be able to afford it, these are low-income women, they will be able to say we cannot go to work because we do not know what will happen to our children, there is no affordable child care for our children, in which case according to the provision in the bill they would not have to go into the work force.

There is some good news to that, because I do not think we should coerce a mother into going into the work force. Taking care of children at home is very important work, whether it is a mother or a father. Without the child care, she cannot do it.

On the other hand, then, the whole promise of this reform of enabling welfare mothers, sometimes welfare fathers, to be able to work becomes a promise that is never fulfilled. This amendment goes a long way toward enabling us to fulfill that promise.

The PRESIDING OFFICER. All time has expired.

Mr. KENNEDY. I yield 1 minute.

Mr. WELLSTONE. Mr. President, in a minute, I cannot even do justice to the point I will try to make.

What has cropped up in this debate I think is a very interesting argument, which is all too often some of my colleagues will say, well, look, if you have a family with an income of $35,000, maybe two parents, they are paying for child care, why should we talk about investment of resources for affordable child care for welfare mothers?

I do not know why we are paying off middle-income and moderate-income citizens versus low-income women. We should focus on what is good for the children.

The fact of the matter is our country has not made a commitment to affordable child care. It is a shame. This is a perfect example of where we could allocate some of the resources at the Federal level and decentralize it and let all the good things happen at the community level, at the neighborhood level —be it for low income, moderate income, middle income—with some sort of sliding fee scale.

That is really the direction we ought to go, not in the direction of not investing resources in child care and therefore putting mothers in a difficult position, and most important of all, punishing children.

This is a very important amendment which really kind of is a litmus test as to whether we are serious about reform as opposed to reformatory.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, if I might, let me inquire how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut has 14 minutes and 18 seconds.

Mr. DODD. On the side of the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Utah has 67 minutes and 22 seconds.

Mr. DODD. I would just inquire of my colleague from Utah if I might take 5 of his minutes? I am fearful he may not be on the floor, someone else may come over, and we will have run out of all of our time.

Mr. HATCH. I will be glad to yield 5 minutes to the Senator from Connecticut.

Should I say a few words first? Or I will be happy to wait.

Mr. DODD. No, go ahead.

The PRESIDING OFFICER. The Senator from Utah.

THE CAPITAL GAINS DEBATE

Mr. HATCH. Mr. President, it is not quite on this subject, but since my friend from Massachusetts raised the issue I thought I would just spend a few minutes on it because it is something that is near and dear to my heart and I think near and dear to, really, those of a pretty good majority of this body.

One of the worst perceptions about the capital gains debate is that only the rich are going to benefit from a capital gains rate reduction. My friend from Massachusetts implied that and implied that those of us who are for a capital gains rate reduction are basically taking care of our good old rich friends. I do not have many rich friends. I have to say that I was born in poverty, came up the hard way. I am one of the few in this body who learned a trade, went through a formal apprenticeship program, became a journeyman and worked in the building construction trade unions for 10 years, putting myself through high school. I had to work to get through high school, college and law school. So I do not think it is a matter of rich friends at all.

The fact of the matter is, nothing could be further from the truth with regard to capital gains. In fact, Americans at all economic levels will benefit from increased growth. President John F. Kennedy once said, basically while he was enacting a capital gains rate reduction which proved to be very efficacious for our country, "a rising tide of investment lifts all boats." President Kennedy supported a capital gains cut because thousands of middle-class Americans would benefit from it.

In 1992, 56 percent of Federal income tax returns claiming capital gains—56 percent of those returns claiming capital gains—were from taxpayers with incomes of $50,000 or less, and 83 percent came from taxpayers with incomes of less than $100,000. Almost all of them came from people who earned less than $100,000. But, again, keep in mind, 56 percent came from those who earned less than $50,000. Only the rich?

The preferential capital gains tax benefits every American who believes in the American dream, who is willing to take a risk for a long-term reward. Millions of American families that own farms or small businesses will benefit from the capital gains tax. Yes, in 1 year of their productive lives, a husband and wife may have a high income, in the year they sell their family farm or small business. But that is one reason these statistics can be so misleading. The capital gains differential is just as much about Main Street as it is Wall Street. This amendment rewards risk taking and sacrifice, and that is the right thing to do.

The opponents of the capital gains tax rate cut argue that it benefits mostly the wealthiest income groups. This assertion is based on deceptive statistics. The income figures used in these statistics include the taxpayer's entire income, which includes the capital gain. This makes the capital gains tax cut appear to be a tax cut for the rich.

A far more accurate picture results when only recurring or ordinary income is considered. Let me give an example. An elderly couple living in Cache County, UT, has been farming on land they owned for 40 years. The land was purchased for $50,000 in 1950. They decided to retire to St. George, UT, and thus, they sell their farm for $250,000 after farming it for 40 years, having paid $50,000 for it.

This couple has never reported more than $35,000 of gross income on their tax returns in their life, never more than $35,000 in any given year. But in the year of the sale of their farm, they report more than $200,000 of gross income. Are these people among the very wealthiest income earners of our Nation? Of course not.

The Department of the Treasury statistics show that this example is not just the exception, it is the rule. If capital gains are excluded from income, only about 5 percent of tax returns containing long-term capital gains have incomes of over $200,000. Only 5 percent.

A Treasury study covering 1985 shows that taxpayers with wage and salary income of less than $50,000 realized nearly one-half of all capital gains in 1985. In addition, three-quarters of all returns with capital gains were reported by taxpayers with wage and salary income of less than $50,000 in that year. So let us not kid anybody. Of

course, those who are wealthy will benefit, but they generally put their moneys back into investments or into businesses, into creation of jobs and economic opportunity for others. So we should not begrudge the fact that they benefit as well.

But a huge, huge number of middle-class people benefit from capital gains rate reductions not just because they themselves have capital gains to pay taxes on, but because they benefit from the stimulation of the economy that occurs when money is rolled over and utilized in creating new jobs and new job opportunities.

A Joint Tax Committee analysis of the years 1979 to 1983 found that 44 percent of taxpayers reporting gains realized a gain in only 1 out of 5 years. This is the occasional investor, the home or business owner, who is realizing these gains. When we move beyond the class warfare rhetoric, we find that capital gains tax cuts help working Americans.

High capital gains taxes especially hurt elderly taxpayers. Capital gains for seniors average four to five times the size for capital gains for younger taxpayers. In fact, in any year more than 40 percent of taxpayers over the age of 60 pay capital gains taxes.

So, the fact of the matter is, it is deceptive to argue that capital gains benefit only the wealthy. They benefit everybody.

I believe if we cut capital gains, we will unleash some of the $8 trillion in this economy that is locked up in capital assets that people will not sell because they do not want to pay 28 to 39 percent in a capital gains tax. Once we unleash that—if we could just unleash 10 percent of that money, can you imagine what a stimulation and stimulus that would be to our economy?

Taxpayers are very sensitive to capital gains reductions. This is especially true for the most affluent Americans. As a result, Americans will realize many gains as soon as the rate changes. This will raise tax revenue, probably by an amount far above joint tax estimates.

Joint tax estimates are among the most conservative estimates you can have. I will not go into the details on this, but we can say in the last 30 years, every time capital gains rates have gone up, revenues to the Federal Government have gone down from selling capital assets. Every time capital gains rates have been dropped, or lowered, revenues to the Government have gone up. It just makes sense, especially when you realize there is $8 trillion locked up in capital assets that they will not sell, they will not trade, they will not move because of the high rate of taxation that we have today.

Let us lower that capital gains rate and benefit all Americans, but especially—especially—the middle class and those earning under $50,000 a year who will benefit greatly from it, and get some sense into this system so we push the better aspects of our system. Let us get rid of some of this demeaning rhetoric that literally cuts into the—really cuts against what are the real facts with regard to capital gains and capital gains rate reductions.

I am very strongly for a capital gains rate reduction because I think it will benefit virtually everybody in our society, the poor as well, because there will be more jobs and more economic opportunity than before the rates are cut.

Mr. President, I yield the floor.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. KENNEDY. Mr. President, will the Senator be good enough to yield 5 minutes?

Mr. HATCH. I will be happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Senator.

Mr. President, I just want to put in the RECORD some of the comments from some of the leading church and legislative and active groups that have been focusing on the welfare debate. I will include all of the statements in the RECORD. But I would like to refer at this time to individual sentences and comments that summarize their position.

One was from the National Council of the Churches of Christ in the USA. It said:

The religious community is a major provider of center-based child care. Throughout the nation, millions of children are cared for every day in church-housed child care. Our churches have long waiting lists of parents seeking quality care for their children. We are not able to accommodate the demand because the resources to expand the supply are so scarce. We know this problem first hand, because the desperate parents are in our congregations, as are the overworked providers of child care services. Their facilities are in our buildings, and our congregations are enriched by the lively presence of their children.

We believe that it is not responsible public policy to require parents to work without providing adequately for their children's safety and nurture while the parents are at their jobs. If the government is going to insist that mothers of young children leave them to go into the workplace, then the government must make it possible for the parents to do so in the confidence that their children are in a safe, wholesome environment. To do otherwise puts our children at risk and almost guarantees that parents, preoccupied with concern for the well-being of their youngsters, will not perform to the best of their ability.

That is an excellent statement of the National Council of the Churches of Christ.

The National Conference of State Legislatures:

NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels.

That is the National Conference of State Legislatures; that is, Republicans and Democrats.

The American Public Welfare Association:

Current proposals in the Senate do not create a separate state block grant for all child care programs. APWA supports a separate child care block grant, in the form of an entitlement to states, not as a discretionary spending program subject to annual funding reductions. States will not be able to move clients from welfare to work without adequate and flexible funding to provide essential child care services.

Catholic Charities:

We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The Governor of Ohio:

I would like to see the child care and family nutrition block grants converted into capped state entitlements. In the House bill, funding for these block grants is discretionary. Key child care programs currently are individual entitlements. The need for child care only will grow as welfare recipients move into the workforce.

The National Parent Teacher Association:

The potential for success of welfare reform depends on former recipients becoming employed an being able to meet basic needs for shelter, food, health care and child care. Subsidized child care for low income working parents is crucial.

Every single organization that has responsibility and which has studied this is and which are out on the front lines on the issue of welfare reform has understood the importance of providing child care, and the Dodd-Kennedy amendment provides it.

Mr. President, I ask unanimous consent that these documents be printed in the RECORD.

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

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE USA—STATEMENT ON THE IMPORTANCE OF CHILD CARE IN WELFARE REFORM

(By Mary Anderson Cooper, Associate Director, Washington Office, August 9, 1995)

As the Senate works to overhaul the nation's welfare system, we urge Senators to

make the well-being of those who are impacted by that system their primary concern. As people of faith and religious commitment, we are called to stand with and seek justice for people who are poor. This is central to our religious traditions, sacred texts, and teachings. We are convinced, therefore, that welfare reform must not focus on eliminating programs but on eliminating poverty and the damage it inflicts on children (who are ⅔ of all welfare recipients), on their parents, and on the rest of society.

Further, we support the goal of helping families to leave welfare through employment, because we believe that those who are able to work have a right and a responsibility to do so. However, we also recognize that just finding a job will not necessarily mean either that a family should leave welfare or that its poverty will end. Since full-time jobs at minimum wage yield a family income that is below the poverty line, and since such jobs often do not provide health care benefits, employed people trying to leave welfare may still need some government subsidy in order to become self-supporting.

Key among the kinds of help such people need is child care. The Children's Defense Fund tells us that one in four mothers in their twenties who were out of the labor force in 1986 said they were not working because of child care problems (high cost, lack of availability, poor quality or location, lack of transportation, etc.). Among poor women, 34% said they were not working because of child care problems.

The Government Accounting Office tells us that increasing the supply of child care would raise the work participation rates of poor women from 29 to 44 percent. For near-poor women, the rates would rise from 43 to 57 percent. Thus, increasing the supply of safe, quality, affordable child care would help some women escape poverty while helping others avoid falling into it in the first place.

The religious community is a major provider of center-based child care. Throughout the nation, millions of children are cared for every day in church-housed child care. Our churches have long waiting lists of parents seeking quality care for their children. We are not able to accommodate the demand because the resources to expand the supply are so scarce. We know this problem first hand, because the desperate parents are in our congregations, as are the overworked providers of child care services. Their facilities are in our buildings, and our congregations are enriched by the lively presence of their children.

We believe that it is not responsible public policy to require parents to work without providing adequately for their children's safety and nurture while the parents are at their jobs. If the government is going to insist that mothers of young children leave them to go into the workplace, then the government must make it possible for the parents to do so in the confidence that their children are in a safe, wholesome environment. To do otherwise puts our children at risk and almost guarantees that parents, preoccupied with concern for the well-being of their youngsters, will not perform to the best of their ability.

The issue of child care has been nearly absent from the congressional debate on welfare reform. Consequently, we are particularly grateful to Senator Daschle for making child care a key feature of his legislation. We commend him for raising the visibility of this issue and look forward to working with him to assure that adequate provisions for child care are included in any welfare bill that is approved by the Congress.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, May 16, 1995.

Hon. BOB PACKWOOD,
U.S. Senate, Russell Office Building, Washington, DC.

DEAR SENATOR PACKWOOD: We are writing to thank you for your public commitment to state flexibility as a principle in your welfare reform legislation. The National Conference of State Legislatures (NCSL) is especially pleased by your recognition of the critical role of state legislators in welfare reform and other programs that serve children and families. We appreciate your confidence in our ability to design programs that best serve the needs in our states and urge you to consider our views as you finalize your welfare reform legislation.

We are encouraged by your endorsement of providing more discretion to state decisionmakers and rejecting provisions that micromanage and limit state authority to determine eligibility. However, state legislators are concerned about several provisions under consideration that have the potential to limit state authority, shift major costs to the states and violate NCSL's policy on block grants. The balance of this letter specifies our concerns in six major areas. In summary, we urge you to reconsider the consolidation of open-ended entitlements for child protection services, work requirements in the cash assistance block grant, denial of benefits to legal immigrants, the absence of real protection for states to respond to economic change, the consolidation of child care funding, and timing to successfully implement revised programs.

I understand that you are still considering a block grant for child protection funds. State legislators believe that foster care maintenance and adoption assistance payments and administrative funding under Title IV-E must be maintained as an open-ended entitlement. Children in danger cannot be told that the government ran out of money to protect them. We must respond to those who turn to us as a last resort. The demand for these services has not been predicted well at the federal level. No one predicted the damage that HIV infection, crack cocaine and homelessness would do to children's security within their families. No one anticipated the resulting increase in state and federal costs. Courts will decide to remove children from unsafe homes and states must respond to these decisions. We urge you to reject the child protection block grant.

We are disappointed with the prescriptive work and participation requirements in H.R. 4. State legislators are interested in creating our own programs, not running a uniform program with federally-determined program details and fewer funds. We oppose federal micromanagement in the definition or type or work, the role of training, minimum number of hours a recipient must work, and participation rates. These are precisely the decisions each state should make based on local needs. We do support measurement of outcomes and performance data to ensure that program goals are being met.

NCSL strongly opposes the denial of benefits to legal immigrants. The federal government has sole jurisdiction over immigration policy and must bear the responsibility to serve the immigrants it allows to enter states and localities. The denial of benefits will shift the costs to state budgets. Eliminating benefits to noncitizens or deeming for unreasonably long periods will not eliminate the need, and state and local budgets and taxpayers will bear the burden. Denial of services to legal immigrants by states appears to violate both state and federal constitutional provisions. We continue to support making affidavits of support legally binding.

NCSL supports the development of a contingency fund to assist states to respond to changes in population and the economy rather than a loan fund. The absence of adequate protections for states with population growth, economic changes and disasters is a barrier to state support of a cash assistance block grant. We believe that a loan fund is not sufficient assurance of federal assistance. The federal government must participate as a partner in a fund that has a mechanism for budget adjustment so that states are not overly burdened by increased demand for services.

NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels. A consolidated child care fund should stand alone.

Finally, state legislators will need adequate transition time to successfully implement revised income security and related programs. States will have to modify their laws to comport with new federal legislation, restructure their administrative bureaucracies and revise their FY96 and FY97 budgets that have been enacted on the basis of current law and federal spending guarantees. We urge inclusion of a provision giving states no less than one year of transition time and consideration for additional time for states that meet biennially.

We look forward to working with you throughout this process. Please contact Sheri Steisel or Michael Bird in NCSL's Washington Office to further discuss our views.

Sincerely,

JANE L. CAMPBELL,
President, NCSL, Assistant House Minority Leader, Ohio.

JAMES J. LACK,
President-elect, NCSL, Senator, New York.

AMERICAN PUBLIC WELFARE ASSOCIATION
(By Gerald H. Miller, President, and A. Sidney Johnson III, Executive Director)

SERIOUS SHORTFALL IN CHILD CARE FUNDING

By increasing the number of participants required to work and maintaining child care funds at the FY 94 level, current welfare reform proposals in the Senate would significantly hinder states' efforts to move welfare recipients into the workforce. There is clear congressional intent to require states to meet higher participation rates, which cannot be met if child care is unavailable. CBO estimates, presented in testimony before the Senate Finance Committee, indicate that the child care needed to meet proposed participation rates, will cost approximately 5 times the current proposed allocation. Based on those estimates, states will face a serious child care funding crisis.

Current proposals in the Senate do not create a separate state block grant for all child

care programs. APWA supports a separate child care block grant, in the form of an entitlement to states, not as a discretionary spending program subject to annual funding reductions. States will not be able to move clients from welfare to work without adequate and flexible funding to provide essential child care services.

ANALYSIS

The amount of money allocated for child care is not adequate given the work participation requirements in the bill. Welfare reform legislation, in outlining work provisions and requirements, should recognize and address both programatically and financially the distinct role of child care in clients' ability to obtain and retain employment. Child care is an essential component for successfully moving people to self-sufficiency. Moreover, no work program can succeed without a commitment to making quality child care available for recipients.

CATHOLIC CHARITIES, USA,
August 4, 1995.

DEAR SENATOR: As the Senate takes up welfare reform, we urge you to adopt provisions to strengthen families, protect children, and preserve the nation's commitment to fighting child poverty.

Across this country, 1,400 local agencies and institutions in the Catholic Charities network serve more than 10 million people annually. Last year alone, Catholic Charities USA helped more than 138,000 women, teenagers, and their families with crisis pregnancies. Because Catholic agencies run the full spectrum of services, from soup kitchens and shelters to transitional and permanent housing, they see families in all stages of problems as well as those who have escaped poverty and dependency.

This broad experience, along with our religious tradition which defends human life and human dignity, compels us to share our strong convictions about welfare reform.

The first principle in welfare reform must be, "Do no harm." Along with the U.S. Catholic Conference, the National Right-to-Life Committee, and other pro-life organizations, we have vigorously opposed child-exclusion provisions such as the "family cap" and denial of cash assistance for children born to teenage mothers or for whom paternity has not yet been legally established.

We are also convinced that the idea of rewarding states for reducing out-of-wedlock pregnancies is well-intentioned but dangerously light of the fact that the only state experiment in this regard, the New Jersey family cap, already has increased abortions without any significant reduction in births. The "illegitimacy ratio" may well encourage states to engage in similar experiments that would result in more abortions and more suffering.

We also support Senator Kent Conrad's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but also would provide resources for "second-chance homes" to make that requirement a reality.

The second principle should be to protect children. We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The third principle should be to maintain the national safety net for children. We oppose block granting Food Stamps, even as a state option, because the Food Stamp program is the only national program available to feed poor children of all ages with working parents as well as those on welfare. On the whole, the Food Stamp program works well, ensuring that children in even the poorest families do not suffer from malnutrition.

We are encouraged by the fact that Senator Dole's bill does not seek to cut or erode federal support for child protection in the child welfare system. Proposals to block grant these essential protections are ill-advised and dangerous to children who are already abused, neglected, abandoned, and totally at the mercy of state child welfare systems. Federal rules and guarantees are essential to the safety of children.

The fourth principle should be fairness to all citizens. Certain proposals before the Senate would create a new category of "second-class citizenship," making immigrants ineligible for most federal programs, even after they become naturalized Americans. We urge you to reject this and other proposals that would leave legal immigrants without the possibility of assistance when they are in genuine need.

The fifth principle should be to maintain the national commitment to fighting child poverty. In exchange for federal dollars and broad flexibility, states should be expected to maintain at least their current level of support for poor children and their families. We understand that Senator Breaux will offer such an amendment on the Senate floor. Please give it your support.

In our Catholic teaching, all children, but especially poor and unborn children, have a special claim to the protection of society and government. Please vote for proposals that keep the federal government on their side.

Sincerely,

FRED KAMMER, SJ,
President.

STATE OF OHIO,
OFFICE OF THE GOVERNOR,
March 27, 1995.

Hon. BOB DOLE,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: As you know, the House of Representatives has completed its consideration of welfare reform legislation. While I strongly support the decision made by the House to convert welfare programs into block grants, I am concerned that the House bill fails to provide states with the flexibility needed to set our own priorities and conduct innovative experiments to promote responsibility and self-sufficiency. Many of my fellow Republican Governors share a number of my concerns.

I was disappointed with the allocation formula established through the Temporary Family Assistance Block Grant. It is the position of the National Governors' Association that any formula should allow states to use either a three-year average or 1994 spending levels in determining base year allocations. While the House formula includes this choice, it then applies a 2.4-percent reduction factor to each state's allocation. The reduction factor leaves Ohio with a base year allocation of $700 million annually, which is lower than what we would have received using either formula without a reduction factor. Speaker Gingrich assured states he would support eliminating the reduction factor. We would like to work with you in the Senate to make this correction.

Although allowing each state to receive its most favorable allocation without a reduction factor requires funding for the block grant to be increased by approximately $200 million nationally, it is important to remember that states are making a significant financial sacrifice in supporting capped block grants. If states are disadvantaged in determining base year allocations, it becomes even more difficult to make the increased investments in work programs necessary to move individuals off welfare.

The House bill also does not include sufficient protections for states in the event of an economic downturn. If Congress replaces open-ended individual entitlements with capped state entitlements, states are placed in an extremely vulnerable position should the welfare-eligible population increase significantly. The state and federal governments should be partners in meeting the needs of expanded caseloads in recessions. The House bill contains a $1 billion rainy day fund designed to provide the states with short-term loans, repayable with interest in three years. A loan fund does not represent a partnership; instead it is a cost shift.

Ohio would be particularly disadvantaged in a recession due to aggressive steps already taken to reduce welfare caseloads. Today, 85,000 fewer Ohioans receive welfare than in 1992. States that have not been aggressive in reducing their welfare rolls will be better able to accommodate increased caseloads. Ohio's streamlined base makes it very difficult for us to absorb increased recessionary demands.

As part of our efforts to reduce welfare caseloads, Ohio has developed the strongest JOBS program in the nation. Ohio leads the nation with 33,911 recipients participating in JOBS. Only California comes close to matching Ohio's performance with 32,755 recipients enrolled in JOBS, and California has three times as many ADC recipients as Ohio. Our success with the JOBS program reflects a strong investment in training and education programs. Regardless of the extent of our investment, however, no work program can succeed without a commitment to making quality child care available for recipients. In Ohio, the state provides non-guaranteed day care to families with incomes up to 133 percent of the federal poverty level. The program currently has an average daily enrollment of 17,800. The State of Ohio is doing its part to provide child care to those in need. The federal government also must meet its responsibility.

I would like to see the child care and family nutrition block grants converted into capped state entitlements. In the House bill, funding for these block grants is discretionary. Key child care programs currently are individual entitlements. The need for child care only will grow as welfare recipients move into the workforce. My comfort level with the House package would increase significantly if states were guaranteed to receive a specified level of funding for child care and for child nutrition services for the next five years. That guarantee can only come through a capped state entitlement.

Excessive prescriptiveness is a problem throughout the House legislation. The bill's work requirements are a perfect example. The federal government mandates how many hours per week a federally defined percentage of cash assistance recipients must participate in federally prescribed work activities. In a true block grant, states would be

free to choose how best to allocate resources to meet goals developed jointly by the federal and state governments. The recordkeeping requirements in the House bill also are extraordinarily prescriptive. States remain concerned that our computer systems lack the capability to provide the information required by the House.

A true block grant should also give states the ability to determine their own program eligibility standards. The House legislation includes a number of specific eligibility restrictions. For example, cash benefits will be denied to unwed minor mothers and their children. Additional children born to mothers on welfare will be denied benefits. Decisions like these should be left to the states. By federally mandating these restrictions, the House is interfering with successful state reforms. For example, in Ohio we have developed a program designed to encourage minor mothers to remain in school. The LEAP (Learning, Earning, and Parenting) program supplements or reduces a teen mother's ADC cash grant based on her school attendance to teach her that there is a real value to completing her education. LEAP has led to a significant decrease in the drop-out rate for this vulnerable population. If the House prohibition on cash benefits remains in place, the LEAP program will have to be discontinued.

As the Senate begins to consider welfare legislation, I would be grateful for your assistance in addressing my concerns. Like many other Governors, I strongly support the broad outline of the House proposal, but it is important that these issues be resolved successfully. As a Governor, it will be up to me to implement welfare reforms in my State. I would like to work with you to ensure that block grants give the states the flexibility we need to implement innovative reforms designed to meet the specific needs of our communities. Without this flexibility, I cannot support this welfare reform package.

While Ohio watches federal welfare reform developments with tremendous interest, we have been actively pursuing a statewide reform agenda. I have enclosed a summary of Ohio's history of welfare reform innovation for your information.

Thank you for your personal consideration of my concerns.

Sincerely,

GEORGE V. VOINOVICH,
Governor.

NATIONAL PARENT TEACHER ASSOCIATION, NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS, NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION, NATIONAL ASSOCIATION OF STATE DIRECTORS OF SPECIAL EDUCATION, NATIONAL EDUCATION ASSOCIATION, AND THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS,

March 20, 1995.

DEAR REPRESENTATIVE: The undersigned organizations, representing parents, educators, principals, and state policymakers, support improvements to the welfare system. We believe such reforms must address the fundamental quality child care needs of working as well as unemployed parents.

We have several concerns about the impact of H.R. 999 on the issues of access to and the quality of child care in this country:

The plan reduces funding even though programs already have long waiting lists of eligible families.

Welfare reform will increase the need for child care by requiring participation in training, education, or employment by mothers who currently take care of their children.

The potential for success of welfare reform depends on former recipients becoming employed and being able to meet basic needs for shelter, food, health care and child care. Subsidized child care for low income working parents is crucial.

Recent data show that quality in centers and daycare homes is low, especially for infants. Cutting funding for quality and eliminating standards would threaten to erode the quality of care even further.

We know that the quality of child care for all children has a significant impact on the ability of children to learn in the first few years of school. When children experience success in responsive, high quality programs, they learn essential skills and knowledge, and their parents learn to be confident partners with teachers and schools.

* * * * *

Mr. KENNEDY. Finally, Mr. President, I would just mention what we are really talking about in terms of child care. We have talked about figures. We talked about statistics. We talked about flow lines. We talked about entitlements. What we are talking about is really the issue of children being home alone. This is not a joke or a big screen comedy. It is a real life tragedy for American families pressed to the wall. Just listen to the horror stories from families that have been put in this awful position—and paying 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 tried 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 children 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.

Mr. President, I will include in the RECORD, if my friend and colleague, Senator DODD, has not, the waiting lines that exist in the States at the present time.

The States face large unmet needs for child assistance, waiting lists, clothes, and the list goes on all the way—Alabama, 19,000 children; Alaska, 752 children; Arizona, 2,600 children; California, 250,000 children; Delaware, over 1,000 children; Florida, 19,000; Georgia, 21,000; Hawaii, 900 children are on the waiting list; Idaho, 1,000 children waiting; Illinois, 20,000 children waiting; Indiana, 7,900 on the waiting lists; Kansas, 1,270 on the waiting list, Kentucky, 10,000 on the waiting list; Louisiana, 4,600; Maine 3,000; Maryland, 4,000; Massachusetts 4,000 statewide waiting for child care for working poor families; Michigan, 12,000 last year; Minnesota, 7,000; Missouri, 6,500; Montana, 200 children; Nevada, 7,000; and the list goes on; New Jersey, 24,000; New Mexico, 6,300; New York, 23,000; North Carolina, 13,000; Pennsylvania, 7,700; Rhode Island, 972. The list goes on and on with Wisconsin, 6,800; West Virginia, 13,000.

Mr. President, the fact of the matter is that under this particular bill, the Dole bill, without the Dodd amendment, we will be requiring the States to have over 1 million new slots. They are not doing it today. They do not have the resources today. They do not have the money under the Dole program today to do it. The Dodd amendment will provide them with the resources to be able to meet that obligation, that obligation that is there in the States today and that will be created by this bill. That is what this amendment is all about and why it should be supported.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me pick up on the last point that the Senator from Massachusetts raised. He may have made it before I walked onto the floor. He pointed out the waiting lists that exist in the States for child care slots today, before we pass a welfare reform bill. There is just tremendous demand today. What we are talking about—this bill, of course—is taking anywhere from 1 to 2 million people and moving them over the next 5 years from welfare to work.

If we do not provide additional resources, then there will be increased pressure on existing dollars that go to those who are getting the child care today. It is worthwhile to point out that the people who get child care today under the child care development block grant, that Senator HATCH and I passed in 1990, are working poor. Those

are people at work right now. That child care assistance makes it possible for them to stay in the work force and not slip into a public assistance category.

The fear that many of us have here, is that without some additional resources, as we move people who are on welfare today to work, the people out working today and staying at work, getting some of that assistance, those resources are going to have to be shifted in the State in order to accommodate the demands of this bill or face the penalties the bill imposes on the States if the States do not move the 25 to 50 percent of the welfare recipients on their rolls to work.

So you are going to have the almost bizarre effect of taking people who are doing what we are encouraging people to do, and that is stay at work, who are marginally making enough to stay off the welfare rolls and pushing those people back on the rolls as we accommodate the demands of the legislation to take people on the welfare rolls to work.

So it seems we ought not to be jeopardizing the small amount of funds we have today out there assisting those families presently at work.

Let me emphasize a couple of points here if I can. What we are talking about with this proposal is not an entitlement. This is a pool of resources. It does not entitle anyone to it. It merely makes the funds available to the States.

So there are those who have said they do not believe in an entitlement for child care. We might otherwise disagree about that, but this amendment does not create an entitlement. It merely says to Ohio, Connecticut, Massachusetts, divide it up based on the block grant and what it takes to make it work. Here are some additional resources to make it possible for you to meet the demand, the mandate, of the Federal law.

The mandate of the bill we are about to pass says to Ohio and Connecticut, you must move the following percentages of your welfare rolls to work. And what we are saying is rather than ask Ohio and Connecticut to pay a penalty because they did not meet that criteria because they could not come up with the resources to pay for the child care, here as a result of our mandate are some resources on the most critical issue facing any State with its welfare recipients: How do you take a parent that has infant children and no place to put them and get them to go to work?

Sixty percent of all welfare recipients have children age 5 and under, Mr. President. So it is unrealistic to assume those children are going to find some setting in the neighborhood or with a grandparent. Ideally that would be the best case, but realistically that is not going to happen in enough instances. So it is finding and affording child care that's the issue. The child care settings may vary—church-based programs, community-based programs. There is a wide variety of things the States have done creatively in the child-care setting area. I do not have any difficulty with that kind of flexibility at all. But here are resources.

In the absence of that, we are told that we are looking at an additional cost, above the amount set aside from the block grant, which is the $5 billion over 5 years. In fiscal year 2000, in the State of Ohio, the additional amount is $190 million, in the State of Pennsylvania—I see my colleague and friend from Pennsylvania here—$171 million; for Connecticut, $48 million; Massachusetts, $89 million. These are the numbers the States, it is estimated, will have to come up with. They can cut spending. It does not mean necessarily a mandate to raise taxes. But that is the pool they will have to come up with to provide for the child-care needs of the population that moves to work.

If we are mandating that—and we are; we are mandating work—why not provide the States with some help to do it? That is all we are saying here, a pool of money over 5 years, $6 billion.

Now, it is a lot of money. I know that. But if we all appreciate keeping our mind on the goal of getting people to work, then we ought to be trying to do this in a bipartisan way.

Mr. President, I am not exaggerating. If we get this amendment adopted or something like it—and I think on the issue of the formulas, which is, I think, a minor point—and a few other areas, you could pass this bill 95 to 5. We could have overwhelming, strong support coming out of here for a welfare reform bill, because I think all of us share the common goal of getting people from welfare to work.

Whether that is cost savings or an investment, the value of it, I think all of us appreciate, to the family, the neighborhood, the community, is tremendously enhanced. And if child care is one of the major obstacles to moving an individual to work, because they do not know where to put that child, then trying to find the way for them to do it, assist the States in that process ought not to be an ideological battle here. We have enough battles on that stuff. This ought not be one.

So I am urging in these next 40 minutes or so that are remaining that people take a good look at what this is. Understand, it is no entitlement, not a guarantee to anybody, merely assistance to these States to be able to achieve the goal as laid out in the majority leader's bill, and that is to get people to work.

People will tell you even with adequate child care, it is going to be hard. You talk about some pretty heavy numbers to move from welfare to work, and given the economy and downsizing and a lot of other things happening, good jobs, and so forth, are not expanding in our economy. We ought to be talking about that, I hope, one of these days, but nonetheless under the best of circumstances, it is going to be hard.

It seems to me we ought to be trying at least to make it possible to move those people to work and not have the kind of burden on the States that is laid out here with the particular costs associated with child care. And as I said in response to the point that was being made by the Senator from Massachusetts, we have already got people really trying hard to stay off the welfare rolls and stay at work. It would be a tragedy, in a way, to then have some of these people taking some of the resources they get, plowing them into this area and moving some of these people at work and trying to stay off welfare back on those rolls.

Mr. President, I thank my colleague from Utah, who was here, who allocated me about 5 or 10 minutes of his time to make this point. I am grateful to him for that.

At this point, I will yield the floor. We may have some additional Members who show up on this issue. But I urge my colleagues in these next remaining minutes here, this is a chance for us, Mr. President, to really put together a bipartisan bill on welfare reform. I honestly believe that if we could adopt this amendment, and a few other things, we would be looking at an overwhelming vote in favor of this welfare reform package.

That is how this body and this Congress ought to be functioning. People want us to come together. They do not want to see bickering and partisan battling. They would like us to find common ground. Here is a way for us to do it on an issue that most people really want to see us focus our attention on. Here is a chance to achieve that goal in the next 45 or 50 minutes. It means doing the right thing. It is truly doing the right thing in terms of welfare reform and eliminating a major obstacle that people face here of moving from the rolls of public assistance to the independence and self-reliance of work and helping them out with their kids. And those children's needs, as I said a moment ago, Mr. President, ought not to be the subject of a partisan debate here. We ought to be able to find the means by which we can assist the families to eliminate at least that question in their mind, assist the States as they move into this process in a way in which we can do it. Resource allocation is simple enough to accommodate.

I again urge my colleagues to take a good look at this and come to this floor, hopefully in the next 50 minutes, and cast a vote in favor of what I think would build a strong, strong vote of support in favor of the majority leader's welfare reform bill.

I yield the floor.

Mr. SANTORUM. Mr. President, may I inquire of the Chair of the time remaining on this side?

The PRESIDING OFFICER. The Senator from Pennsylvania has 50 minutes remaining. The Senator from Connecticut has 1 minute 42 seconds.

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

I wanted to congratulate the Senator from Connecticut for his very persuasive case on behalf of the need for child care and making workfare or welfare to work.

I do not think anyone on this side of the aisle disagrees with the basic premise of his amendment, which is if we are going to have people go to work, then we are going to be in some need of child care for working women, single mothers. The question is, How much money are you willing to put up? What will be the impact?

Again, we go back to the start of a lot of these programs, the welfare programs back in the 1960's when they really mushroomed, and a lot of these programs were very well intentioned, but what happened? What were the consequences of these—I am careful not to use the word entitlement because I know the Senator from Connecticut says this is not an entitlement. I agree. It is not an entitlement. But there is enough money in his bill to fill all the day-care slots that are anticipated to be needed.

Well, it is not an entitlement, but it takes care of everyone who needs the service. So while you know it is sort of taking away with one hand, saying it is not an entitlement, it is giving with the other by giving all the money necessary anticipated to have the need. You can say it is not an entitlement, but it is, in fact, almost a guarantee of child care.

So, what are the consequences of this guarantee? And we talked about this in some dialog on Friday. And you know, I have some concerns about people on welfare getting a guarantee of sorts of child care where if someone who is a working mother gets no guarantee at all of having any kind of child-care support. In fact, as the Senator from Connecticut pointed out on numerous occasions, accurately, there is a shortage of day-care slots available for working mothers in this country.

So to suggest we should provide some sort of quasi-guarantee for those on welfare and not for those who are working mothers, I think, sets up a bad precedent, No. 1; and with the law of unintended consequence you may encourage welfare dependency, at least initially, in some cases.

There are several other points I want to make. One is the money. I know we sort of gloss over that around here. Mr. President, $6 billion is not a whole lot of money, at least if you sit on the Senate floor most days you would think $6 billion is not a lot of money. But it is a lot of money, and it is given the fact that if you look at what is being proposed in the Republican bill that we are now amending.

The Republican bill over the next 7 years will allow welfare to grow at 70 percent over the next 7 years—70 percent. Welfare programs will grow from the year 1995 to the year 2002, 70 percent. There will be an increase of 70 percent in these programs. And what we are saying now is that is not enough. We need another $6 billion more. Just so you understand, you say, well, how much was it going to grow if we did not cut it back, because this bill does have some reduction? Well, it would have grown at 77 percent. So we are taking a program that was supposed to grow over the next 7 years and grow by 77 percent; cut it back to 70 percent. There are those on the other side saying, that is too tough. We need to add another $6 billion more back to this fund of money.

If you are serious about day care, if you really think child care is that important, well then, I would suggest that you confine it to the 70-percent growth that is going to be experienced over the next 7 years, $6 billion to offset the money you want to spend, not another quasi-guarantee or almost entitlement for child care.

I just think you have to pass the straight-face test around here. If you really are serious about solving problems—I think we all are. We want to solve the problem of child care in this bill. And I think we have done some things with the Snowe amendment that goes a long way in doing so. So it is now in the Dole modified bill. I think we made a major step forward.

If you are serious about providing and funding more dollars, do not say we need to spend more. That is how we got to where we are today. This bill has to fit into a reconciliation package which, by the way, it does not right now. It does not right now. It is over what, I think, the Budget Committee wants to see in reductions in welfare. We are going to have to get more.

When we go to conference this bill is going to come back with less money, I suspect. The House bill was substantially under this bill. So it will be under this. The House bill had a 5-year year timeframe when they passed the bill. And on their 5-year timeframe they had welfare expenditures growing at 42 percent.

Now, that is at a slower rate than our 70 percent over 7 years. So you are going to see we are already going to have to pull back funds. And to suggest that we should come to the floor and we can get a compromise spending more money, that is how we got there and how we got to what the welfare system is. We have always done that, come to the floor and said, "OK. We will compromise and spend more." And everybody will be happy and pass a bill 96 to 1, passing a bill 96 to 1 that perpetuates the same thing—maybe makes everybody feel good, but it does not solve the problem. It does not solve the problem.

So what we are suggesting here is that you know, we are, and I think, continuing in a dialog. I know Senator HATCH has an amendment on day care that I think is a serious amendment. And we are trying to find some ground to make all of our Members, not just on the Democratic side, but I know myself and others, I know Senator JEFFORDS is going to speak here. We are concerned about the child care aspects of this.

I know Senator JEFFORDS supported the Snowe amendment which is now in the leader's bill. I know he would like to go further. And I know there are other Members who would like to go further. But we have to understand we have budget constraints.

This is not a stingy bill that we are dealing with. Welfare spending will grow by 70 percent over the next 7 years. That is not stingy. That is not uncaring. And to suggest that we can solve the problem and get everybody happy by spending another $6 billion—I suggest if we got that in there there would be another $6 billion to spend in another program.

I would also add that Republican Governors, almost every one of them—I know the majority leader has come here and said I think 29 of the 30 Republican Governors in the country have come out and supported the Dole substitute. They comprise roughly 80 percent of the welfare recipients. The Governors of those States have within those States 80 percent of the Nation's welfare recipients. And what they have almost unanimously said to us is "You give us the money you allocated under this bill and we can do the job. We can, in fact, put people to work."

You would think from the comments of some on the other side that we are going to require every mother who has a child under 5 to go to work. I would remind the Senators who are debating this amendment that when this bill goes into effect, the initial participation rates are only 30 percent. That means only 30 percent of all the welfare caseload has to be in a work program. It only goes up to a maximum of 50 percent. So the State always has discretion to take mothers with young children and not require them to work. In fact, many Governors have already told me that is exactly what they would do in most cases because of the cost, and because of the difficulty with day care.

But we provide that flexibility in the law. We already provide that. We already say they can adjust. And the Governors say they can do it. And if you look at some of the plans that have been tried under the 1988 act—I mentioned on several occasions the

Riverside, CA, example, where what we have seen is a 14-percent reduction in food stamps, a 20-some reduction—I do not have numbers in front of me—20-some percent reduction that goes out on AFDC, aid to families with dependent children, and a 25-percent reduction in caseload.

Now, that saves money. Why? Why do they save money? They require people to go to work. So you can save money to provide some of that work. And it was a successful program at a time when Riverside, CA, was experiencing a 9 percent-unemployment rate. So it is not that there are no jobs. There are no jobs. Well, there are jobs, if we do some things like the Dole bill does which allow you to fill some vacancies in cities and counties and local governments, State governments which you cannot under current law. If there is a vacancy in the State government or local government, you want to fill it with a welfare recipient, you can do it. You are not allowed to hire somebody who is a welfare recipient for an open position. Why? That is to protect the union membership at the State and local level. They do not want people on welfare to get some of those jobs. I think that is a crime. That would change under the Dole bill.

So I mean we are doing a lot of things that will encourage—will create more job opportunities which will cause savings as we have seen in examples in the past, where if you have a work requirement, the welfare rolls will go down. Ask Governor Thompson, Governor Engler, and ask others who have tried it. The caseload will go down. People will get to work because of the requirement that is there. And they will save money. And that money can be used to provide for support services for those who have to remain in the program and go to the work program. That is the whole basis behind what we are suggesting here.

I would suggest that what we have provided for again with the Governors, Republican Governors lining up behind this bill, is adequate to fund this program, to fund the child-care programs that are necessary. We have the flexibility of the States with the 50-percent work participation requirement to exempt certain difficult-to-place mothers with young children. I mean there is a lot of flexibility in this program to be able to deal with the problems. I think what we now have to do is make the fiscally responsible vote. Welfare has gotten itself in the problem it has because we have been reluctant in the face of harming children or these horrible things that are going to occur, if we do not provide all the money for everything, all these entitlements. If we do not provide all these entitlements children are going to suffer.

All I would suggest is we provided entitlements for 25 and 30 years. Children are suffering at historic levels. So if it was just money and entitlements there would be no suffering today. There are plenty of entitlements and plenty of suffering to go with it. So let me suggest that maybe what we need is instead of guaranteeing everybody child care, why do we not require work and say that we have to look to families and to other kinds of networks of support to look for child care, just like we have done in this country historically?

One of my real concerns—and this gets to be more of a philosophical concern, if we—as I know the Senator from Connecticut will say we are not guaranteeing, but we darn near are guaranteeing it—if you provide all the money for all the slots, if you do that, you run into the problem where the Government day-care option is the first resort; that getting Government support for that day care slot is now the first choice, not the last resort. The system as it works today works well. I know there are shortages of day care, but it works well in targeting the mothers who need day care the most. It works well in that you have to go through a very rigorous qualification procedure to be able to qualify for Government-assisted day care. That would probably not be the case if we fully funded all these day care slots.

Mr. DODD. Will my colleague yield?

Mr. SANTORUM. Yes, I will yield.

Mr. DODD. I note the point about the entitlement issue. I think my colleague from Pennsylvania mentioned over the next 7 years there would be a 70-percent increase. I believe it is flat. I do not think there is a penny more. This is $48 billion. It is for 7 years. There is no inflation factor built in. I think I am correct on that, but I stand corrected if I am wrong.

Mr. SANTORUM. The Senator is right, the AFDC dollars remain flat. When I talk about the 70-percent increase, I talk about all the means-tested entitlement programs included in this bill.

Mr. DODD. As far as the AFDC——

Mr. SANTORUM. The AFDC program is block granted at a flat level, the Senator is right. But, obviously, there are a lot of other support services and means-tested programs that will continue to grow.

The point I tried to make is that with respect to AFDC, you have the flexibility within that program the Governors desire, saying, in fact, they can save money and have money, because of the savings, available to support the work program.

In addition, you have a 50-percent work participation requirement which would give the States the flexibility to exclude a lot of the people that you mentioned who have young children or maybe multiple young children, from having to go to work and the work requirement. We do provide a lot of flexibility there. We think that flexibility goes a long way in solving the problem.

I am hopeful we can look at the past to see what the future holds. Looking at the past and seeing all the entitlements we put in place and seeing all the money that we spent trying to make sure nobody is harmed, what we have done is make sure that nobody has been helped. What we have not done is challenge people to do more, to move forward.

I believe this program, with the work requirement and the participation standards we have and the flexibility given to States, will do just that: challenge people to go out and work and find ways to provide for themselves and their families. I think, in the long run, that will be the best for everyone concerned.

At this time, I yield 5 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, we all are having a hard time with this amendment and with this bill. We all want to see welfare reform. We all want to see child care provided, and, thus, I rise in support of this amendment because I think it will help us move in that direction.

We all agree that we want to see more welfare recipients in the work force. We all agree that the welfare cycle must be broken. I believe giving kids a good start through safe and healthy surroundings is essential to breaking the welfare cycle.

In order to become productive, self-sufficient members of society, kids need quality care from the very beginning of their lives, either from their parents, in the child care setting or elsewhere. And a quality education must be provided from the beginning of their lives. What we are talking about, though, are the resources that will be available and should be available.

We are all tied up with the problems of the deficit and the need to reduce the deficit. But there are things we must consider when we go about providing resources, that if we do not make resources available for those things that will break the cycle, for those things which will allow our young children to have the possibility of breaking out of the cycle, sort of give the parents of the children the ability to provide the child care necessary, then one important segment of breaking that cycle will not come about.

Let us take a look at the macro picture that we must have and what we have to deal with so that we can recognize what the savings are from improving the education of our society and, most importantly, from the beginning of life, in child care to be sure these young children have the opportunity to have the surroundings that will allow them to learn.

This chart gives us an idea of what we are losing now because we have serious educational problems in our country. One-half of a trillion dollars in GDP is lost per year because we fail to educate our people. The cost to our economy is more than $125 billion, in addition to lost revenues; $208 billion is lost from the result of the problems of welfare. So when we are talking about $1 billion a year or more to try and get enough money available for child care, to give to the children, weigh that against what is lost.

In addition to that, I will have an amendment that says, hey, we have a demand here, an important demand that says every person in training must have a GED, must have a high school equivalent education. There is not money for that either. So what we are going to be doing is either creating a huge mandate upon the States that is unfunded or going forward with expectations which will not be fulfilled.

Let us take a look at the relationship of education to productivity, what is happening to those who do not have a good education.

The only people who have increased their income over the past few years are professionals. This is over the last 20 years. In the last 20 years, the only people who have increased their standard of living is at the level of master's, doctorates, and professionals. Others have either stayed at the bachelor level or gone down. Then take a look at the comparison of what is earned by those who do not finish high school: $12,800 per family. That is incredibly low and is going down in the sense of percentage of income.

How do we break out of this? How do we provide those resources? It is stupid to cut back on those things which is going to increase your deficit. If we do not provide the amount of money that is necessary for child care, there is no chance that we are going to raise this level up, until you get to the area where you have a high enough standard of living to survive.

So what this amendment tries to do is to say, "Look, we are going to make sure that our children will have an opportunity to have the kind of income that will bring them out of the welfare cycle, to place them in a position where they can earn what is necessary, to get us out of the position of losing all this money we do with the welfare situation."

So when we talk in terms of $1 billion a year over the term of this, as compared to the $208 billion we are losing by the problems we have with welfare, it means we are just being, really, penny wise and pound foolish, and we must not do that.

I recognize that my time has expired. May I have an additional 2 minutes?

The PRESIDING OFFICER. The Senator is recognized for an additional 2 minutes.

Mr. JEFFORDS. So as we go forward with this welfare reform, let us keep in mind some things. I do not think there is a person here or the House who does not want welfare reform, including the White House. The question is, how do we reach a consensus?

That is not going to be easy, there is no question about it. We have some people at the extremes of the process from no welfare to all welfare. But what we have to do is to try and reach that middle ground. We have to make some areas where we can have a consensus, and certainly one of those ought to be the provision of child care.

There is not anyone in this body who does not believe there ought to be adequate child care. This amendment is the only thing which will bring us close to that. So, if we are going to have consensus on the issue of child care and if we really want to do what we are supposed to do here, and that is to break through the cycle of welfare, if we are going to give the children of those in the most desperate economic situations in this country the ability for them to have the education which is necessary, all the studies show if they do not get the early preschool education, they start out at a big disadvantage.

Let me just end up by saying one of my most unusual experiences when I came to the Senate was I had a group of CEO's come into my office when I was first elected to the Senate. John Akers was the head of the group, the Business Roundtable. I expected them all to say, "We need to get capital gains tax relief," blah, blah, blah. What happened? The first thing they said was, "We need to fully fund Head Start. We need to make sure there is preschool education for every one of our kids if we are ever going to get our society in a position where we can be economically sound." Just recently, this IBM president said at the NGA, "This Nation is in a crisis, and if we do not start the educational process we need, this Nation is not going to be the Nation it is today in the next century." I leave those words with you.

Here is an opportunity to make sure the young kids will have the opportunity to get out of the welfare cycle.

I yield the floor.

Ms. MIKULSKI. Mr. President, I am proud to be one of the co-sponsors of the Kennedy-Dodd child-care amendment to the Republican welfare reform bill. No issue more clearly defines the differences in this welfare debate than child care. Both sides have said that the goal of welfare must be to move people to work, but Democrats have maintained that it is not just about moving them to work, it is is about keeping them on the job.

We want to provide welfare recipients with the tools to stay on the job. What the facts prove time and time again is that the most necessary tool is child care for children. Child care is the No. 1 barrier keeping mothers out of the work force, and one in four mothers between the ages of 21 and 29 are not working today because of child care. Among welfare mothers, 34 percent are not working because of either inability to find reliable child care or inability to afford child care.

No single parent can look for or keep a job without child care, and single parents make up 88 percent of the AFDC caseload. Without child care, we will have no success in moving people to work and keeping them there.

But child care is costly, and the average middle-class family spends 9 percent of its income on child care. However, the average poor family spends almost 25 percent of its income on child care.

The Republican plan will leave four million children under the age of six home alone. Today, almost 650,000 of them receive child care with assistance that would be eliminated under the Dole plan. In fact, the plan would repeal the child care guarantee passed by the Senate in 1988.

If the States implement the proposed welfare reform plan, the need for child care will increase by more than 200 percent by the year 2000. States will need over $4 billion more a year. In Maryland, the unfunded mandate will amount to more than $1 million a week that Maryland taxpayers will pay to cover child care costs.

This child care policy proves that the Republican bill does not look at the day-to-day lives of real people. Welfare recipients who we send to work will not have high-paying jobs, and will not be able to afford child care.

Suppose a mother lives in suburban Maryland and decides to do the right thing. She gets an entry-level, minimum-wage job in the food service industry. With this job, she is making almost $9,000 a year, but gets no benefits. After taxes and Social Security, this mother takes home $175 a week, but her child care costs her $125 a week. How is she going to pay for rent, food, clothing, and transportation costs with only $50 left over a week?

Our Democratic Work First plan recognizes that child care is the vital link between leaving welfare and going to work. Our plan consolidates four current programs into one expanded child care block grant, eliminating duplicate paperwork and reporting requirements, and reducing bureaucratic structure.

This block grant will help provide child care for welfare recipients, those transitioning from welfare to work, and the working poor. Under our plan, a family of four making less than $15,000 a year will be eligible for child care.

On the other hand, the Republican plan forces States into an impossible position. Either the State does not provide child care and welfare reform

fails, or they do provide child care by raising taxes and cutting other State programs.

States also can divert aid from the working poor to pay for welfare, but in doing so send a perverse incentive—if you go on welfare, you get help; if you go to work every day and barely make ends meet, you never get a break.

Welfare reform is about ending the cycle and the culture of poverty. Ending the cycle of poverty is an economic challenge, but Democrats are providing the tools to overcome this challenge. The Republicans have no plan.

Ending the culture of poverty is about personal responsibility. Democrats have proposed a tough plan based on tough love. It is a hand up, not a hand out. But Republicans have proposed a punitive plan based on tough luck. It aims for the mother, but hits the child.

This debate should be about ending welfare as a way of life, and making it a step to a better life. That means real work requirements, with the tools to get the job done. If we are to have a bipartisan framework for welfare reform, we must address the work challenge in a way that is real, and deals with people's day-to-day needs.

We must adopt the Kennedy-Dodd amendment and fix the Dole home alone child care policy.

THE NEED FOR CHILD CARE IN WELFARE REFORM

Mr. DORGAN. Mr. President, I think we can all agree on the fundamental goal of welfare reform. We must create a program that moves recipients from welfare to work to economic self-sufficiency as quickly as possible. We must help replace their welfare checks with paychecks.

One obvious way to transform a system which encourages dependency is to eliminate its inherent disincentives. How? Fundamentally, you must make support services—the cornerstone of long-term success in the workplace—more available to low-income people who want to work. The linchpin of successfully transitioning people from welfare to work is child care. And the bill before us today is woefully deficient in providing funding for child care services. In fact, the Dole bill does not guarantee that one cent of the block grant will be spent on child care.

That is why I strongly support the Dodd-Kennedy amendment. It recognizes that no welfare reform proposal can be successful without providing child-care services. And it is willing to invest in those services to ensure a successful outcome.

Most working families feel the pinch of child-care costs. Low-income families, which are often headed by single parents, feel the greatest pinch, spending a quarter of their income for child care. In North Dakota, it costs a family about $3,400 a year for child care. If a family is just scraping by at poverty level wages—$14,763 for a family of four—that's an awfully big chunk of your income going to pay for child care.

This situation is all too prevalent in our society. There are too many working poor families, and too many mothers trying to move from welfare to work who are forced back onto the welfare rolls because their child care is too expensive or unreliable.

While the Dole bill does contain child-care provisions, it falls far short of what is needed to help these families achieve true self-sufficiency and economic independence. It fails to guarantee child-care assistance to recipients who are moving to work, and most importantly, it fails to provide additional funding to meet the work requirements contained in the bill—it provides less than half of current child-care spending and doesn't even begin to address the increased need for child care created by the bill's work requirements. In short, it just doesn't put its money where its mouth is, and it is a recipe for disaster.

The ability to secure affordable child care is a decisive factor in determining whether low-income mothers can get off and stay off welfare. If we want to move parents with children off of the welfare rolls and into work, we must pass a welfare reform bill that will ensure that the 10 million children on AFDC will be cared for while their parents look for jobs and begin employment.

The Dodd-Kennedy amendment achieves that goal. To help welfare recipients get and keep a job, this amendment creates a direct spending grant to States with the funding levels set at HHS cost estimates of $11 billion over 5 years so that the child-care needs created by the Dole work requirements are met. This grant is fully paid for—by earmarking $5 billion from the title 1 block grant and by cuts in corporate welfare.

The amendment guarantees that no child will be left home alone while their parents are working, looking for work, or participating in an education or training program. And it ensures that families aren't punished for failing to participate in job training or work programs if child care is unavailable.

It also requires States to maintain current spending on child care—without requiring them to match additional child-care spending.

Perhaps most importantly, the Dodd-Kennedy amendment means that critical child-care services for low-income families will continue to be provided under the child care and development block grant.

Parents who are able to work must be given the tools to do so. A critical component of getting families off welfare—and keeping them off—is ensuring safe, adequate and affordable care for their children. The Dodd-Kennedy amendment does just that, and I hope that my colleagues will support it.

Mr. LEAHY. Mr. President, I am proud to be a co-sponsor of the Dodd-Kennedy child-care amendment to the Republican leader's welfare bill. This amendment backs up the work requirements in this bill with the child care assistance necessary to meet them.

Caring for our children is not an issue that affects only the poor—all working parents need child care. As we debate the issue of how we are going to change the dynamic of the welfare system, it is absolutely crucial that we do all we can to protect children.

We are trying to agree on the best way to get welfare parents, generally single mothers, into jobs and how to keep them there. A single mother should not be forced to choose between properly caring for her children and going to work. And if parents are not working, they cannot support their families. If my wife and I wanted to see a movie, but were unable to find a babysitter for our three children when they were young, then we did not see the movie. How can we expect parents to work when there is no one to care for their children? We need to be realistic in our effort to reform the welfare system.

Welfare reform is not only about adults—it is about children who live in poor families. These children are poor at no fault of their own and the U.S. Congress is punishing them by forcing their mothers out the door, leaving them home without a parent or babysitter.

If we are going to break the cycle of poverty and change the future of poor people in this country, children need to be at the top of our list of priorities. We need to guarantee that children will be cared for in healthy, safe, supportive environments that help them to develop and build their self-confidence. If we do this, if we help children get good child care, we can help parents keep their jobs, and then and only then, will their children learn the importance of working.

Watching their parents come home from work at night will allow children to see the self-confidence that results from bringing home a pay check and being self-supportive. If Congress denies low-income families the child care assistance they need to work, then kids will be left home alone. Do we want television to take over as the caregiver while parents are at work?

If we can give children some structure, a place where they can learn the skills and values they need to stay interested in school, perhaps they will work their way out of poverty and we can start breaking the demoralizing cycle of poverty that has affected millions of Americans.

Anyone who has ever sought child care knows that it can be difficult, stressful, and time consuming. For

many families, child care is unavailable and unaffordable and those that lack the economic resources, the time, and information, have fewer options. In many small towns in Vermont, neighbors, friends, and family rely on each other to help out with each other's children. There is usually someone around who can watch the children for a few hours. But not every family lives in that kind of supportive environment. We all need to share the responsibility in meeting the needs of the children of this country. Children growing up in secure, supportive environments benefits us all.

The Republican leader's bill will make child care even more unaffordable for low-income families. As it is, working poor families spend 33 percent of their income on child care. In sharp contrast, middle-class families spend only 6 percent of their income on child care. A single mother of two living on welfare can probably expect to earn about $5 an hour once she is able to find a job. Child care will cost about $3 an hour or more for her two children which leaves her $2 an hour, at most, to live on and support her family—$2 an hour is not even enough to support one person.

In addition to child care, a single mother must then pay for transportation to work, clothes for herself and her children, rent, food, and medical costs depending on how much assistance she receives from food stamps and Medicaid. Nobody could cover those expenses on $2 an hour. Nobody. Welfare is the price our country pays to keep families, single mothers and their children, together. If this Congress fails to require States to guarantee child care, the consequences for many of these families, women and their children, will be tragic.

We must also remember that single mother's did not have their children alone. I certainly hope that strong child support enforcement will decrease the need for Federal assistance, and move single mothers and their families toward self-sufficiency. These efforts alone, however, may not be enough for some families.

Child-care assistance for low-income working parents and those working their way off of welfare is essential. I urge adoption of this amendment.

Mr. HARKIN. Mr. President, I rise in strong support of the pending amendment and commend Senators DODD and KENNEDY for addressing one of the most critical issues related to welfare reform.

Child care is the linchpin for achieving comprehensive welfare reform because parents must know that their children are supervised and safe in order to go to work. That is just common sense.

But the Dole amendment falls short here. First, it repeals the guarantee that child care must be provided in order for States to take welfare recipients out of the home and put them into the workplace.

Second, the Dole proposal mandates that parents work, but does not provide any additional support for child care. In fact, the plan repeals all existing child-care funding specifically for this purpose.

Mr. President, we all agree that welfare recipients must be required to work. However, if quality, affordable child care is not available parents will be faced with the unacceptable alternative of leaving children at home alone or in unsafe situations. That is really no choice at all.

I have often spoken about the success of the Iowa Family Investment Program. After 22 months, the Iowa welfare reform program is showing good results. More people are working, the caseload is declining and the cost of cash assistance is going down.

These results happened because the State has been investing in education, training, transportation, and, of course, child care.

I often meet with welfare recipients, caseworkers, and other in Iowa regarding welfare reform. The most common concern I hear is the need for child care and the need to provide more resources for this purpose. We must make sure that resources are available for child care or welfare reform will fail. This is a most fundamental issue.

The average annual cost per participant in Iowa's PROMISE JOBS program is $1,920, including $987 for child care. It is clear that child care is a critical part of moving welfare recipients into the work force.

Mr. President, I commend Senators DODD and KENNEDY for addressing the important issue of child care and welfare reform and urge adoption of the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. 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. KENNEDY. Mr. President, I ask unanimous consent that Senator HOLLINGS be added as a cosponsor.

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

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

The PRESIDING OFFICER. The Chair advises Senators that the Senator from Massachusetts has only 1 minute and 42 seconds, and the Senator from Pennsylvania has 14 minutes and 52 seconds. Therefore, there is insufficient time for the elapse of a quorum call.

Does the Senator from Pennsylvania yield time?

Mr. SANTORUM. Mr. President, I yield such time as I may consume. I want to go over this amendment again and discuss it specifically for Members who may be torn, as I think many are, in wanting to support work and see the potential need for day care.

Focusing on what the amendment does, we have heard a lot of discussion from the Senator from Connecticut and the Senator from Massachusetts of the concern for mothers with preschool children, that we cannot allow mothers who have children 1, 2, 3, 4, 5 years of age—and I have three children all under the age of 5 and I am keenly aware of the need for care for young children.

However, this amendment does not just pertain to young children. This provides funding so that every welfare parent with children under 12 years of age—12 and under, under 13—you can have an 11-year-old or 12-year-old and you still get a funded day care slot. That is what the amendment says. This is not just focused on children under 5.

We talk about being concerned for them. This is a much more expansive program. It is not just part-time child care, it is a full-time child care program. It is 12 and under, full time, not just for single moms, not just for single moms or dads who have children, but for married mothers and fathers who may be on welfare and have children. This is for two-parent households as well as single-parent households. That is what the amendment says.

You could have a situation where you have a 12-year-old child at home with two parents, and under this bill, you would get a full-time day care slot paid for by the Federal Government. Would that not be nice if every American who was working, the Government would pay your full-time child care, and you could not even have to work under this bill.

So you do not have to work. You can be married, have a 12-year-old at home, do not work, and the Government will pay your child care full time. That is what this amendment does.

Now, you hear a lot of compassion on the other side about the single mom with the 2-year-old, but you do not hear that this is another well-intended bill that focuses on the hard problem. And then when you realize this is a brandnew big-time expansive program, day care for everybody on welfare, whether you are married or not, whether you are working or not.

I do not think that is what is being sold here on the Senate floor. I think we have to look very carefully at what is in this amendment and how much money it costs—$6 billion, fully funded day care slots for all children of married and unmarried parents, single and married parents, up to 12 years of age. Not the preschool kids, but up to 12 years of age.

I think this is a real Pandora's box we have opened. This is not the amendment that is being talked about. This is a very broad, expansive program.

Mr. KENNEDY. Will the Senator yield?

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

Mr. KENNEDY. Is the Senator familiar with how many parents are waiting for child care in the State of Pennsylvania?

Mr. SANTORUM. I think the number is around 9,000.

Mr. KENNEDY. Mr. President, 7,779 children now are on the child care waiting list in Pennsylvania, many are single parents, waiting to get off welfare or stay off welfare.

I am wondering, does the Senator believe that for those who want to work and can work, that there ought to at least be some help and assistance, either full or part time, as was included in the bill passed in 1988 and providing help and assistance for hundreds of thousands of families?

Mr. SANTORUM. If I can reclaim my time, I say the answer is yes. I think we do that in this bill. In the Dole modified bill, we believe there are ample dollars available. Within the AFDC block grant, there will be money available for child care.

You have the additional child care block grant, which is appropriated at $1 billion for this year and as necessary for future years. We will have this debate every year, Senator.

We are going to have a debate on the floor of the Senate over how much money we will provide in the appropriations process for people on welfare who need day care assistance. I may be back here with you, joining with you in having started this program in place and having seen the needs and heard from the Governors that we may need to appropriate more money in the years ahead. There is nothing that prohibits us from doing that.

But to lock in—you do not call it an entitlement, but it might as well be one—to lock in a program of $6 billion right now, not just again for young kids, for children under the age of 5, but for children up to the age of 12, for parents who are single and married, I think that just goes too far.

I hope that my colleagues will look at the expansiveness of this amendment, the cost of this amendment, and I think the unfairness of this amendment when juxtaposed to the working family in America.

We are telling the working family in America that, if you want to raise children, fine. But you are on your own. But if you go on welfare, even if you are married, we are going to provide a full-time government day-care slot for you. I think that goes too far.

I hope we will reject this amendment, that we will continue to work—as I know the Senator from Utah [Mr. HATCH] has talked about, and I know the Senator from Vermont and others who are looking at this issue will—we will continue to work to see what we can do to make sure that people are not disqualified from working because of the unavailability of day care. That is what the Snowe amendment——

Mr. KENNEDY. Will the Senator yield further?

Mr. SANTORUM. If I can finish—that is what the Senator's amendment does. It focuses in on the problem areas. It says, if you cannot find day care, and if you can show that day care is unavailable, whether it is just too costly, given the amount of money you receive on welfare, or it is not proximate to where you live, or whatever the case may be—and there is a laundry list of things that you can use to show the unavailability of day care—under the Snowe amendment that is included in the Dole package now, if you can show that day care is unavailable, you are exempted from the work requirements.

That is a very important measure. Because what that does is it says to the State—which, I remind you, has to have, when this program is finally phased in, half of the people in the program in the work program. Those people who cannot find day care remain in the denominator but not in the numerator. So they are part of the base of 100 percent, but they do not go toward the 50 percent you need for work participation. If you have a sufficient lack of day care, that is going to have a big effect on your ability to meet your 50 percent work participation standards.

We believe that will be adequate impetus, in fact more than adequate impetus, to get the States to provide day-care services that are necessary to get younger mothers, in particular, into the workplace. We think that kind of flexibility and dynamics are better than creating out of the box a fully funded entitlement—or guarantee, it is not an entitlement—guarantee that you are going to have day care if you are on welfare: You get day care if you have children under age 13 whether you are married or not, whether you are working or not. I just think that is too big of a loophole, too big of a grant. And I think it is an unwise move by the U.S. Senate.

Mr. KENNEDY. Is that what the Senator understands the Dodd amendment will do, provide day care for all children? The Senator just said that. Is that what the Senator understands it to do? You said it. Of course——

Mr. SANTORUM. If I can reclaim my time, I will be happy to answer the question. It says on page 4 of the amendment, eligible children are—

> For purposes of this section, the term "eligible child" means an individual, who is less than 13 years of age and resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Act.

So I think it is clear that those who are eligible are under 13 years of age, can be with a single parent or parents, which I assume means married.

Mr. KENNEDY. And what percent in the Dole proposal would be included under that requirement? What percent in the Dole proposal will not be so included?

As the Senator knows, half of those will be required to work in order for the States not to be penalized. They are going to have to find their child care outside of these requirements.

The Senator understands that?

Mr. SANTORUM. Right.

Mr. KENNEDY. When the Senator says this amendment is effectively saying to every parent that all children will receive child care, that is not a fair characterization of the amendment. I mean, I think that is what we ought to do—but that is one fact that the Senator is wrong on. And second, how does the Senator understand the discretionary block grant? Who is eligible for that?

Mr. SANTORUM. My understanding, if I can respond to the first point, is that the Senator from Connecticut has repeatedly said the formula was calculated based on fully funding every welfare parent who is required to work with children under 12. That includes single parents and married parents. So there will be parents who will not have to work because only one of them will be required to work that will, in fact, get day care. I think that is a little much.

Mr. KENNEDY. As the Senator knows, the Dole proposal requires that half of all families on welfare participate in the work program. HHS estimates that half of these families will find their own child care. The Dodd amendment is focused on those families that will need child care assistance in order to move from welfare to work.

So it is not all of those. It is those that they believe—50 percent of the adults that otherwise would need the child care under this proposal.

Let me just ask the Senator——

Mr. SANTORUM. If I can reclaim my time, the 50 percent participation standard means that 50 percent of the people in the welfare program are going to be required to be in a work program. The other 50 percent are not required to be in a work program and therefore the need for day care, I would assume—there would be no need for day care because they would not be in a work program.

So, what the Dodd amendment does is provide funding for those who have to work. That is my understanding.

Mr. KENNEDY. First of all, I am a strong supporter of the need for child care to move people off of welfare into work. But second, how does the Senator understand the block grant program? Who is eligible for the discretionary block grant program?

Mr. SANTORUM. Under the amendment of the Senator from Connecticut?

Mr. KENNEDY. No, just under the existing program, the $1 billion that is existing under the discretionary program. Who is eligible for that?

Mr. SANTORUM. Before I answer that question, how much time is there remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes 20 seconds. The Senator from Massachusetts has 1 minute 24 seconds.

Mr. KENNEDY. I think we have another 15 minutes.

Mr. SANTORUM. I will put a unanimous consent in, and then I will be happy to respond.

Mr. President, I ask unanimous consent the vote on or in relation to the Dodd amendment occur at 5:15 p.m. today, notwithstanding the previous order, with the time between now and 5:15 equally divided.

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

Mr. SANTORUM. My understanding is, under the current proposal, that money is a block grant to the States with the States' discretion to provide those funds.

Mr. KENNEDY. The existing discretionary block grant program, who is participating in that program today? The program originally created by Senators DODD and HATCH.

Mr. SANTORUM. I do not know the answer to that.

Mr. KENNEDY. See, this is part of the problem, Mr. President, using these characterizations loosely. That program is targeted to low-income working families. It provides $1 billion and 700,000 families struggling to make ends meet and stay off welfare. It has been supported by Republicans and Democrats alike. The idea, under these proposals, is to assist those who are making the minimum wage, who still receive the $13,000 for the family and still cannot afford the child care they need to get by.

The Senator mentioned earlier that he is concerned about trying to provide some help and assistance to working poor families. I hope then he opposes diverting these essential resources away from working poor families as is encouraged by the Dole bill.

Mr. SANTORUM. Mr. President, if I can reclaim my time, I just think, within the existing AFDC block grant, there are funds available, that are currently available under the AFDC program, for child care. Those funds would continue to be available if the State should so desire to create a program to provide assistance for people on welfare in addition to the block grant funding. So what we do is provide State flexibility to be able to use those funds as the State sees fit, which is in keeping with what this side of the aisle was trying to do, which is for the States to be able to design, we believe, better programs than a Washington-based program.

Again, I think throughout this dialog we found that, in fact, this program is an expansive, new—I will not use the term "entitlement" because there is not an entitlement in the law—but it fully funds every slot that is necessary. I know that is not an entitlement because you cannot go in there and go to court and say I am entitled to this money. But the money is there. Anyone who has a child under the age of 13, one or two parents, will be able to get fully funded government day care, a full-time day-care slot.

Again, it is the option of first resort, not last resort. If you look at the money the Senator from Massachusetts was just talking about, the block grant funding, and he talks about how many working families are waiting for this assistance, it is not the option of first resort. You have to look at family and neighbors and friends. That, I would think, would still be—it is harder. But I think we have done enough to say that families are not important in this country or that fathers are not important in this country, to continue to provide money to replace existing social networks and just say the Government will do it. You do not need the father's money. You do not need a father around anymore. We will pay the father's money. That is what AFDC is for and all these other programs. You do not need grandparents or cousins. We will have a fully funded Government day care slot for you. We do not need family support. What does that mean? That is not necessary. We will continue to isolate you from your surroundings. I think that is harmful. I think guaranteeing something up front is harmful in the long run. It may sound good, but it will continue to destroy the fabric and culture of our society where we used to be interdependent. And because the Government is now coming in and doing everything for you, you have become this island unto yourself.

I think it is a very sad state in our communities. And we will only add to that with this program.

I hope we do not accept this amendment.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, how much time remains? I see the leader on the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Massachusetts has 9 minutes remaining.

Mr. KENNEDY. May I have 3 minutes?

Mr. President, I have listened to my friend and colleague from Pennsylvania. I listened to him describe the Dodd amendment. I have difficulty understanding his interpretation. There are 60 percent of welfare mothers today who have children 5 years of age or younger. Under the most recent modification, they would not be sanctioned for failure to participate in the work program. It is clearly better for parents to stay home than to leave their children home alone, but what about the great number of those individuals who want to work, would like to work, could work, will work, and are just looking for the opportunity and the child care they need to enable them to work. The Senator from Pennsylvania says, "Well, we are not going to be punitive to them." Well he is right, the most recent modification is better than the original bill, but it is not enough.

The final point that I want to mention again is what the National Council of Churches says with regard to this. I have read it. They believe we need increased access to child care. The National Conference of State Legislatures, bipartisan, believes that we need additional child care. The American Public Welfare Association thinks we need additional child care. The Catholic Charities talk about it. They think we need additional child care, and the list goes on. The National Parent-Teachers Association agrees.

These are groups that are operating programs for children every single day, talking with parents and listening to their concerns. They are on the frontlines, and this is what their conclusion is.

Our amendment will promote work and protect children. It will improve the lives and the livelihoods of millions of American families. That is why I think the amendment is needed.

I yield the remainder of my time.

Mr. DASCHLE. Mr. President, I will use my leadership time for whatever time I may consume to speak in behalf of the Dodd amendment.

Mr. President, let me begin by thanking the distinguished Senator from Massachusetts for his excellent comments and for the leadership that he has shown on this issue throughout this debate, and certainly the Senator from Connecticut, the senior Senator, Senator DODD, for his work in bringing us to this point this afternoon. His leadership and the effort that he has invested in this issue for many years is illustrative of the contribution that he has made on a number of issues relating to children. And this is perhaps the most important contribution of all.

As the distinguished Senator from Massachusetts has indicated, you simply cannot have welfare reform if you do not address the issue of child care adequately. There can be no doubt that it is the linchpin between welfare and work. Why? Because 60 percent of AFDC families have children under 6. Why? Because, in many cases, those same families cannot find adequate day care, cannot afford day care even if they can find it, and have great anxiety about leaving their children unattended.

I do not care whether it is one parent or two parents. If we want them to go out and work, if we want them to go

out and get the skills necessary so they can work—time after time they have told us, and time after time virtually every social organization has indicated—you have to find a way to take care of their children. That is what this amendment does. It says in a meaningful way we are going to create a partnership. We are not going to tell you who to take your children to. We are not going to create some new governmental system to do it. We are simply going to give you the means by which you can find the best way to take care of your children.

This will affect every single welfare family. You have to have a child to be on welfare, period. You do not meet the definition if you do not have a child.

Child care enables mothers to go to work, to have the confidence to leave their home. Parents cannot accept their responsibilities as parents if they leave their children at home alone without any supervision, without any care, without any knowledge of what is going to happen to their children, especially at those early ages.

Let me address another point that was raised in this most recent colloquy. It is not just the child who is under the age of 4 or 5 and not yet ready to go to school that we ought to be concerned about. What happens to those children who are going to school, who come back in the mid to late afternoon to a home without a parent, without anybody to take care of them through the end of the day? What happens to them? What kind of supervision, what kind of care, what kind of nutrition, what kind of attention are they going to get? This amendment addresses that concern. It is not just a concern for those who are under the age of 6 and not able to go to school. We have to be equally as concerned with those children who come home in the afternoon and have no supervision, especially in those early ages.

Families below poverty spend almost 30 percent of their income on child care, Mr. President. Nonpoor families only spend about 7 percent of their income on child care. There is no secret why low-income families are not capable of addressing the need for child care in their own families.

Child care costs in the District of Columbia can run as high as $150 to $175 per week. The average monthly benefit for an AFDC recipient is less than $400. So we are asking many parents today to spend more in 1 month on child care alone than they receive in AFDC. Obviously, Mr. President, it is an incredible impediment for many people.

So what happens is that most people today are relegated to finding other ways of ensuring that their children are cared for. They depend on relatives who may or may not be reliable or informal arrangements that may or may not work on a daily basis. A job requires reliable child care, and often that is very hard to find.

So in many cases, Mr. President, parents are simply forced to make do. And all too often, unfortunately, they do not make do. All too often they are forced to rely on low-quality care.

We believe that quality child care is too important to child development to leave those children home alone or to make a way somehow on a day-to-day basis with relatives or families or people in the neighborhood to care for their children. Studies show that the first 3 years of life in some ways are the most critical of all. Quality care can clearly change the lives of children today. Quality care can truly give kids a head start. Quality care can relieve parental stress and give people the confidence they need to walk out of that door and go to their job, go on and achieve meaningful job skills, and do so with the knowledge that they can be a productive, cohesive, and successful family when the work is done.

Mr. President, that is all we are asking. Let us give families an opportunity to be families. Let us give them the opportunity to be strong families. Strength is defined in part by how strong the children are, by how nourished, how educated, how guided, how attended, and how cared for they are.

The Republican plan, frankly, is nonexistent in this regard. It is nice to have all the nice sounding rhetoric, but the fact is you have nothing if you do not put resources next to it. There are no resources in the Dole bill. It is estimated that the Dole bill in its current form is underfunded by almost $11 billion in the area of child care.

So there is no assurance that the children of single mothers will be adequately cared for. As the distinguished Senator from Massachusetts has said over and over, the Home Alone bill is not what this piece of legislation ought to be.

The modification made by the majority leader last week does not address this concern. In fact, it only exacerbates the problem. As the Senator from Pennsylvania has alluded to, the bill prohibits States from sanctioning mothers with children under 6. That may be good in some cases. But that is not the real issue. That does not help mothers become self-sufficient. It is a de facto exemption from the work requirement.

We do not want to exempt mothers, and we do not want to exempt States that do not provide the resources. We want States to provide the resources so that mothers will have the tools and the opportunities they are going to need.

Mr. President, the Dole bill in its current form will exempt 60 percent of those who are eligible for welfare today. Why? Because 60 percent of AFDC mothers have children under 6. As the Dole bill is written, it will exempt any mother among that 60 percent that cannot find or afford child care.

States already had to pay for day care. It was an unfunded mandate, but they were required to pay it or exempt mothers and take a 5-percent cut in the block grant. The likelihood now is even greater that the bill has virtually no value in terms of putting people to work or providing child care.

So that is why this amendment is so important. This amendment says a number of things. First of all, it says we cannot expect parents to walk out that door, achieve the desired goals of this bill—that people either acquire skills or acquire a job—if they have to leave their children at home alone.

Second, it provides the resources necessary to make this happen. We ensure, not only that States are going to establish the mechanisms by which to provide those services, but that States are going to have the resources to see that that happens.

Third, the Dodd-Kennedy amendment is tough on work but not on kids. We require able-bodied adults to work or to prepare for work. We ensure that when they do, we are going to enter into a partnership with them to see that their children are cared for. We guarantee that child care assistance is provided, and we do so not by exempting the mothers with children who cannot find day care, but by helping them find the child care they need to allow them to work in the first place.

It is very clear. The adoption of this amendment is the linchpin to welfare reform. We are not going to get it without child care. We are not going to get it without the level of resources required to provide meaningful child care. We are not going to get it simply by exempting mothers who have no other recourse but to stay at home because child care is not available.

There has been a lot of rhetoric in this debate. The most important thing we can do to change rhetoric to real action is to pass this amendment, to provide the resources, to provide the mechanisms, and, most importantly, to provide mothers the confidence that they can be a family when they come home from work at night. This investment in children is as important to kids as it is to mothers, as it is to the system itself. It deserves our support, and I hope Republicans will join us in the passage of it as we take up the vote momentarily.

I yield the floor.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SANTORUM. Mr. President, what time is remaining on both sides?

The PRESIDING OFFICER. The Senator from Pennsylvania controls 5 minutes, 45 seconds.

Mr. SANTORUM. Their time has expired?

The PRESIDING OFFICER. Seven minutes and seven seconds on the minority side.

Does the Senator from Massachusetts yield back all of his time? Is that correct?

Mr. DODD. The Democratic leader just spoke. Does anybody on that side wish to be heard on this?

Mr. SANTORUM. I would like to recognize the Senator from Washington for 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I just want to say that the abstractions with which we deal with issues like this here are very different from the reality on the streets.

On my way back here from Seattle today, I read a long and fascinating article in the New York Times about the cultural differences among various kinds of gangs in the city of Los Angeles. The reporter reports on the particular ethos of black gangs, of Asian gangs, and of Hispanic gangs. In Los Angeles, the Spanish gangs account for most of the street murders, in the number of hundreds every year, but they do have a strong sense of family. And the principal part of the story is about a 15-year-old gang member with a 17-year-old girlfriend who has a 1-year-old child by this gang member.

If I may, I will share the last two paragraphs of that story with you, Mr. President.

"He's always staying home now," Tanya said hopefully. "He doesn't want to miss nothing. He's saying, 'Can't you just leave the baby with me. I'll watch the baby and you go to school.'"

Dreamer is still only school age—

He is 15.

Tanya acknowledged, but the young family expects to be financially secure. Her mother receives Federal assistance to care for her through Aid to Families with Dependent Children. And now, Tanya said, she will also receive AFDC assistance to care for her own daughter, who is named Josefina.

So here we are subsidizing gangs and gang warfare in Los Angeles. That is why we need to pass this bill. That is why we need to deal with reality.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

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

In closing, I just want to remind Members what this amendment does. This is not an amendment targeted at preschool children, to provide single mothers support for preschool children. Children aged 12 and under are eligible for a full-time guaranteed day care slot under this proposal, under the Dodd amendment including two-parent families. Not just single mothers but two-parent families also qualify for a full-time day care slot. It also has a 100-percent maintenance-of-effort provision in this bill on the States.

This is a throwback to some of the ideas that we were debating for the past 2 decades. This is not in a new direction. This is not the direction we should take if we are going to reform the welfare system and get people back to work and get back to self-sufficiency.

I urge my colleagues to defeat the Dodd amendment.

I yield back the remainder of my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, first of all, just in response to my friend from Pennsylvania, we say with regard to children that they should not be penalized if there are two parents. In fact, we ought to be encouraging that. And second, for after-school programs, it does not mean all-day child care, people in school. Obviously, it does not apply in those cases.

However, let me get back to the central point, Mr. President, if I can, in conclusion. We all want to see people move from welfare to work, and assist in that process. Every survey that has been done over the last decade has indicated that one of the major obstacles of people moving from welfare to work is the absence of child care.

Sixty percent of all AFDC recipients have children age 5 and under. If we are truly committed to moving people from welfare to work and we want to assist States in that process, we must provide adequate funds for child care. Because this bill mandates a 25-percent work requirement in 2 years, and 50 percent by the year 2000—we set that as a mandate in this bill—we should assist States in making that happen. All this amendment does is provide the assistance in a pool of money.

It is not an entitlement. It does not guarantee anybody anything. Merely on a proportional basis based on the block grant, it says to the States, "Here is a pool of money to assist you in providing those families that you are moving from welfare to work with child care."

Everyone knows that any effort to go from welfare to work, with infant children, that does not provide for child care will fail. And all of us do not want to see that happen.

So, Mr. President, I urge that we come together. This is an authorization—authorization. Money will have to be appropriated. If the numbers are less, then appropriate less. But let us not try to divide over this issue that has united us in the past. Let us see if we cannot here find some common ground.

I happen to believe, Mr. President, we would pass welfare reform 95–5 if we would adopt the Dodd amendment on child care. We could end the acrimony. We could have a good welfare reform bill. We could assist our States. And we could move people from welfare to work. Let us not miss this opportunity, for once, to come together in this Congress on an issue this critical and this important to the American public.

Mr. President, I yield back the remainder of my time, and I urge a "yes" vote on the amendment.

Mr. SANTORUM. Mr. President, I move to table the Dodd amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is now on the motion to table.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 406 Leg.]

YEAS—50

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

NAYS—48

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

NOT VOTING—2

Gramm	Simpson

So the motion to lay on the table the amendment (No. 2560) was agreed to.

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

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

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Kansas [Mrs. KASSEBAUM].

There are 4 minutes of debate, evenly divided.

Mr. MOYNIHAN. Mr. President, may we have order.

The VICE PRESIDENT. The Senate will be in order.

The Senator from Kansas [Mrs. KASSEBAUM] is recognized.

AMENDMENT NO. 2522

Mrs. KASSEBAUM. Mr. President, first, I would like to ask for the yeas and nays on my amendment.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. KASSEBAUM. Mr. President, I will reiterate why I believe this amendment is important.

Mr. President, I, too, feel strongly about the importance of child care. In order to make our welfare reform effort successful, I could not support the measure that we just voted on because I felt it was an amount of money that could not be sustained and was not offset in a way that I felt would be successful.

The rationale for my amendment is briefly three parts. It creates a unified system of child care at the State level, with one State plan. It is not an effort to, in any way, intrude on the infringement of one committee over another. It is my idea that a consolidation of these efforts is important, and it provides one set of regulations, rather than a two-track system. So it does not transfer jurisdiction of the Senate Finance Committee child care program to the Senate Labor and Human Resources Committee. But it does set up a single system through which child care is handled. It prevents families from experiencing disruptions in their child care since their eligibility is no longer tied to specific program requirements, that is, AFDC. Instead, eligibility is based on a family's income, through a sliding fee scale that the State determines. As parents earn more, they make a greater contribution for child care assistance.

I feel it is very important that low-income families can be able to move off of welfare rolls and yet still be able to maintain some support for child care. It preserves the limited funding for child care for low-income working families, many of whom rely on this assistance to stay off of the welfare rolls. For example, for a family of two earning minimum wage, average yearly child care costs consume 47 percent of the household gross income. That is a significant amount, Mr. President. I believe families do need some support because it is the children that we do have to protect in this process.

I yield the floor.

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

The PRESIDING OFFICER (Mr. GRAMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

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

The result was announced—yeas 76, nays 22, as follows:

[Rollcall Vote No. 407 Leg.]

YEAS—76

Abraham	Exon	Leahy
Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Bennett	Ford	Lugar
Biden	Frist	Mikulski
Bingaman	Glenn	Moseley-Braun
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Bradley	Grams	Nunn
Breaux	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burns	Heflin	Reid
Byrd	Helms	Robb
Campbell	Hollings	Rockefeller
Chafee	Hutchison	Santorum
Coats	Inouye	Sarbanes
Cochran	Jeffords	Shelby
Cohen	Johnston	Simon
Conrad	Kassebaum	Snowe
Craig	Kempthorne	Specter
Daschle	Kennedy	Stevens
DeWine	Kerrey	Warner
Dodd	Kerry	Wellstone
Domenici	Kohl	
Dorgan	Lautenberg	

NAYS—22

Ashcroft	Inhofe	Packwood
Brown	Kyl	Roth
Coverdell	Lott	Smith
D'Amato	Mack	Thomas
Dole	McCain	Thompson
Faircloth	McConnell	Thurmond
Grassley	Moynihan	
Gregg	Nickles	

NOT VOTING—2

Gramm	Simpson

So the amendment (No. 2522) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2523

The PRESIDING OFFICER. The question—the Senate will please be in order.

The question is on the amendment No. 2523, offered by Senator HELMS. There are 4 minutes evenly divided. Who yields the time?

The distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I do not believe I can talk over the various discussions going on.

Mr. LEAHY. Mr. President, the Senate is not in order. The Senator is right. He is entitled to be heard.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. FORD. The Chair can call names.

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

Mr. HELMS. Mr. President, instead of making remarks, I have prepared a sheet that is on every Senator's desk that explains, or refutes in one or two cases, suggestions about what this amendment does or does not do.

Let me go down the list. First, the question and then the answer.

How much of the taxpayers' money will this amendment save?

CBO says it will save $5.68 billion over 7 years.

What are the work requirements under the Helms amendment? And by the way it is cosponsored by the distinguished occupant of the chair, Mr. FAIRCLOTH, and Mr. SMITH of New Hampshire, Mr. GRAMS of Minnesota, and Mr. SHELBY of Alabama. What are the work requirements under the Helms amendment?

Food stamp recipients must work a total of 40 hours over a 4-week period before receiving benefits.

Question. Are temporarily unemployed people denied food stamps?

No, community service will count as work.

Are work requirements in the Helms amendment stronger than in the Dole amendment? And, incidentally Senator DOLE supports the Helms amendment.

Yes. The Dole amendment allows recipients to receive food stamps for a full year and requires only 6 months of work to qualify.

Will pregnant women be denied food stamps?

No, there are millions of pregnant women who went to work this morning. But if and when they are unable to work they can and will get food stamps when qualified.

Will retired people be denied food stamps?

Of course not. Citizens over 55 are exempt from the work requirements.

How many individuals does the Helms amendment target?

It targets the 2.5 million able-bodied individuals who refuse to work.

Exempted by this amendment are children under 18, parents with disabled dependents, mentally or physically unfit, and all who are over 55.

Mr. President, I reserve the remainder of my time.

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

Who yields time?

Mr. LUGAR. Mr. President, I would like to speak in opposition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, the dilemma with the Helms amendment is very simple. That is in many communities throughout the country there are no volunteer programs. There are

no work programs that people could take up. In some cases, there are no jobs.

Frankly, the problem is the amendment affects able-bodied people who are temporarily laid off, as people sometimes are in this country, during recessions or during closing of factories or economic change. It does not really give a very good opportunity for those people to qualify for food stamps.

USDA estimates 700,000 people would be affected. By and large, these are people, often with long work records, who temporarily have bad luck.

In my judgment, the amendment has the merit of trying to tighten up the food stamp situation but it does so at the expense of able-bodied Americans who should not be penalized.

I encourage the Senate to defeat the amendment.

Mr. LEAHY. Mr. President, it is true that this amendment by itself would save money. But you could also say that if we had an amendment that totally did away with the food stamp program that would save even more money.

Basically what this says is you could be somebody who has worked in the plant for 15 years, you paid your taxes, you are an upright citizen who paid for the programs and everything else, and if that factory, the largest employer in the area, should suddenly close, and you cannot find a job within 30 or 31 days later and if you are looking for food stamps you are not going to get them because you have not worked in the last 30 days. This is far too punitive. It is going to make it extremely difficult, as the senior Senator from Indiana said, for those who have been employed who because of a disaster or a plant closing or something else are out of a job. It goes much too far.

FOOD STAMP WORK AMENDMENT

Mr. SHELBY. Mr. President, I am pleased to join with Senators HELMS and FAIRCLOTH to offer this amendment to the welfare reform bill. This amendment is based on the simple notion that recipients of public assistance should give something in return for their benefits. To not require work for welfare, is to promote irresponsibility, which is ultimately harmful to the recipient.

This amendment is straightforward. It states that those recipients of food assistance, who are able-bodied, do not have any dependents, and are between the ages of 18 and 55, must work for an average of 40 hours per month in order to receive their food assistance.

Some critics might point out that the Dole amendment already has work requirements for Food Stamp recipients. However, those work requirements do not begin until 6 months after the person begins receiving food assistance. Workfare programs should resemble the private sector to the greatest extent possible, and I do not know of any business which pays its employees for 6 months before the employee ever begins working. Our work requirement is structured identically to private sector employment: wages—or benefits in this case—are paid after the service is rendered. This will promote personal responsibility and self-sufficiency.

Finally, one of the main benefits of work requirements is that they are a humane way of screening people off of welfare who do not belong on the rolls. Many people receiving benefits which are now free, will opt to pursue other options they currently have in the private sector if they are faced with even a minimal work requirement. If they have no such options, they will be able to continue to receive benefits in exchange for community service. However, CBO has estimated that this work requirement will save taxpayers $5.5 billion over 7 years, due to a decrease in the food stamp rolls of more than 1 million individuals. This will free up money to be used on people who are in genuine need, who have small children, and who have no employment options in the private sector.

Again, this amendment does not affect anyone with small children, or anyone who is disabled or elderly. It is carefully targeted at those who are the most likely to be able to move into the private sector.

Mr. President, this is a responsible amendment, and one I hope my colleagues will support.

Ms. MIKULSKI. Mr. President, I rise today to speak out against the amendment offered by the senior Senator from North Carolina.

Let me be clear. I am for reform of the Food Stamp Program. I am willing to toughen up work requirements. I am for elimination of fraud. That is why Democrats included reforms in our welfare reform.

We include increased civil and criminal forfeiture for grocers who violate the Food Stamp Act. We require stores to reapply for the Food Stamp Program so that we make sure that fraud is not taking place. We disqualify grocers who have already been disqualified from the WIC Program. We encourage States to use the electronic benefits transfer program and we allow them to require a picture ID. We require able-bodied people who are between 18 to 50 to work after a period.

The fight here is over food, not fraud. This amendment would say to workers in my State and States across this country that if you are a victim of a plant closing, you won't get any food stamps unless you go out and work. This amendment is tough on new mothers. Under this amendment, if you are about to have your first child and for some reason you lose your job, you are cut off from food stamps unless you work. Cut off at the most critical time in life for good nutrition. This amendment doesn't recognize that some areas are hit by high unemployment. This proposal fails to realize that we do have recessions.

In a time when we denounce mandates to the States, this is exactly what the proposal does—it mandates further costs. This amendment offers no funding to help these workers find work or create jobs. It is assumed that State and local governments can do this on their own. State and local governments will have to enforce these new Food Stamp requirements at the very time they are reinventing their welfare program.

Mr. President, I am for welfare reform including the Food Stamp Program. I am not for denying help to those who truly need it and that is what this amendment does. I urge my colleagues to vote this amendment down so we can get on to real reform.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

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

The result was announced—yeas 32, nays 66, as follows:

[Rollcall Vote No. 408 Leg.]

YEAS—32

Abraham	Gregg	Nickles
Brown	Helms	Pressler
Coats	Hutchison	Roth
Coverdell	Inhofe	Santorum
Craig	Kempthorne	Shelby
Dole	Kyl	Smith
Faircloth	Lott	Stevens
Frist	Mack	Thompson
Gorton	McCain	Thurmond
Grams	McConnell	Warner
Grassley	Murkowski	

NAYS—66

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

NOT VOTING—2

Gramm Simpson

So the amendment (No. 2523) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I will ask unanimous consent as to how we may proceed. It has been worked out and cleared by the Democrats. There will be no more votes tonight.

Unfortunately, we could not get anybody to offer an amendment, but we do have an agreement the Senator from California and the Senator from North Dakota will offer amendments and votes will occur tomorrow.

ORDERS FOR TUESDAY, SEPTEMBER 12, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Tuesday, September 12, 1995, and the Senate immediately resume consideration of H.R. 4, the welfare bill.

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

Mr. DOLE. I ask unanimous consent that at 9 a.m. there be 10 minutes for debate on the pending Conrad amendment No. 2529, to be followed immediately by a vote on or in relation to the Conrad amendment.

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

Mr. DOLE. I further ask that following disposition of the Conrad amendment, there be 4 minutes equally divided in the usual form on the Feinstein amendment No. 2469, to be followed immediately by a vote on or in relation to the Feinstein amendment.

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

Mr. DOLE. I further ask that following disposition of the Feinstein amendment, Senator BREAUX be recognized to offer his amendment concerning maintenance of effort; that the time prior to 12:30 p.m. be equally divided in the usual form and a vote occur on or in relation to the Breaux amendment at 2:15 p.m. on Tuesday.

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

Mr. DOLE. Mr. President, let me indicate to my colleagues on both sides, I think there are a couple hundred amendments pending. We did not dispose of very many today. It is my understanding there are about 19 cleared on this side. And we hope we might be able to dispose of those this evening if they can be cleared on the other side. They are both Democratic and Republican amendments, and not controversial, as I understand it.

I have not seen the amendments myself. But I think we have indicated—at least I have indicated, and I think the Democratic leader, the distinguished Senator from South Dakota, Senator DASCHLE, agrees—we ought to complete action on this bill Thursday, that on Friday take up the State, Commerce, Justice appropriations bill, and either complete action on that Friday—the chairman would like it Friday or Saturday, that bill, because we do need to complete action on the remaining appropriations bills and go to conference and send them down to the President before October 1.

And so there is a lot of pressure on us to get the work done. We still have the six appropriations bills to do. Two or three will take some time. A couple of them may go rather quickly. So I would suggest that we have got a lot of work to do in a rather short time.

I know that some of my colleagues will have problems in the first week in October because of religious holidays. And we want to accommodate everybody, try to accommodate everybody, as we should. But hopefully we will have the appropriations bills done, so it will be easier to accommodate those who have particular concerns in that area.

So I would urge my colleagues to cooperate with the managers on each side so we can complete action on this bill on Thursday evening.

I will be sending a cloture motion to the desk. In fact, I will do it right now.

Ms. MOSELEY-BRAUN. Will the majority leader yield?

Mr. DOLE. I will be happy to yield to the Senator from Illinois.

Ms. MOSELEY-BRAUN. I have three pending amendments that I would be prepared to take up after the Breaux amendment has been disposed of, and if it is appropriate, if you would amend your unanimous-consent request to take up the three 4Moseley-Braun amendments thereafter.

Mr. MOYNIHAN. Did you want 1 hour?

Ms. MOSELEY-BRAUN. An hour would be sufficient.

Mr. DOLE. For each one?

Ms. MOSELEY-BRAUN. One hour for all three.

Mr. DOLE. I think now that we have two Democratic amendments pending, our hope would be that we take up the Ashcroft amendment, the Shelby amendment, and then the amendments of the Senator from Illinois, if that is satisfactory.

I do not know how much time they are going to take. So we would be on your amendments by about 4:30.

Ms. MOSELEY-BRAUN. Is there time on the Aschroft amendment?

Mr. DOLE. One hour on Ashcroft; 1 hour on Shelby; and 1 hour on yours, if that is satisfactory.

Mr. MOYNIHAN. Why do we not ask for that now?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. I would request, immediately after disposition of the amendments from the Senator from Illinois, an amendment offered by Senator BUMPERS and myself be the next Democratic amendment. And we have agreed to a time agreement of 2 hours equally divided.

Mr. DOLE. I want to first make certain we satisfy the Senator from Illinois.

Ms. MOSELEY-BRAUN. If I may, I would like an hour on my side on my three amendments. And if that would mean an hour—that would be 2 hours total on the three amendments that I have.

Mr. DOLE. OK. Let me just make this consent request, that following the disposition of the Breaux amendment—the vote will occur at 2:15—then we consider the Ashcroft amendment, 1 hour equally divided in reference to food stamps; followed by a Shelby amendment in reference to food stamps, 1 hour equally divided; followed by three amendments by the distinguished Senator from Illinois, Senator MOSELEY-BRAUN, 2 hours equally divided; followed by——

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. If the Senator from Florida would be understanding, I do not know that we could get a time agreement at this point. But in the sequence, he would come after the Senator from Illinois.

Mr. GRAHAM. I would modify my request for unanimous consent just to be in sequence after the Senator from Illinois and settle at a later date the question of time.

Mr. DOLE. I think the only point I would make—I am not certain we could do that. We do not want to get to one amendment at 5 o'clock tomorrow and be on it for the rest of the day.

If I could get consent, before I move to the Graham amendment, on the previous three amendments, Ashcroft, Shelby—no time agreements.

Mr. FORD. Reserving the right to object, Mr. President. And I say to my friend, the majority leader, there are some that are very involved, and the floor manager here understands that very well. We have not been able to check about the time limits on food stamps.

If we could do sequence, then work out the time agreements after that, I think that would be best. But as far as agreeing to a time as it relates to these amendments, it would be very difficult for us to do it at this time unless we could get all of those Senators that are involved and interested in the particular amendments that are going to be brought forward.

We are talking about basically six amendments here, and one of them you cannot give a time agreement on; one you have the time agreement for an

hour on the three; but then that does not include time in opposition, so 2 hours. I would be put in a very untenable position to having to object.

I see the minority leader is here, the Democratic leader is here now.

I yield the floor.

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

Mr. DOLE. That is OK.

Mr. President, I will just modify my request.

Mr. MOYNIHAN. I withdraw my request.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Again, I must say we still have a couple hundred amendments pending. I do not want to get carried away that we are making progress if we take up four amendments, five.

Mr. FORD. They are major, though.

Mr. DOLE. I would ask the following sequence: Following disposition of the Breaux amendment, Senator ASHCROFT be recognized to offer an amendment on food stamps; following disposition of that amendment, we hope to get a time agreement, and that the Senator from Alabama, Senator SHELBY, be recognized to offer an amendment on food stamps; following disposition of that amendment, the distinguished Senator from Illinois, Senator MOSELEY-BRAUN, be recognized to offer three amendments with a 2-hour time agreement, 1 hour on each side; followed by the Graham-Bumpers amendment on formulas, as I understand it.

Mr. MOYNIHAN. That is right.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object. Might I ask the majority leader a question?

Mr. Majority Leader, there is no time agreement yet as to when this bill has to be disposed of, is there?

Mr. DOLE. No. But it is my hope, and I hope the hope of the Democratic leader, that we finish it Thursday. Otherwise, I think we will go the reconciliation route. We could be here on this for the next 3 weeks, and we have six appropriations bills to pass. We have got some people pressing for a recess in October. And we want to try to accommodate people, but sometimes we have to accommodate the work at hand. And there is a lot of work at hand.

For 49 hours we have been on this bill. It is a very important bill. But this will take us into tomorrow evening, even this agreement—one, two, five, six, seven, eight, nine amendments, which will get us to sometime tomorrow evening. That would still only leave 200 left. That may be progress; not in my book.

I will send a cloture motion to the desk.

First, I will yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. Mr. President, I share the view just expressed by the majority leader. I think we have made some progress. We have a long way to go. I know that some of the amendments that have been offered are duplicative amendments, so there is probably a much shorter list than 200.

I think we can make a real good-faith effort tomorrow and see if we cannot accommodate both sides in not having votes on all of these. I think if we can work with the managers and accept some of these amendments, it would be very helpful as well.

There are two other amendments, at least I will just put our colleagues on notice, on the Democratic side. I would like the Lieberman amendment and the Kennedy amendment having to do with work as our next two amendments, regardless of whether they are part of the unanimous-consent agreement or not. I think it would be helpful for Democrats on our side at least to know what the sequencing will be.

Mr. KENNEDY. Will the Senator yield?

Mr. DASCHLE. Yes.

Mr. KENNEDY. This is the amendment to strike the training aspects of the welfare proposal; basically, the Kassebaum training programs that deal with dislocated workers, the workers that would be covered under NAFTA, GATT, defense downsizing, corporate restructuring, environmental considerations, an amendment that would be used to strike those provisions from the Dole bill.

Mr. DOLE. Any time agreements?

Mr. KENNEDY. We would be glad to work out a reasonable time, and I will be glad to talk with others who are the cosponsors and Senator KASSEBAUM and make a recommendation to the leaders tomorrow and try to get that in prior to the time of the cloture vote.

Mr. DOLE. I will just say for my colleagues, we have two Republican amendments, and then we have three amendments from Senator CAROL MOSELEY-BRAUN and then the amendment of Senators GRAHAM and BUMPERS. I assume following that there would be a Republican amendment, and then we can accommodate.

Mr. DASCHLE. The next two Democratic amendments following those would be the two I just mentioned.

Mr. DOLE. I also want to say, as I indicated earlier, since the leader is on the floor, there are a number of amendments that have been cleared on this side, and if they can be cleared on the other side—I think there are a total of 19—that would be a sign of progress, too. As I understand, they are amendments from Republicans and Democrats. They are not controversial. They probably would not have been cleared. That would be a sign we are making progress, too.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. DOMENICI. I wonder if the Senator will add Senator DOMENICI's amendment on family cap to the sequencing when he is finished.

Mr. DOLE. Following the Graham-Bumpers amendment, how much time?

Mr. DOMENICI. At least an hour on my side; maybe an hour on the other side.

Mr. DOLE. They may want to check that. I can seek agreement but not give a time agreement. I ask unanimous consent that Senator DOMENICI be sequenced in after Graham-Bumpers, but we cannot get an agreement on time.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Dole substitute amendment to H.R. 4, the welfare reform bill.

Bob Packwood, Hank Brown, Bob Dole, Paul D. Coverdell, Conrad Burns, Don Nickles, Trent Lott, Bill Roth, Rick Santorum, Ted Stevens, Pete V. Domenici, Robert F. Bennett, Mike DeWine, Slade Gorton, Larry Pressler, Craig Thomas, Rod Grams.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2469

Mrs. FEINSTEIN. Mr. President, I thank you for the recognition, and I speak to amendment No. 2469, which was earlier offered, which has to do with the growth formula provided for in this bill.

I ask unanimous consent that Senator BOXER be added as a cosponsor to the legislation.

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

Mrs. FEINSTEIN. Mr. President, let me try to be succinct as to how this amendment would change the Dole bill. Essentially what the Dole bill does, as drafted, is present a growth fund for the next 5 years of $877 million. It then submits a formula under which that growth fund is disbursed. The formula would provide funds only to 19 States. You cannot convince me that only 19 States are going to grow in terms of poor families in this Nation.

So what I have tried to do is come up with a fair formula that measures the

growth of poor families. The House bill has a formula in it which measures the growth of people and then applies that to this bill. Ours is very similar to the House, with one distinction, and the distinction is that it would use the census data to count the increase in poor families to determine how the growth money is spent. The House uses the census data to count the increase in the general population. Then, the way in which the growth money is spent is simply: The percentage of growth is divided into the overall total growth. In that way, every State is accommodated, and the growth funds are distributed to each state proportionate to its share of the total growth.

Specifically, it would require the Secretary of Health and Human Services to publish every 2 years data relating to the incidence of poverty. The methodology employed mirrors title 13 of the United States Code, section 141(a) of the census statute, and as I have said, is the same as the House welfare reform bill. So people should know that what we are doing is simply following the way the census produces the material, under current law, and then empowering the Secretary of Health and Human Services to disburse funds according to the results of that data, and proportionate to each state's share of the total growth in poor people.

There is no additional cost associated with this amendment.

I would like to add that all States are being held harmless; in other words, no State's grant would be reduced if that State experiences a decline in poor population. According to the present population projections, four States are expected to experience an actual decline of population. They are Maine, Massachusetts, Connecticut, and Rhode Island. These States are all held harmless in this amendment.

If, of course, the projections prove wrong and those States do experience an increase, because no one can actually predict future growth, they will receive their fair share of the growth formula.

If I may, I would like to contrast this with the approach taken in the underlying bill. Eight hundred seventy-seven million dollars over 5 years is authorized in this bill to accommodate growth. As I said, only 19 States are funded with this growth formula. Under the Dole bill, the 19 States receive automatic additional funding, 2.5 percent of their 1996 grant, in each of fiscal years 1997 to 2000 if, one, their State's welfare spending is less than the national average level of State spending and, two, their rate of population growth is greater than the national average population growth.

For reasons which are unclear, certain States are deemed as qualifying if their level of State welfare spending per poor person is less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

So Federal taxpayers are being asked to spend almost $1 billion over 5 years in the name of growth. But, in fact, the result is that States that, until now, have spent less than the average level of State spending in assisting their poor will now be subsidized by taxpayers from all 50 States. I think that is plain wrong. The State with the greatest growth—and that is California—is significantly disadvantaged because its funding is frozen for the next 5 years. I have distributed a letter with our proposal, with the Dole-Hutchison formula in it and with the difference. So there are three charts on everyone's desk tonight so everybody can look up their State.

Certainly, the 19 States recognized in the Dole bill—and I know Senator HUTCHISON will comment on this—will be cut back somewhat so that everybody could have a fair share of the growth fund based on the actual growth of poor people in their State as determined by the Bureau of the Census. What could be fairer than that? If in the census you achieve more people, the growth fund is there to give you your percent share of the total growth fund.

So I will yield the floor for the moment. I know Senator HUTCHISON would like to debate this.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I will be managing the time on this amendment for our side. Mr. President, I want to lay out exactly what my amendment does, or my formula, the Dole-Hutchison formula, does. Senator SANTORUM is going to have to leave in 7 minutes, so I would like to ask him to speak for 2 or 3 minutes, and then I will lay out the parameters of the Dole-Hutchison formula so that everyone understands why it is the fairest formula.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas for yielding.

As I discussed the other night, I want to congratulate the Senator from Texas for working diligently in coming up with this formula. It is a fair formula. On the surface, it sounds like the Feinstein formula is fair because it is based on growth in poverty population.

What the Feinstein formula ignores is how we got to the allocation in the first place. In other words, how did we get to today? It is based on not how many poor children there are in California, Pennsylvania, or New Mexico; it gets to the State today based on how much the State of California ponied up, as did the States of Texas and Pennsylvania. As a result, you have States like California—and Pennsylvania being another one and New York—who had large welfare contributions. They put up a substantial State match. As a result, they got more Federal dollars. If you put up more State money, you got more Federal money. So you had certain States who were more generous with their welfare—or more progressive, some would say—and put up more dollars.

Well, now the match is gone. There is no longer a match required under the Dole substitute, the bill we are going to pass. So to suggest that we should now take a formula based on what a State match was and apply that in the future, based on what the growth in the poverty population is, already gives those States that had high State matches an artificial advantage in the first place.

So what the Hutchison formula tries to do is say—starting at this inequity, because the Hutchison formula holds every State harmless and says that, from there on, we are going to have the States who get less per child under current law get more money over time to equal out what the Pennsylvanias and Californias and New Yorks get. So her growth formula targets the low-benefit States that are growing and allows them to catch up with these Federal dollars.

It is fair in the sense that these are block granted funds and there is no match required anymore. California does not want to spend a penny on this. They will not anymore because we have a 75 percent maintenance of effort. But California can reduce their contribution, which would be a lot more to their State budget than Mississippi's reduction in their welfare contribution. So they have a lot more flexibility under the current law. There is no match requirement except to the extent of the 75 percent maintenance of effort.

This is a fair way to make up the difference over a period of time. As Senator HUTCHISON will very articulately tell you, they are still at the short end of the stick because the per child expenditure for a child from California, New York, or Pennsylvania will still be less after 7 years than they will be in taxes, even though it is a block-granted formula. We try to make up this inequity. I congratulate her for her tenacity in dealing with this issue. This was the toughest issue to deal with. Any time you try to figure out how the money is allocated, you get all sorts of parochial interests that jump to the floor. She was able to stick in there and handle it and bring people together. It is one of the principal reasons this bill is on the floor and in shape to pass the Senate.

Mrs. HUTCHISON. Mr. President, I yield myself 6 minutes of our time. I want to start by thanking the Senator from Pennsylvania. I appreciate all of his efforts on this bill. He is one of the first people who understood the balance in the formula.

Mr. President, this formula is very carefully balanced. That is why it is fair. The challenge we had was to make a fair formula in a totally reformed welfare system with a 5-year block grant.

Now, here was the problem. You have high-welfare States that gain in the beginning because they are block granted for 5 years. These are States that have put more into their welfare spending and therefore have gotten more out. A State that has put more in has also gotten more Federal matching funds. Therefore, they have gotten more total AFDC dollars. Now, you have low-benefit States that have not put up as much money. My State is 35th in per capita income and may not have been able to put up as much. So they have gotten fewer Federal dollars.

In we come with welfare reform. Now we are going to lessen the State requirement. We will have no State requirement at all in the last 2 years of this 5-year plan. So we have to reform the formula as well, to keep the low-benefit States that are growing from being in a desperate situation. So the challenge was not to take from anyone, but to allow these low-benefit, high-growth States to be able to win in the end, so that they march toward parity.

If I can say one thing about this formula, it is that we have a goal of parity at some point in the future. I would like to be at parity today; so would Senator DOMENICI, so would Senator NICKLES, and so would Senator GRAMM. We would like to be at parity right now. But even after 5 years, our States will not be at parity. But we know that we have to make accommodations so that everyone can feel that they have gained something from welfare reform. So we are willing to move slowly toward parity, which should be the goal of this country—for every poor person to have the same basic general grant in welfare. My solution, the Dole-Hutchison formula, does exactly that.

Some have said that food stamps make up for inequity. This is not true. If you put AFDC and food stamps together, which gives you the fairest picture, even after 5 years with the Dole-Hutchison formula, here is what you have. The higher welfare States like California that are frozen still get more than their percent of the poverty population in Federal dollars at the end of 5 years. California will get 14.41 percent of the Federal dollars under my formula, whereas, they have 14.1 percent of the poverty population. So they will be getting $141 million more than their actual share of the poverty population. Because they are frozen at the higher level, they are going to be big winners in the beginning, and they will still not be losers at the end.

Hawaii, for instance, will have double its poverty population in Federal benefits. New York will have 9.94 percent of all the Federal AFDC dollars, whereas it has 7.6 percent of the poverty population. Massachusetts will get 1.99 percent of the Federal dollars, whereas, it has 1.7 percent of the poverty population. Michigan will get 4.16 percent of the dollars, whereas, it has 3.6 percent of the poverty population. Washington State will get 1.96 percent of the total Federal dollars whereas they have 1.5 percent of the poverty population.

Now, these are States that are going to be frozen at the higher levels. That is why these States win even though they are frozen. If you take their Federal dollars frozen plus their food stamps they still come out ahead of their poverty population percent.

Now, what is wrong with the Feinstein amendment? Let me say that the Feinstein amendment, she has done her homework. I admire the Senator from California very much. Here is what is wrong with this amendment. It redistributes the growth even to high-benefit States so they get a double advantage. They get a high Federal benefit in the beginning and they get the growth.

So what happens? They increase in poverty requirements, which are an incentive to even the high-welfare States to continue having growing poverty statistics.

The second thing that is wrong with the Feinstein amendment is parity will never be reached. We will never reach the goal in this country to have general parity across the Nation of all of the AFDC grants.

Let me give some examples of the difference between the Dole-Hutchison formula and what Senator FEINSTEIN's formula would do to the poor States.

California receives $1,016 per poor person now. Alabama receives $148 per poor person, and yet under the Feinstein amendment Alabama will lose $11 million more under her formula than they would get under mine because they will grow under mine because they are poor.

Arkansas, $137 per poor person as compared to $1,016 from California.

The PRESIDING OFFICER (Mr. SANTORUM). The 6 minutes of the Senator has expired.

Mrs. HUTCHISON. I ask unanimous consent to be extended 2 minutes.

The PRESIDING OFFICER. The Senator has 4 minutes remaining on her time.

Mrs. HUTCHISON. Mr. President, let me finish this thought, and I want to yield the floor to Senator DOMENICI for 2 minutes.

We have the poor States that will continue to lose under the Feinstein amendment.

The third thing that is wrong with the Feinstein amendment is that it directs the Secretary of Health and Human Services to determine poverty estimates by means of sampling, estimation, or any other method that the Secretary determines will produce reliable data.

Now, Mr. President, that is a hole as big as a Mack truck. Who knows what the formula might be? We just cannot live with that. We must have something that we can count on that will not be jiggered or changed over the years, to be considered fair.

Mr. President, I yield the floor, and I yield the Senator from New Mexico 2 minutes.

Mr. DOMENICI. Mr. President, thank you.

Senator HUTCHISON, let me just say we actually should call the new formula in the Dole amendment not the Dole-Hutchison but the Hutchison-Dole.

I commend the Senator also for the tremendous job done in trying to create parity and what I perceive to be fairness. I have great admiration for anybody that tries to get more for their State. Obviously, I admire the distinguished Senator from California for trying to get more for California.

Essentially, to just give an example, California and New York each start off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined. Let me put it one more time, just taking California. California starts off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined.

Now, if we are going to have a formula that perpetuates that disparity, then why would we from States like New Mexico, Texas, Alabama, Virginia, and many others, want to be part of this change in our Federal Government's approach to the welfare system? Why we would want to join and put our States and our poor people in a perpetual inferiority position—not a little bit, but a dramatic difference.

The Senator from Texas has stated the difference. We will never catch up.

The distinguished Senator from Texas did not come up with a formula that would take from the rich States, the States that have harvested the program so well. We did not decide in our work together—I worked on it with you, the Senator from New Mexico worked with you—to take from them.

We just said do not continue to leave the poorer States in a perpetual state of disparity beyond any recognition. There will be a welfare program in New Mexico under this that will be one-third of that in New York. My State will lose $23 million. It is one of the hardest hit States. There are many more like it.

I say to the Senator from California, good luck on getting things for California but on this one, this formula will not work because it is not fair. I thank the Senator from Texas for yielding.

Mr. MOYNIHAN. Mr. President, the Dole substitute to H.R. 4 authorizes a supplemental appropriation of $878 million over fiscal years 1997 through 2000 to be allocated to certain States in addition to the funds they would receive

under the temporary assistance for needy families block grant. States qualify for the supplemental funds if one, total population—not just poor population—growth in fiscal year 1996 is above the national average and State welfare expenditures per poor person are at or below 50 percent of the national average, or two, State welfare expenditures per poor person are at or below 35 percent of the national average, regardless of population growth.

States have a one-time opportunity to qualify in fiscal year 1997. If they do, they will receive a 2.5-percent increase in their block grant funding each year, 1997–2000, regardless of whether they continue to meet the eligibility standards in subsequent years. Likewise, States that fail to qualify in fiscal year 1997 are excluded from receiving any of the supplemental funds even if they were to quality later. The practical effect of the provision would be to boost cumulative funding in 19 so-called growth States—but not California—by 10.4 percent. The remaining 31 States, including New York, would be held harmless; their allocations under the main block grant would remain frozen through fiscal year 2000, Not surprisingly, fully two-thirds of the Senators who represent the winner States are Republicans.

Mr. President, there are major flaws with this provision that makes me wonder just how serious its proponents are. First, general population growth is not a reliable proxy for an increase in a State's share of the growth of poor people who qualify for welfare benefits. Many rapid-growth States attract new residents precisely because their economies are strong and work opportunities are good. It is entirely possible that a State experiencing rapid growth due to economic expansion could see its share of poor people decline. Conversely, a slow-growing Rustbelt State could see its share of total population decline but its share of poor people eligible for welfare increase.

The second problem is that supplemental fund will be made available only to those growth States whose State expenditures per poor person are at or below 50 percent of the national average. And then there is the curious provision that rewards nongrowth States if their State expenditures per poor person are at or below 35 percent of the national average.

State could have a large share of childless working or elderly poor. These individuals would dilute per capita welfare expenditures even though they would not be welfare recipients. More importantly, are now about to enter the business of rewarding States who will not spend their own resources on their own poor people? Are we going to start punishing States that do commit their own resources by reallocating scarce Federal funds away from them? I will have much more to say on this subject when we take up the formula amendment the senior Senator from Florida has offered. Suffice it to say at this point that I will not stand by and allow our Federal system to be wrecked in one fell swoop.

Senator FEINSTEIN's amendment is identical to the provision in the bill the House passed pertaining to supplemental block grant funds. Each State's annual share of the supplemental block grant, if any, would be proportionate to its share of the increase in the number of poor people nationwide. New York, theoretically, could be eligible for supplemental block grant funds.

The Feinstein amendment requires the Census Bureau to update and publish data relating to the incidence of poverty for each State, county, and local school district unit of government every 2 years, commencing in fiscal year 1996 and authorizes an annual appropriation of $1.5 million for this purpose.

Mr. President, I support the Feinstein amendment, but it does have two flaws. First, an increase in the number of poor people—while better than the proxy used in the underlying substitute—still is not a precise proxy for an increase in the number of poor people who would be welfare beneficiaries. Once again, low-income men and women without dependent children and the elderly poor, for instance, would not be AFDC recipients but would count in the population tallies that determine whether a State qualifies for the supplemental block grant. More importantly, while updating poverty data more frequently is a desirable public policy goal, which I support, statisticians are not confident yet that accurate subcounty counts are possible in any context other than the decennial census.

Collecting data more frequently typically will harm slow-growing States like New York when the data sets are plugged into allocation formulas. Exacerbating the problem is the fact that poverty data do not reflect regional or State-by-State differences in the cost of living. A family of our just above the poverty threshold living in New York City is demonstrably worse off than a family of four just below the threshold living in rural Mississippi. Research indicates that differences in the cost of living can be as great as 50 percent.

Each year, in collaboration with the Taubman Center for State and Local Government at the John F. Kennedy School of Government, I publish a document entitled "The Federal Budget and the States" that details the flow of funds for the previous fiscal year. Aficionados of the report know that I refer to it as the "Fisc." I send a copy to each Senator every summer and hope that my colleagues read it. At any rate, the most recent edition of the Fisc contains, for the second year, the "Friar/Leonard state cost of living index," which is named for its cocreators, my coauthors, Monica E. Friar, an indefatigable research assistant, and Professor Herman B. Leonard, academic dean of the teaching programs and Baker Professor of Public Finance at the Kennedy School. If we were to apply the Friar/Leonard index to subnational poverty statistics, we would find that New York's 1992 poverty rate jumps from the 18th highest rate nationwide to the 6th highest.

One of the amendments I offered last, Friday would require the Census Bureau to develop cost of living index values for each of the States—at a minimum, and at the sub-State level, if practicable—and apply those values to the national poverty threshold in determining the number of poor people for each State. The index value for the United States would be 100. A State such as New York might have a hypothetical index value of 106 while Mississippi might have an index value of 94. Applying the index values for the two States to the national poverty threshold would increase the income limit and hence the number of poor people in New York and decrease the income limit and the number of poor people in Mississippi.

Earlier this year, a National Academy of Sciences [NSA] panel of experts released a congresssionally commissioned study on redefining poverty. The report, edited by Constance F. Cirro and Robert T. Michael, is entitled "Measuring Poverty: A New Approach."

According to a Congressional Research Service reviews,

> The NAS panel (one member among the 12 member panel dissented with the majority recommendations) makes several recommendations which, if fully adopted, could dramatically alter the way poverty in the U.S. is measured, how Federal funds are allotted to States, and how eligibility for many Federal programs is determined. The recommended poverty measures would be based on more items in the family budget, would take major noncash benefits and taxes into account, and would be adjusted for regional differences in living costs.
>
> . . . Under current measures the share of the poor population living in each region in 1992 was: Northeast: 16.9%, Midwest: 21.7%, South: 40.0%, and West: 21.4%. Under the proposed new measure, the estimated share in each region would be: Northeast 18.9% Midwest: 20.2%, South: 36.4%, and West: 24.5%.

The CRS report, "Redefining Poverty in the United States: National Academy of Science Panel Recommendations," was written by Thomas P. Gabe.

Mr. President, despite the flaws I have just mentioned, the Feinstein amendment is enormously superior to the underlying provision, and I encourage my colleagues to support it.

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the senior Senator from Florida.

Mr. GRAHAM. Mr. President I ask unanimous consent to extend that 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mrs. HUTCHISON. Mr. President, I think I only have——

Mr. SANTORUM. The Senator has 30 seconds remaining.

Mr. GRAHAM. This would be 90 seconds in addition.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that I get 4 more minutes because I have two other speakers.

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

Mr. DOMENICI. Might I ask the Senator from Florida if he would yield without losing any of the time for a unanimous consent request.

Mr. GRAHAM. I yield to the Senator from New Mexico.

AMENDMENT NO. 2575, AS MODIFIED

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask unanimous consent that it be modified. It is an amendment on my part to conform the amendment on the family cap to the Dole amendment as offered.

My previous amendment was in anticipation of the amendment. This just makes it conform with the Dole amendment. I ask that it be filed as such and take the place of my previously filed amendment.

The PRESIDING OFFICER. Is there objection to the modification?

Mrs. FEINSTEIN. Mr. President, I reserve the right to object.

Mr. President, I withdraw my reservation.

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

The amendment will be so modified.

The amendment, as modified, is as follows:

Strike the matter inserted in lieu of the matter on page 49, line 20, through page 50, line 5, and insert the following:

"(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

"(1) a recipient of assistance under the program funded under this part; or

"(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

AMENDMENT NO. 2469

Mr. GRAHAM. Mr. President, I rise just to put the Senate on notice that this is not the only alternative to the formula that we will have an opportunity to consider during the debate on the welfare reform bill.

There will be other amendments that will be offered by Senator BUMPERS, others, and myself tomorrow which go to the more fundamental issue.

That fundamental issue is that not only as the Presiding Officer has correctly pointed out have we changed the status quo by no longer requiring a local effort, and therefore continuing a formula whose numbers were predicated on that effort, is irrational.

We go beyond that. We impose new obligations on the States, particularly in the areas of child care and preparation for work. We are going to be requiring essentially the same obligation from each of the 50 States with enormously different amounts of Federal resources in order to reach those obligations. There are some States that will have to spend over 80 percent of their Federal money in order to meet the new Federal mandates. Other States can reach those Federal mandates with 40 percent or less of the Federal money.

So I suggest this is not just an issue of allocating money between Texas, California, New Mexico, Rhode Island, Florida, or the other States. It goes to the fundamental issue of: Can we achieve the result that this bill is intended to achieve, which is to assist people through appropriate State action to move from welfare dependency to the independence of work?

My suggestion is that we will not be able to achieve that objective, and therefore I urge the amendment as offered by my good friend, the Senator from California, be defeated and, frankly, that tomorrow we be prepared to engage in a very fundamental debate about how we are going to allocate resources that, in my opinion, is critical to whether this goal of welfare to work is attainable.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. KYL. Mr. President, I oppose the amendment of the Senator from California.

I appreciate what she is trying to accomplish. But under her formula, as I calculate it, California would receive fully 20 percent of the supplemental amount already appropriated in the bill. Under the Hutchison formula, not a single State would lose any block grant funding but there is an adjustment for those particularly high growth States and States that are well below the national average on the receipt of Federal funds for welfare spending.

Everybody has a different formula which helps them. Senator FEINSTEIN is only trying to help her constituents.

But if we get bogged down in a welfare formula fight, there is a good possibility that welfare reform could be derailed in the Senate.

Realizing that, a group of Senators early on, under the leadership of Senator HUTCHISON, came up with a formula that, in a small way, begins to recognize the need to distribute welfare funds in a more equitable manner.

The point is this: States that are currently well below the national average in receipt of Federal funds and State welfare spending and States that will experience higher than average growth in population should receive a greater share of the "growth" formula. The Hutchison formula accomplishes this by giving States that meet these criteria a 2.5-percent increase per year in block grant funding starting in fiscal year 1997. Under this formula, no State loses any block grant funding and 17 States with particular needs get an increase. So, in States like Mississippi, where AFDC payments are the lowest in the Nation, a small stride will be made toward allocating funding in a way that treats poor children more equitably. And, in States like Arizona, where population growth is expected to be well above the national average over the next 5 years, a small movement toward equity in funding distribution is also achieved.

The Feinstein amendment, on the other hand, is based solely on increases in incidences of poverty. That will upset the balance that was achieved earlier on the funding formula.

It is based solely on increases in poverty—which can be a built-in incentive for States to keep people in poverty in order to receive increases in Federal funding.

It will reward States like California and New York, which already take a huge chunk of the Federal pot with even additional Federal dollars. Under the Feinstein amendment, 20 percent of the supplemental amount already appropriated in the bill will go to California. This is not fair.

Under the Feinstein amendment, California's spending per person in poverty will remain well above the national average while Arizona will continue to hover around the national average. And, under Feinstein, other States like Mississippi and Texas, will not even reach the national average in spending by the year 2000.

Under the Feinstein amendment, States that are poor and growing will continue to be poor and growing without the necessary 10.4 percent increase that the Hutchison formula would provide. California, which already receives three times more in Federal funding per poor child—$1,016 per child—than a child in Arizona—$361 per child—will receive a much larger increase than Arizona.

Since there will no longer be a Federal/State match required in welfare spending under the Dole welfare bill, there must be a movement toward equity in Federal welfare funding to the States. We cannot expend all of our resources in just a few States.

The Hutchison formula is a very fair formula and I urge my colleagues to reject the amendment of the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I just want to say this formula would not have come about without Senator KYL and Senator MACK, who is the next

speaker and I want to yield the remainder of my time tonight to Senator MACK from Florida.

The PRESIDING OFFICER. The Senator is recognized for 1 minute and 10 seconds.

Mr. MACK. Mr. President, the Hutchison formula has been inappropriately referred to as a "supplemental" grant to States. This is a misleading characterization of the additional moneys provided in this legislation. It implies that certain States have been able to negotiate a sort of slush fund or bonus for themselves unfairly.

In reality the Hutchison formula in the underlying legislation begins to chip away at historical inequities between States due to the Federal Government's present system of awarding AFDC moneys.

This debate is and should be about equity.

The Feinstein amendment not only undermines an honest attempt to provide some equity and parity between States but it does so in a way that in essence rewards States for increasing the number of people living in poverty each year.

This policy, Mr. President, runs counter to the welfare reform bill's goal of encouraging States to get people off welfare and into work. Any incentives that we create to reward States for reducing their welfare caseloads would be nullified by Senator FEINSTEIN's amendment.

The Hutchison formula provides funds for States which have been historically below the national average of Federal welfare spending and at the same time experiencing an above average population growth. These qualifiers appropriately identify those States with the most need and begins to move those States, albeit modestly, toward parity.

California currently receives $1,016 per person living in poverty compared to the $363 Florida receives per poor person living in poverty. Under the Hutchison formula, in the year 2000, Florida will still not reach parity with California—Florida will only be receiving about $400 per person living in poverty. Yet the Feinstein amendment will give California $160 million additional over the next 5 years.

Providing States like California with additional money, when they already receive more Federal dollars per recipient than almost any other State—does not mean equity to me. I urge my colleagues to support the underlying bill and vote against the Feinstein amendment.

I yield the floor.

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

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I would like to speak for as much time as I may use.

The PRESIDING OFFICER. The Senator is recognized. She has 8½ minutes remaining.

Mrs. FEINSTEIN. In deference to my opponents on this issue, and I very much respect them, there is really a difference in viewpoint here.

Let me explain where I am coming from. For more than a half a century, the way the Federal allocation has been determined has been based on a State determination of benefit level, so a State decides what its cost of living is, how much it needs to sustain a poor family, and sets that amount. And then the Federal Government matches that amount.

Suddenly, what is being said, as I hear it, is those States that had low benefit levels or what amounts to a very low maintenance of effort are now going to be rewarded with a growth fund. California's grant is $607 a month because California decided that the basic cost of living necessary for a family was at least that. And California would put up one half of it. If a State like Alabama, for example, decides that they only want to put up $164, then the Federal Government only matches a percentage of that amount.

Where the arguments made on the other side of the aisle do not ring true to me is only 19 States are benefited in the Dole bill with the growth fund. That means any other State that has growth is not going to get any money under this bill.

In the Feinstein amendment, 28 States have a net benefit over the language. Let me tell you which they are and what the additional annual amount is, over and above the Dole bill, by the fifth year.

Alaska, $2,029,000; California, $64,922,000; Delaware, $1,217,000; Hawaii, $2,840,000; Idaho, $289,000; Illinois, $9,062,000; Indiana, $6.627 million; Iowa, $2.164 million; Kansas, $3.381 million; Kentucky, $4.058 million; Maryland, $6.763 million; Michigan, $5.275 million; Minnesota, $5.816 million; Missouri, $4.058 million; Nebraska, $1.758 million; Nevada, $2.488 million, New Hampshire, $812,000, New Jersey, $5.545 million; New York, $1.217 million; North Dakota, $135,000. Ohio, $7.709 million; Oklahoma, $2.840 million; Oregon, $7.304 million; Pennsylvania, $5.004 million; Vermont, $271,000. State of Washington, $16.095 million; West Virginia, $541,000. Wisconsin, $6.492 million;

Mr. President, I ask unanimous consent the comparison tables be printed in the RECORD.

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

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
Alabama	$106,858	$108,297	$109,698	$111,189	$112,674	$5,816	5.44
Alaska	66,348	66,838	67,295	67,726	68,377	2,029	3.06
Arizona	230,462	232,881	235,383	237,941	240,606	10,144	4.40
Arkansas	59,900	60,604	61,351	62,163	62,875	2,976	4.97
California	3,685,571	3,700,973	3,716,869	3,733,403	3,750,492	64,922	1.76
Colorado	130,713	133,163	135,698	138,193	140,857	10,144	7.76
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.00
Delaware	30,239	30,546	30,807	31,125	31,457	1,217	4.03
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.00
Florida	581,871	589,311	596,826	604,409	612,167	30,297	5.21
Georgia	359,139	362,691	366,395	370,162	374,017	14,878	4.14
Hawaii	94,964	95,607	96,289	97,031	97,805	2,840	2.99
Idaho	33,696	34,584	35,589	36,550	37,483	3,787	11.24
Illinois	583,219	585,485	587,699	590,010	592,281	9,062	1.55
Indiana	227,031	228,623	230,249	232,050	233,658	6,627	2.92
Iowa	133,938	134,459	134,948	135,513	136,102	2,164	1.62
Kansas	111,743	112,569	113,383	114,302	115,124	3,381	3.03
Kentucky	188,447	189,457	190,403	191,399	192,504	4,058	2.15
Louisiana	164,016	164,751	165,468	166,280	166,992	2,976	1.81
Maine	76,333	76,333	76,333	76,333	76,333	0	0.00
Maryland	246,947	248,693	250,418	252,065	253,710	6,763	2.74
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.00
Michigan	806,641	808,049	809,417	810,774	811,915	5,275	0.65
Minnesota	287,137	288,546	290,040	291,468	292,953	5,816	2.03
Mississippi	87,038	87,559	88,111	88,711	89,337	2,299	2.64
Missouri	232,505	233,454	234,461	235,556	236,562	4,058	1.75
Montana	44,948	45,346	45,768	46,129	46,706	1,758	3.91
Nebraska	60,384	60,782	61,141	61,664	62,142	1,758	2.91
Nevada	35,964	37,495	38,993	40,688	42,186	6,222	17.30
New Hampshire	42,577	42,791	43,019	43,167	43,388	812	1.91

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL—Continued

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
New Jersey	417,198	418,698	420,101	421,430	422,743	5,545	1.33
New Mexico	129,839	130,788	131,795	132,890	133,897	4,058	3.13
New York	2,308,405	2,308,986	2,309,604	2,309,487	2,309,622	1,217	0.05
North Carolina	347,837	350,991	354,210	357,580	361,092	13,255	3.81
North Dakota	25,978	26,009	25,978	26,077	25,113	135	0.52
Ohio	769,144	771,073	772,930	774,852	776,853	7,709	1.00
Oklahoma	166,123	166,736	167,385	168,190	168,964	2,840	1.71
Oregon	183,038	184,753	186,509	188,353	190,342	7,304	3.99
Pennsylvania	658,388	659,705	660,975	662,226	663,392	5,004	0.76
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	104,607	105,941	107,326	108,836	5,545	5.37
South Dakota	23,019	23,264	23,524	23,708	24,101	1,082	4.70
Tennessee	205,981	208,063	210,209	212,476	214,772	8,791	4.27
Texas	507,442	516,873	526,435	536,672	546,800	39,359	7.76
Utah	83,847	85,133	85,560	88,079	89,663	5,816	6.94
Vermont	49,365	49,457	49,555	49,661	49,636	271	0.55
Virginia	175,260	178,015	180,812	183,625	186,486	11,226	6.41
Washington	432,328	436,033	439,963	444,039	448,423	16,095	3.72
West Virginia	119,017	119,140	119,269	119,411	119,558	541	0.45
Wisconsin	334,783	336,345	337,938	339,606	341,275	6,492	1.94
Wyoming	23,275	23,490	23,717	23,964	24,222	947	4.07
U.S. total	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958	355,310	2.14
One-year, year-to-year change		85,860	87,416	90,192	91,842		
One-year amount over fiscal year 1996 grant	0	85,850	173,276	263,468	355,310		
Cumulative amount over fiscal year 1996 grant	0	85,860	259,136	522,604	877,914		

Source: Table prepared by The Congressional Research Service [CRS] Fiscal year 1996 allocations are based on the Federal share of expenditures for AFDC, EA, and Title IV–A child care plus the JOBS grant. Adjustments for poverty population assume no change in State poverty rates. Therefore, percentage increases are based on percentage increases in total State population. Change in State population are based on Census Bureau projections of the population for the States.

TABLE 2.—PROPOSED ALLOCATIONS TO THE STATES UNDER S. 1120, FISCAL YEARS 1996–2000 (THE DOLE BILL)

[Dollars in thousands]

State	Fiscal year—					Dollar change: 1996–2000	Percentage change: 1996–2000
	1996	1997	1998	1999	2000		
Alabama	$106,858	$109,530	$112,268	$115,075	$117,951	11,093	10.4
Alaska	66,348	66,348	66,348	66,348	66,348	0	0.0
Arizona	230,462	236,223	242,129	284,182	254,386	23,925	10.4
Arkansas	59,900	61,397	62,932	64,506	66,118	6,218	10.4
California	3,685,571	3,685,571	3,685,571	3,685,571	3,685,571	0	0.0
Colorado	130,713	133,981	137,330	140,764	144,283	13,570	10.4
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.0
Delaware	30,239	30,239	30,239	30,239	30,239	0	0.0
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.0
Florida	581,871	596,417	611,328	626,611	642,276	60,406	10.4
Georgia	359,139	368,117	377,320	386,753	396,422	37,283	10.4
Hawaii	94,964	94,964	94,964	94,964	94,964	0	0.0
Idaho	33,696	34,538	35,402	36,287	37,194	3,498	10.4
Illinois	583,219	583,219	583,219	583,219	583,219	0	0.0
Indiana	227,031	227,031	227,031	227,031	227,031	0	0.0
Iowa	133,938	133,938	133,938	133,938	133,938	0	0.0
Kansas	111,743	111,743	111,743	111,743	111,743	0	0.0
Kentucky	188,447	188,447	188,447	188,447	188,447	0	0.0
Louisiana	164,016	168,117	172,320	176,628	181,043	17,027	10.4
Maine	76,333	76,333	76,333	76,333	76,333	0	0.0
Maryland	246,947	246,947	246,947	246,947	246,947	0	0.0
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.0
Michigan	806,641	806,641	806,641	806,641	806,641	0.	0.0
Minnesota	287,137	287,137	287,137	287,137	287,137	0	0.0
Mississippi	87,038	89,214	91,444	93,730	96,074	9,036	10.4
Missouri	232,505	232,505	232,505	232,505	232,505	0	0.0
Montana	44,948	46,071	47,223	48,404	49,614	4,666	10.4
Nebraska	60,384	60,384	60,384	60,384	60,384	0	0.0
Nevada	35,964	36,863	37,785	38,729	39,698	3,734	10.4
New Hampshire	42,577	42,577	42,577	42,577	42,577	0	0.0
New Jersey	417,198	417,198	417,198	417,198	417,198	0	0.0
New Mexico	129,839	133,085	136,412	139,823	143,318	13,479	10.4
New York	2,308,405	2,308,405	2,308,405	2,308,405	2,308,405	0	0.0
North Carolina	347,837	356,533	365,446	374,582	383,947	36,110	10.4
North Dakota	25,978	25,978	25,978	25,978	25,978	0	0.0
Ohio	769,144	769,144	769,144	769,144	769,144	0	0.0
Oklahoma	166,123	166,123	166,123	166,123	166,123	0	0.0
Oregon	183,038	183,038	183,038	183,038	183,038	0	0.0
Pennsylvania	658,388	658,388	658,388	658,388	658,388	0	0.0
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	105,873	108,520	111,233	114,014	10,723	10.4
South Dakota	23,019	23,594	23,594	24,184	24,184	1,165	5.1
Tennessee	205,981	211,130	216,409	221,819	227,364	21,383	10.4
Texas	507,442	520,128	533,131	546,459	560,121	52,679	10.4
Utah	83,847	85,943	88,092	90,294	92,551	8,704	10.4
Vermont	49,365	49,365	49,365	49,365	49,365	0	0.0
Virginia	175,260	179,641	184,132	188,735	193,454	18,194	10.4
Washington	432,328	432,328	432,328	432,328	432,328	0	0.0
West Virginia	119,017	119,017	119,017	119,017	119,017	0	0.0
Wisconsin	334,783	334,783	334,783	334,783	334,783	0	0.0
Wyoming	23,275	23,857	24,454	25,065	25,692	2,416	10.4
Totals	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958		
Year-to-year change		85,860	87,416	90,192	91,842		
One year amount over fiscal year 1996 grant		85,860	173,276	263,468	355,310		
Cumulative amount over fiscal year 1996 grant		85,860	259,136	522,604	877,914		

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

TABLE 3.—COMPARISON OF STATE ALLOCATIONS: PROPOSAL TO ADJUST THE GRANT EVERY TWO YEARS FOR CHANGES IN POPULATION COMPARED WITH S. 1120 (CHANGE FROM DOLE BILL WITH FEINSTEIN)

[Changes in population are used as a proxy for changes in poverty population in proposal (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change
Alabama	$0	−$1,232	−$2,570	−$3,886	−$5,277	−$5,277
Alaska	0	490	947	1,378	2,029	2,029
Arizona	0	−3,343	−6,745	−10,240	−13,781	−13,781
Arkansas	0	−793	−1,581	−2,342	−3,243	−3,243
California	0	15,402	31,298	47,832	64,992	64,922
Colorado	0	−818	−1,632	−2,571	−3,426	−3,426
Connecticut	0	0	0	0	0	0
Delaware	0	306	568	886	1,217	1,217
District of Columbia	0	0	0	0	0	0
Florida	0	−7,106	−14,502	−22,202	−30,109	−30,109
Georgia	0	−5,426	−10,925	−16,591	−22,405	−22,405
Hawaii	0	643	1,325	2,067	2,840	2,840
Idaho	0	46	187	263	289	289
Illinois	0	2,266	4,480	6,791	9,062	9,062
Indiana	0	1,592	3,218	5,019	6,627	6,627
Iowa	0	521	1,010	1,575	2,164	2,164
Kansas	0	827	1,641	2,559	3,381	3,381
Kentucky	0	1,010	1,956	2,953	4,058	4,058
Louisiana	0	−3,366	−6,852	−10,348	−14,051	−14,051
Maine	0	0	0	0	0	0
Maryland	0	1,745	3,471	5,118	6,763	6,763
Massachusetts	0	0	0	0	0	0
Michigan	0	1,409	2,776	4,134	5,275	5,275
Minnesota	0	1,409	2,903	4,330	5,816	5,816
Mississippi	0	−1,655	−3,334	−5,019	−6,736	−6,736
Missouri	0	949	1,956	3,051	4,058	4,058
Montana	0	−726	−1,455	−2,275	−2,908	−2,908
Nebraska	0	398	757	1,279	1,758	1,758
Nevada	0	632	1,208	1,959	2,488	2,488
New Hampshire	0	214	442	591	812	812
New Jersey	0	1,500	2,903	4,232	5,545	5,545
New Mexico	0	−2,297	−4,617	−6,932	−9,421	−9,421
New York	0	582	1,199	1,083	1,217	1,217
North Carolina	0	−5,542	−11,236	−17,002	−22,855	−22,855
North Dakota	0	31	0	98	135	135
Ohio	0	1,929	3,786	5,708	7,709	7,709
Oklahoma	0	612	1,262	2,067	2,840	2,840
Oregon	0	1,715	3,471	5,315	7,304	7,304
Pennsylvania	0	1,317	2,587	3,838	5,004	5,004
Rhode Island	0	0	0	0	0	0
South Carolina	0	−1,266	−2,579	−3,907	−5,178	−5,178
South Dakota	0	−331	−71	−476	−83	−83
Tennessee	0	−3,067	−6,200	−9,342	−12,592	−12,592
Texas	0	−3,255	−6,696	−9,787	−13,320	−13,320
Utah	0	−810	−1,531	−2,215	−2,889	−2,889
Vermont	0	92	189	295	271	271
Virginia	0	−1,626	−3,320	−5,110	−6,968	−6,968
Washington	0	3,705	7,635	11,712	16,095	16,095
West Virginia	0	122	252	394	541	541
Wisconsin	0	1,562	3,155	4,823	6,492	6,492
Wyoming	0	−368	−737	−1,101	−1,470	−1,470
Totals	0	0	0	0	0	0
Year-to-year change	0	0	0	0	0	
One year amount over fiscal year 1996 grant	0	0	0	0	0	
Cumulative amount over fiscal year 1996 grant		0	0	0	0	

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

Mrs. FEINSTEIN. These tables show how 28 States would gain as a difference between what the Dole bill would give and what this amendment would provide. For the most part, many of these are States with a higher benefit level. These States have decided they were going to spend what they needed to spend to have a poor family be able to exist in their States. What I object to about the Dole bill is that a State is locked out because a State has had a high benefit level and a maintenance of effort and has been willing to provide for their people. Now, they are frozen out of the growth fund.

California, the biggest State, with the most poor people: there is nothing in the growth fund for California. And the reason that is being given is, well, you do not deserve any money because you fund half of $607 a month from California taxpayers to support poor people. So, because California and these 27 other States have had a higher maintenance of effort, and said we are going to fund poor people, suddenly they are left out of any growth fund. There is no hold harmless. They are left out. They are locked out, and that is what I object to in this language.

You can come to California, or any high cost-of-living State, and attempt to live. And it is very much tougher. This is the way the formula has been figured now for over a half century—based on a state match. The Hutchison formula is a stark change from that. But it is a penalty. And it says if you have funded your poor people in the past, as a State, you are now not going to figure into the growth formula.

So let me say another thing. The House of Representatives in its wisdom has passed a formula which is straight across the board based on growth in a State. The only difference in what they did and what I am suggesting we do is base it on growth of poor people. If a State wants to support their poor population, I think that is fine. If they do not, what we are saying, if the Hutchison language is accepted, is, therefore, the Federal Government should reward them for not doing it by providing a growth fund for them. And I frankly cannot agree as someone who has participated in local government helping make some of these decisions. I simply cannot agree that that is the fair way to do it.

So we have presented this. Again 28 States benefit, I have given the amounts. Twenty-two States lose money in this way.

But I believe it is fair. It is based on a census as ratified by the Secretary of Health and Human Services.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 33 seconds remaining.

Mrs. FEINSTEIN. I yield my 33 seconds.

AMENDMENT NO. 2501

Mr. PRESSLER. Mr. President, last week I offered an amendment that is designed to give States greater authority to crackdown on welfare fraud.

This amendment would allow States to intercept Federal income tax refunds in order to recover overpayments of welfare benefits due to fraud or error.

This technique, called tax intercept, would be used as a measure of a last resort against former welfare recipients who defraud the system. Originally, welfare was designed as a transitional program to help people become self-sufficient. Many families find themselves in circumstances beyond their control and legitimately need temporary help. However, as we all know, far too many individuals abuse the system, making public assistance a way of life. This amendment is designed to crack down on the persistent fraud problems that plague our welfare system.

It is estimated that welfare overpayments represent about 4 percent of payments paid by AFDC, food stamp, and Medicaid programs. Many of these overpayments are due to deliberate fraud. This type of abuse is an insult both to hard-working taxpayers who struggle daily without Government assistance as well as families on welfare who play by the rules.

Currently, a similar tax intercept is reducing fraud successfully in the Food Stamp Program in 32 States. My amendment would create a similar model for AFDC. It is also designed to protect taxpayer privacy.

Just as important, my amendment would save States at least $250 million, enabling them to use the savings for those who truly need assistance. The most recent estimate of this proposal was done in 1992, when the United Council on Welfare Fraud estimated that States could save $49 million per year. If a similar analysis were done today, I expect the savings from my amendment would be even greater.

I am pleased this amendment will be accepted. It means getting tough on the cheats who abuse our welfare system.

I also ask unanimous consent that Senator BRYAN be added as an original cosponsor of my amendment.

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

Mr. PRESSLER. I thank my colleague for his cosponsorship and support and leadership in this area.

Mr. BRYAN. Mr. President, I am pleased to be joining with Senator PRESSLER as a cosponsor on this amendment to provide States the option to use the IRS Federal income tax refund intercept process to try to recapture AFDC-type benefit overpayments.

Some years ago, Congress provided for an IRS Federal income tax intercept process to be used to help retrieve child support payment arrearages. When an individual is in arrears on his or her child support payments, the IRS refund intercept allows the State to notify the IRS of the arrearage. If the individual is to receive a Federal income tax refund, the IRS can intercept the refund. Rather than having the tax refund go directly to the individual, the refund amount is intercepted and paid toward the child support arrearage.

As I know a number of my colleagues have also done in their home States, I have spent significant time this year visiting welfare offices in both northern and southern Nevada. During those visits, I spent a significant amount of time listening to welfare eligibility workers. It surprised me to learn from these eligibility workers that State welfare agencies did not have the authority to notify the IRS to intercept Federal income tax refunds to try to recapture benefit overpayments for AFDC-type cash assistance.

My experience in spending time with those who are actually involved in the welfare program, who administer it on a day-to-day basis, has been enormously helpful to me. They have helped explain some of the complexities in our welfare system, some of its inconsistencies and some of its frustrations that welfare workers experience when our best intended policies are hopelessly inconsistent, or when they find their hands tied because of some nonsensical rule that requires them to do certain things.

This is why I am particularly pleased to join on as an original cosponsor of the Pressler-Bryan amendment. This amendment provides an answer to one of those frustrations. When benefit overpayments are made in AFDC-type cash assistance programs under this bill, State welfare agencies will now have the IRS refund intercept process available to them.

Unfortunately, many times welfare recipients who receive benefit overpayments, and most frequently this occurs in the AFDC program, are able to walk away knowing they are not going to have to repay the benefit overage. Those individuals essentially have been unjustly enriched as a result of a fraudulent overpayment made to them. When they later qualify for a Federal income tax refund, the States are powerless to try to intercept that refund, and recapture the money rightfully due the State.

Under the amendment offered by the Senator from South Dakota and myself, we now add a new category to cover those individuals who have received benefit overpayment by reason of their fraud, or for whatever reason the circumstances led to the overpayment. Now States are empowered, through the IRS, to intercept any tax refund check that would otherwise be paid to that welfare recipient. And as the Senator from South Dakota has pointed out, the amount of savings to the taxpayers is enormous. This amendment makes a lot of sense. Expanding the IRS refund intercept process to AFDC-type benefit overpayments makes common sense, and allows all States greater flexibility in the administration of the welfare system.

I applaud the Senator for his leadership and associate myself with his comments on this important amendment. This is the kind of bipartisan work that I am delighted to participate in, and which can help make this welfare reform proposal workable for the States.

I thank my colleague. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. If we could deal with this amendment, it has been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to the consideration of amendment 2501.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2501.

Mr. PRESSLER. I ask unanimous consent that the amendment be considered as read.

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. PRESSLER. I urge adoption of the amendment.

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

So the amendment (No. 2501) was agreed to.

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

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

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. CHAFEE. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak up to 15 minutes.

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

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, it takes no rocket scientist to be aware that the U.S. Constitution forbids any President to spend even a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when a politician or an editor or a commentator pops off that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that the Founding Fathers, two centuries before the Reagan and Bush presidencies,

made it very clear that it is the constitutional duty solely of Congress—a duty Congress cannot escape—to control Federal spending.

Thus, it is the fiscal irresponsibility of Congress that has created the incredible Federal debt which stood at $4,962,703,726,882.93 as of the close of business Friday, September 8. This outrageous debt—which will be passed on to our children and grandchildren—averages out to $18,838.51 for every man, woman, and child in America.

WELCOMING HIS HOLINESS THE DALAI LAMA TO WASHINGTON, DC

Mr. PELL. Mr. President, I welcome to Washington today one of the most honorable and respected leaders of our time, His Holiness the Dalai Lama.

His Holiness is a historical rarity, someone who has devoted his entire life to finding a peaceful solution to an overwhelmingly difficult political problem with an often belligerent foe. China invaded Tibet in 1949, under the banner of "peaceful liberation," but the presence of the People's Liberation Army in Tibet since then has been neither peaceful nor liberating. The Tibetan people continue to suffer repression under the too-often violent control of an outside power. But the Dalai Lama's response has been unswervingly one of seeking a peaceful solution to Tibet's conflict with China. His Holiness' courage and leadership is widely respected in Tibet and has assuredly prevented the Tibetans from staging a violent uprising or insurgency, the response that suppressed people without such moral leadership often take.

In accepting his Nobel Peace Prize in 1989, His Holiness showed the world how all-encompassing his call for peace and compassion was when he said he felt no "anger or hatred toward those who are responsible for the immense suffering of our people and the destruction of our land, homes, and culture. They too are human beings who struggle to find happiness and deserve our compassion." How rare in today's world—or in the history—to find a leader willing to see the human face of his or her enemies and to offer compassion in response to oppression. He argues not for retribution but for recognition that thoughtfulness and benevolence towards others is in every individual's self-interest, and ultimately is essential for relations in an increasingly interconnected world. His call for people to accept that we are a "global family" and recognize that actions we take to hurt each other or damage the world we live in—such as acts of war or pollution—ultimately harm us as well, is a model for global interaction at the end of the 20th century.

We can learn much from the teachings of this "simple monk." I urge my colleagues to meet him at a coffee the Foreign Relations Committee is hosting in his honor tomorrow afternoon. Come meet the leader whose moral courage and commitment to nonviolence has put him in the ranks of leaders like Martin Luther King, Jr. and Mohandas Ghandi. While His Holiness' visit to Washington is short, I hope his lessons will live on in the minds of us all.

THE RETIREMENT OF REAR ADM. JACK E. BUFFINGTON CEC, USN

Mr. LOTT. Mr. President, it has come to my attention that on Friday, September 15, 1995, Rear Adm. Jack E. Buffington, Civil Engineer Corps, U.S. Navy, will retire after 34 years of honorable and distinguished service.

Since September 1992 he has served as the commander, Naval Facilities Engineering Command, and chief of civil engineers. As the senior civil engineer in the Navy he was responsible for planning, design, and construction of naval facilities around the world. On Capitol Hill he is best known for his role in developing and executing the Navy's Military Construction Program. As such, he has testified before congressional committees and ensured that members and their staffs have fully understood the requirements of the Navy's construction program.

Previously he served as the commander, Pacific Division, Naval Facilities Engineering Command, and commander, Naval Construction Battalions, U.S. Pacific Fleet. Prior to that he was assigned as the director, Shore Activities Division for the Chief of Naval Operations. His public works assignments included duty at the New York Naval Shipyard; the Public Works Center, Subic Bay in the Philippines; the U.S. Naval Academy; and as commanding officer, Public Works Center, Norfolk, VA. Assignments managing Navy construction contracts in the field included duty in New Orleans, LA, and Bethesda, MD.

Rear Admiral Buffington is best known however for his devotion to the Seabees of the Naval Construction Force. His Seabee assignments included duty in Naval Mobile Construction Battalion 9 as company commander on Okinawa, on a detail in Alaska, and as officer in charge of a Seabee team in Vietnam. Later he served as executive officer, Naval Mobile Construction Battalion 4, deployed to Okinawa and Rota, Spain. The highlight of his career was probably his tour as commanding officer, Naval Mobile Construction Battalion 1, homeported in Gulfport, MS. Under his superb leadership NMCB 1 was awarded the Best of Type and the coveted Peltier Award as the top Seabee battalion in the Navy. He later went on to serve as commander, Naval Construction Battalions, U.S. Atlantic Fleet, where he was in charge of Seabees working in Europe, Africa, the Caribbean, and Central America. There is nothing in the Seabee world which Rear Admiral Buffington has not done, and done superbly. As a result he is affectionately known throughout the fleet as Seabee Jack Buffington.

Rear Admiral Buffington is a native of Westville, OK, and a graduate of the University of Arkansas where he received his bachelor of science degree in civil engineering. He later attended the Georgia Institute of Technology where he received his master of science in civil engineering. Rear Admiral Buffington is the son of Maxine Buffington and the late Ernest Buffington of Westville, OK. He is married to the former Robin Bush of Lakeland, FL. He and Robin have two daughters: Shawn who is married to Kurt Lohrmann, and Kelly, who is married to Brian Corey.

My State of Mississippi is home to one of the two remaining Seabee bases in this country. I know firsthand the important mission they perform with unparalleled professionalism. Under Jack Buffington's leadership, the Navy's Seabee legacy has grown and flourished. Mr. President, I take this opportunity to personally pay tribute to a superb naval officer, true gentleman, and a good friend, Rear Adm. Jack Buffington. As he begins the next phase of his life, I wish him fair winds, following seas, and godspeed in all of his endeavors.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1404. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report that a reward has been paid; to the Committee on Foreign Relations.

EC-1405. A communication from the Secretary of the Army and the Secretary of Agriculture, transmitting jointly, pursuant to law, notice of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and national forest lands; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1406. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation entitled "The Animal and Plant Health Inspection Service Omnibus User Act of 1995"; to the Committee on Agriculture, Nutrition, and Forestry.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104-138).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1229. A bill entitled the "Native Alaskan Subsistence Whaling Provision"; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1230. A bill to amend section 1501, title 21, United States Code, to eliminate the position of Deputy Director of Demand Reduction within the Office of National Drug Control Policy; to the Committee on Labor and Human Resources.

By Mrs. BOXER:

S. 1231. A bill to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake", and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1229. A bill entitled the "Native Alaskan Subsistence Whaling Provision"; to the Committee on Finance.

THE NATIVE ALASKAN SUBSISTENCE WHALING PROVISION ACT OF 1995

• Mr. STEVENS. Mr. President, today I am reintroducing legislation that Senator MURKOWSKI and I introduced last session that would provide tax relief to Alaska Native whaling captains to help ensure that they are able to continue their centuries-old tradition of subsistence whaling. This bill would amend section 170 of the Internal Revenue Code to provide a charitable deduction to those native captains who organize and support traditional native whaling activities for their communities. Since there was no revenue bill last year, this legislation did not go through. I hope that it can be considered in the reconciliation process this year.

Let me tell you why I think this legislation is important. For thousands of years the Inupiat and Siberian Yupik Eskimos from the coastal villages in northern and western Alaska have hunted the bowhead whale. The bowhead whale, and the activities related to the traditional subsistence hunt of the whale, are a vital part of the cultural and religious traditions of these Native Alaskan communities. The whale meat and muktuck, which is blubber and skin, from a successful hunt are distributed by the whaling captains to their communities to help ensure the survival of the village throughout the long winter months. In many instances, a successful hunt is the lifeline of these coastal villages.

By tradition, each whaling captain is required to pay all of the costs associated with the subsistence hunt out of his personal funds. This includes the cost of providing the boats, fuel, gear, weapons, ammunition, food, and special clothing for their crews, then storing the meat until it is used. The whaling captain incurs significant expenses in carrying out these activities—averaging $2,500 to $5,000 per captain per year. Even though the captain pays these expenses out of his personal funds, tradition dictates that the captain must donate a substantial portion of the whale to the village in order to help the community to survive. Each captain retains a portion for personal consumption, but does not benefit financially from the capture of the whale.

In recent years, native whaling captains have been treating their whaling expenses as a deduction against their personal Federal income tax because they donate the whale meat to their communities, and because their expenses have skyrocketed due to the increased cost of complying with Federal and international requirements for hunting bowhead whales. Unfortunately, the Internal Revenue Service [IRS] has ruled that the native whaling captains are not entitled to deduct these expenses as charitable contributions on their personal income tax returns. This has caused an extreme financial burden to the whaling captains, whose average annual household income is less than $45,000. Currently, five cases are in the appeals process.

The legislation that I am introducing today would amend section 170 of the Internal Revenue Code to allow Native Alaskan subsistence whaling captains to deduct their expenses for whaling activities for the community. It would apply retroactively to currently pending tax refund claims and tax years for which the statute of limitations has not expired.

I believe this deduction is necessary and justified for a number of reasons. First, the whaling captains donate their personal fund to support an activity that is of immeasurable cultural, religious, and subsistence importance to the Inupiat and Siberian Yupik communities. Second, if the donations of the whaling captain were made to the Inupiat Community of the North Slope [ICAS], Alaska Eskimo Whaling Commission [AEWC], or the communities' participating churches instead of directly in the form of food, gear, ammunition, and other essentials, they would be tax deductible. The ICAS, a federally recognized tribe, and the AEWC, a 501(c)(3) corporation, are the two organizations that are responsible for the preservation of Native Alaskan subsistence whaling. The effect of denying a tax deduction directly to the whaling captains penalizes these Native Alaskans from adhering to traditional religious and cultural requirements for the subsistence whale hunt.

I would note that the subsistence hunt is carefully regulated by the International Whaling Commission [IWC] and the U.S. Department of Commerce. Local regulation of the hunt is vested in the Alaska Eskimo Whaling Commission [AEWC] under a cooperative agreement with the National Oceanic and Atmospheric Administration. Acknowledging that whaling, more than any other activity, fundamentally underlies the total way of life of these communities, the IWC permits the Native communities to land up to 51 bowhead whales a year. The IWC has established this quota based on exhaustive documentation of the cultural and subsistence need of the whaling villages for each one of these whales.

The whaling community has a very good working relationship with these organizations, and provides the IWC and NOAA with annual detailed accounts of bowhead whale activity. The North Slope Borough of Alaska spends approximately $500,000 to $700,000 annually on bowhead whale and other Arctic marine research and programs in support of the IWC's efforts.

The legislation that I have introduced today will incur a very small revenue loss to the Treasury. The cost of this legislation based on the existence of 150 whaling captains is estimated at $230,000 per year. I expect the cost will be significantly less because not every captain outfits a crew each year.

I thank my colleagues for their attention and I welcome their support of this provision which will help to ensure that the native whaling captains can continue to carry the centuries-old traditional subsistence whaling hunt for the coastal villages of Alaska.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

"(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

"(2) AMOUNT DESCRIBED.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities. For purposes of the preceding sentence, the term 'whaling expenses' includes expenses for—

"(A) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

"(B) the supplying of food for the crew and other provisions for carrying out such activities, and

"(C) storage and distribution of the catch from such activities.

"(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to all taxable years beginning before, on, or after the date of the enactment of this Act.●

By Mrs. BOXER:

S. 1231. A bill to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake," and for other purposes; to the Committee on Energy and Natural Resources.

THE TRINITY LAKE ACT OF 1995

● Mrs. BOXER. Mr. President, today I am introducing a bill which proposes to change the name of Clair Engle Lake in northern California to Trinity Lake. Clair Engle Lake is the largest body of recreational water in Trinity County. Every year, thousands of recreational users from all over California and the area come to the lake to fish, boat, hike, and camp.

Since the reservoir was created by the building of the Trinity Dam, local citizens have referred to the lake as Trinity Lake. This usage has been widely adopted by almost all of the general public as well as by Federal, State, and local officials. In fact, this widespread usage has become the cause of confusion for visitors and tourists, and has had a negative economic impact on the lake community.

My legislation would end this confusion by changing the name of the lake to what it is known as by residents of the area. My legislation is supported by the Trinity County Board of Supervisors as well as the Bureau of Reclamation. I also am pleased to be working with Representative WALLY HERGER who has introduced similar legislation in the House of Representatives.

Mr. President I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1231

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. DESIGNATION OF TRINITY LAKE.

(a) DESIGNATION.—The reservoir created by Trinity Dam in the Central Valley project, California, and designated as "Clair Engle Lake" by Public Law 88-662 (78 Stat. 1093) is redesignated as "Trinity Lake".

(b) REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the reservoir referred to in subsection (a) shall be considered to be a reference to "Trinity Lake".

(c) CONFORMING AMENDMENT.—Public Law 88-662 (78 Stat. 1093) is repealed.●

ADDITIONAL COSPONSORS

S. 389

At the request of Mr. JOHNSTON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 389, a bill for the relief of Nguyen Quy An and his daughter, Nguyen Ngoc Kim Quy.

S. 650

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 650, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 896

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 896, a bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services, and for other purposes.

S. 953

At the request of Mr. CHAFEE, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 963

At the request of Mr. BAUCUS, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 963, a bill to amend the Medicare Program under title XVIII of the Social Security Act to improve rural health services, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Seantor from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 986

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 986, a bill to amend the Internal Revenue Code of 1986 to provide that the Federal income tax shall not apply to U.S. citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

S. 1052

At the request of Mr. HATCH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1052, a bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions and to provide for carryovers and carrybacks of unused credits.

S. 1165

At the request of Mr. HATCH, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1165, a bill to amend the Internal Revenue Code of 1986 to allow a tax credit for adoption expenses and an exclusion for employer-povided adoption assistance.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1991, as "National Family Week," and for other purposes

AMENDMENT NO. 2468

At the request of Mr. SIMON, the names of the Senator from Nevada [Mr. REID] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of amendment No. 2468 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2469

At the request of Mrs. FEINSTEIN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of amendment No. 2469 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2490

At the request of Mr. BREAUX, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of amendment No. 2490 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2501

At the request of Mr. PRESSLER, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of amendment No. 2501 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2523

At the request of Mr. HELMS, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of amendment No. 2523 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2560

At the request of Mr. WELLSTONE, his name was added as a cosponsor of amendment No. 2560 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. KENNEDY, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of amendment No. 2560 proposed to H.R. 4, supra.

ADDITIONAL STATEMENTS

LEE ROY SELMON

• Mr. MACK. Mr. President, my good friend and colleague, the senior Senator from Florida, BOB GRAHAM, joins me today on this occasion to honor one of the greatest football players of all time, Lee Roy Selmon.

Lee Roy Selmon was born on October 20, 1954 in Eufaula, OK to Lucious and Jessie Selmon. He played football at Eufaula High School before earning a scholarship to the University of Oklahoma in 1972. He led the Sooners to the national championship while earning a number of post-season individual awards. He was selected to the All Big Eight Conference team his junior and senior years. He was also selected a Consensus All-American and won both the Outland and Lombardi trophies for best collegiate lineman.

In 1976, he became the first draft pick in the history of the Tampa Bay Buccaneers' organization. The Bucs selected Lee Roy not only for his outstanding football ability, but also for his extraordinary leadership and work ethic.

Lee Roy played each game with tremendous tenacity, both physically and mentally. Despite the fact that he was consistently being double and triple teamed throughout his illustrious 10-year career, he still registered an amazing 78½ sacks. His inspirational play was instrumental in guiding the Tampa Bay Buccaneers to their only NFC Championship game appearance in 1979. He went on to play in six consecutive Pro Bowls, earn three All-Pro selections and win the NFL Players Association's NFC Defensive Lineman of the Year Award.

Lee Roy's rare combination of strength, speed and agility transformed the way in which future players would play his position.

On July 29th of this year, Lee Roy was inducted into the Pro Football Hall of Fame. In doing so, he became the first Buccaneer to accomplish this feat. Lee Roy on his induction stated, "It's more than a dream come true because I never dreamt it. I'm very humbled by it and very thankful for it. I guess sometimes when you don't dream things yourself, then other people have bigger dreams for you."

Lee Roy's accomplishments are not limited to his play on the gridiron. Since his retirement in 1984, he has remained active in local community efforts.

Lee Roy has always approached his off the field endeavors with the same tenacity that characterized his play on the field. He was chosen one of America's Ten Outstanding Young Men by the United States Jaycees and selected Kiwanis Citizen of the Year for Florida's west coast.

Currently, Lee Roy serves as an associate athletic director at the University of South Florida, where he has been the driving force behind USF's efforts to field an intercollegiate football team.

Mr. President, it is an honor for us, as United States Senators from the great State of Florida, to recognize a man that is revered by many, respected by many more, and well-liked by all. Lee Roy Selmon; a hero in every sense of the word.•

TRIBUTE TO VALORIE J. WATKINS, REGIONAL DIRECTOR FOR SENATOR LARRY CRAIG

• Mr. CRAIG. Mr. President, I rise today to pay tribute to an outstanding staff member of mine, Valorie J. Watkins who has served diligently as my regional director in eastern Idaho over the last several years.

Valorie's tenure as a congressional staff member has been long and distinguished. She has worked in the U.S. Congress for close to 25 years but now moves on to another position as director of alumni relations at Idaho State University in Pocatello, ID.

I have enjoyed working with Valorie over the years. Her leadership, insightful recommendations, and attitude toward serving others have been indispensable to my responsibility of effectively serving the great people of the State of Idaho.

Valorie was born in Pocatello, ID. A long time resident of eastern Idaho, she graduated from Pocatello High School and received her degree from Idaho State University in 1966.

In 1966 as a bright-eyed and enthusiastic graduate of Idaho State University, she left Pocatello and boarded a plane for Washington, DC and arrived in our Nation's Capital without having yet obtained a job. She was quickly hired by the Democratic Congressman from Idaho, Compton White Jr. After Congressman White's defeat in 1966, she immediately came on board Republican Congressman George Hansen's staff. From 1967 to 1969 Valorie proved to be an outstanding staff member for the Congressman and excelled in this capacity. In 1969 she returned with her husband Bill to Pocatello and became a teacher in the local school system and was involved in local education issues.

In 1973, her knowledge and work experience helped her to land a position as district director with one of the great leaders of Idaho, my predecessor, Senator James A. McClure. In this capacity she came to be well respected and looked upon for advice by Senator McClure. She worked for Senator McClure until his retirement in 1991.

Valorie Watkins' work for the people of Idaho is earmarked by her astute ability to keep in close contact with constituents by being involved in her community. She served in many capacities over the years in Pocatello; she has done a immense amount of work with the Greater Pocatello Chamber of Commerce, serving on over eight committees, including serving as a member of the board of directors from 1993 to 1996. She has been heavily involved in the Soroptimist International of Pocatello, from which she received several awards and also served as its president from 1993 to 1994.

In the 16 county region of which she oversaw, Valorie has come to be well respected by many leaders on both sides of the political isle. Valorie has traveled throughout southeast Idaho to small communities like Preston, Montpelier, Soda Springs, and Malad and gained the respect of many Idahoans because of her help. Many leaders have sought her help and advice, including mayors, city councilman, county commissioners, educators and administrators, and Idaho State representatives. She is also well respected by many of the Federal Government agency heads in the area, and has worked closely with some of those individuals to resolve trying cases.

Whenever southeast Idahoans have sought help from my office with a problem with a Federal agency, they most likely have found it with Valorie Watkins. In a more memorable and recent incident, Valorie took the lead in my office's involvement with Tom Johansen, a Pocatello scrap metal dealer who was brought into the national spotlight when he unknowingly bought several thousand tons of sensitive nuclear hardware and blueprints from the Department of Energy at an auction. Valorie's involvement with the case and persistence played a part in forcing the DOE to provide an equitable resolution in what might have otherwise been a disaster for Mr. Johansen.

Valorie's service to the people of Idaho I believe can be summed up from an editorial written by the editor of the Preston Idaho Citizen, a local small town newspaper in eastern Idaho:

> Over the years while Valorie was an aid to Senator Jim McClure and to Senator Larry Craig, she has been a wonderful intermediary for just about anyone who had a challenge that concerned the Federal Government. She is one of the most personable persons that we know and we have been so grateful for her listening ear and her assistance in cases where there has been a need for contact with the Federal Government. Valorie Watkins is most approachable. . . . We see her move as a gain for Idaho State University and a loss for Senator Larry Craig!

And so, Mr. President, as Valorie brings to a close her long and productive career in service to the people of Idaho and this Nation, I wish her and her husband Bill nothing but the very best wishes for happiness and prosperity.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to title 46, section 1295(b), of the United States Code, as amended by Public Law 101-595, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy: the Senator from Louisiana [Mr. BREAUX], from the Committee on Commerce, Science, and Transportation; and the Senator from Hawaii [Mr. INOUYE], at large.

THE ROLE OF RELIGIOUS GROUPS IN CONTEMPORARY POLITICS

Mr. LOTT. Mr. President, yesterday morning, I had the pleasure of appearing on "Face the Nation," an always engaging experience. One of the subjects we covered in our wide-ranging questions and answers was the role of religious groups, in particular the Christian Coalition, in contemporary politics.

During the course of our discussion, I commented on the fact that the Republican Party welcomes the participation of people of all faiths, and I disagreed with those who see something ominous or irregular in what is sometimes called the religious right. These are, in fact, good people who are rightly concerned about the security of their homes, the safety of their children, and the future of family life in America.

Both parties need the participation of people like that. Moral and ethical concerns should not be the singular property of either party. That is what I was trying to convey in my comments concerning religious Americans and the Democratic Party. I meant to express the hope that our fellow citizens, whose religious beliefs lead them to advocate school prayer, engage in home-schooling, or oppose abortion, could feel equally at home on either side of the political fence.

I did not mean to imply, and I regret it if my comments suggested otherwise, that the Democratic Party is without religious members. That of course is not the case. Neither party has a monopoly on faith, although, judging from the results of the 1994 elections, the GOP does seem to have a better track record with miracles.

I want to assure my colleagues, as well as the national television viewing audience of "Face the Nation," that I have the greatest respect for the diversity of faith represented within both Republican and Democratic ranks. And I close with the observation that, during the next 2 months or so, as the Senate deals with the hardest, toughest issues of the day, both sides of the aisle here will need our share of prayers.

ORDERS FOR TUESDAY, SEPTEMBER 12, 1995

Mr. CHAFEE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Tuesday, September 12, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume consideration of H.R. 4, the welfare reform bill.

I ask further unanimous consent that the Senate recess between the hours of 12:30 and 2:15 for the weekly policy conferences to meet.

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

PROGRAM

Mr. CHAFEE. Mr. President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning. Under a previous consent agreement, there will be a rollcall vote at approximately 9:10 tomorrow morning on or in relation to the Conrad amendment.

Following that vote and a 4-minute debate, there will be a rollcall vote on or in relation to the Feinstein amendment. All Senators can therefore expect two rollcall votes early tomorrow morning.

Following those votes, the Senate will begin debate on the Breaux amendment on maintenance of effort, with a vote to occur on that amendment at 2:15. Senators are also reminded that a cloture motion was filed this evening but in accordance with the consent agreement reached on Friday, that cloture vote will not occur prior to 6 p.m. this forthcoming Wednesday.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. CHAFEE. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order following the remarks of Senator FEINSTEIN and Senator PRESSLER.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UNITED STATES-CHINA RELATIONS: A RIVER TO CROSS

Mrs. FEINSTEIN. Mr. President, 2 weeks ago, I returned from a 6-day trip to China, during which time I spent more than 20 hours in meetings with top-level Chinese officials, including 4 hours with the President of the country, Jiang Zemin, Vice Premier Zhu Rongji, and senior Foreign Ministry officials.

We held wide-ranging discussions on a number of important issues in the United States-China relationship, including several issues which have caused the most serious strain between our two countries since relations were established in 1979.

I believe that these talks were informative and constructive for both sides. And I would like to share with my colleagues some of the major elements of those discussions and my observations as a result of this trip. I first met the President of China while I was mayor of San Francisco. In 1979, the first of my 9 years as mayor, I forged a sister city relationship with Shanghai, the first such relationship between an American and a Chinese city.

Jiang Zemin became mayor of Shanghai in 1985. And we became good friends as we negotiated agreements and overseas projects between our two cities. As partners in this endeavor, we vowed to shrink the vast Pacific Ocean that divides us into a small river across which communication, trade and an exchange of ideas could easily flow.

That was 10 years ago. Jiang Zemin is now President of China, and he leads a nation of 1.2 billion people. Over the last 20 years, I have visited China many times and spent a great deal of time studying its people, its culture, and its political dynamism. I have talked with China scholars and read avidly about this complicated country and its rich 5,000-year history.

Few nations rival China's strategic importance to the United States. China is the largest country in the world, one of the largest economies, one of only five declared nuclear powers, and a permanent member of the United Nations Security Council.

The cold war Soviet axis of power has dissolved in the last 5 years, and as Russia struggles with democracy and works to regain its military and economic stability, China's emerging presence will most certainly shape the balance of power in Asia and in the world.

I wrote to President Jiang on July 11 and expressed my deep concern about the state of United States-China relations. Issues that divide the United States and China today have increasingly prevented a productive exchange of views. And the detention of human rights activist Harry Wu, now an American citizen and resident in my State, had effectively blocked all lines of communication between our two countries.

In my letter, I offered to come to China to discuss the case of Mr. Wu and other matters. President Jiang wrote back and accepted, saying he would welcome my visit to Beijing. My husband and I left on August 17 for Beijing and Shanghai. We met privately with President Jiang for 2 hours and then were joined by Senator and Mrs. JOHNSTON for dinner with the President.

Our discussions with President Jiang were very frank and candid on matters pertaining to relations between our two countries, particularly the issues of Taiwan, the recent visit of Lee Teng-hui, and the detention of Harry Wu.

I delivered a message to President Jiang from President Clinton that he would be most appreciative of any assistance that the Chinese President could provide in the matter of Harry Wu, that Mr. Wu's release would remove an obstacle of communication between the United States and China, and that President Clinton looked forward to meeting with Jiang Zemin to chart a new and mutually beneficial course for Sino-American relations.

President Jiang sent an emissary to me on the morning of my departure from Shanghai with the message that Harry Wu would be released, quite possibly before I left China later that day, which did, in fact, happen just that way. As I left from the Shanghai airport, I saw the Air China flight that was being held for Harry Wu, who was right then on a flight from Wuhan, although I did not know it for sure at that time.

With the status of Mr. Wu resolved, the United States, and President Clinton in particular, now have a historic opportunity to chart the course of United States-China relations into the 21st century.

This will not be an easy road. China and the United States have many differences in culture, in our political systems, in our economic and legal structures. However, what many Americans may not understand is that today we also have many common interests. But the opportunity to bridge our differences and build on our common interests is wholly dependent upon dialogue, something sorely lacking at this time.

At this moment the United States and China have no ambassadors in each other's country, although I understand that this situation will now be partially remedied with the announcement that Ambassador Li Daoyu will soon return to Washington.

One example of the effect of a lack of diplomatic communication is the visit of Taiwanese President Lee Teng-hui to the United States in June. Although, as a U.S. Senator, I understood that there is no more important policy for China than the status of Taiwan as part of China, I and other Senators voted to allow the visit. I never heard from China that what we considered to be a personal visit by an alumnus of an American university would cause such a rift in our relations, and I was stunned by the intense reaction of the Chinese officials.

President Jiang told me that he learned of the decision to allow Lee Teng-hui's visit by reading it in a newspaper. The Chinese were, in turn, stunned by the insensitivity and lack of communication from the United States on what they saw as a major shift in policy toward their country, particularly since they were assured as late as mid-May that U.S. policy would be to refuse such a visit.

In an action that further convinced China that they were seeing an emboldened Taiwan, the day Lee Teng-hui left for the United States, Taiwan held joint military army, navy and air force exercises off the coast of China.

Also, Lee Teng-hui broached a Two Chinas Policy in a speech at Cornell, further inciting Beijing. And no one should think that Beijing did not take this seriously. All of this may have been avoided with consistent and frank dialogue between Beijing and Washington.

Reopening and strengthening diplomatic channels of communication is but one, albeit critical, step in building a new relationship with China. As important as what we seek from China in the way of human rights, open markets and Democratic reform is how we communicate ideals. Americans have a tendency to tell China what to do instead of trying to understand what China needs and how it is to China's interests to do some things. And it is time that we learned that this will not be the most effective method of encouraging change in China.

Much has changed in China since I first visited in 1979. People speak much more freely. Consumer goods from China and all over the world are available more than ever before. The standard of living is up. And privatization of formerly Government-controlled industries is taking hold. When I was there 2 years ago, only 8 percent of the industries were in private hands. Now 20 percent are either in joint venture or private hands, about 40 percent controlled by the central Government, and 40 percent in state cooperatives. A Western-style marketplace in the form of an economic democracy is, in fact, taking place.

The question we must ask ourselves is, Can an economic democracy exist long term without a social democracy following? I believe the answer to that is no. But make no mistake, China today is a Communist country. But by encouraging open markets and privatization of industries, we are exposing China to democracy in a much more effective manner than by calling for it on the front pages of our newspapers or by making threats we cannot afford to carry out.

The effects of China's move to a free market economy can already be felt in Chinese social life. Shanghai television, for example, has had programs that include a show similar to America's "All in the Family," which ran for 180 episodes, with the Chinese version of Archie Bunker, a stodgy Communist Party official, something I never thought I would see.

Also, there is a "60 Minutes" type Shanghai program that exposes Government institutions to questioning—unique in the context of China's long and complicated history.

I believe we will witness even greater changes in the next decade, which can bring China even closer to the West.

China's legal system and concept of individual rights is still primitive by western standards. I believe that the most consequential influence on the human rights situation in China will be the evolution of an independent judiciary and the development of a new set of civil and criminal laws.

Today in China, judges are not independent, either from individual or party persuasion, and there is no real criminal statute on the books to make it a crime to interfere with a judge. So this needs change.

China has asked for help in the evolution of its legal system. The development of due process of law, which in this country guarantees that no one can be picked up by the Government in

the middle of the night and simply disappear, is something that is going to make a huge difference in China, and a new civil and criminal code could go a long way toward meaningful human rights advances.

While I was in China, the China daily front page carried articles saying that China welcomed help in evolving a new system of civil and criminal codes. This could go much further in securing major human rights advances, constitutionally and legally, than any rhetoric in this country.

Those in the West who care should utilize this opportunity in a sensitive way to bring many of the virtues of a western legal system to Chinese attention. I believe it is the most significant thing we can do long term.

There are those in this country, I believe, who are unconsciously pushing Sino-American relations into an adversarial position, reminiscent of the days of the Soviet Union. The world was, in a sense, much simpler then: Two major conflicting powers, with smaller nations lining up in each camp. This was good for weapons sales, it repressed many smaller national and ethnic rivalries which are now emerging in the form of civil wars, and it provided a clear role for China as a major geopolitical buffer.

Those days, however, are gone. China has emerged from these changes as a booming economy with the highest rate of economic growth in the world, gradually reducing centralized control of its economy and opening its doors to western entrepreneurship and thought.

All one has to do is contrast Russia today and China to see how centralized control in China has been gradually reduced, keeping stability, opening up entrepreneurship, creating an economic democracy and doing it in a much more successful way. So I believe that how America develops its relationship with China is critical for world peace and stability.

Ever since President Nixon traveled to China in 1972, the United States has maintained a one-China policy. It has been the foundation of Sino-American relations. That policy essentially says that there is only one China and Taiwan is part of China, and it recognizes the People's Republic of China as the sole legal Government of China.

This policy was stated in the 1972 Shanghai communique, the 1979 joint communique on the establishment of diplomatic relations, and the 1982 United States-China joint communique. The one-China policy was and is essential to United States-China relations. It remains essential today.

If China has any doubts about our commitment to this policy, our ability to conduct normal relations with China will be severely curtailed. For China, the question of Taiwan is an issue of sovereignty, and we must understand it as such.

Taiwan has developed well, even within these constraints and, in fact, Taiwan interests have the largest dollar amount of investment on mainland China. Communication has been established and a special across-the-straits initiative has been developed under the leadership of another friend and former Shanghai mayor, Wang DaoHan and Tang Shu Bei, former consul general in San Francisco.

The one-China policy has been beneficial for all three parties: China and the United States have been able to pursue a normal diplomatic relationship, while Taiwan has become economically strong and prosperous. Meanwhile, Taiwan and China have both encouraged the development of extensive economic and cultural ties across the Taiwan Straits.

There are many issues still to resolve with China, as we develop our relationship in the post-cold-war era. Consistent and open dialog is key.

President Jiang told me of an old Chinese proverb: When water flows, there will be a channel.

I truly believe that President Clinton now has the unique opportunity to craft a new course which can result in a stable and secure Asia, free of nuclear proliferation, a serious commitment to arms control, and one that sees China takes its rightful place as a leading nation at the world table.

I thank the Chair. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from South Dakota.

FCC/SPECTRUM/PUBLIC BROADCASTING REFORM

Mr. PRESSLER. Mr. President, as my colleagues know, as chairman of the Committee on Commerce, Science, and Transportation, I have made telecommunications policy reform my top priority for the 104th Congress. I am quite proud of the swift progress made to date, including the sweeping Senate passage of S. 652, the Telecommunications Communications Competition and Deregulation Act of 1995.

As I indicated before we left for the August recess, as significant and necessary as S. 652 is for our country's economic and social well-being in the 21st century, it is only one item in my overall plan for telecommunications policy reform.

Today, I would like to take a few minutes to briefly discuss two additional areas of telecommunications reform I intend to pursue through the remainder of the 104th Congress: Spectrum reform and public broadcasting reform.

Regarding spectrum policy reform, there was a recent essay by William Safire in the New York Times entitled "The Greatest Auction Ever. Get Top Dollar for the Spectrum."

Mr. President, I ask unanimous consent that William Safire's article be printed in the RECORD.

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

[From the New York Times Mar. 16, 1995]

THE GREATEST AUCTION EVER

(By William Safire)

WASHINGTON.—They all laughed at the economist Milton Friedman when he suggested a generation ago that the Federal Government auction off broadcast licenses, instead of giving them away to political favorites.

The last laugh is his; last week, in the greatest auction in history, bidders for wireless places on a tiny fragment of the broadband spectrum committed nearly $8 billion to the U.S. Treasury.

And that's only the beginning of the taxpayer's bonanza in the sale of our valuable thin air.

Remember all the talk, eight years go, of high-definition television, the Japanese invention that was supposed to force us all to replace our 200 million TV sets? U.S. manufacturers, with antitrusters' blessing, formed a "Grand Alliance" to match the Japanese advance.

Along came an unexpected scientific breakthrough. We leapfrogged the analog (feh!) competition into the brave new digital world. This not only produces a knock-your-socks-off picture but expands each TV channel into five or six wireless channels for video, audio, computer data transmission, telephones and every form of communication short of mental telepathy.

Broadcasters smacked their lips at the bonanza. "Advanced television is not just about pretty pictures anymore," F.C.C. chairman Reed Hundt told Edmund Andrews of The Times, one of the few reporters on top of this story. "It's about the digitization of television and a huge range of new services."

It's as if one old oil well gave birth to six new gushers. Broadcasting lobbyists have descended on Congress and the F.C.C. to insure "flexibility"—that is, to exploit exclusively all the new technology, and to charge viewers for the "ancillary and supplementary" services.

Even if accompanied by payment of rent to the Government, the exclusive arrangement sought by broadcasters would be an outrageous taxpayer ripoff.

What is the digitized, divisible channel worth? Senate Commerce Committee Chairman Larry Pressler gave a hint in an op-ed piece last week, suggesting that noncommercial licensees had a huge hidden asset: "Public broadcasting stations could rent, sell or make use of the additional channels for other telecommunications and information services."

Based only on current uses, which are primitive, the market value of the VHF, UHF, cellular, broadband and narrowband spectrum ranges around $120 billion.

But in the near future, your television set will combine with your computers and telephone and fax machine into a single unit you can hang on the wall or fold up in your pocket. That's soon—possibly in the next Presidential term.

I've seen not-for-attribution estimates that the market value of the digitized spectrum in that onrushing era will be—hold your breath—a half-trillion dollars, give or take a hundred billion.

Before rushing into any giveaway, or any long-term exclusive rent-away, we need extended, wide-open, thoroughly debated hearings to make certain of three outcomes:

First, *we want a guarantee of spectrum competition*. The criterion to determine competition must be scrupulously economic, not jiggered by the Government to introduce sexual or racial or ethnic or ideological favoritism. An appeals court yesterday stayed the F.C.C. from holding auctions that favored minority fronts.

Next, *we want a holdback of certain rights*. For example, we can solve the campaign finance dilemma just like that by putting a right-of-way in the deed setting aside air time, online time and direct E-mail advertising for candidates, which could be used or traded or sold by them in election campaigns.

Finally, *we want top dollar for our public property*. That means a series of Friedman-style auctions. After the purchases, sophisticated risk-takers and their banking backers can enhance the value of their property at no cost to the taxpayer and with great benefit to the consumer.

Where should the spectrum-sale money go? Toward reduction of the crushing national debt. By recognizing our hidden asset of the spectrum, Americans can ride the wave of the future.

Mr. PRESSLER. Mr. President, a major priority for the 104th Congress involves giving American private enterprise a fuller and fairer chance. Right now, we just have too many rules and too many of them just do not make any sense. Remember, bad rules are not just expensive and foolish, they represent far more than a dead-weight loss for the economy; they are obstacles to progress.

One of the challenges we face today concerns channels that have been earmarked for advanced television. Not only has the FCC set aside a significant number of channels for the broadcast television industry, it has also placed severe restrictions on additional uses of those channels.

Mr. President, technologically speaking, these channels could be used to provide extensive new and competitive offerings, in addition to more TV. Due to advances in digital technology, they could be used for new mobile radio services, for wireless loops that could make the local telephone business more competitive, and for many other services as well.

Legally speaking, however, these channels currently are dedicated to one specific use: High-definition television, or HDTV. In effect, the Washington bureaucracy has defined and limited the future. The bureaucrats, not consumers of the marketplace, have decided what new technology will be offered, where it will be offered and how it will be offered. It is time to revisit these regulatory decisions. If broadcasting is the best and highest use of those channels, let the marketplace make that decision. Once the best use for these channels is determined, how should the licenses be allocated? Again, let the market decide. Consumer choice and preference will quickly choose who best deserves the licenses associated with the new channels.

I thus intend to work toward several changes in the FCC's advanced television broadcasting plan. All of these changes are geared toward unleashing creative powers, not smothering them with FCC rules. Therefore, our committee is considering allowing everyone—broadcasters including—to bid for the right to develop these channels. That bidding process can be carried out through spectrum auctions. At the same time, however, we want to guarantee the winning bidders have sufficient commercial and operational flexibility. In other words, they must be given the discretion to make what they think is the best use of those channels to meet consumer demand and increase consumer choice.

I will chair a Senate Commerce Committee hearing concerning this very topic tomorrow. Earlier this year several newspaper articles, including an excellent piece by William Safire, which I ask to be included in the RECORD following my remarks, characterized the FCC's HDTV plan as "a billion dollar giveaway."

At a July 27th Commerce Committee hearing, Henry Geller, former FCC General Counsel and NTIA Administrator, testified that giving broadcasters an additional six megahertz would be a "national scandal." A number of organizations across political lines recently have come out against giving free spectrum to the broadcast industry and support auctioning the advanced television spectrum. Not surprisingly, the television broadcast industry strongly opposes auctioning spectrum which the FCC proposes to give away to them for free.

But beyond the special interest arguments, let me tell you, Mr. President, why this proposal is especially important. It is important because it plays right into another major priority for the 104th Congress—stimulating economic growth.

The great thing about communications technology is that it is such a powerful catalyst for growth. Engineers and economists talk about communications as a leverage technology. Experts point out it is both demand-inducing and cost-reducing at the same time. That is, at the same time advances in communications technology make it possible to encourage consumption and investment, they also make it possible for businesses to keep costs in line. This keeps America competitive.

Mr. President, some of the best economists in the world work for the Japanese Government. They have actually quantified how communications fosters economic growth. Their calculations show that for every dollar we invest in communications, we get almost 3 dollars of growth. That is why telecommunications industries are so important.

You cannot improve and expand communications services, however, if the basic building blocks—like the radio spectrum—are locked up in some regulatory backwater. You cannot improve and expand communications services, if the people who develop innovative ideas are artificially denied the ability to move their product to market.

Getting more spectrum into the hands of more people with more and better ideas on how to use it is a critical objective. Beyond bringing new and exciting technologies to the consumer, it also is an excellent way in which to contribute toward the new jobs, new services, and new investment opportunities this country needs.

This leads to public broadcasting policy reform regarding spectrum.

Such a bold, forward looking approach on spectrum policy reform also creates an opportunity to reinvent and privatize public broadcasting. To borrow a phrase from my good friend, Vice President AL GORE, we need to reinvent the way we finance public broadcasting in this country.

Ever since President Johnson's administration and the heyday of the Great Society, we have relied on taxpayer funds, channeled through the Washington-based bureaucracy at the Corporation for Public Broadcasting. Over the past few decades, literally billions of dollars in appropriations have flowed through Washington back to the public broadcasting stations.

Federal funds successfully have built a nationwide public broadcasting system that enjoys wide support. Viewers such as myself help stations with annual membership dues and other contributions. Corporate underwriting contributes significant programming support. At the same time, Federal financing funneled through a Washington bureaucracy has created a public broadcasting system not necessarily in touch with most Americans. Today the public broadcasting system is mature. It now must be allowed to evolve.

Why? One very good reason is that with today's crushing national debt, all Federal spending must come under careful scrutiny. Unfortunately, when I first raised the issue of privatizing public broadcasting, no one in the public broadcasting establishment seemed to hear what I was saying. I was accused of trying to kill Big Bird and Barney.

Fortunately, public broadcasting is beginning to look at realistic options for survival in a budget deficit conscious world. I am encouraged by these efforts and look forward to working with my colleagues to ensure public broadcasting continues to serve public needs.

Should we reexamine the charter CPB was given in 1967? I think we should. As I mentioned earlier, today public broadcasting is a mature system. There are still some regions which are not served, but the vast majority of Americans receive one—if not several—public radio and television stations. Efforts to consolidate and increase efficiencies should be encouraged. At the same time, reaching under-served areas of our Nation must remain a primary objective of any reinvented public broadcasting system.

What about programming? Today's competitive marketplace has made the market failure rationale for public funding obsolete in some respects. Cable television network services including the Discovery Channel, the History Channel, Arts & Entertainment, the Disney Channel, Nickelodeon, and others provide quality, educational and artistic programming once thought only available on public television. At the same time, I believe most Americans want more quality children's and educational programming available over free TV. The great promise of broadcasting to educate and uplift our children and our citizens has not been realized. Too much violence and tawdry programming dominates the public's airwaves.

Children's and educational programming should be the primary, if not sole, focus of taxpayer support for public television programming. Public radio also should be helped to flourish.

At the same time, American taxpayers cannot afford to continue the inefficiencies in the current system. Because of historical accident, PBS and National Public Radio, for example, have separate distribution networks. I understand PBS actually has more audio capacity on its system than NPR. However, CPB has no power to make PBS and NPR consolidate and realize these efficiencies. Congress does. We should accept that responsibility and reinvent public broadcasting to provide a meaningful and quality legacy for our children.

We also need to provide public broadcasting with a baseline of support. An excellent model already exists for how a baseline of support can be continued in an industry while providing the flexibility necessary to allow the industry to evolve, improve its product, and expand its services. We have accomplished the kind of privatization of Federal functions I am talking about in other areas—with, for instance, the Federal Home Loan Mortgage Association, the Student Loan Marketing Association—Fannie Mae and Sallie Mae. We can and should do the same for public broadcasting.

We can accomplish the goals I have laid out by establishing a new privatized entity to provide public broadcasting baseline support. We can get the seed money necessary to carry out this initiative through the spectrum auction process. The fundamental goal should be to privatize the financing process and to empower broadcasters and public broadcasting organizations besides just those that exist in Washington—inside the Beltway.

This approach would pay a number of public policy dividends. It would provide public broadcasting with a financial baseline of support. That is, this year's, or next year's, financing would not be subject to the vagaries of the Washington appropriations process. That, in turn, would help stations plan. Among other things, public broadcasters would not have to continuously lobby Washington to get the support they need. They could bank on continued support. Not all the money for the initial capitalization, moreover, would have to come from Washington. The business community, foundations, and others would be encouraged to participate.

Financial experts currently are working out how much seed capital would be required. Indeed, I will chair a second Commerce Committee hearing this week in which we will take testimony from an investment banker at First Boston on how to move forward with this capitalization idea.

At the same time, and as a way of ensuring the continued success of public broadcasting, we need to change some of the restrictions on public broadcast stations. This can be controversial. Nobody wants to sanction unfair competition between tax-exempt public broadcasters and the private sector's commercial broadcasters. But there are safeguards that can be established.

One of the concepts that has been around for years is that of limited advertising. Numerous public broadcasting organizations in Europe already have commercials, clustered at natural program breaks. Limited advertising represents a significant source of revenue for public broadcast stations. It also represents a source of funds that may be preferable to the current situation in which companies basically produce and underwrite the programs run on public broadcasting. Advertising revenue tends to come without the content strings that program underwriting inevitably entails.

Privatization means relying more on private, individual effort, less on a Washington handout. It also ensures decisionmaking can take place at a level much closer to the particular consumer in the particular market. In any country as big and diverse as the United States, that is especially important. A one-size-fits-all approach virtually never works well in our society.

My thinking regarding public broadcasting is consistent with the approach this new Congress has taken in other areas. One of the cornerstones of most of the sound welfare reform proposals, for instance, is the concept of block grants and State and local decisionmaking. The thinking there is that local authorities are in the best position to manage these issues wisely, and Washington can assist them in addressing their State and local needs.

Privatizing public broadcast financing would accomplish much the same objective. It would cut the Washington umbilical cord—or should I say straitjacket—and vest decisionmaking—plus the money and resources needed—with the stations and people at the local level. It is they, after all, who provide the service to the American public.

Mr. President, the simple theme running through each of the reform ideas I have spoken of today is the fundamental principle that we do not want the Washington bureaucracy determining what is possible and what is going to be allowed.

Let me conclude with an excellent example of what telecommunications policy reform means at a practical level for my home State of South Dakota and other areas of the often forgotten West. I am referring to an article in Investor's Business Daily last August 31st. That is the new Wall Street Journal competitor, incidentally, which makes an effort to provide news, especially financial news, that is important to people out West.

The newspaper reported on a new communications technique that could revolutionize farming—a vitally important part of South Dakota's economy. It is called "site-specific" or "precision" farming.

Having grown up on a family farm, I find the technology fascinating. First, soil moisture and crop yield sensors are spotted in fields. These sensors can narrow acres and acres of land down to as little as 20 foot squares. These censors then interact with the new Global Positioning Satellite network. The system feeds information back to computers on the farm. This information give farmers the kind of precise information they need to target fertilizer, irrigation, and other services.

The approach radically reduces operating costs. It helps the environment by reducing leaching and stream runoff. It is the kind of smart farming we need in this country to maintain our global competitiveness. Mr. President, it is possible only because of the marriage of computers and communications.

Now, Mr. President, do you honestly believe the inside-the-Beltway crowd would ever have thought of this? I doubt it. It took innovative entrepreneurs to identify and fill a market need. What if the Washington bureaucracy had set up a system of rules that kept communications channels from being used for "site-specific" farming? Its promise and all that means to the farming sector and the American economy as a whole would never have been realized. I ask consent the "Investor's Business Daily" article be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit No. 1.)

Mr. PRESSLER. Americans are great and diverse thinkers. Unfortunately, not enough of that original thought and invention takes place in the big gray stone government buildings that sit around Washington. What we need to do is to try to unleash American ingenuity. At a minimum, we need to make sure we do not block it. I will continue to fight to make sure we do not—whether it is thought the comprehensive telecommunications reform bill, spectrum policy reform or public broadcasting reform.

In conclusion, Mr. President, let me say I think it is time that we fundamentally think about spectrum policy reform in this country. I think we must think about the taxpayers.

The Commerce Committee has been charged to raise $17 billion, give or take a few half billion. Indeed, we are told that we are supposed to round everything off to a half-billion dollars. So, having grown up on a farm in South Dakota and being told to round things off, in my response to a half-billion dollars, that is quite a change from the kind of money that I usually think about in my life.

In any event, the new potential uses of the spectrum of the property of the American people—as William Safire says, they should be auctioned off. How else will we do it? The auction system has been used successfully for some of the earlier spectrum that we have auctioned off.

We now have this complicated matter where the broadcasters propose to migrate from the spectrum they are on, the analog, to the UHF and digital, and they say that at some point they will give back the original spectrum, although some say that when the time comes that will not happen.

What we are proposing here is not to take anything away from them, not to take anything that they feel they may have paid for in terms of licenses to stations. What we are proposing is merely to auction the new uses of the spectrum, and the American taxpayers have a great interest in this. It is billions of dollars.

I propose that we use a small portion of that to capitalize public broadcasting and to set up a privatized base, and they would then be cut free from annual appropriations. We could eliminate the headquarters, the Corporation for Public Broadcasting, and many of the stations will testify this week that they would like that approach. We could do that without spending any appropriated taxpayers' money.

So we need to have some innovative thinking. We also need to think about reinventing many areas. As Mr. Safire quotes in his article, he quotes me as saying in the public broadcast area there is much spectrum and many overlapping jurisdictions where the taxpayers could be saved a great deal of money.

I know that anyone who makes proposals along these lines will be criticized by both the broadcasters and some in the public broadcasting area. In fact, I am sure the broadcasters will strongly oppose—I know they are strongly opposed to what I am trying to do.

The people inside the beltway here in public broadcasting are strongly opposed. They are strongly opposed to changing anything.

The stations have formed a coalition, that they want to change, and they would like to see this. The people out in the country in public broadcasting would like to see the change.

So, Mr. President, we stand at a crossroads with this spectrum reform. It is something that sounds like Greek to the average citizen, but the average taxpayer has a great interest in it. We have a responsibility to stand up to special interests and to auction off those portions of the spectrum that will provide new uses and will provide billions of dollars for the taxpayers of this country.

It will provide the basis for the Commerce Committee's reconciliation responsibilities, and it will provide our country with a more innovative and a better future. I yield the floor.

EXHIBIT 1

PLOWS, PC'S, SATELLITE DISHES

(By Ira Breskin)

As computer power drops in price, a new way to farm called site-specific or precision farming is taking off.

Precision farming lets growers take into account the unique features of each field, without boosting cost much. Paycheck usually takes about a year.

"Farmers used to farm fields," said David Franzen, a soil expert at North Dakota State University in Fargo. "Now they farm locations in fields."

Within five years, about half the 150,000 major grain farmers in the Midwest will use the approach, says Harold Reetz, Midwest director of the Potash and Phosphate Institute.

About 10% to 15% do now, he says. Most started this year or last. Sugar beet growers also are strong proponents.

"Interest among farmers is stronger than we anticipated," Reetz said. "It helps us deal with the variability that is out there." Among these are big differences in soil found across a large farm.

The goal is to make the land more productive by using just the right amount of costly fertilizer and pesticide for each field or even part of a field down to a 20-foot section. These inputs now are blended to meet average regional conditions.

Fully outfitted farmers need high-tech yield monitors, crop moisture sensors and a satellite receiver, all mounted on a tractor. Personal computers and special analytical software usually is bought separately or provided by a consultant. Farmers also can buy special gear for applying field nutrients.

"The one thing that makes site-specific farming work is the computer processing power that is available today," said Steve Koep, marketing manager at privately held Ag Chem Equipment Co. in Minnesota, Minn. The company makes a 20-ton-capacity precision fertilizer applicator that costs about $250,000.

Site-specific farming "minimizes cost and maximizes production," said Ron Phillips, a spokesman for the Fertilizer Institute in Washington.

The environment also gains. By making better use of nutrients, farmers reduce leaching, runoff into streams and soil erosion. Pesticide use often is cut.

Most farm chemical suppliers back site-specific farming because it helps them provide value-added service, says Jim Egenreider, regulatory affairs director at the Agricultural Retailers Association in Washington.

"For (farm) cooperatives, it's a wash," said Cheryl Kohls, an agronomy equipment specialist with Conex-Land O'Lakes Services, a co-op in St. Paul, Minn.

Farmers may use less fertilizer in one area but more in another. And even if co-ops do sell fewer chemicals, many also supply soil testing and other services needed for precision farming.

About half the time, farmers get exacting field maps so they can receive the most precise results. Farmers use a plow-mounted device to record signals from an orbiting satellite, part of the Global Positioning System.

New "differential correction" signals have boosted precision farming. They unscramble and orient the GPS satellite signal to a known, fixed point, ensuring accuracy.

The receiver is used to map the field on a grid. Separately, crop yield and moisture data are taken from sensors on the tractor when farmers harvest crops. The field maps and crop data later are correlated on a PC.

Demand for GPS hardware is strong, says Colin Stewart, a sales rep for Satloc Inc. of Tempe, Ariz., a major supplier. The company's backlog now is four to six weeks.

Other data also may be matched up to the maps. In Britain, for instance, farmers can quickly assess weather conditions by retrieving recent photos of cloud formations taken by a weather satellite. The British Metrological Office offers these photos for a $750-a-year license fee and $7.50 a frame. Photos are shipped to PC's via phone lines.

Even without weather photos, farmers gain. By overlaying and analyzing crop and soil data from their fields, they can pinpoint where yields are falling short.

"Yield monitoring is like a report card," said Koep. "It tells you how you did."

Farmers can buy the receiver-yield monitor and analytical software for less than $8,500. The satellite signal runs about $500 a year.

Using the data to improve yields usually means hiring an expert who relies on still more high-tech equipment to correlate data and figure out why the yields are low. The experts analyze soil samples and field features, again using the satellite to get precision positions. They then offer prescription. Topography and location of drainage systems are taken into account.

Treatments are straightforward. Farmers vary the use of additives over a large field, seeking maximum efficiency.

They may rely on precision applicators with tracking equipment. But some, armed with the new data on their fields, will fall back on institution and their old application gear when putting this information to use.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9 a.m., Tuesday, September 12, 1995.

Thereupon, the Senate, at 8:18 p.m., recessed until Tuesday, September 12, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate September 11, 1995:

DEPARTMENT OF THE TREASURY

DAVID A. LIPTON, OF MASSACHUSETTS, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY, VICE JEFFREY RICHARD SHAFER.

STATE JUSTICE INSTITUTE

FLORENCE K. MURRAY, OF RHODE ISLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT)