

Let us see all the costs and determine what we can and cannot afford.

Congress has the constitutional power to control these costs and it should do so when it relates to using taxpayer dollars to finance foreign operations which have limited importance in relation to our own national security.

H.R. 7 does not preclude other members of the United Nations from paying their fair share of United Nations operations that they deem to be important.

What it does do is close the open-ended bank account the United Nations has at the U.S. Treasury.

U.N. peacekeeping has overdrawn.

The United States is the only superpower left, but it is not a nation with an unlimited budget.

There are other wealthy nations that also have direct national interests in global peace and stability.

Japan and Germany are two such nations.

We ought to be encouraging them—strongly encouraging them—to become permanent members of the U.N. Security Council.

That way, these two wealthy countries can justify carrying more of the U.N.'s financial burden.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

UPDATE ON REPUBLICANS' CONTRACT WITH AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, in the first week of January the U.S. House of Representatives got rid of 3 standing committees, 25 subcommittees; we fired 682 congressional bureaucrats, and we totally reformed the procedures of the House of Representatives in addition to passing a bill that would make the Members of Congress live under the same laws and rules that we make everybody else in our society live under.

A couple of weeks ago we passed a balanced budget amendment. Week before last we passed legislation to keep the Federal Government from imposing unfunded mandates on the States.

Last Monday, on Ronald Reagan's birthday, we passed the line-item veto.

For conservatives across America, it is beginning to sink in: We won the election last November 8.

I think Republicans now have a great opportunity, but make no mistake, the responsibilities that come with victory are much greater than the responsibilities that come with defeat.

It seems to me we are now at a crossroads where we can change from being a nation at risk to being a nation with a hopeful future. I do hope all Americans realize they are part of a historic group, they are in a historic time as we

try to revolutionize the Federal Government's role in our lives.

Thirty-three years ago, when I got out of the Air Force and I bought my farm and I joined the local Hillsdale County Republican Party in Michigan, I was concerned because I was faced with a Federal Government that was telling me how many acres of different crops that I had to plant on my farm. It seemed important that I try to tell the Federal Government that if they want efficient farming, they cannot pass those kinds of mandates, not only on farmers but on all businesses of this country.

I think we all should be energized and excited to have this historic opportunity to bring about what many of us have been fighting for for many years, that is a leaner, more efficient Government, lower taxes, and stronger family values with more control and responsibility over our own lives.

But we can assume it is automatically going to happen. The forces of big government liberalism are stunned and in retreat, but they are not defeated. To make the spending cuts necessary to stop mortgaging our children's future will be very difficult. We are going to have to say "no" to the special interest groups and the lobbyists who fight for their pet projects.

It would seem to me that if we really wanted to look out for the future of this country and for future generations, we Republicans and Democrats and the President's people would get in a room and we would kick out the pollsters and the specialists of the special-interest lobbying groups and we would make the kind of tough decisions that we know must be made if we are going to cut down the overspending and over-regulation of this Government.

By cutting some of the programs we can no longer afford, even some of the good ones, Americans will have to make tough sacrifices.

□ 1550

But one lesson we have learned over the last 40 years is that, if we do not have the energy, and ability and willingness to do it today, it is not going to be done. I, for one, am willing to say no to that additional spending.

The time for talking is over. I think the American people will no longer tolerate excuses from Government, and I am giving this speech today because I am already seeing some traditionally conservative Members of this Chamber, even some Republicans, that are talking about backing away from the tough spending cuts. For this Chamber, for this Congress, to be successful, people all over America are going to have to do two things, I think. They are going to have to be willing for Government to do less for them, and they are going to have to be active in helping explain how serious this problem really is.

In conclusion let me challenge you, Mr. Speaker, and the Members of this body with a few statistics:

The interest on the Federal debt this year will be \$339 billion. That is more money than we take in, as my colleagues know, in total—one quarter, 25 percent of all the total revenues coming into this national Federal Government will be used, utilized, in paying the interest on the Federal debt. We are mortgaging our children's future, and I hope we will all be industrious and energetic in trying to make the tough spending cuts that we are going to be faced with.

The SPEAKER pro tempore (Mr. ZELIFF). Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

DISCUSSION OF WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Kentucky [Mr. BAESLER] is recognized for 60 minutes as the designee of the minority leader.

Mr. BAESLER. Mr. Speaker, today what I would like to take the opportunity to discuss is the proposed welfare programs that we have been talking about here in the Capitol and throughout the country over the last several months. The question, I think, is why are we discussing welfare reform today in the Capitol and throughout the country? I think there are four basic reasons.

Everybody in the country, from whatever community you might live in, has seen abuses. They follow people through the food lines and see food stamps being used for things they did not think they ought to be used for. They know circumstances where food stamps have been sold for cash, trafficking in different stores throughout the community. They know people who live in section 8 housing who are not supposed to have other people live with them, but they know they are there. They report them, and nothing has happened. They know there are folks who could work that are not working who could do something constructive and are not doing something constructive. They know there are folks that all their life in all the generations have been on food stamps, poverty, other type of welfare programs, and they are frustrated. The public generally is frustrated and angry.

The second reason we are discussing welfare is because most of us understand that a welfare system itself breeds a great deal of crime, a disproportionate amount of crime. People who commit crime are those who are on welfare, more than those who are not.

A third reason that we are discussing welfare today is because we know we have to stop this cycle of poverty, we

have to stop this generation, or we are going to have more and more generations going through welfare and becoming dysfunctional in society.

A fourth reason we have talked about is to save money.

Now what are we talking about when we talk about welfare?

Welfare constitutes 13 percent of our Federal budget. Eighty-seven percent of the other spending does not constitute welfare. What makes up that 13 percent? Housing benefits are 11 percent of the 13 percent, food benefits, including food stamps, are 18 percent of the 13 percent, Medicaid is 44 percent, almost half, AFDC is about 1 percent of the total budget, and SSI is 39 percent.

Now why is this chart important? It is important because most all the discussion taking place here in Washington today, whether it, is through the President's program, or through the Republican plan or other plans, are talking about only AFDC.

Now why is that the case? I submit to you the reason we are talking about only AFDC is because that is the easiest group to attack, basically single mothers with children. I ask, Why shouldn't we include as part of our discussion food stamps wherein Kentucky alone we have 500,000 people on food stamps, we spend almost \$400 million a year? Why shouldn't that be a topic of our discussion when we are talking about reforming welfare?

Part of the Republican plan does talk about block grants for food programs like child nutrition, WIC programs and so forth. We will talk about that a little bit later, but that will be very difficult to impose on the States because how are we going to guarantee that the young person gets their only warm meal in the morning or at noon at school? A very difficult situation. Why are we not talking about the housing section 8 certificates? Why are we not talking about public housing when we talk about welfare reform? And why are we not talking about Medicaid, which is one-half? And why are we not talking about Social Security insurance, which is rising considerably faster than is AFDC?

I suggest to you all the discussion we are having here in Washington today just on AFDC I think is not—it is appropriate, but it is not complete, and it is only dealing with a very small portion of welfare, and for us to suggest, whether we are Republican or Democrat, that we are going to have welfare reform and deal only with AFDC is very misleading at the least and a travesty to the public, I think, at the most. We cannot just suggest to the public that the only people that are abusing and need to be looked at, the only people, the only system that needs to be reformed, are those that deal with mothers with children, aid for dependent children.

Now what are the general principles when we talk about welfare? I think

there are two or three that the public generally will agree upon.

No. 1 is responsibility, whose responsibility? Most everyone will agree that the individual has some responsibility for their family, and they should have responsibility to do something for any benefits they receive, whether it is work, whether it is education, or whether it is just to take care of their family proper.

But there is a second responsibility, the responsibility of government. I think also everyone agrees that government itself has responsibility to take care of those who cannot take care of themselves.

The second word that I think generally describes what people feel is accountability. Most people think, if you receive a cash payment, you should have some accountability on what that cash payment is used for, whether it is in SSI or whether it is in AFDC, and most people feel that the government should be able to hold you accountable, to be able to, if you do not want to participate in the programs available, then the government should have the ability to basically take you off that benefit.

Third, I think most people think work should pay more than welfare. What has frustrated the folks is that they look at people out there, and they are making money, but those on welfare are doing better than they are. Now I guess the working people would say,

I work every day hard, hard for 20-25 years, and I look over to the next house, and I know people who can work are not working, and they're living better than I do. They drive a better car. They eat better. Their children have better medical care than I do, and I'm trying.

It is that anger and that frustration that most people want to make sure that they can somehow understand it, and that is what welfare is directed at.

□ 1600

The fourth principle is whatever we do in welfare reform, whether it is in AFDC, Medicaid, food stamps or whatever, we have to do it with the intentions that we want to break the cycle.

If 5 years from now we have had all this great discussion and all this rhetoric, and from this hall and all these other halls we have welfare reform, and if it does not allow us to break the cycle of poverty, we have done nothing. Absolutely nothing. So what do we do? How do we reform it?

First of all, let's just talk about the administration of it. Today, without question, it is the most confusing process in the country to administer welfare, including all of these. The major welfare programs have different rules on income, deductions, resources, and other eligibility criteria, and different application forms.

We should make the requirements for accessing Medicaid, AFDC, food stamps, and public housing all the same. The form that needs to be filled

out and the information that needs to be verified should be the same for all these programs as well.

Finally, applicants should be able to go to one stop, one place, to fill out the forms.

You say why is this important? I am worried about the fraud. In food stamps alone, a major portion of the food stamps that go inadvertently and illegally to people is because of the confusion in the forms filled out by the individuals and the people processing them.

Administrative simplification will make it much easier for policymakers to turn the goals of the current welfare nonsystem into an integrated system. Is there any reason whatsoever that these systems should not be integrated? There is none. In certain instances, if you receive housing benefits section 8 has absolutely no influence on whether or not you receive food stamps or not. That is not correct. They are all separate. They should be integrated. The way we do it is basically bring the administration together.

Speaking of administration, I think we are going to have to work with the States in making sure we can share some of the savings. There is a great deal of discussion on food stamps about the electronic transfer. But the problem is basically it will cost the States more money, not less. We have got to make sure they share in any savings that we have.

Let's talk about the program specifically. AFDC. If you look at the short list put out by Personal Responsibility Act No. 4, by the President's program earlier, every entry, every entry, every line except one, deals with AFDC.

It is important that we reform AFDC, but it is equally important that we acknowledge honestly that AFDC does not even cover half the green part of this chart. But every line but one just deals with AFDC. It think that is unfair, and it is unfairly placing all the welfare situation upon single mothers. I think that is incorrect.

When we deal with AFDC, however, I think we need to step back one point. If you look at the proposals before us today, each one of them says you are going to work, you are going to work, you are going to work. It is not bad in its approach. But what we need to say is who would like to go to work today, and what is in your way?

Often it is not the attitude, but the physical circumstances that keep people from working. Let me pose a question. If I am a single mother, I have two kids, I want to go to work. I make \$5 an hour, maybe \$5.50. Immediately when I do that, the first question that arises is, who is taking care of my children? How much does child care cost?

The second question arises, how am I going to get to work? I can't qualify if I have a car that is valued over \$1,500. I probably wouldn't have one.

The third question, if I go to work after a period of time I lose my Medicaid card. I don't have any coverage for my young children.

So how is that individual going to work? They are not. And I will come back to the child care issue and these other issues later in the discussion.

Before we start making rules today that say everybody is to work tomorrow when this program is imposed, why don't we step back and do what many of the States have done and pass legislation that would allow the States, without asking for waivers, to have longer transition periods before the individual would lose their Medicaid card; have longer periods before they would lose a portion of their food stamps, housing benefits, or whatever other benefits they are getting.

I would suggest to you if we did that, we will find there are many more people going onto the work rolls voluntarily tomorrow than there are today.

Now, after that group, we are going to have to address those folks who maybe do not want to go to work. The President's program and the Republican program talk a great deal about eligibility, eligibility of AFDC children.

Let's talk about some myths at AFDC just a little bit. Who are we talking about on AFDC? Most people think you are talking about the momma sitting on the porch that has got three or four kids and wants three or four more. That is not the case.

Most people think we are talking about young ladies, under 20 years old, who have got two kids or more. As a matter of fact, less than 8 percent of the women on AFDC are under 20 years old. Seventy-three percent of the women on AFDC have two kids or less. Most people think we are just talking about basically most people on AFDC are black, not white. In Kentucky, 73 percent of AFDC recipients are white. Nationwide, it is about split even-even.

Most people think they are on AFDC and they want to have more children so they can have more payments. In Kentucky alone, you can get \$200 more for the extra child. I will suggest to you not many people have the child just for \$200 more.

So all these myths we have about who we are talking about on AFDC, and I am emphasizing it because it is appalling to me that here in Congress that the President and the Republican plan basically initially are only dealing with AFDC.

So let's talk about the AFDC programs that are before us. In Kentucky, \$203 million is spent for the benefit of 211,000 people on AFDC. The Federal Government alone is spending 15.5 percent.

Here are some recommendations that I make, that I have, based basically on what both the President's program and the Republicans are talking about.

In order to receive AFDC payments, I believe an unwed parent who is under the age of 18 and has a child should be

required to live in the home of the minor's parents under adult supervision. I do not believe, as suggested by the Republican program, if a child is born to a person under 18 that there be no benefits coming forth. Who are we penalizing? The mother? No, we are penalizing the child.

Also if new babies are born to AFDC recipients, States should have the option of saying they will not increase the benefits if they want to. Without question, AFDC recipients should have a requirement, I think, to finish the schooling. I think they should have a requirement if they are able to work, to work in a limited period of time. And there are several other recommendations of AFDC, and I would like to come back to a couple of them.

Recently, it was presented yesterday by the Contract on America plan for welfare reform that we were going to block grant the AFDC payments to the States, and we were going to try to reduce it from \$15 billion down to \$12 billion.

Let me tell you what we are forgetting here. We are assuming we are going to spend less money on this program by putting more people to work. Let me point out to you very clearly, let's assume there are some working now, they have their child care payments paid for, help with child care. Now we are going to put even another group on. Where is the child care coming from? Where is the transitional expenditure coming for transportation? Not that the program is not good, but if we try to sell to the American public that we are going to increase the rolls of AFDC recipients working, and we are not going to increase child care, we are selling the American public a bill of goods that will come back to haunt us.

□ 1610

It is not possible, it is not possible for this country or any State to increase the number of folks on AFDC working without having more money for child care. They say, let us block grant child care. What does that mean? If we are just talking about the same amount of money, it means that you could very well be, under the plan presented, taking child care from those who are the working poor presently. So somebody is going to lose. Any program that is passed in this Congress that does not acknowledge and provide for additional child care funding is a fraud to try to say you are going to work and not have more child care. It is a fraud.

Mr. Speaker, when we deal with it, it is not necessarily bad, we do want them to go to work, but when we want them to go to work, let us be brave enough to acknowledge it is going to cost some money to do it. Transportation, child care, and other changes we are going to have to make.

That is what AFDC is, where most of our effort has been made. And I want to reemphasize, that is not welfare reform. That is a portion of welfare re-

form, but it is AFDC reform, Aid for Dependent Children, the most defenseless group we have in this country today, and we are going to say we are going to have all the welfare reform on their backs alone. Should they be required to do something? Yes. Should they be required to work if they can? Yes. Should they, if they do not want to cooperate, should they be put off the program? Yes.

We also have to acknowledge there are food stamps, housing benefits, Medicaid, all these others, all the people, anybody that abuses it should have the same requirement. You should have requirements for food stamps to work. You should have requirements for housing benefits to do something. And Medicaid, for certain people, to have copayments. But that is not what is proposed today. I think that is shortsighted, and I think it is selling the public short and, more importantly, I think calling it welfare reform, it is not what it is. It is sort of a sheep in wolf's clothing.

Let us talk about SSI—SSI, Social Security insurance. Why should it be talked about? First of all, up until last year, there was a great hue and cry in the country when people found that folks with alcoholic problems and drug addiction problems were receiving SSI payments. Last year there was a change where after the statute runs out, after 3 years you have to go off. Has some tightening up, but no more tightening up. If we are talking about reforming welfare on the backs of AFDC mothers, why should we not be talking about reforming welfare on folks who have alcoholic problems or drug addiction problems? Why should we be paying them a cash payment each month?

We should not. There is no accountability. There was no accountability on how that money was to be used. Now you can require that you have to have treatment. But unfortunately, in several States, Kentucky included, there are very few places that treatment can actually be purchased. So once again, the cash payment sets out, and once again there is no accountability.

Let us talk about SSI with other programs, like attention deficit disorders. Obviously, there are young people throughout this country who deserve Social Security Insurance, but obviously, there are others who do not. And if we just ignore that issue and the rising cost with the cash payment, then we are not doing justice to the other welfare discussions. What can we do with SSI?

First of all, I think it is suggested that we should have a cap on how many SSI payments can go to one family. Second, on the attention disorder, deficit disorder for young people, why should not the parent have to account for how the money is used? It is a cash payment today. You could do what you want to do with it. Nobody comes to check. Nobody cares. You send the cash

payment, and that is it. There is no requirement that you even have to get treatment. There is no requirement that you try to turn the young person's situation around so they no longer suffer from that illness.

Should there be a requirement for job responsibility on SSI? I submit there is just as much requirement to be required of those individuals as AFDC. But somehow we want to step back from it. We want to say, no, we want welfare reform but we just want this little green portion, not the whole portion. I also suggest that we should change the cash payment to a voucher which says, particularly in the situation where you might have some treatment available to you, says, here is a voucher. Here is the situation. You go get the treatment, here, because we want to see you get better.

In Kentucky, \$45 million was spent on 153,000 beneficiaries for SSI. The Federal Government alone spend \$24.5 billion; \$10 billion—\$10 billion more than we spent on AFDC. Yet we are saying, welfare reform is just AFDC and not SSI, \$10 billion. And keep in mind, AFDC is the lowest among program which we spend, the lowest amount of any of these except the housing benefits.

Let us talk about the food programs. The Republican contract has suggested that we are going to block grant the food programs, which are the nutrition programs for, like I said earlier, the WIC Program, programs in the schools and food stamps. Let me tell you what happens in Kentucky under that scenario. We will lose 33 percent of the money we are presently getting, not new money but we are presently getting. Basically we are going to tell the State of Kentucky and also other States which also likewise will lose; fine, you have an option to make, after we block grant it, you can tell folks, you are out, even though you might qualify, you are out, that is tough. And even future ones come on, you cannot even come on, even though they were deserving and not folks who abuse the system.

In food stamps alone, in Kentucky we spent, as I said, \$41 million for 524,000 people. The Federal Government spends \$24.5 billion this year on food stamps. Without question, the fraud and abuse sometimes runs rampant in the Food Stamp Program. In 1994, food stamps were issued to purchase food to over 207,000 retail stores. I do believe that the inspector general and others of oversight are making some good recommendations on how we should treat the retailers. Congress should authorize the forfeiture of proceeds for materials that facilitate the violation of food stamps. Those retailers who traffic in food stamps should be permanently disqualified from the program. Stores that are disqualified from participation in the WIC Program should also be disqualified from other programs. But that is just the people. What about the people that use them?

Obviously, we have got to have tougher sanctions. We have to stop the trafficking. All of you have seen television shows about the traffic in food stamps. But, again, I come back to my central theme. We have a lot of discussion on welfare reform up here. But the proposals that have been produced to date do not include food stamp reform. Why not? It constitutes a larger portion of the welfare budget than AFDC does, in fact, everything except Medicaid.

Let us talk about related issues. I am going to come back to AFDC one more time. It is easy to pick on the single Mommas and the children. It is easy. People know examples all over the country. Where are the Daddies? Where are the Daddies? Thirty-four billion dollars of uncollected child support today throughout this country—\$34 billion. Should not the child support issues be a factor in welfare reform? Should not the missing and absent parent have some responsibility to help us curb the cost of raising their children? Obviously, the answer is yes.

Again, when we talk about welfare, I suggest to you that child support issues need to be made an integral part of the whole package.

□ 1620

We will not just try to get past AFDC and say, "We are there." We are not there. It is my suggestion that all these issues have to be put together in one package to address, if we are going to have true welfare reform, because it is going to be too easy to say after one passes, "We have done our job; we have met our responsibility; we have hit our contract; let's go home." We should not do that.

Mr. Speaker, whatever reform we make—whatever reform we make, it will not work unless we curb the abuse that people experience every day. How do we do that? I suggest that we need to involve the local communities more and more in reporting the abuse and in prosecuting the cases. Some States do this already.

We have to involve the locals. The people next door know who is cheating. The people next door know who is trying to beat the system. We need to bring them into the discussion. We have to give incentives back to the State to help us collect the money.

For instance, on Medicaid, in the State of Kentucky, the Federal pays 70 percent, the State pays 30 percent of Medicaid. I think it would be pursuant to law if the State of Kentucky increased their enforcement provisions on Medicaid fraud, and give them a larger portion back, so they could do other things with other programs.

We have to have tougher sanctions for the violators. It is not enough to get your hands slapped and say you cannot participate in a program for 6 months. It is not enough to say, "We caught you now. That is tough. We are going to let you go; don't do it anymore." People who violate the system,

who do not cooperate with what we are trying to do with our work programs and everything else should be dealt with swiftly and, I think, firmly.

Last, we have to make sure that folks who are enforcing have the tools for enforcement. We talk about welfare and we talk about AFDC. What we really want to accomplish is self-sufficiency.

I submit to you that in every community we have what it takes to make self-sufficiency. We have United Ways, we have the community activities, whether it is tenant services or whatever. We have the housing corporation. We have section 8 certificates. We have hospitals. We have the local governments, State governments. We have colleges of dentistry, home economics, whatever.

The Federal Government, I submit, Mr. Speaker, when we are talking about money, when we decide we are going to spend some money on welfare reform, we need to provide the incentive to suggest to the communities, if you will work with these folks and try to get them toward self-sufficiency, and if you will integrate all the resources available to you in your community, and if you will have housing, child care, transitional help, and you will help provide it, we will help you do that, and it will work.

Our ultimate goal is to take people off of welfare to self-sufficiency. But I submit that ultimate goal has to apply not only to AFDC, it has to apply to SSI, it has to apply to food benefits, food stamps, housing benefits, and I think we have to have some responsibility tied to Medicaid.

In conclusion, Mr. Speaker, there is a lot that has been discussed up here on welfare about the Contract With America, and I understand it and appreciate it. But I would like to submit to you, there is another contract we have to be concerned with.

It is easy to talk about welfare reform, because we are going to have very few people up here talking on the other side. Most of us agree what has to be done. However, we are going to do this and do that with contracts, let us not forget one of the contracts I think we have which is most important of all. That is a contract with our conscience.

THE MEXICAN BAILOUT

The SPEAKER pro tempore (Mr. ZELIFF). Under the Speaker's announced policy of January 4, 1995, the Chair recognizes the gentleman from Mississippi [Mr. TAYLOR] for 60 minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield to the gentleman from California [Mr. BROWN], my distinguished colleague.

REMEMBERING CONGRESSMAN CHET HOLIFIELD

Mr. BROWN of California. Mr. Speaker, I appreciate the gentleman yielding to me.