

Mr. President, 253 separate financial management systems. We do not have standardized accounts, we do not have a standardized management financial system, and what we have wreaked is chaos in terms of accounting for the taxpayers' money.

We do have the GAO authorized under the law to set up accounting standards, but in the past both the Treasury and the Office of Management and Budget have openly disagreed with GAO. The consequences are, even though the GAO has come up with financial accounting standards, they have been ignored. Agencies regularly ignore those standards and, as a result, the Federal Government is literally operating without generally accepted accounting standards, and the results show it.

According to GAO's report in 1995, the Department of Defense financial management systems, practices and procedures continue to be hampered by significant weaknesses. Here is what Secretary Perry said:

Our financial management system is a mess. It is costing us money we desperately need.

Over \$400 million in adjustments were made to correct errors in the defense reporting data for fiscal years 1991 to 1993 and the resulting statements still were not reliable. Vendors were literally paid \$29 billion that could not be matched with supporting documents to determine if the payments were properly made. We cannot even find out if they properly made the reports. An estimated \$3 million in fraud payments made to a former Navy supply officer for over 100 false invoice claims, and approximately \$8 million in Army payroll payments were made to unauthorized persons, including 6 soldiers who never existed and 76 deserters.

The park system—National Park Service financial system is in chaos. The Park Service has listed that a \$150 vacuum cleaner as worth more than \$800,000 on its books, a \$350 dishwasher as worth \$700,000, but a fire truck valued at \$133,000 was carried on the books for only a penny.

The IRS keeps its records in a way that would not be acceptable for any of the people it audits. Literally, the GAO reports that although it collects 98 percent of the Government revenues, it has not kept its books and records with the same degree of accuracy it expects of its taxpayers. For the last 2 years, GAO has been unable to express an opinion on the IRS financial statements due to "serious accounting and internal audit problems." Unreliable data is estimated on \$71 billion of valid accounts receivable, over \$90 billion of transactions that have not been posted to taxpayer accounts and the inventory of tax debt has increased from \$87 to \$156 billion.

Mr. President, I could go on. There are hundreds of examples of outrageous failures in the system. What is the solution? The bill I have introduced

today would establish generally accepted accounting practices for the Federal Government. It codifies generally accepted accounting standards for the Federal Government as set up by the Federal Accounting Standards Advisory Board, and approved by the GAO, Treasury, and OMB. It will also codify the standard general ledger.

Mr. President, what this will do is give us one standardized accounting system where the statements will be meaningful, accurate, and we cannot only save taxpayers money, but it will give Congress a better understanding of what the money is going for. Let me give one example. When we sought to identify the over \$100 billion in overhead expenses this Government spends, we were literally unable to get an accurate accounting on what we spend on overhead, partly because there is not a standard set of accounts. This tool will not only save the taxpayers money, but it will make Congress far more able to maximize the dollars that the taxpayers send us.

I yield the floor.

Mr. BURNS. Mr. President, I know you have been alternating between both sides of the aisle on our opening statements as far as welfare is concerned. I notice my friend from Hawaii is on the floor. I would gladly yield to him, or I can go ahead and make my statement. He has indicated for me to proceed. I appreciate my friend from Hawaii.

I want to associate myself with the words of my good friend from Colorado in introducing the bill to standardize the accounting system in this Government. When you are on the Appropriations Committee you really understand that we cannot get any kind of accounting to make some decisions. So I appreciate that.

#### FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. BURNS. Mr. President, it is with great importance that we not underestimate the debate that is about to come on welfare reform. I do not think there is one person who thinks the present system is working at its best. Maybe it is the best we could expect from it. But I can list in Montana friend after friend who will tell you how it can be improved, because if there is one subject that everybody has an opinion on, it is welfare.

Right now, we have a system that only makes it easy to get on welfare. But it makes it awfully tough to get off of it. There is something backward about that. Welfare is supposed to be a temporary assistance, not a way of life, and for too many it has become just that.

I would like to talk about a young woman in Helena, MT, who is a success story, not because of welfare assistance, but in spite of the existing welfare system. At the age of 26, she found herself in the position of being a single

mother of four children under the age of 6. She did not even know about welfare programs prior to that, but she soon found out that in order for her to survive and to take care of her four youngsters, she had no choice. Though, she wanted to keep on working, the price of child care was more than she could afford. She was getting AFDC but would not qualify for the transitional child care unless her AFDC case was closed. She tried to get off the system a number of times, but each time was unsuccessful. She got involved in a process, though, when she was appointed to the Governor's child care development block grant task force, and she soon found that she had to choose between continuing employment or returning to the welfare rolls. Happily, she chose work and went through 8 months of increasing her debt before child care funds could come through. Now, her bottom line is that of so many people who want to get out of the system, but they just get tired of fighting the system. Welfare did nothing to aid her independence. In fact, it was just the opposite. All she needed was a little help with child care and she could have remained a self-supporting member of our society. We have had a lot of visits in the meantime, and she is doing very well now. But she says, "If you help us a little bit with housing and with child care, the majority of us can make it."

This may have been avoided had it not taken 5½ years for her to receive her first child support statement. This, too, she tried to fight on her own. The father had moved to California, and the California investigator informed her that she was just one of 21,000 cases in that State being handled and, basically, she had to wait her turn.

Well, she is off of welfare now. She has remarried. Her current husband does provide support. She recently said, "It seems that if you choose to try and regain your self-worth, your self-esteem, dignity, and self-respect, and you go out and become a taxpaying citizen, you then also choose to take food out of your children's mouths, provide less clothing, create more stresses in the home which sometimes leads to abuse and possibly loss of medical benefits." That should never be a choice any American has to make.

So, Mr. President, our welfare system clearly needs reforming, but it needs it in the right way. Right now, each dollar we spend on welfare—let us say that of each dollar that we appropriate for welfare, 30 cents goes to direct assistance, while 70 cents—or 70 percent—goes to pay for the services or the bureaucracy to deliver those funds. Seventy percent of that dollar supports the system and not the recipient. That sounds a little odd to me. It seems that the very first thing we need to do is reverse that, cut the bureaucracy, cut the miles of redtape, and get the dollars to those who need it.

Also, according to the Cato Institute, in 1990, it would have cost us \$75 billion

to bring every family in America with an income below the poverty level above that threshold. Yet, in 1990, the Government antipoverty spending was \$184 billion, nearly 2½ times the amount needed to end poverty in America.

So why do we not just send them a check? It does not take a bureaucracy as big as an army to do that. So I do not think it is a matter of whether we make changes, it is a matter of when we make those changes. If we want to do something for the American society as we know it, we must act now, put people back in the work force—and I mean real work, not job training after job training after job training, but job training followed by a job.

We have to end welfare as a way of life. People should not automatically qualify for welfare and assistance. They should be on it for just a limited time. We have to get away from this language called entitlement language. My State of Montana has gone ahead with their welfare reform. They require their folks to work when they are ready. That may be right away, and that may be after completing job training. And if for some reason after that training you are still not ready to work, you must do community service. Now, it is too early to tell whether it is successful or not, but I am willing to bet they will be getting some folks off of welfare quicker than when no work is required.

Any bill we consider must include pay for performance. If someone shows up for work only half the time, then they only get half the benefits. That makes sense to me and it makes sense to a lot of other folks here in this country.

It is pure and simple a reality. Anyone in the work force knows how that works. You show up for work you get paid; if you do not, you do not get paid. Why should it work any different for someone trying to get off welfare? I believe it is a matter of personal responsibility.

We need to address our illegitimate rate. This is something that has been on the rise at almost dangerous levels and one thing that probably contributes most to the decline in our society's strengths. More and more children are growing up without a father.

Crime statistics show more crimes are committed by kids who were raised without a father. It may be tough to legislate, but if we can encourage families to stay together, toughen child support laws, get the States to work toward reducing illegitimacy and thereby reduce the number of households headed by a single teenage mom, we can make a start toward rebuilding what I believe is the greatest society this world has ever known.

I think one of the most important things to do to help control welfare is to give it over to the States. Montanans know what is best for Montanans. I have said that before on a

number of issues, but it applies here as well.

Block granting various programs to the State will allow them to use the dollars to best serve their residents, but more importantly, by getting the Federal Government out of the administration, it reduces redtape and regulations and the hoops they have to jump through. They can concentrate strictly on helping those who need assistance and get the dollars out to them.

I have a feeling that the 70 cents out of every \$1 that goes to services—not to the recipient but goes to pay the bureaucrats who live and thrive within the system—if we give the money directly to the States, we are bypassing that morass and focusing on our target: Assisting folks who have fallen below the poverty level and helping them to get back on their feet.

I have talked to my people in the State. In fact, we are in contact with our people in Montana as this debate goes on. We will be in contact with them daily. They welcome the opportunity to decide whether, where, and how to spend those dollars. They want the flexibility, and we honestly believe they can control it better than we can. I happen to believe that.

I am a product of local government. We understand what it is to run a welfare office. In Montana, when we had declining incomes, declining property values, and therefore, declining tax base, Yellowstone County, which I was a commissioner of, was the only county that did not become what we call "State assumed." We could control it; we administered it from the county level. We are very proud of that, very proud of that.

I look forward to this debate. I do not know of anybody that understands this situation more than the two managers of this piece of legislation, who have spent more time studying it, both from the standpoint of a system that delivers the welfare system and also the dollars it takes to provide welfare.

It cannot be business as usual, as both of them have a history of forecasting many years ago on exactly what would happen if we did not take actions then. No action was taken then, so we find ourselves in a predicament now.

I was interested in what the Senator from Iowa said about the system in Iowa, my friend, Senator HARKIN. They can do that in Iowa, but they had to stand in line for 2 or 3 years before they obtained a waiver to put a system in that would work for Iowa.

The real key word here is "flexibility" and is not standing in line for 2 or 3 years. The Senator from Oregon understands what they had to go through in order to get their plan approved. It was disapproved and disapproved, and it did not make any difference what administration it was.

States should not have to do that. I have a hunch as the debate goes on we will hear from the Federal bureauc-

racy. In fact, they make a powerful lobby because they understand who controls the multitude of programs to keep the control right here in Washington, DC.

As those State plans come up, maybe I would not like the Oregon plans, maybe I would not like the Iowa plan. Maybe the Iowa plan would not work for my home State of Montana. But it does for them. That is important. That is important to the folks that live there—block grants and flexibility. Those plans are a success. They have been devised by people who are in on the ground, and they are devised by people who care about those who have suffered maybe some injustice of the system but have not had a very good break. They need a hand up and not a hand down.

It makes a lot of difference when you are operating here than when you are on the ground in the trenches trying to do something for your fellow man. It makes all the difference in the world.

I cannot help but think if these States and State offices, those people who labor in that vineyard are some of the most dedicated people in this society. I do not want to demean them at all because they are wonderful, wonderful deliverers of help.

I think the key here is to cut the bureaucracy here, to cut the cost of delivering the system, and get more dollars to the people who really, really need it. How we get there will probably be the focus of the debate. Keep our eye on the ball and work together. As this debate goes on, I think that we are men and women enough to fashion a plan to get us to where we want to be.

I thank the managers of the bill. I thank the President. I yield the floor.

Mr. MOYNIHAN. Mr. President, the Senator from Hawaii would like to speak on this matter, and we would like to hear from him.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Hawaii.

Mr. AKAKA. Mr. President, I thank my friend from New York for the time.

Mr. President, this week, we begin consideration of legislation to overhaul our welfare system. As we reform welfare, we must take action to encourage work and promote personal responsibility. However, we must also ensure that adequate resources are available to achieve these objectives. Without adequate resources to implement essential components of any welfare reform proposal—such as work requirements, reduction of teen pregnancy, child care, and child support enforcement—welfare reform cannot succeed.

I am seriously concerned about the adverse impact of the legislation currently pending before us. Although I am troubled by a number of provisions, including the lack of sufficient resources for child care, the lack of national standards, and the restrictions on assistance for legal immigrants, I would like to focus my remarks on some very basic flaws of the Republican proposal.

First, it seems that the driving force behind Republican reform efforts is the potential Federal budget savings that may accrue as a result of changes in current law. I believe our primary goal should be to lessen dependency on welfare programs by enabling individuals to become self-sufficient while reducing Federal spending on welfare programs.

However, the legislation before us fails to address the difficult problem of moving individuals into the work force. Although the work requirement has been refined to actually require work, it is an empty requirement. By increasing the number of welfare recipients required to spend time outside the home, but not increasing funds for child care, the Republican plan places significant additional burdens on States that are trying to comply with the bill. The Department of Health and Human Services estimates that States would need to spend \$6.9 billion more in fiscal year 2000 than projected under current law in order to meet the work requirements but would receive \$3.6 billion less in funding for the temporary family assistance block grant. Over the 7-year period, States would need to spend an additional \$23.7 billion on work services and child care but would receive \$21.2 billion less in funding from the temporary family assistance block grant. Indeed, the Republican plan has the potential to shift huge costs to local governments as the block grants provide no assurance that local governments will be provided with sufficient program funding.

If my colleagues on the other side of the aisle recall, earlier this year, the Senate passed the unfunded mandates legislation with overwhelming bipartisan support. The new law, signed by the President on March 21, 1995, was designed to make it more difficult for Congress to pass future unfunded mandates. Now, before that law takes effect, some of my colleagues want to enact welfare reform legislation which has the potential of passing huge additional costs on to the States.

Another serious problem with the Republican proposal is that it would eliminate the safety net for millions of children living in poverty. The block grant locks State governments into a fixed funding level for five years based on each State's current share of Federal Aid to Families With Dependent Children. The block grants in the proposal contain virtually no adjustments for inflation, recession, or increases in child poverty within States. Under the Republican approach, which rips away the entitlement status of welfare, needy children may or may not get help, depending on local economic conditions and the discretion of local officials.

Based on these and other concerns, Senate Democrats, under the leadership of Senator DASCHLE, have crafted an alternative package that contains real reforms. I support the Work First plan because it requires work and per-

sonal responsibility, it provides resources and incentives for moving recipients into the work force, it is estimated to save \$20 billion in the next 7 years, and of paramount importance, it protects children at every stage.

In contrast to the Republican proposal, the Work First plan maintains the entitlement status of welfare assistance programs as all individuals who meet the eligibility requirements and who abide by the rules will receive assistance. Instead of shifting costs to States and localities, the Work First plan provides resources and tools to the States to help move individuals into the work force. This is, in large part, a primary reason why the U.S. Conference of Mayors endorsed the Work First plan.

As we consider welfare reform legislation, a carefully constructed approach must be taken—one that balances flexibility for States with the need for a national framework, accountability for outcomes, and effective protection for our Nation's children and families. As President Clinton stated in his speech to the National Governors Association on July 31, "There is common ground on welfare. We want something that's good for children, that's good for the welfare recipients, that's good for the taxpayers, and that's good for America." I could not agree with his comments more, and I look forward to working with my colleagues to enact welfare reform legislation that benefits all Americans.

I urge my colleagues to consider the Work First plan of the Democrats.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, could I take just a moment of the Senate's time to express the honor I feel, as so many of us feel, to share this Chamber with the Senator from Hawaii. He is a person of such transparent goodness, thoughtfulness, and measured concern. His statement is a model of what I hope to hear more of, and what I would like to see this Chamber respond to.

I thank him and I want to tell him what an honor it is to be associated with him in this debate.

Mr. AKAKA. I thank the Senator very much and yield back my time.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, yesterday, when I made an opening comment on welfare, I talked about the philosophy of the different approaches between the two parties. It is well illustrated in the minority leader's bill that Senator DASCHLE will present, and the bill that Senator DOLE and I have presented, in terms of giving authority, power, decisionmaking—call it what you want—back to the States.

The argument is used: This is Federal money, and if it is Federal money, we ought to tell the States how to spend it, how to use it. I made the argument that while legally this may be Federal money, and in a court suit I suppose we

could defend our legal right to it, in reality it is the taxpayers' money. We hold it in trust for some limited period of time and spend it as a trustee should, in the best way possible for the beneficiaries, that is the taxpayers.

We should not get caught up in the argument as to whether this money is ours, that is the Federal Government, or the States, or the local governments, and that whoever thinks they own the money should put the strings on how it is spent. There is nothing wrong, even if we make the argument this is our money, with us giving it to the States and letting them spend it as they think best.

With that background, let me explain what has happened over the years and why the States so desperately want us to block this money together and give it to them and let them attempt to solve the problems. I say "attempt." The Washington Post had an editorial this morning somewhat critical of me because I said I cannot guarantee that—if we give these programs to the States I cannot guarantee the States can make them work. I can guarantee, however, the States cannot do any worse than what the Federal Government is doing now.

We have been trying to make welfare work for 60 years. The welfare system started in 1935. If anyone wants to make the defense that after 60 years of the Federal Government running the welfare system it is working, I have yet to hear it on this floor. It is not working, and we are not going to make it work by tinkering with it a bit around the edges, by creating one more Rube Goldberg attachment to an already overburdened Rube Goldberg device.

What happened? Here is the 1935 section of the Social Security Act that created the present welfare system. It is 2¼ pages long. That is it. That is where we started. And there were no regulations.

There was a little pamphlet which kind of told the States how this worked. But there was no regulations. Sixty years later, where are we? From 2¼ pages, we have come to this. This is only part of it. These are the regulations that a caseworker in Oregon has to be familiar with and go through in order to determine a person's eligibility for welfare. And they had better jolly well know it and do it well or Oregon can be sued by the Federal Government for not complying with the Federal regulations.

I emphasize this is only to determine eligibility. Once you are eligible, not how much money you get, or not once you are eligible, how long before we try to put you to work, or something else; just that you are eligible.

Here is the path of the reason. Here is the eligibility process. In comes Jimmy Jones or Susie Smith. "I would like to apply for welfare." The caseworker says, "Hello, Jimmy and Susie. Can you give me proof of identity, age,

and citizenship? I want your driver's license, Social Security card, birth verification for each person, alien registration and your arrival and departure record, or any other identification from any other agency or organization."

That is the first thing they ask you. Assuming Jimmy or Susie actually understands what an alien registration and arrival or departure record is, whether they have a Social Security card for each person, let us say we get to the first person.

We now move over to the proof of relationship and child in the house. We want a signed and dated statement from a friend or relative naming each child and the child's residence, birth certificate or other documents stating the parent's name.

That is simple enough.

Then we will move over here—proof of residence and shelter costs. How much are your electric bills, paid or unpaid; gas or fuel bills, paid or unpaid; rent or lease agreement; rent receipt and landlord statement; mortgage payment and book; deed to the property and proof of housing subsidies?

Assuming poor Jimmy or Susie actually has access to it, knows what it is, has gathered it all together along with their driver's license, Social Security card, alien registration form, names of all children or proof from some relative who knows who they are, who is living in the house. We now have gone through to here: Proof of family situation; death certificate for deceased parent; divorce papers or separation papers showing the date, if separated, a statement from friend, neighbor, or relative that you are separated; marriage certificate; if in prison, the date of imprisonment and the length of sentence; if pregnant, medical statement with expected delivery date, name of doctor, name of hospital and doctor's statement. Poor Susie and Jimmy is gathering up more information.

Now we come to here: Does anyone here have any income? It is a very important question. Do you have any income? If no, we go this way. Let us go to "no." All right, we want to check your bank statement, current checking account statements, real estate documents, payment books or receipts from all mortgages, land sales, list of all stocks and bonds with current market value. My hunch is they do not have a lot. By chance, they may have some.

We want title for all motor vehicles, agreements or documents showing conditions, trust fund, insurance policies. This is all to prove, in essence, that you have nothing.

I am not quite sure how you prove a negative. "No, I do not have any stocks or bonds nor a bank statement, book."

"I do not have, I do not have."

How do we know you are telling the truth. "I do not have it."

Now, if it is "no," we finally get an annual eligibility decision over here. But if the poor devil has some income, now you are in serious trouble.

"Does anyone here have any income?" If yes, proof of income.

Now we go to uncashed workmen's compensation, other benefits check, Social Security or VA benefit, a court order stating alimony—go through all of that.

The one that I like, you do not count for purposes of income—but you do count. You do not count for purposes of income. Adoption assistance for a child's special needs, do not count that. But you do count as income adoption assistance if not for special needs. This is assuming that Susie or Jimmy knows what special needs are.

Here is my favorite. "Do not count benefits from the agent orange settlement fund, Aetna Life." We do not count as income benefits from the agent orange settlement fund, Aetna Life. We do count as income, however, payments under the Agent Orange Act of 1991. That is income.

I could go down this list. Here is another one of my favorites. We do count as lump sum the amounts over \$2,000 of payments to Seminole Tribe members. We count that. We do not count, however, payments to Indians under Public Law 91-114.

If you have finally gone through all of this, you may finally at the end of it become eligible for welfare—just eligible. This is just Susie or Jimmy. What has the State had to go through? Why does it cost them so much money? Why do we have this stack of regulations? Because these are the things you have to know to understand this. That is just the first step because this is not just welfare, AFDC, as we call it; there is also food stamps.

Food stamps have a different standard of eligibility from welfare, and there are 57 major areas of difference between Federal policies as they affect the Food Stamp Program and the welfare program, and yet these programs serve in many cases the same person. Usually, if you are eligible for welfare you are probably eligible for food stamps, but this does not qualify you for both. That just qualifies you for AFDC, if you can get through.

Then you go to food stamps. What has Oregon had to do? The information I am giving you comes from Jim Neely, who is the assistant administrator for Oregon's adult and family services division. This is our principal welfare division.

Oregon has 600 administrative rules, of which this stack is a part: Two volumes of computer guides, 1,452 pages; one volume of form guides, 270 pages; eligibility manual, 871 pages; workers guide, 910 pages—all of which you, as a caseworker, are expected to know. These regulations are used to determine welfare eligibility and to make welfare payments. Less than 15 percent of this information deals with helping people become self-sufficient through employment.

As a matter of fact, most of this information is not really designed to help the person at all other than to get

them a welfare payment. This information is gathered to make sure that the State of Oregon does not get sued by the Department of Health and Human Services or the Department of Agriculture because they have food stamps and claim that we have not had sufficient quality control to monitor the program.

So I emphasize again, we are doing these things to comply with the Federal law.

Mr. Neely in the letter that he sent said this Oregon Department of Adult and Family Services files 550 reports a year with the Federal Government; 550—roughly 1½ every day, Saturdays and Sundays included; that is our welfare division—spends 20 percent of their resources complying with Federal regulations, 20 percent beyond any level necessary to run what we would call a seamless welfare program.

The Federal regulations have also interfered with Oregon's efforts to move welfare recipients into the work force. Oregon must now spend an enormous amount of time and resources documenting how welfare caseworkers spend this time.

Can you believe this, Mr. President? A welfare caseworker must document what they are doing during every 6-minute segment of the day. I know lawyers do that. I can recall the time charts in a lawyer's office where you put, "10 o'clock, I talked with client Jones." You put that down. I do not know if lawyers bill in less than 15-minute quarters. No matter how much they talk, they keep all the time, and that is the way they bill. The caseworker accounts for every 6 minutes so that this time is properly allocated to different moneys the State is eligible to receive.

The welfare worker is doing the welfare workload. It may be welfare, or it may be food stamps. It might be job training. But all of these are separate amounts of money that come from the Federal Government with their own regulations.

So for the State to be able to say caseworker Jones spent 2 hours and 14 minutes on Wednesday on food stamps, you have to be able to document it.

In addition, the coding system that the caseworkers use to code each 6 minutes, they have 110 different time reporting codes. You just do not put down, "10 o'clock to 10:06, Susie Smith." You put down the code for what it was you were doing. You have to figure from the 110 codes the correct one so that you are in compliance.

Mr. Neely estimates that less than 10 percent of agency time is spent on what we call JOBS activities, capital J-O-B-S.

Less than 10 percent is spent on JOBS Program activities and 90 percent is spent on attempting to prove what they have done—programmed administration. Now, you know what the argument is? We need a waiver process and we do not need to really block grant and give these programs to the

State and say, here, use this money for the poor as best you see fit. You have to make them work. But you use it as best you see fit.

The argument is, well, we can have a waiver process. And the Federal Government, if you apply to them, will give you a waiver from all of these regulations I have been talking about.

Mr. President, I have been through this. I went through it with the State of Oregon when we tried to get a waiver that would let us take food stamp money and in certain circumstances "cash it out," as we call it. Instead of giving food stamps to a person, we say we will help you get a job.

We coordinated it with our JOBS Program. We had to get waivers for both of them. And we would say to an employer, we will give you *x* amount of money if you will hire Susie Smith. And we will give the employer the subsidy from the food stamp money because we would rather have Susie have a job that paid more than AFDC and food stamps combined.

In order for Oregon to make these reforms, we had to apply to both the Department of Health and Human Services for a waiver, and to the Department of Agriculture for a waiver. In some cases, State must apply to the Department of Health and Human Services, the Department of Agriculture, the Department of Housing and Urban Affairs, and to the Department of Labor. All four of these departments are responsible for programs in one way or another that affect low-income families, the current welfare system, welfare as we know it. But there is no coordination between the departments in granting waivers, and the requirements of each department are different.

So I am going to just read what happened in order for Oregon to get a waiver and why, having had this experience, I feel so strongly we ought to block these programs together and give them to New York, give them to Oregon and say, here, you make it work. Let us get rid of this stack of rules and regulations.

In November 1990, ballot measure 7 was passed by the voters of Oregon. It was an innovative workfare demonstration, but it did not qualify for Federal waivers. Federal officials said that substantial changes would have to be made in the program the way the voters had passed it and we would have to apply for the waivers. That is November 1990.

We got no waiver for years. Jump forward now 2½ years to July 1993. The JOBS Plus—this is the J-O-B-S Plus Program as Oregon called it—was created by the Oregon Legislature in response to this 1990 ballot measure. We could not even get going on it because we could not get any help from the Federal Government. The Governor and the Department of Human Resources worked with the ballot measure's supporters to create a workable alternative. But in order for Oregon to

try this JOBS Plus Program, it was still necessary to get waivers from some of these Federal departments.

On September 28, 1993, Mr. Neely, to whom I have previously referred, the assistant administrator for adult and family services, writes to Louis Weissman, the Deputy Assistant Administrator of the Administration for Children and Families, requesting suggestions on the draft waiver request. That is September 28.

September 30. Mr. Neely writes to Steve Pichel, Western Region State Program Officer for food stamps, requesting suggestions on the draft waiver request. This is because we have to apply to one Department, Health and Human Services, for the AFDC waiver. We have to apply to another Department, Agriculture, for the food stamp waiver.

Two weeks later, on October 18, formal request for waivers for the JOBS Plus Demonstration Program was sent to Mary Jo Bane, the Assistant Secretary for the Administration for Children and Families of Health and Human Services.

A day later, October 19, a request for food stamp waivers to implement the JOBS Plus Program was sent to Dennis Stewart, the Regional Director for the Food Stamp Program, U.S. Department of Agriculture.

Ten days later, Governor Roberts, our then Governor, sent a letter to each member of the Oregon delegation asking for our help in getting these waivers.

Three weeks after that, Kevin Concannon, the director of the department of health and human services; Stephen Minnich, the administrator of adult and family services; and Jim Neely, the assistant administrator, came here to meet with Health and Human Services and U.S. Department of Agriculture officials.

In January 1994, Governor Roberts requested Congressmen WYDEN and Kopetski to meet with the new administration and see if we could get the waivers that we wanted.

January 5, 1994. A letter goes to Bruce Reed, the Deputy Assistant to the President for Domestic Policy, from Kevin Concannon, asking his intervention on Oregon's behalf with the Department of Agriculture.

January 14, 1994. A letter is sent from Jim Neely to Bonny O'Neil, Acting Deputy Administrator for Food Stamps, to follow up on the November meeting.

I will not read the rest of what goes on. It goes on for another 10 pages of letters, meetings, requests, refusals to grant the waiver, suggestions as to how we had to change it, pare it, make it different to fit Federal standards. And I will not bother to read the six pages of my personal involvement with this—phone calls, letters, meetings.

That is what it took to get a waiver so that Oregon could try an experimental program combining AFDC and food stamps and work.

Mr. President, it is working. It is working. It would have worked a lot faster and it would have worked a lot better if Oregon could have put this into effect immediately, if Oregon could have gotten rid of that stack of documents immediately.

So when those who oppose the Dole-Packwood bill say we can do this with waivers, here is an example of an attempt to do it with waivers. At the end, after 3½ years—pardon me, 4½ years—did we finally get the waiver, did we finally get the waiver in the form we wanted it and do exactly what we wanted? No. Do we still have to do more reports than we think we should? Yes. Is our program working? It is.

There is not a State in this country that does not know better than we in Washington, DC, know what their problems are. And there is probably not a county in a State that does not know their problems better than the State government. And there is probably not a neighborhood in the county that does not know its problems better than the county government.

The closer we can get this program back to the local level, the better it is going to work and the more money that can be spent on helping people instead of filing forms.

So, Mr. President, I very much hope when we are done with this, we will pass the Dole-Packwood bill.

I thank the Chair.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. May I respond to my friend and chairman after a very graphic, very powerful statement. I wonder if we have not wandered, perhaps without anticipating it, into a larger subject, which is that of bureaucracy in America and central government in America, federalism in America.

The President in his 1992 campaign, starting with an address at Georgetown University in 1991, proposed to end welfare as we know it. He had in mind, I think he clearly had in mind the proposals set forth by David Ellwood in his book "Poor Support," which was published in 1988, which the chairman knows, on poverty and the American family. And Dr. Ellwood is now the academic dean of the KENNEDY School. He has left Washington, but he had an idea for the type of limited welfare which would involve very much larger expenditures than we now have.

The bill that was proposed finally toward the end of the second year of the administration would have cost \$11,762,000,000 over 5 years; \$12 billion in additional outlays, which is a sense of what we have. But talking about ending welfare as we know it, it seems to me we have begun the debate about ending the Department of Health and Human Services as we know it.

The pattern here is discouraging, but it is also predictable. When Government gives away money, there is only one way an administrator can get in

trouble, only one way a caseworker can get in trouble. And I wonder if my friend would not agree with me, the only way to get in trouble is giving money to someone who is not entitled to it, giving money by mistake, giving money by modes that could be depicted as inappropriate, improper, felonious, for that matter.

It is in the nature of a Government program to say that we have to be absolutely certain that you are eligible before you would be given money. And that will overwhelm any other enterprise.

The most striking line on the Senator's chart there, Federal Barriers To Moving Welfare Recipients Into Work, State Of Oregon, is that only 10 percent of agency time is spent on JOBS activities.

Now, the Job Opportunities and Basic Skills Program began with the 1988 Family Support Act. It was the first effort to redefine welfare to say this is not a widow's pension with an indefinite stay assumed. This is a program to help young persons who are in need of assistance to get out of a dependent mode into an independent life through job opportunities.

And all the years since we passed that legislation—and I recall—I have said several times, it went out the Senate door 96-1 in 1988, 96-1. We rarely have such a vote. But no one from the Department of Health and Human Services has ever come near this Senator—I do not think there would be any other one—to say, "You know, we are not getting as much out of this legislation as we hoped for because we are bogged down in administrative procedure." I see my friend from Oregon is agreeing. We can get 10 percent of the time in Oregon; and Oregon is not a State overwhelmed with this problem.

Oregon is not the city of Los Angeles with 62 percent of its children on welfare. It is not the city of New York with more than half a million children on welfare. There are about 11 States in the Union that have a total population that is smaller than the welfare population of New York State. This is not being evenly distributed.

But it is clear that here in Washington a responsible bureaucracy has not sensed how irresponsible its procedures have come to be seen in the Nation. How almost conspiratorial they have come to be seen, as if you are trying to prevent us from doing what we would like to do. There is a hidden agenda in all these—"Did you get yellow rain benefits under this program? That is all right; that program, not all right." Clearly there is some hidden motive in such seemingly absurd distinctions.

That is the condition of the Federal Government. We look up and we find park rangers—as a child I do not know that there was any more of a benevolent role that a person could have than to be a park ranger with a Smokey Bear hat, welcoming you to Yellowstone Park or the Statue of Liberty, as a matter of fact.

Suddenly they are being threatened, seen as oppressors. They are seen as persons involved in illicit acts intended on depriving citizens of their liberties. Well, bureaucracies that do not get that message will hear what the Department of Health and Human Services is hearing on the Senate floor. I have not heard one statement on either side of the aisle which has not in particular taken up the issue of the bureaucracy here in Washington. It is not large, 327 persons, but, indeed, neither has it been sensitive to the way it is perceived.

As I say, in 19 years in the Senate dealing with this subject, no one has ever come to us from that Department—it was HEW when it began, when I first arrived—saying, "We do have a problem here. I think we have some ways to deal with it." It was the same thing, if I may say, until last year when we enacted legislation which came out of the Finance Committee to take the Social Security Administration out of the Department of Health and Human Services where it kind of ended up after floating around in the 1940's.

A majority of nonretired adults do not think they will receive Social Security. Now, that is a statement of a lack of confidence in Government that is pretty striking. If people think that the Government is lying about that, which is pretty elemental, your retirement benefits, your retirement and disability insurance, what else do they think? But it has not troubled the Department of Health and Human Services that persons did not believe in this most elemental contract. I mean, a person is paying for their Social Security benefits. Seventy percent of the American people, adults, taxpayers, pay more in Social Security payroll taxes, combining the employer and employee, than they do in income tax.

If a majority of the nonretired adults think that the Government is lying, well, that is a problem which the administrators could not see because they felt they were not lying. In time you will find out we were not. We have never been a day late or a dollar short. It did not trouble them. And I have made the point, if you do not think you are going to get Social Security, you will not miss it when they take it away. Despite efforts to get earnings statements and a decent card to replace that pasteboard from the 1930's, we had no success.

We have earning statements now. We had to legislate them, Mr. President. They could have done it entirely on their own. But we had to tell people, "Yes, we know your name. We know what you made last year. We recorded it as such. Keep on going about the way you are going and this is what you will expect when you are 65." I mean, a simple statement that banks put out once a month, insurance companies put out once a year, that kind of thing.

I have heard things on the floor that disturb me. And there is a lack of re-

sponse. If there is anybody in the Department of Health and Human Services listening, may I say, "You may be listening to the case being made for abolishing your Department." It has been dismantled piece by piece. Education was taken out. Social Security was taken out. Pretty soon there will not be—the Surgeon General's office is not being funded. In time there may be nothing left except the Hubert H. Humphrey Building. I wish he were alive, but I would not wish him to be alive to see what is going on today.

I see my very good friend, Senator ABRAHAM, is on the floor. And in the manner we have of alternating statements, I will be happy to yield the floor for the remarks by my friend.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Michigan [Mr. ABRAHAM], is recognized.

Mr. ABRAHAM. Mr. President, it has been almost 30 years since Lyndon Johnson began the much publicized War on Poverty—30 years and \$5.4 trillion later. It seems to me that poverty is winning that war. Today's poverty rate of 15.1 percent is actually higher than the 14.7 percent it was in 1966 when the war on poverty began.

What is more, as a result of impersonal, family-destroying welfare policies, we now have what the First Lady herself terms "cities filled with hopeless girls with babies and angry boys with guns."

Former Reagan Education Secretary Bill Bennett's index of leading cultural indicators shows that while population increased only 41 percent between 1960 and 1990, the violent crime rate increased more than 500 percent; the teen suicide rate more than tripled; and the divorce rate more than doubled. Also since 1960, illegitimate births increased more than 400 percent. By the end of this decade, 40 percent of all births in America will occur without benefit of marriage.

We now know that the children who never know their fathers fare far worse in crucial aspects of life than do children who grow up with both parents. For example, children of single parents are twice as likely to drop out of high school, 2½ times as likely to become teen mothers, and 1.4 times as likely to be idle, out of school and out of work, as children who grew up with both parents.

Why do we have such high rates of out-of-wedlock births with all the bad consequences it brings? In significant part, I think it is because we have a welfare system that discourages the formation of intact two-parent families, all this while costing America's taxpayers \$380 billion per year.

Mr. President, the welfare system is broken. I do not think there is anyone in America who believes the present system is working—not the recipients of welfare, not the bureaucrats who administer welfare programs, and certainly not the taxpayers who pay for them.

I say we have to stop spending \$380 billion a year on welfare only to

produce more welfare dependency, more poverty, more broken families, more babies born out of wedlock into lives of desperation without hope or solace.

Mr. President, this is not a debate about just another Government program. It is a debate about our children. It is a debate about whether we are willing to do what is necessary to save literally millions of American kids with futures without parents and too often without hope.

Some of our colleagues and others who are interested in this subject have come forth in recent days claiming that any approach that empowers the States to make their own welfare choices will somehow be less helpful to America's children. I ask my colleagues, and others who espouse this view, a simple question: What has been the legacy of the current welfare system to children? Let me repeat some of the points I mentioned earlier.

First, both overall poverty and child poverty is higher than when the war on poverty began. Second, the teen suicide rate more than tripled between 1960 and 1990. Third, the rate of out-of-wedlock births has increased more than 400 percent since 1960. Again, children of single parents are far more likely to drop out of high school, become teen mothers, be out of work and out of school as children who grow up with both parents. And so, Mr. President, it is my view that if this is what constitutes a caring approach that helps our children, count me out. I will take my chances with a new approach that vests power and authority with the States.

Our current welfare system is not working, and that is why reform is so important. The question is, what form should the new system take? I believe that any truly successful reform attempt must be guided by three core principles: Reform must consolidate and reduce welfare programs and bureaucracy; it must promote certain national objectives, such as strengthening families, self-sufficiency, and personal responsibility; and it must allow maximum State flexibility.

First, welfare reform must consolidate and reduce Federal welfare programs and bureaucracy. There are at least 79 duplicative and overlapping welfare programs designed to aid the poor, ranging from AFDC to food stamps to public housing. If reform is to be successful, I think the system of assistance we provide must be comprehensive and integrated so that all of the component parts fit together coherently.

Further, welfare reform must cut the welfare bureaucracy, not expand it. According to the Heritage Foundation, "Welfare bureaucracies are prolific in inventing new programs which allegedly promote self-sufficiency but accomplish nothing or actually draw more people into welfare dependence."

Second, welfare reform must establish and achieve several Federal goals:

Specifically, strengthening families, requiring personal responsibility, and promoting self-sufficiency. I do not believe that the Federal Government should, or effectively can, design welfare programs for all 50 States and accomplish these goals. But I think it should set the goals in place and then give States the opportunity to fulfill them.

We have tried a centralized, Washington-based welfare system for 30 years, and it has been a failure.

So I say let us leave the details to those closest in proximity to the people and their problems. But the Federal Government must have its voice heard as we work to support the fundamental principle that people must put forth some effort, that we must try to create intact families and encourage their formation in exchange for the assistance they receive.

So, third, welfare reform must also allow for maximum State flexibility and experimentation. States must be given the authority to design the day-to-day regimen of their programs and to respond to the unique needs and circumstances that cannot be anticipated or appreciated by the Federal Government.

The current system at least provides States the opportunities to seek waivers from certain Federal requirements. But this waiver system has proven to be clumsy and time consuming. It is laborious and often stalls or even kills innovative ideas.

For example, my State of Michigan still is seeking a waiver so that it can implement its idea to cash out food stamps for clients who are working. Michigan thinks this would be an excellent way to reward aid recipients who are making progress toward self-sufficiency. The program would eliminate the stigma of using food stamps for those who work to at least partially support themselves; in other words, so that people do not have to go to the grocery store with food stamps and continue to feel that they are not productive in their own right. Unfortunately, the State has been waiting for approval from the U.S. Department of Agriculture for this waiver since March 1994.

In short, Mr. President, the waiver system is inefficient because it puts the least innovative bureaucrats in bureaucracies—indeed, those bureaucracies at the Federal level who have the least incentive to make dramatic changes to the system, because many of them might lose their jobs—in charge of approving or disapproving new program ideas submitted by the most innovative Government agencies, those at the State and local level.

Unfortunately, far too much of the State's time and resources are spent either complying with onerous Federal requirements or seeking waivers.

In my State of Michigan, it has been estimated that front-line welfare workers, those who deliver the services to Michigan's neediest families, spend

two-thirds of their time interpreting the dizzying array of complex and arcane Federal rules and filling out paperwork, either to support those regulations or to seek waivers from them.

We have had reports on this in several hearings in which I participated as a member of the Budget Committee. I was listening to this testimony from people who actually were on the front line of the welfare battle that persuaded me that it was time to really change direction and give the States the kind of authority that we are considering this week, because when I realized that two-thirds of the front-line welfare worker's time was being spent not helping people but filling out forms, I realized that redtape from Washington was a major source of the problem with our welfare system today.

So, Mr. President, using these three guiding principles for welfare reform, I believe the best approach would be to combine as many welfare programs as possible into a single block grant and give the States authority to battle local problems, to develop innovative welfare reforms, and to tailor reforms to local circumstances with as few Washington rules, regulations, mandates, and strings attached as possible.

We all want to reduce the number of out of wedlock births and increase incentives to work. But Federal mandates and strings that do not allow States to take into account their own varying local circumstances can only have adverse consequences. Each State has different poverty populations which may require different reforms to achieve the best results.

Mr. President, many of our colleagues have raised concerns about the block grant approach. Specifically, some oppose the no strings block grant approach because they believe that State and local government leaders will not fulfill their requirements and their obligations to take care of the needy.

Instead of doing their best to help poor people, on this view, State officials will, if freed from Washington control, commence a race to the bottom. States will compete with one another to cut welfare benefits so as to convince recipients to settle elsewhere. The result, it is said, will be mothers and children left with little or no assistance from the State. According to this view, only bureaucrats in Washington have the brains and heart to make decent welfare policy that will help all who deserve it.

Mr. President, I cannot speak for any other colleagues here, but for myself, I know of no one that would let this happen. This is not the 1850's, or even the 1950's. We are entering the 21st century. State and public officials do care about their citizens. In fact, I think they probably care about them more than the people do here in Washington.

I would challenge those who adhere to this race-to-the-bottom notion to tell us what State—name the State—



that would allow its families and children to fall through the social safety net.

Again, I cannot speak for every State official, but I can assure you that, in my State of Michigan, we can and will continue to take care of our people. For example, in this era of fiscal austerity and tight budgets, our State held the line and protected education funding from cuts and dramatically increased spending for children at risk. In addition, we have achieved a long-awaited reduction in the infant mortality rate, and other similar kinds of project lines designed to help the most needy and the most at risk among our population.

I think this example of Michigan shows how our States, if allowed the necessary flexibility, can come to grips with the problem of welfare dependency that is plaguing our Nation.

With only limited flexibility under AFDC waivers, Michigan Governor John Engler managed to get 90,000 welfare recipients off the rolls and into paid jobs. Governor Engler did this not by abandoning the poor but by asking them to sign a social contract that committed them to working, engaging in job training, or volunteering in the community at least 20 hours per week.

Our Governor and legislature also let welfare mothers—and this is innovative—keep the first \$200 per month of their earnings without counting it against their assistance. And he let them keep 20 percent of the money they earned after the \$200 cutoff point. The effect was predictable. It was one in which people had a much greater incentive to be productive, get into the work force, and get out of the cycle of dependency. The success is, I think, rather staggering.

Since the policy began in October 1992, average earnings by AFDC recipients have gone up 16 percent to \$460 a month as of April. The percentage of cases with earned income has skyrocketed, in Michigan terms, to 27.6 percent—triple the national average.

As explained recently in the *Detroit Free Press*, the ability to keep part of their earnings prodded recipients to accept low-level, first-rung-of-the-economic-ladder type jobs. As they gain more experience, they work longer hours and begin to land higher paying jobs. Thousands of them ended up earning such an amount of money, in fact, that they no longer needed AFDC assistance.

Again, 90,000 people were saved from lives on welfare, and at a savings of over \$100 million—after inflation. In my view, that is quite impressive, and it reflects only a part of the progress we can make by giving our States more freedom to order their own social spending priorities.

Mr. President, we could do more, but, unfortunately, too often the Washington bureaucracy is in the way. Recently, at the hearings I referenced earlier, we heard from the people who run the social services department in

Michigan. They came with huge notebooks, similar to the ones the Senator from Oregon recently had, in terms of paper load. They had notebook after notebook, almost from literally a table top halfway to the ceiling of the room in which the hearing was held, made up of the forms and the paperwork that the welfare workers in our State are forced to fill out just to seek a waiver—to be given the flexibility to do positive things to try to both reduce caseload and give people the incentive to find jobs and get out of the cycle of dependency.

Governor Engler, at one of our hearings, produced a scroll that stretched from one end of the hearing room to the other, and it indicated on it a list of all the programs and regulations that a State administrator had to confront in order to deal with the many, many programs which they are required to administer under these laws. Think of what we could do if the people administering those programs could cut that paperwork burden in half, or more, and devote their time to helping more people get out of the cycle of dependency and find opportunities and get on the first rung of the economic ladder and make their way independently. I think that would be quite an accomplishment.

Some people come at this from a different perspective—people who generally share my respect for State and local prerogatives but who oppose the no-strings approach, for different reasons. They argue that block granting will produce no significant policy changes. They believe that the State bureaucracies and liberal social workers constitute entrenched bastions of the status quo, and they are equally committed to expanding and maintaining the current welfare system. But, in my judgment, there is no evidence to suggest that a new set of Washington rules, regulations, and mandates will produce better outcomes. I do not think there are any good arguments, either liberal or conservative, for centralizing welfare in Washington.

Mr. President, I think the choice is clear: It is a choice between business-as-usual welfare reform with some window dressing, bells, and whistles, versus real reform that shakes up the current welfare system in ways that benefit both welfare recipients and the taxpayers. It is a choice between a Washington-centered welfare system and a new State system.

Given the magnitude of the current problem, I say the real change will occur only if we rely on the States.

In summary, Mr. President, I believe the amendment before us encompasses many of the objectives for welfare reform I outlined at the outset of my speech. It reduces welfare growth by consolidating programs into block grants and cuts the welfare bureaucracy and the relevant departments by 30 percent; it sets national goals on the issues of work and illegitimacy; and it gives States the freedom to pursue in-

novative ways to reduce dependency and increase self-sufficiency among welfare recipients.

I know several amendments will be offered, and some I intend to support because I think they will more fully flush out some of the objectives I outlined earlier. I think when those amendments are adopted, the full amendment before us will achieve the objectives which I have been working for in the context of this legislation.

So in closing, I argue that Washington has not cornered the market on compassion. As the experience of Michigan and many other States have shown, innovative State programs are better able to lift the poor out of welfare dependency, give people a chance to get on the first rung of the economic ladder and are, therefore, ultimately more compassionate than a one-size-fits-all program, headquartered in Washington.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I thank my friend from Michigan for his very thoughtful, very moderate remarks. I, however, wish to point out that the innovative programs that have indeed taken place in Michigan in recent years have done so under the Family Support Act of 1988.

Michigan responded exactly as we hoped it would respond, as other States would respond, as other States have responded. It was that bipartisan exercise that said, "Go and innovate. Do what you think is best. Fit your own needs."

I congratulate Michigan for what it has done. I hope they are confident that they can now do it on their own. That is where they are going to be.

I said earlier that to a degree we perhaps do not recognize we are dealing with an urban crisis. In the city of Detroit, 72 percent of the children are on welfare. There has never been such an experience in our history. It will not go away easily. It has come about in a very short period of time—30 years, 35 years.

I hope that we know what we are doing if we are going to say the Federal commitment to match State efforts need no longer be made. I think, sir, we will regret that, but we will find out as the debate continues.

Now, we have a dissenting view and an alternative view, at the very least, from the distinguished Senator from Wisconsin, who also has a Governor who has been very active in these affairs under the Family Support Act.

I am happy to yield such time as he may require to the distinguished Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair, and I especially thank the senior Senator from New York. He has showed unparalleled leadership and wisdom on this particular issue and many other issues.

Clearly, we have come to rue the day that we did not listen to the senior Senator from New York on this issue. I say to the Chair and all my colleagues,



we will come to rue this day as well if we do not listen to the senior Senator from New York on this issue that he has more understanding of than any Member in this body.

Mr. President, I rise today to support real reform of our Nation's welfare system. I rise in support of genuine reform that focuses on temporary and transitional assistance to families, work and work preparation, guaranteed child care, positive family development, vigorous child support enforcement, the prevention of teen pregnancy, and teen and adult parental responsibility.

Simply put, I strongly support the Work First plan which was recently introduced by the distinguished Democratic leader. The Work First plan, Mr. President, actually ends welfare as we know it and presents a clear contrast to the bill before the Senate, which I think is largely business as usual.

Work First fundamentally changes the structure of welfare by creating a new, conditional entitlement for a limited time. The Republican plan merely repackages the Federal AFDC and jobs program into State entitlement block grants with cap funding that does not consider economic variability.

Work First emphasizes and requires actual work in order to receive a benefit. The Republican plan has no real work requirements and provides no incentives for people to get or keep jobs. It merely measures participation in jobs or other bureaucratic programs in order for States to be able to qualify for future funding.

In addition, Mr. President, Work First protects kids with a safety net of services if parents fail to participate and guarantees child care assistance for parents who do work. The Republican plan limits assistance for child care, has no safety net, and leaves families at the mercy of future economic downturns and the State and local responses to them.

Mr. President, Work First requires States to invest in getting welfare recipients to work by maintaining a State match while creating savings from the existing welfare program.

The Republican plan requires no State match and dramatically cuts welfare to finance a Federal tax cut for the rich, while virtually ensuring an increased tax burden on State and local governments when the robust economic conditions change.

Mr. President, the distinctions between the two plans are very clear: Either we want to practice what we preach by providing temporary assistance while moving people into work, or we want to just talk a good game of State flexibility while at the same time reducing the State's ability and capacity or incentive to truly end welfare as we know it.

As the senior Senator from New York pointed out, my own State of Wisconsin, which has been in the spotlight as a leader in welfare reform, actually provides a model of two conclusions about this issue. Wisconsin provides

both a good example of the types of initiatives that Work First can inspire, but frankly it also provides a clear warning that good PR is a poor substitute for demonstrable results for families and for the States.

In other words, all that glitters is not gold when we look at the Wisconsin model. There is good and there is bad. We want to make sure that this body knows the difference.

First, we will talk about what has been very good. The New Hope project in Milwaukee, WI, demonstrates that the principles of Work First are a proven and effective alternative to the Republican proposed welfare program. New Hope began in 1992 as a demonstration project with 51 participating families. Now it has been expanded just in the last 3 years to 600 families. Its funds were secured through Federal, State and private sources. The projects targeted families receiving welfare and the working poor who qualified for some public assistance like food stamps and Medicaid.

New Hope requires participants to work. It provides access to private-sector jobs, community service jobs if no job can be found in the private sector. Mr. President, it provides wage subsidies if necessary to bring a family's income above the poverty line. And, Mr. President, very importantly, it provides health and child care subsidies for families with up to 200 percent of poverty.

While the project shares the goals of self-sufficiency with existing efforts, it goes way beyond this in three ways. First, the project guarantees access to a job. Second, it removes categorization of those who are poor and thereby removes some of the disincentive to participate in the current system. Third, it links subsidies to income level rather than creating sudden-death scenarios for participants when arbitrarily established time limits are reached.

Mr. President, let me just say that New Hope speaks for itself in its results. There has been an 86 percent increase in the proportion of the participants who work. There has been a 75 percent decrease in the proportion of participants who are unemployed. The employed no longer require AFDC, and 25 percent of them no longer require Medicaid.

Let me talk about the other example. Turning to the much-touted welfare reform initiatives in the State of Wisconsin championed by Governor Thompson, let me first commend Governor Thompson for his activism in the welfare debate. It is substantial. It is a credit to the skilled people working in the State's bureaucracy that as many innovations have been carefully implemented in the past 8 years, and our State has earned its reputation on this issue.

Mr. President, I think it is important for people to know, since I served in the State Senate through many of the years this began, that the jury is still

really out on the actual cause of the results Wisconsin has experienced—in other words, Mr. President, the sharp decrease in the welfare caseload, which has been impressive. We have had a 22.5-percent decrease in welfare from 1986 to 1994. But, Mr. President, the information we have is that this is probably not directly attributable in large part to the Thompson innovations but more likely to be attributed to unrelated aspects.

Similarly, while the Republican bill before the Senate seeks to reform welfare by slashing funding to the States, the one thing that we are pretty clear that Wisconsin does demonstrate is that significant investment is necessary in order to realize even the slightest measure of success in preparing people for and getting them to work.

Wisconsin's well-developed employment and training system, which features 30 one-stop-shopping job centers, is evidence of the investment that is really needed to get these kind of results.

Mr. President, there is also recent empirical evidence that the cause of Wisconsin's success is most likely the function of factors not very easily replicated in other States, simply through the implementation of program policies.

Michael Wiseman of the University of Wisconsin's Institute for Research on Poverty and the Robert M. LaFollette Institute of Public Affairs released a study in June 1995 entitled "State Strategies for Welfare Reform: The Wisconsin Story."

Wiseman traces the short history of Wisconsin's welfare reform efforts beginning with the Thompson administration's first waiver initiative in 1987. He analyzes caseload data, unemployment rates, manufacturing employment, and benefit and eligibility levels in the context of each policy initiative requiring a waiver in order to test a variety of reform experiments. We have had many of these experiments. Let me just mention the variety.

These experiments include:

Learnfare, which requires teenage children of AFDC recipients and teen parents to regularly attend school or the family losses benefits;

JOBS 20-hour requirement, which allows the State to require more than 20 hours of JOBS participation for mothers with preschool children;

Allowing lower benefits to be paid in the first 4 months after a job is taken;

Continuation of Medicaid benefits for 1 year;

Suspension of the 100-hour rule, which denies benefits if the principal earner works more than 100 hours in a month;

Bridefare, which allows welfare applicants under age 20, if they live together, to enjoy liberalized benefit and eligibility standards, but reduces benefits if a second child is born;

So-called two-tier benefits allow the State to pay the benefit level of the

sending State for new residents—I would add, this is currently being challenged in the Federal courts as unconstitutional;

Prohibit ownership of a vehicle valued at more than \$2,500; allow recipients to save up to \$10,000 for education/training;

A program called Work, not Welfare, which provides intensive job preparation before requiring the recipient to work within 2 years or lose all benefits;

Family Caps, which denies additional benefits for additional children;

Work First, which requires participation in job search/preparation for 30 days before benefits can be received; and

Pay for Performance, which reduces the JOBS benefit for every hour of JOBS participation not completed.

The Wiseman study points out that Wisconsin's welfare caseload declined by 22.5 percent between December 1986 and December 1994. The study states that the decline is primarily associated with restrictions in eligibility and benefits, a strong State economy. Our State unemployment rate still hovers between 4 and 4.5 percent. And finally this is mostly correlated with large expenditures on welfare to work programs.

Wiseman goes on to state that continued reduction of welfare utilization is jeopardized by proposed changes in Federal cost sharing because the Republican plan requires no State match. Wiseman concludes that the special circumstances enjoyed by Wisconsin are unlike to be duplicated elsewhere.

He cautions that other States and the Federal Government should not assume that expanded State discretion alone will produce comparable gains unless accompanied by major outlays for employment and training programs, reductions in benefits, and tightening of eligibility requirements. He further cautions that the first policy is expensive to taxpayers, the second and third policies harm recipients.

Finally, just this past Thursday Governor Thompson unveiled a new statewide welfare program that replaces AFDC. This follows the recent State budget action, which transfers responsibility for administering welfare programs to the State's labor department. The new "W-2" Program places participants into four categories depending on their job readiness.

Those with the highest job skills will receive assistance from program staff to obtain full time private sector jobs. Those participants would also continue to receive food stamps and the EITC.

Second, participants with less proficient job skills will be placed in full-time private sector jobs on a trial basis, on-the-job training subsidized by the State, with food stamp and EITC eligibility.

Third, those who cannot secure private sector jobs or placed in trial jobs must perform community service for less than minimum wage with food stamp eligibility.

Finally, the fourth category would be for people who are unable to obtain or hold a job, and who would be required to work in sheltered workshops, volunteer and participate in job preparation programs.

What comes through with this latest proposal is the notion of high level investment throughout the Wisconsin plan. The notion that work comes first is another key element. It is sounding more and more like Governor Thompson is adopting the Work First strategy put forward in the minority leader's plan.

In conclusion, Mr. President, Work First will be effective, because it adopts an attitude of uplift rather than put down, it requires investment by the States, not the cut and run strategy of the Republican plan. It develops and preserves families, rather than providing incentives to disintegrate them. It aggressively addresses teen pregnancy first through prevention, and by requiring teens to live in supportive home, or second chance home environments.

So there is a very viable plan before us. It is a plan that brings together the best lessons we have learned in Wisconsin and that can actually be transferred to many other States. In that spirit I again thank the senior Senator from New York and yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like first to thank the Senator from Wisconsin and draw particular attention to the idea of second-chance homes. This is an idea that has been around for some while. It received very strong support from persons such as James Q. Wilson, of the University of California at Los Angeles, as one possible intervention in the reproductive cycle of young persons in situations where they are overwhelmed by the single-parent culture in which they find themselves living. Not 3 miles from this Capitol you will find such neighborhoods, such settings.

It is a deeply humane idea. It is an old idea—a maternity home. It may yet find a place in our response to the questions of illegitimacy—nonmarital births, if you like.

I am going to take just one moment, pending the Senator from Nebraska, to call attention to a matter in this regard. On the 1st of August, Mr. President, the Bureau of the Census put out its annual compilation called "Population Profile of the United States, 1995." In that summary there is a statement that, "26 percent of children born in 1994 were out-of-wedlock births."

That is discouraging, because it is not so. And the Bureau of the Census needs to know it is not so. They take this information from sample surveys, and survey responses in this regard are simply not dependable for reasons that do not have to be explained. Respondents are asked whether a child born to

the family was out of wedlock. Some will say otherwise.

The actual number for 1992 from the National Center for Health Statistics, which counts every birth, it does not take samples—the number for 1992 was 30.1 percent. That is an exact count. I have estimated that it will have reached 32 percent by 1994. What 1995 will be—we are on that ascent. Nothing indicates it has changed. It may have moderated.

But, for the Bureau of the Census to say otherwise when it so easily could have left this matter to the National Center for Health Statistics, is a bit disappointing. The Bureau of the Census is a glorious institution and it makes mistakes. We all do. I just want to make that point.

I see my friend, the formidable and indomitable Senator from Nebraska, is on the floor. It is going to be an honor to hear from him.

I do not see any Senator from the other side of the aisle, and my friend from Iowa indicates he does not either, in which event, Mr. President, I hope the Senator from Nebraska might be recognized.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I rise this afternoon to respond to a speech made yesterday by the senior Senator from Texas.

Mr. MOYNIHAN. Will the Senator yield for just one moment?

Mr. KERREY. I will be glad to.

#### UNANIMOUS-CONSENT AGREEMENT

Mr. MOYNIHAN. Mr. President, I ask unanimous consent we might continue in session under the understanding that no amendments will be offered for such time as is required for the Senators who are now on the floor who would like to make statements. That includes Members on the floor who would like to make statements. Is that agreeable to the Senator from Iowa?

Mr. GRASSLEY. As long as, if we have Republicans come, they share time.

Mr. MOYNIHAN. Yes, of course.

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

The Senator from Nebraska.

Mr. KERREY. Mr. President, my purpose in rising today is to discuss the statement that was made yesterday by the senior Senator from Texas who was here, among other things, to criticize the majority leader's welfare proposal for being too soft on illegitimacy.

Mr. President, at the start of my own comments about the welfare system—and I hope and expect to have several opportunities to come and discuss this issue—I would like to stipulate that I do not know a single welfare recipient. That is to say, I do not know a single welfare recipient on a first-name basis. Perhaps some of my colleagues do, but I do not. Perhaps some of those who argue so confidently about what works and what does not work have poor friends who are on welfare and thus speak from experience.

I do know and have friends who receive corporate welfare, and I know and I have friends who have argued with me forcefully about the urgent need for various tax incentives which will create jobs, promote homeownership, provide for investment in technology or stimulate exports.

I am on a first-name basis with lots of people who receive something for nothing but none of them are poor. And none of them appears to have become lazy or sexually promiscuous as a result of a taxpayer subsidy.

Mr. President, many of us are debating something about which we have little recent firsthand experience—poverty. In such circumstances, it would serve us well to acquire an attitude of humility as well as a little gratitude for the circumstances of our own births.

As our colleagues know, the Senator from Texas is an economist by training, and as such his thoughts ought to be respected. But they ought to be recognized for what they are—an economic analysis. As we examine this analysis and the proposal that springs from it, we should ask one question: Are teenagers and single mothers having babies as a consequence of a rational economic decision?

The Senator remarked on a television program over the weekend that the problem with welfare is that we punish work and family while rewarding people for not working and for breaking up families.

As far as this analysis goes, I agree with it. Our system of incentives is sending the wrong signal. We should reward behavior we want and discourage behavior we dislike. The Senator from Texas correctly notes that our welfare system has perverse incentives.

Unfortunately, his analysis causes him not to propose positive incentives for things we believe are right and negative for those we believe are wrong. Instead, he proposes to basically wipe the slate clean and punish everything. God help us if we wrote campaign finance laws with such an attitude.

Mr. President, the issue of teenage or out-of-wedlock birth is an emotional issue. We need to be certain as we discuss this issue that we calmly and rationally answer some basic questions before we begin our consideration of what our laws should say. The first of those questions is: Why are teenagers and single women having children? The Senator from Texas answers this question with an economic analysis. We are paying them to do it. For a teenager, he argues, a baby is a free ride out of a parent's home and a permanent meal ticket.

Research does not support this conclusion. Economic circumstances are not high on the list of reasons why our babies are having babies. While it sounds true, unfortunately, it is not. Such arguments make it seem that some Americans are poor because welfare benefits are too attractive.

Mr. President, I ask unanimous consent that an editorial that appeared

yesterday in the Omaha World Herald be printed in the RECORD.

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

[From the Omaha World Herald, Aug. 7, 1995]

#### AN IGNORED LAW: STATUTORY RAPE

The results of a study done by the Alan Guttmacher Institute indicate that at least half of the babies born to teen-age girls are fathered by adults. Have these men no sense? Have they no shame?

Researchers said the study was the most comprehensive of its kind. Nearly 10,000 mothers between the ages of 15 and 49 were interviewed from 1989 to 1991. Researchers found that half of the babies born to mothers between ages 15 and 17 were fathered by men who were 20 or older. Generally, the younger a mother was, the greater the age difference between her and her baby's father.

In California, a survey of 47,000 births to teen-age mothers in 1993 indicated that two-thirds of the babies were fathered by men of post-high-school age.

Even disregarding the moral aspects of mature men sexually exploiting teen-age girls, there is a legal problem in some cases. It's known as statutory rape. The law wisely recognizes that young girls—and boys, for the matter—are not as mature in their thinking and feelings as adults. Therefore, to seduce a person under a certain age when the seducer is above a certain age is a crime, whether the victim willingly participated or not. The ages vary from state to state. In many cases, a man 19 or older is guilty of statutory rape if he has sex with a girl 15 or younger.

The Guttmacher study has implications for the campaign to reduce the number of teen-age pregnancies. If so many teen-age girls' partners are adults, then some educational programs and anti-pregnancy campaigns are misdirected.

Moreover, stricter enforcement of the statutory rape laws may be needed. Certainly the Guttmacher study is a setback for the view that teen-age pregnancies are due mostly to teen-age hormones and immature kids who give in too easily to peer pressure or curiosity. The problem of youthful pregnancies, it turns out, is much more complex. And much more appalling.

Mr. KERREY. Mr. President, the Omaha World Herald is a conservative newspaper, one that all of us in Nebraska at least are familiar with if not read on a regular basis, and in yesterday's editorial they discussed an issue that is very relevant to the question of why are teenagers having children.

The headline for the editorial is "An Ignored Law: Statutory Rape," and the first paragraph references a study done by the Alan Guttmacher Institute which indicated that at least half of the babies born to teenaged girls are fathered by adults.

It goes on to describe that 10,000 mothers between the ages of 15 and 49 were interviewed between 1989 and 1991, and researchers found that half the babies born to mothers between ages 15 and 17 were fathered by men who were 20 or older, and generally the younger a mother was the greater the age differences between her and her baby's father. And the editorial goes on to describe, I think correctly, the need for increased vigilance by law enforcement people on the situation of statutory rape, I think a quite relevant and ap-

propriate response given the analysis done by the Guttmacher Institute.

The Guttmacher Institute did not say that these young girls were having babies as a consequence of seeing a financial incentive.

Quite simply, teenagers are not examining Government benefits in general and making a rational economic choice when they decide to have babies, to the extent that this is a conscious decision at all.

If this was the case, we might solve the whole problem by investing a little extra training in basic mathematics for whomever it is who thinks having a baby on welfare is a clever financial planning strategy. The truth is that if you could count on teenagers to see far enough ahead and understand enough home economics to respond rationally to the carrots and sticks the Senator from Texas proposes, or in this case mostly sticks, then the solution to this problem would get pretty easy. The problem is that most of us do not know any teenagers who can manage their lunch money from day to day much less engage in a detailed analysis of welfare benefits and decide whether or not to have a child based upon it.

I do not know why children are having children; I do not have an easy, quick answer, nor can I in a simple fashion explain the terrifying breakdown in the American family in the last couple of generations. Senator MOYNIHAN, who knows more about this subject probably than anybody in this body and maybe perhaps anybody in this country, displayed some disturbing charts yesterday that reveal a frightening social trend. I did not look at them and envision a sea of poor Americans making a series of rational economic decisions to have children out of wedlock.

The Senator from Texas accuses the Democratic leadership of believing that having spent billions upon billions of dollars we can just handle poverty if we only spend a little bit more. I do not know anyone in the Democratic leadership who espouses this view. But let me say I do not consider it any more rational to say we can solve the problem just by spending more than it is to say, as the Senator from Texas does, that we can solve it just by spending less.

The fact is that ending poverty will in the end likely cost us money. This is an inconvenient fact, to be sure, but it is a fact nonetheless. We are overlooking it these days because we have gone chasing after a rhetorical refrain about "ending welfare as we know it," which, as I indicated at the start, is relatively easy for an awful lot of us since we do not know much about welfare. What we really mean, or should mean in my judgment is attempting to perhaps not end poverty but at least end the misery many still suffer as a consequence of it.

Ending welfare as we know it is a simple legislative transaction. Just get rid of it, which is the strategy reflected in much of what the Senator from

Texas proposes. Ending poverty is much more difficult. It requires us to commit time and resources, which has become at least in some circles a political taboo in an age in which we seem to be competing against one another to see who can be the toughest.

Mr. President, I look forward to coming back to the floor to address this subject in more detail, but I thought a response to the senior Senator from Texas was in order. No one doubts his expertise as an economist, but before we get carried away with economic solutions we ought to be asking whether we are dealing with an economic problem. To some extent, we are. But to a very large extent we are not. It is helpful to make the distinction.

To close my first statement on welfare, Mr. President, I should declare that while I do not know on a first name basis one person who receives AFDC or AFDC child care support, I do know what it means to be on welfare. I do know what it is like to have the bottom drop out of your life, and while you are falling, to be caught in the net of American generosity.

Like many Americans who are wounded in wars and receive benefits that were earned in combat, I know that benefits given by our Nation do not have to make you lazy. They can make you grateful. I am forever grateful that I live in a country where people do care enough to try to help those who are suffering.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I simply say for one moment, I thank the gallant Senator from Nebraska for an extraordinary statement with such candor and accuracy. But I add to the preface, just one point: Ending poverty is nothing so difficult as ending dependency. And that is perhaps what we are mostly talking about here.

There are few Members, if any, in this Chamber who could meet a welfare mother and recognize her and call her by her first name. I think there are even fewer who know that kind of dependency in which you could have the city of Detroit with 72 percent of the children on welfare. None of us live in those neighborhoods. And we do well to have the courage of a man of servitude to say so.

Thank you, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. I believe we are alternating. And I believe the Senator has—

Does someone wish to speak?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

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

Mr. EXON addressed the Chair.

Mr. THOMAS. Mr. President, if I may say this, we went through this yesterday when I was presiding. We decided we would go back and forth. Is that still the arrangement?

The PRESIDING OFFICER. That is the arrangement. But in order to go back and forth, individuals on either side of the aisle have to ask for recognition from the Chair.

Mr. THOMAS. I would like to do that.

Mr. EXON. The only reason the Senator from Nebraska intervened was not because I want to interrupt the order, but when a quorum call was suggested, when this Senator waited last night and again this morning, I thought I might move ahead.

Mr. President, in order to go back to the usual procedure, I yield the floor.

The PRESIDING OFFICER. The Chair thanks the Senator from Nebraska.

Does the Senator from Wyoming wish to get recognition?

Mr. THOMAS. Yes, sir. Thank you very much. I am sorry we had this confusion. As I said, we went through that yesterday.

I will be brief, but I did want to use this opportunity to rise to support the leadership's bill. I support it, at least partially, because I think it has the best chance for success in the Congress, that it has the best chance to be the vehicle for doing something about change, something that I think we need to do. We have a monumental, historic opportunity now to overhaul a program that has been in place for a very long time, one that by almost any measure has not succeeded in producing the results that most of us want. It is not perfect, of course. None is perfect. On the other hand, they can be changed and should indeed be changed when we find that portions of it are not perfect.

The point of welfare, of course, is to put in place a program that provides the opportunity to assist people who need help and to assist folks to get back into the workplace. And that, it seems to me, has to be the measure. If that, indeed, is the measure, we have not succeeded. And there are those on the floor who simply want to continue to put more money into the program. But I suggest to you that there is little reason to expect change if we continue to do the same thing. So we do have a great opportunity.

I want to compliment the Senator from New York and the chairman of the committee for the intense effort that has gone into this. I think there has been a rational and reasonable debate. There will continue to be. There will be substantial differences of view, both philosophically and practically, as to how we go about this. But I hope we do keep before us the notion that there is a goal and a purpose that most of us can share; and that is to be compassionate, to be helpful, to help those who need help, but not to make it a career opportunity.

I was frankly surprised yesterday when the Senator from New York, in his numbers, showed that the median time on welfare was nearly 13 years. That is not the purpose of this program, and we need to do something about that. I believe strongly—and there will be disagreement about this—that the States are the best laboratory to do something. The States are the best place to devise programs and to deliver services that meet the needs of that particular State. My State of Wyoming has different kinds of needs than does New York State or Pennsylvania. And we need to have the flexibility to be able to do that.

There are those who will say, "Oh, no, the States don't have the compassion to do that. The States won't do this job."

I do not agree with that. I do not think there is any evidence at all to show that there is more compassion in Washington, that there are better ideas in Washington than there are in the States. I believe strongly in moving government closer to the people who are governed. And I have great confidence there.

Mr. President, there are a number of issues. Of course, one of them will be the block grants and how much authority we give to the States. Let me just check in on the side of giving them as much authority as we can, making it as available to the States to put together several programs and then administer them as they believe it is best.

I think there will be discussion about work opportunities. Let me tell you that we have had a program of work opportunities in our State, started by the last Governor, a Democrat as a matter of fact, but it has been limited to relatively few counties because we cannot get a waiver to go forward with it. It has worked.

Wyoming wants to do that. We want to help people to be trained and to be able to work. It requires 35 hours of work a week. It is a good program. We have worked with the Smart Card Program in terms of food stamps that we cannot get a waiver to move it on. And it does work. It helps with fraud and abuse.

So, Mr. President, in general I think that is one of the issues here. We ought to give the States as much authority to do what they want to do. The question, of course, of limiting payments to unwed mothers is one that will also be of great conflict here. I have to tell you that I do not favor that idea. But I do favor giving States the opportunity to do what they think is best. I do favor the notion that we ought to get away from cash payments and provide an opportunity for young unwed mothers to either stay at home or stay in a supervised living arrangement where they can go on and be trained and be useful members of society. I think we all agree with that.

So, I am not going to take a great deal of time, but I again want to say

that I think this is one of the issues that is really a pivotal issue in whether or not this Congress lives up to the expectations that people put on us this year. I know it is not a simple issue, but I do know that we ought to find and resolve it and come to closure. We ought not to find ourselves in the position of continuing to extend and avoid a decision by having endless amendments.

Now, I suppose some will say, well, this is a deliberative body. There ought to be no limit. I have a little trouble with that. We ought to really seek to come to closure and seek to find some solutions. And there are some that we can find. And they are not partisan. Not all of the right answers are on this side of the aisle. They are not all on the other side. But I can tell you one of the answers that is not acceptable, and that is to continue to do what we have been doing and expect there will be changes simply because we say, well, we are going to just put some more money into it. It does not work. We have had plenty of experience on that. So I think we did receive a message.

I think we are serious about breaking the cycle of welfare. I think we are serious about continuing to provide help to people who need it and serious about helping people to get off of that cycle so they can get into the system. I think we are serious about reducing the role of the central Government and strengthening the role of State governments. And the votes we cast in the next few days will give us some answers to these questions.

So, again, Mr. President, I want to congratulate our leaders on the floor on this. They have done an excellent job, and continue to do so. And it is not easy.

All I urge is that we do come to some closure, we make some decisions, and move forward in the area that we think is best.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, if I can resume for just a moment to thank the Senator from Wyoming for his statements, to share his sentiments and, particularly, to address this matter of a second-chance home for very young mothers in settings where they can live independently, and neither should they be in the setting from which they came, from which many of them are, in fact, fleeing. It is an old idea whose time may have come round once again.

I appreciate the Senator's statements in that regard.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to add my thanks to those that have been said by many of my colleagues on both sides of the aisle this morning for the good leadership that we, obviously, have in the forefront of the U.S. Senate

as we face this very, very difficult but must-do task of reforming welfare.

Certainly, my colleague and friend from New York, the former chairman of the Finance Committee, has been trying to get this reformed for years and years and years. I say to the Senator from New York, Senator MOYNIHAN, his dream is about to come true, I think. I appreciate the thoughtful leadership that he has provided over the years, the thoughtful bipartisan leadership that he has provided, and his counterparts on the other side of the aisle, as we move forward on this important matter.

I have brief remarks, comparatively speaking, with regard to the welfare matter before us. Before I go into that, I warn all, I suspect we are not going to complete action on the welfare reform matter before we finally get to our shortened recess. During that time, there are going to be lots of wars going on, financed by special interests, on the radio and television.

In that regard, I will simply advise all Senators, but more importantly, the public at large, that they should have seen the "Nightline" show last evening. The "Nightline" show last evening went to the heart of what I suspect will be foremost on our airwaves during the recess, particularly with regard to the welfare reform bill.

The "Nightline" program last evening went into great detail with regard to the totally unprincipled lobbying that is being done by certain high-minded interests with regard to the telecommunications bill we wrestled with in the Senate not long ago and which passed the House of Representatives last week.

The House Members were deluged in the last few days of that debate by stacks and stacks of mail from their constituents. We all want to get mail from our constituents. We are here to represent them. But, clearly, I think with the investigation that is now being promised by prominent leaders of the House of Representatives, we may begin to get to the bottom of some of the problems that we have with the democratic processes today that are being perverted by money and moneyed interests.

The "Nightline" show last night went into great detail about the mountains of mail that was being received, supposedly from constituents on a voluntary basis. There is an alarming trend developed with regard to the brief investigation that has so far been done on the amount of mail being received by House Members from their constituents that their constituents were not writing to them at all, but their constituents' names were on the bottom of preprepared mailings. They had several instances of people live on the "Nightline" show last night whose names and addresses were signed to memorandums or lobbying or constituent letters, depending on how you want to describe them, people who never sent the letters. Letters were signed by

dead people. Letters were signed by one person who knew nothing about it. In fact, he was bicycling in Europe someplace during this time.

So I hope that the House of Representatives will pursue their investigation to see how moneyed interests, with highly paid expert lobbyists, cannot fool the public all of the time but sometimes they can fool Members of the Congress by totally fraudulent avalanches of mail sent in for a specific purpose, to vote one way or another on a bill when the constituent had no knowledge of it whatsoever.

Certainly, the new modern revelations and revolutions that we are having in communications today has given a new power into the hands of the manipulators, the highly paid manipulators that dwell inside the beltway. The "Nightline" program showed some of that last night.

This is simply a forerunner to say that at the present time, there are highly paid advertising schemes going on on television. I say, again, that the majority of the people cannot be fooled all of the time, to partially quote Abraham Lincoln, but it is clear to me that a substantial portion of the public can be fooled, temporarily at least, and can be led into writing their Members of Congress on something with a key phrase or two. The key television phrase that is being used against Democrats in five States today, Democrats up for reelection, is to "Write your Democratic Senators and tell them to support workfare." Boy, that is a catchy phrase. There is an untold amount of millions of dollars spent today, first, to see what catchword or phrase rings with people and "workfare," of course, is something that most people would like to see.

So thousands and hundreds of thousands of dollars will be spent by money groups and political parties during this recess to bombard the Members of the House and the Members of the Senate. I emphasize once again and I invite, I encourage, and I have a significant staff that works with me in responding to constituent suggestions. I want legitimate input from my constituents. I do not want my constituents or my office or this Senator to be taken advantage of by the high-price money that has invaded the political system.

We, in the House and Senate, are partially to blame for this ourselves because we are the first ones who started to divert the political system with high-paid, efficient attack ads—attack, attack, attack—and maybe I can win whether I should or not. There is nothing shameful that millions of dollars cannot overcome and at least temporarily justify. It is wrong. Therefore, I hope that the welfare reform bill we are talking about today will not be unduly influenced by money through television and radio advertising that is intended to mislead the public rather than inform it.

I think we all remember very well that key television ad of last year that

made it impossible, because the people were misled temporarily, that ad where Lucille and her live-in boyfriend were sitting at the table in the kitchen saying—it was the most effective television ad I had ever seen. They were talking about the problems that Americans have meeting their medical expenses. And then they talked about the President's plan. They said, "He is trying to do something about it," but the key line at the end was, "But there must be a better way."

That is the old technique that the trial lawyer used in trying to plant doubt in the minds of the jurors. If you can plant a doubt, then you are not going to get a conviction. There are lots of things wrong today, but I think things are right when we are tearing into the matter of welfare.

I rise in support of the amendment to be offered by the distinguished minority leader and Senator BREAUX, the Work First welfare plan, the only one of its kind that I know about today.

The Work First welfare reform plan is a step in the right direction and should be the rallying cry around which we can all gather, Democrats and Republicans, to get something constructively done with regard to welfare reform. The Daschle-Breaux plan attacks welfare reform head on. It helps turn welfare recipients into productive breadwinners. It weaves a safety net that protects the children of welfare parents. It allows the States greater flexibility to administer their welfare plans and to make positive changes.

If I were to summarize this amendment in one word, it would be: responsibility. It requires the responsibility of those currently receiving welfare to take charge of their lives and find work. Responsibility is a two-way street. The amendment requires the Federal Government to act responsibly by making sure that the States will have sufficient funding and oversight to do the job properly.

Mr. President, the current welfare system has veered off course. Senator MOYNIHAN has demonstrated and talked about this time and time again. There is no doubt about that. Not enough welfare recipients are making the leap from support to gainful employment. The well-beaten path of welfare has become a dangerous rut that grows deeper and deeper with the years. For many, welfare has become a permanent state of existence.

Welfare's failings did not develop overnight, nor will they be solved in a day and a night. However, in the past decade, we have taken constructive steps to reform the system and we build on these reforms with this amendment. In 1988, I vigorously supported the Family Security Act, which was signed into law by President Reagan. That bipartisan legislation, passed by a vote of 96 to 1, provided States with the flexibility to establish programs to assist with job skills, education, and child care.

The philosophy behind the Family Security Act is as sound today as it was 7 years ago. We best help people in need by giving them the tools to get off of welfare and onto the job rolls once and for all.

Unfortunately, while some States showed modest success in implementing their reform programs, the Family Security Act never achieved its full potential. Welfare reform continues unabated, however, in many States, including my State of Nebraska. And the Democratic amendment provides the States with the flexibility and funding to carry out and administer those reform plans. Let me briefly explain how.

First, the Daschle-Breaux plan replaces the unconditional, unlimited AFDC aid with conditional benefits over a limited period of time. I believe that most Americans would agree that there has to be an endpoint to benefits for able-bodied adults. Otherwise, we find ourselves still saddled with a welfare system that is self-perpetuating.

Second, the Democratic leadership amendment emphasizes work. Let me repeat that. The Democratic leadership amendment emphasizes, above all else, work. Welfare reform without work is but a hollow promise. For States the plan establishes the Work First block grant, giving them the resources and flexibility to assist welfare recipients to obtain work. By the year 2000, States will be required to put 50 percent of eligible recipients into jobs. In addition, the States will be penalized for missing the target and rewarded for surpassing it.

The Democratic plan emphasizes a partnership between parents and the States through the parent empowerment contract. Parents must engage in an intensive job search, or have their benefits reduced. Moreover, the plan provides incentives to stay in the work force by adding an additional 12 months of child care and Medicaid for those who go to work.

Third, the Democratic plan is sensitive to the consequences of welfare reform—especially as to how it affects children. Children should not be pawns in this debate. I would never hold children hostage merely to satisfy some ideological itch. Rationing assistance to innocent children is not only heartless, it is terribly shortsighted. The Democratic plan protects the well-being of children above all else. They are not left to the vagaries and whims of local conditions and officials. They are not pitted against competing interests. They are not shortchanged on services. If a mother loses her benefits after a 5-year time limit, her children will still be eligible to receive assistance for housing, food, and clothing.

Fourth, the Democratic leadership plan cuts and invests. It cuts spending by reducing the welfare rolls and invests those savings to provide even greater rewards for the American taxpayers. This is fiscal responsibility.

Mr. President, I am fearful, however, that other well-intentioned proposals

essentially bundle up the problem and shuffle it off to the States. As a former Governor, I see concerns here. We must not just pass the welfare problem on to the States without some assurance that it can be financed. You simply cannot, in my opinion, pass the buck without passing the bucks.

In conclusion, Mr. President, I want to remind all that earlier this year, I was one of four original cosponsors of the unfunded mandate bill. We passed that legislation, and the President signed it into law. This is one of the greatest accomplishments of the 104th Congress. We had bipartisan support for the unfunded mandates bill, and for good reason. From town councils to the Governor's mansion, we heard the cry for relief from unfunded mandates. For too long Congress shifted the costs of regulations and mandates to the States. Their ledgers bled from red being forced to comply with the unfunded mandates.

The Republican formula for block grants is troubling, especially to States like Nebraska that have a growing poverty population. Under the new formula, Nebraska will receive no additional funding above the 1994 level. However, in the early 1990's, my State's AFDC population grew by 18 percent. We also have experienced a 24-percent increase in the number of children living in poverty over the last 3 years. So I am very concerned that my State might not have the resources that it needs for a safety net for our poor children.

Mr. President, the Republican claim that they put welfare recipients to work is not a valid one. One of my Republican colleagues has said on countless occasions that folks should get out of the wagon and start to pull. That may be an appealing sound bite, but despite the modification made by the majority leader yesterday, this Republican initiative does little to ensure that goal. The Republican bill is not tough love, it is just tough luck.

If we are truly sincere about welfare reform, we have to help people get and keep jobs and keep them off of welfare. If we want to put people back to work, we have to help them with training and job placement. Our society and our world has changed dramatically from the days when a high school diploma could alone still land you a good job. We are in an economy that puts a premium on education and training. Yet, other plans provide no incentive or resources for either the States or individuals to get welfare recipients into the workplace and keep them there.

We can do better, and we must do better, with the likes of the Daschle-Breaux amendment.

There are now plans underway to tighten the provisions being considered to the Democratic proposal. We offer an open invitation to come join us, to work constructively together with suggestions.

It is my hope that we can move ahead on this matter in a true bipartisan fashion and carefully consider a consensus. But let me emphasize, Mr. President, unreasoned haste can clearly make matters worse on this measure, which is of great import and great magnitude. Mr. President, we should work together.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent the unanimous-consent order be extended until 1:15.

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

Mr. MOYNIHAN. I thank the Senator from Nebraska not only for the generosity of his remarks, the clarity of his concern, the depth of his concern, but to connect his opening remarks to the closing remarks.

I do not think the Senator will receive many letters from welfare recipients. I do not think many of those children will be writing postcards. No one, certainly, will be paying them.

That, Mr. President, is the nub of the issue. We are talking of people who have but little voice in this land and less real influence in the end. We are seeing it all about us now.

Mr. President, the Census Bureau has just released the "Population Profile of the United States: 1995" which reports that "26 percent of children born in 1994 were out-of-wedlock births."

However, according to the National Center for Health Statistics figures which I have frequently cited, the illegitimacy ratio was 30.1 percent in 1992, and I estimate that it will have reached 32 percent in 1994.

According to Martin O'Connell, Chief of the Fertility Statistics Branch of the Census Bureau, "The higher figures are correct. The 'Population Profile' seriously undercounts the number of children born out of wedlock as the figures it reports are based on a small sample and incomplete information. Senator MOYNIHAN is right."

This is one area where precision of fact is imperative. In order to understand a problem, we must first be able to accurately measure it, and few problems are of such enormous consequence as this unrelenting rise in illegitimacy.

#### RECESS UNTIL 2:15

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 1:12 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

#### THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, no one disagrees that the current welfare sys-

tem is in shambles. Since the beginning of President Lyndon Johnson's War on Poverty, government, at all levels, has spent more than \$5.4 trillion on welfare programs in America. To understand the magnitude of \$5.4 trillion, consider what could be bought for it.

For \$5.4 trillion, one could purchase every factory, all the manufacturing equipment, and every office building in the United States. With the leftover funds, one could go on to buy every airline, every railroad, every trucking firm, the entire commercial maritime fleet, every telephone, television, and radio company, every power company, every hotel, and every retail and wholesale store in the entire Nation.

While many Americans may not know the exact dollar amount of the War on Poverty, there is a public understanding that more and more taxdollars are coming to Washington and being funnelled into programs that are having little effect. Despite a \$5.4 trillion transfer of resources, the poverty rate has actually increased over the past 28 years. During this same period, the out of wedlock birthrate skyrocketed from 7 to 32 percent, and currently one in seven children in America is raised on welfare. Moreover, this massive spending has done nothing to alleviate drug use, child abuse or violent crime—all of which have sharply increased during this period. In short, our current welfare system has failed miserably. It has exacerbated the very problems it was created to solve, and it should be dramatically overhauled now.

The first priority of reform should be to change the incentives in the current system which undermine the traditional family structure. Today, the Government pays individuals, including teenagers, up to \$15,000 per year in cash and in-kind benefits on the condition that they have a child out of wedlock, do not work and do not marry an employed male. That is a cruel system, since we know that work and marriage are two of the most promising avenues out of poverty. We should not be surprised that years after this policy was instituted, the out of wedlock birthrate has reached 80 percent in many low-income communities. That means that 8 out of 10 children born in many neighborhoods in America do not know what it means to have a father. The results of this condition are devastating, not only to the children, but to the parents, and to society as a whole.

I believe the time has come that Congress should end the practice of mailing checks to teenagers who have children out of wedlock. Teenagers themselves are still children, and to simply mail them a check and forget about them is a cruel form of so-called assistance. I know of no private charity which assists people in this manner. We should continue to provide for these young mothers and their children, through adoption assistance, vouchers for child care supplies, food and nutri-

tion assistance, and health care assistance. But, this Nation should no longer dole out cash to unwed teenage recipients. Several amendments will be offered during the course of the debate on welfare reform to accomplish this, and I intend to support them.

The second priority of reform is to reestablish the value of work into our welfare system. No civilization can successfully sustain itself over a long period of time by paying a large segment of its population to remain idle. The current system discourages work, because nothing is required from those who receive assistance, and in many instances, welfare pays better than a normal job. I support the efforts of the chairman of the Finance Committee to change that by requiring welfare recipients to work in exchange for their benefits. Under this legislation, welfare will no longer be free. Taxpayers have to work hard everyday, and those receiving public assistance should do the same.

Finally, true welfare reform means saving money. In the past, welfare reform has meant digging a little deeper into the taxpayers' pockets for more money to transfer into ineffective Federal programs. Federal, State, and local governments spent \$324 billion on more than 80 different welfare programs in 1993—that is an average of \$3,357 from each household that paid Federal income tax in 1993. We must reject the idea that somehow, \$324 billion is not enough. Real welfare reform should result in fewer people needing welfare and generate savings to be returned to the taxpayers. The Work Opportunity Act will save more than \$60 billion over the next 5 years by returning control over welfare programs to State and local officials with a fixed dollar amount from Washington. This will give State and local officials the ability to improve their services to poor people without waiting on the dilatory approval of Washington bureaucrats.

The American people have demanded welfare reform not because they are stingy or spiteful toward the poor and needy. Rather, they have demanded reform because they have seen a system which has destroyed the hope and dreams of millions of Americans by trapping them in cycles of dependency and encouraging self-defeating behavior. Welfare has been fertile soil for child abuse, neglect, homelessness, and crime. By strengthening the traditional family, requiring work in exchange for benefits, and bringing financial discipline to our current welfare system, we can change welfare from a system of hopelessness to one of hope, from a system of dependency to one of responsibility. We owe it to welfare recipients, their children, and society, to do no less.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.