merger of the Union Pacific and Southern Pacific Railroads is consummated. It is not my intention to prejudge the legitimacy of this merger, but only to be certain that the public interest is not adversely threatened.

Mr. President, these megamergers pose very serious questions which must be answered by the players themselves or the agencies charged with maintaining an essential competitive transportation system.

Mr. President, I ask that the Journal of Commerce article referred to in the body of my statement appear in the RECORD at this point:

The article follows:

[From the Journal of Commerce, Sept. 13, 1995]

RAILS STRAIN TO SERVICE MIDWEST GRAIN HARVEST

(By Rip Watson)

The U.S. Midwest's rail network, normally no stranger to the crunch of the fall harvest, is beginning to strain this year under the weight of strong demand, tight car supply and skyrocketing prices.

Conditions are so tense in Iowa that farm trade associations will hold a Grain Transportation Summit on Thursday in Des Moines to vent their frustrations with some rail carriers, while seeking ways to ease the problem before soybean harvests begin in a few days.

''Grain is hot. Export demand is huge and will continue to be that way in the foreseeable future,'' said Jim Higgins, an analyst for Donaldson, Lufkin & Jenrette in New York.

As an industry, railroads boosted grain carloadings 23% in August from a year ago. Burlington Northern Railroad led the pack with a 28% increase, followed by Union Pacific Railroad at 19%.

That higher traffic volume is proving to be little comfort to Iowa shippers.

''We are sitting with most of our facilities full.'' said Dawn Carlson of the Iowa Institute for Cooperatives. ''People are getting concerned. Every day that goes by is tacking on more and more charges and the farmer will get less and less for the grain delivered. If we don't get the grain moving, we'll have a lot of grain sitting on the ground.''

Arthur Breenken, manager for the Farmers Co-Op Society in Wesley, Iowa, said, ''The Soo Line is shipping cars but they are not supplying them fast enough.'' He said the problem was that much Iowa grain is moving to the Gulf of Mexico instead of the Mississippi River, which lengthens the round trip time to more than 30 days.

John Bromley, a spokesman for Union Pacific, blamed rail unions for not allowing UP employees to work in Iowa, where the railroad is short staffed. UP is hiring and training new workers now, he said.

Without those industrywide increases, the Association of American Railroads would have been 1% lower than last year.

''Our export projections are strong,'' said Brad Clow, director of transportation for Sparks Commodities in Memphis, Tenn. ''In some commodities, shipments could outdo USDA forecasts.''

With export demand strong and the corn and soybean harvests expected during the next several weeks, industry observers see no changes in the rate and car supply situation.

''We expect cars to remain tight until January or February,'' Mr. Clow said.

''It would surprise me if we didn't continue to have this shortage problem for a while,'' said Steve Strege, who directs the North Dakota Grain Dealers Association in Fargo. ''We're just getting into the usual crunch time. I don't know if there is much precedent for us to have a problem at this time of year and have it relax at the time of corn and soybean harvest.''

With shippers paying premiums of up to $500 a car to guarantee availability of covered hopper cars for grain shipments late in 1995, Mr. Strege said he believed rates will continue to climb.

''We have people willing to pay a hell of a premium for cars,'' one official said.

''These programs (for ordering cars in advance) give signals to the railroads that they should or can raise their rates,'' Mr. Strege said.

Other forces are influencing the 1995 grain shipping picture.

Operating under a strike threat last year, CP Rail System's Soo Line unit posted meager grain carloadings in August 1994 that were nearly quadrupled last month.

Barge freight markets are facing similar pressures, several industry observers said.

One factor affecting the barge markets is the continued strong northbound river movements of aluminum ore, steel and other products that have reduced availability of barges to haul grain, said Jerry Fruin, a transportation economist for the University of Minnesota in Minneapolis.

''Even with the recent fall in rates in the past week, we expect barge freight rates will continue to remain very strong as we move into harvest,'' Mr. Clow said.

The traffic picture is brightening for some other commodities but remains dim for manufactured goods.

Coal traffic could pick up this month, Mr. Higgins said, because of the hot summer and a resulting reduction in utility stockpiles that have to be replenished.

Export traffic is showing some cyclical strength driven by demand for some steam coals and metallurgical coal, he said.

August carloadings were 2% below last year.

''We're expecting a strong fourth quarter (for coal),'' said Dave Rohall, director of planning for CSX Transportation.●

## FINAL PASSAGE OF WELFARE REFORM

● Mr. BRADLEY. Mr. President, on Tuesday, I spoke in opposition to final passage of the welfare reform bill. Although I was not able to complete my statement in the time available, I obtained unanimous consent that my full statement be printed in the RECORD. However, my full statement did not appear in the RECORD of September 19, 1995. Therefore, what follows is my full statement from that day.

Mr. President, I will vote against this bill because it will wipe out every protection for poor families with children but would do nothing at all to repair what is really wrong with welfare. We have made some improvements to the bill, such as eliminating the job-training consolidation that never belonged in a welfare bill in the first place. And there are sections I strongly support such as the child support provisions which I wrote. But the fundamental structure is deeply flawed and can only lead to deeper poverty and more dependency.

All we are really changing with this bill is the one thing that is not wrong with welfare—the financial relationship between State and Federal bureaucracies. That is not the problem. In fact, block grants create a new problem because States that have increasing numbers of poor families, because of a bad economy or simple population growth, would not have enough funds to assist their people. Federal politicians should not simply transfer pots of money to State politicians without any standards about what the money would be used for. We do not need to transfer money from one bureaucrat to another; we need a commitment to individual poor children.

While this bill would abandon that commitment, the real problems with welfare would remain. The rules that penalize marriage and work. The indifferent local and county bureaucrats, who treat people as numbers and do nothing to help people take care of themselves. The brutal job market. The deeper cultural forces driving increases in divorce, illegitimacy and teen pregnancy. All these problems would remain. Many would get worse.

All this bill does is require States to penalize the children who are the victims of these problems. It does nothing to help them avoid the bleak circumstances into which they have been born and live today.

With all the rhetoric about changing welfare, how did we wind up with a bill that does nothing to change what is wrong with welfare? The answer is politics. Neither party was as serious about really changing welfare as it was about capturing ''the welfare issue'' from the other party. Democrats promised to ''end welfare as we know it'' by tinkering with the levers of government, mostly in positive ways, but not in a way that deeply changes the lives of people on welfare.

Republicans promised to do even better: ''abandon the welfare state.'' They would toss aside the Federal responsibility for poor families and children altogether. But they did not know how to deal with the reality of poverty and welfare. So they came up with the solution of handing the whole problem over to States, for them to solve. Block grants create an appearance of change, not real change.

The debate of the last few days, during which we accepted every amendment that did not challenge the underlying political rhetoric and layered the bill with billions in new Government spending, brought this cynical politics into the light of day. It is politics as usual, made worse by the fact that it is a transparent deceit. We have not improved the bill; all we are accomplishing is to move the bill forward to a conference at which every single one of these provisions, including this massive last-minute compromise, will be dropped without debate in the first 5 minutes. Even if they became law, these ornaments do nothing to repair the deep fundamental flaw at the heart of this bill.

For those who think these provisions improve this bill enough to vote for it, I would like to remind you of what happened last week to my amendment that really would have addressed a central flaw in the bill. All I proposed to do was to require states to lay out the basic rules of their welfare system and assist all poor children who were eligible, unless their families were disqualified under the rules. The amendment made enough sense that the Majority Leader moved to adopt it by voice vote, but the majority staff was so determined to eliminate any hint of a reliable protection for children that we had to come back the next day and strike the provision on virtually a party-line vote.

Unless the heart of this bill is changed, the United States will be the only industrialized nation in the world that will not guarantee basic protection for children from hunger and abject poverty.

We can do much better than this bill. We can repair most of what is wrong with welfare, and over time, much that has gone wrong in our society that perpetuates welfare dependency. Instead of starting with political slogans, we have to start by looking at what really went wrong with welfare, and fixing it.

We should not only protect families from poverty, but lift families into the economic mainstream, by building connections to private-sector employers.

We should not only require teen parents to live at home, but create facilities like 15-Month houses for all those who lack a nurturing family.

We should make clear to mothers on welfare that having an additional child will significantly worsen their life chances, but also reduce the penalties for marriage and savings.

We should give States more responsibility, but also enlist the institutions of civil society—churches, neighborhood organizations, and YMCAs—to accomplish together what neither Government nor the market can accomplish on their own.

This legislation does not abandon the mythical ''welfare state,'' but it does abandon our society's commitment to protect poor children from abject poverty, hunger, abuse, neglect and death. Meanwhile, it does nothing to fix the real problems. I would urge all of my colleagues to think twice before joining the rush to send this deeply flawed bill forward into a process where it will get even worse.●

READY, FIRE, AIM

● Mr. D'AMATO. Mr. President, I rise today in support of the Affordable Housing Tax Credit [the Credit], which is the Federal Government's principal and most successful rental housing program. The Credit Program, however, is under attack and is threatened with termination. As part of budget reconciliation, the Ways and Means Committee has proposed to sunset the Credit at the end of 1997 pending a GAO review of the management of the program. Crafted this way and if accepted by the Senate, the proposal would greatly reduce private equity attracted to affordable housing through 1997, and if terminated after 1997, would halt the development or rehabilitation of affordable rental housing.

In essence, Ways and Means is adopting a ''Ready, Fire, Aim Strategy.'' The committee proposes to eliminate the program before determining there is a problem. No hearings have been held and no study has been conducted. Shoot first and ask question later.

Mr. President, I have written the chairman of the Finance committee, Senator ROTH, urging that the Committee not consider the Ways and Means proposal to sunset the Credit. Oversight of any Federal program is always appropriate, and the Credit should not be exempt. But a mandated sunset before review is just a budget gimmick to pick up revenues in the out years. Congress can always change the program if mismanagement is found, but only after hearings. Termination without review will drastically slow the flow of private capital to projects currently being planned. Action before study is rash. Budgetary needs should not dictate housing policy.

The Credit has enjoyed widespread bi-partisan support. Indeed, the program was originally sponsored by former Senator Mitchell and my colleague from New York, Congressman RANGEL, as part of the Tax Reform Act of 1986, and signed into law by President Reagan. In the Bush administration, Secretary of HUD, Jack Kemp, was the chief advocate of the Credit on behalf of the administration.

Under current law, the Credit is limited to $1.25 per capita per State and administered by the States on behalf of the Federal Government. Eligible affordable housing units are provided a Federal tax credit each year for 10 years, though the units must remain affordable for at least 15 years—many States require 30 or more years of affordability. Investors provide equity to projects in exchange for the credits to facilitate the development of affordable units.

Based on the Nation's population of approximately 260 million, States are able to allocate approximately $325 million of credits from their 1995 per capita volume limitation. Although the credits are utilized each year for 10 years by investors, those investors provide equity upfront during the development process. At today's market pricing, the roughly $325 million of volume cap credits available in 1995 will result in approximately $1.85 billion of private capital invested in affordable rental housing.

This private equity translates into rental housing for families in need of affordable housing. According to the National Council of State Housing Agencies [NCSHA], since 1986 the Credit has assisted in the development of over 700,000 units rental housing. In 1994 alone, according to NCSHA, the Credit produced 114,000 new or rehabilitated units, spurred construction activity leading to 98,000 jobs, $3.1 billion of wages, and $1.5 billion in tax revenues.

According to the New York State Housing Finance Agency and the Division of Housing and Community Renewal, in 1994, over 6,100 units of rental housing were made possible because of the Credit in my home State. The production of these units resulted, directly, in an estimated $520 million of housing investment in the State. Of the 6,100 units, over 4,700 were for low-income families. Also, in 1994, New York participated in a national redistribution of unused credits from the prior year. As a result, $9 million in additional credits were allocated leading to $90 million of new housing production activity and 1,200 units of rental housing. The corresponding benefits to New York State's economy translated to gainful employment and badly needed stimulation of our business community.

This is why I have been contacted by my Governor, George Pataki, his commissioner of housing, Joseph Holland, and his housing finance agency president, Stephen Hunt, to oppose any curtailment of the Credit Program until careful study has determined a need for change. Additionally the City of New York has urged me to stand up to the House Ways and Means Committee's proposal. Without the Credit my State, and its biggest city, would be deprived of its most important rental housing production program.

The Credit was only made permanent in 1993. Prior to that the program would sunset and Congress would have to enact legislation to extend its authority. Since the permanent extension in 1993, the market has been flooded with equity; principally from major corporations otherwise not involved in affordable housing. the value of credits in the marketplace has dramatically increased as these companies compete for scarce credits awarded by States. The Ways and Means action will put a chill on this market driving down the amount of equity available for housing in 1996 and 1997. There is no assurance that the program would be extended after 1997. As a result, private equity available for affordable housing will dramatically drop because of political uncertainty and looming termination. This is unwarranted since no hearings or studies have shown problems with the Credit Program.

As chairman of the Banking Committee, with jurisdiction over housing and HUD, I am keenly aware of the dramatic decline in Federal appropriations for housing programs. Mr. President, I am also very sensitive to the difficulties with HUD managing large Federal spending programs to support affordable rental housing. I have talked at length with Secretary Cisneros about his HUD reinvention blueprint based on less regulation and bureaucracy. Federal spending programs managed by HUD are slow moving and filled with red tape. On the other hand,