Because of the public interest in the set of welfare services that includes food stamps, AFDC, SSI, and Medicaid, the data on this cluster of welfare programs are presented here, but only for completeness. By themselves they do not provide the basis for any conclusions about overall transfer-payment receipt by various cohorts of immigrants and natives, because these calculations do not include most payments to the native elderly.

Foreign-born persons taken altogether have perhaps a 10 to 20 percent higher probability of obtaining these welfare services than do natives. They average perhaps 30 percent higher average receipts per capita than do natives.

There may have been a small increase in the use of these programs from pre-1970 to post 1970 entrants and from immigrants arriving between 1970 and 1986 to those entering between 1987 and 1990, but the evidence is mixed.

If refugees are excluded from the assessment, and only nonrefugees are considered, the rate of welfare use for new immigrants who entered between 1980 and 1990 is considerably below the rate for natives ages 15 and above.

Among foreign-born persons 65 years of age or more, a greater (and growing) proportion receive welfare (mainly SSI) than among natives. This is due to the arrival of many immigrants too late to accumulate enough work time to earn Social Security benefits; the welfare is a substitute for Social Security.

Social Security and Medicare are by far the most expensive transfer payments made by the government. These payments go almost completely to natives. This is because immigrants typically arrive when they are young and healthy, and also because older recent immigrants do not qualify for Social Security for many years after their arrival.

Social Security and Medicare are by far the most expensive transfer payments by the government. The cost of supporting elderly natives is vastly greater than for immigrants. This is because immigrants typically arrive when they are young and healthy, and the appropriate life-time analysis shows that this provides a large windfall to the national treasury. (Current data alone also show a similar effect because of the contemporary age distribution of the immigrant population). Also, older recent immigrants do not qualify for Social Security for many years after arrival.

As of the 1970s, immigrant families in all cohorts within several decades clearly paid more taxes on average than native families. However, the mean earnings of all new immigrant men were smaller relative to adult natives 25 to 64 in the 1980s than in the previous decade. The mean earnings of immigrant men who entered in the 1970s were smaller relative to adult natives 25 to 64 in the 1980s than the similar comparison for the previous decade. This continues a trend from men who entered in the 1960s. This implies that the size of tax contributions by recent cohorts of immigrants relative to those of natives has diminished in recent decades.

When immigrants are subclassified by legal category of entrance, the picture is quite different from that for immigrants taken altogether. In an analysis of the 1990 census, where the average household income (different from the earnings concept referred to in the paragraph above) for natives was $37,300, 1980–1990 immigrants from countries from which most of the immigration is legal received $34,800 (that is, 91 percent of natives' household income), the average for those from countries sending mostly refugees to the United States was $27,700, and for those from countries sending illegals $23,900. (No information is now available on whether the picture was the same or different in earlier decades.) These data on recent legal immigrants are the relevant data for policy-making in legal immigration.

As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services. The most recent available data (for 1975) show that each year, an average immigrant family put about $2,500 (1995 dollars) into the pockets of natives from this excess of taxes over public costs.

The possible changes over time in earnings in the various immigrant cohorts cast some doubt on the present-value calculation for earlier years concluding that immigrants make net contributions to the public coffers; a different sort of calculation may be needed for which data are not available.

Illegal aliens contribute about as much to the public coffers in taxes as they receive in benefits. New data suggest that the undocumented pay about 46 percent as much in taxes as do natives, but use about 45 percent as much in services.

Immigrants, the Environment, and Natural Resources

Natural resources and the environment are not at risk from immigration; rather, in the long run, resources increase and the environment improves due to immigration. The long-term trends show that U.S. air and water are getting cleaner rather than dirtier, and world supplies of natural resources are becoming more available rather than exhausted. Immigration increases the technical knowledge that speeds these benign trends.

Public Opinion about Immigrants and Immigration

The most recent polls of U.S. residents' opinions show that most persons want less immigration. This is consistent with the consensus of all polls since the first such surveys in the 1940s. There does not seem to be a long-run trend in public opinion opposing immigration.

A poll of the most respected economists found a consensus that both legal and illegal immigrants are beneficial economically.

No data are presented in this pamphlet concerning racial or ethnic composition or the country of origin of immigrants because these characteristics are not relevant for any policy decisions that are related to the economic consequences of immigration.

[From the Los Angeles Times, Dec. 11, 1995]

STUDY PAINTS A POSITIVE PICTURE OF IMMIGRATION

COSTS: BOTH LEGAL AND ILLEGAL IMMIGRANTS USE FEWER GOVERNMENT RESOURCES THAN NATIVE-BORN CITIZENS, REPORT SAYS.

(By James Bornemeier)

WASHINGTON.—A new study on the effects of immigration finds that total per capita government expenditures are much lower for immigrants—legal and illegal—than for native-born citizens.

The report also paints an upbeat picture of immigrants' educational achievements and asserts that the nation's natural resources and environment are unaffected by the influx of immigrants.

''As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services,'' the report says. ''The most recent data * * * show that each year an average immigrant family puts about $2,500 into the pockets of natives from this excess of taxes over public costs.''

The study, to be issued this morning in Washington by the National Immigration Forum, an immigration-advocacy group, and the Cato Institute, a conservative think tank, comes at a time when Congress is wrestling with major immigration bills and public opinion is increasingly negative on immigration issues.

Legislation is progressing in both houses of Congress to clamp down on illegal immigration and—to the dismay of many immigration advocates—restrict entry of legal immigrants as well.

The issue has split Republicans, some of whom see the free flow of legal immigrants as an economic boon to the country. Immigrant-rights groups say the political activism to stem illegal immigration has unfairly led to the limitations on legal immigrants.

But groups pushing for stronger restrictions on immigration branded the report, authored by University of Maryland professor Julian L. Simon, as biased.

''Julian Simon is not a liar,'' said Dan Stein, executive director of the Federation for American Immigration Reform, ''but he gets as close as anyone can be to one. He is intentionally deceptive, manipulative and grossly in error.'' Signifying the sensitivity of the issue, more than 20 interest groups and think thanks have signed on to the report, and they span the political spectrum—from the immigrant-rights group, the National Council of La Raza, to the Progress and Freedom Foundation, an organization closely associated with House Speaker Newt Gingrich.

House Majority Leader Dick Armey, a strong supporter of legal immigration, is scheduled to address the Capitol press conference where the report is to be released today.

Among the report's most controversial findings is Simon's conclusion that government expenditures are lower for immigrants than for native-born Americans.

According to the report, the average immigrant family receive $1,404 in welfare services in its first five years in the country. Nativeborn families averaged $2,279, Simon writes. The report makes these other points:

- The number of illegal immigrants in the United States—estimated at 3.2 million—is not very different from a decade before.
- More than half of illegal immigrants enter legally and overstay their visas; less than half enter clandestinely.
- New immigrants are more concentrated than native-born citizens in the youthful labor force ages when people contribute more to the public coffers than they draw out.
- Immigrants on average have a year less education than natives—about the same relationship as has been observed back to the 19th century.

Such optimistic findings collide with the views of other researchers.

''His numbers are conventional and unremarkable,'' said Mark Krikorian of the Center for Immigration Studies in Washington. ''The question is what sort of spin Julian puts on them. He has his bias, and the bias has a very significant influence on the interpretation he has put on the facts.''

As an example, Simon says the number of immigrant high school dropouts has been declining. For example, Krikorian said, Simon reports that the number of immigrant high school dropouts has been declining.

''But what he doesn't mention,'' said Krikorian, ''is the gap between the percentage of American high school dropouts and the percentage of immigrant high school dropouts is widening. It's pretty obvious that the education gap in increasing. By not addressing [that] he makes his document an advocacy document.''

STUDENT LOANS

Mr. COATS. Mr. President, I would like to clarify the remarks I made on the floor earlier today with respect to the size of the direct loan program. The Federal Direct Student Loan Program was originally authorized to administer 5 percent of total loan volume as a demonstration program. In 1993–94, the first year of the Direct Lending Program, the Department of Education was authorized to administer 5 percent of total loan volume. The Balanced Budget Act of 1995 imposes a 10-percent cap on direct loans, and ensures that all schools who participated in the first year of the program will continue to serve as the demonstration group, thereby allowing a proper test to take place.

I would also like to be very clear about the impact of the proposed 10-percent cap: a 10-percent cap on direct loans will in no way affect any student's ability to receive a student loan. The law requires that the eligibility requirements for both loan programs be identical, and therefore a 10-percent cap on direct loans will not limit any student's ability to receive the loans they need to attend college. The administration continues to try to frighten students and their families by implying that a cap on direct lending will limit student loans, but this is simply not the case: a cap on direct lending only affects how the loans are delivered—it does not affect loan access or availability.

THE SENIOR CITIZENS' FREEDOM TO WORK ACT OF 1995

Mr. ROTH. Mr. President, yesterday the Finance Committee reported out S. 1470 with technical changes. The committee will not file a written report. For the benefit of my colleagues, the following is a synopsis of the bill's provisions.

The Social Security retirement earnings limit for senior citizens age 65 to 69 is gradually increased from the 1995 level of $11,280 to $30,000 by the year 2002. The cost of the retirement earnings limit proposal is offset by the following reforms: Drug addicts and alcoholics will no longer qualify for SSI and SSDI disability benefits solely by reason of their addiction; and stepchildren will no longer qualify for Social Security dependents' benefits unless their stepparent provides at least 50 percent of the stepchild's support; such benefits will terminate the month following the divorce.

A new revolving fund is created within the SSDI Trust Fund to provide a stable source of funds for the Social Security Administration to conduct continuing disability reviews of SSDI recipients.

The legislation clarifies that the Secretary of the Treasury and other Federal officials are not authorized to underinvest and/or disinvest Social Security and Medicare funds in Federal securities or obligations in order to avoid the limitations on the public debt.

Mr. President, I ask unanimous consent that the synopsis of S. 1470 be printed in the RECORD, together with a letter from John D. Hawke, Under Secretary of the Treasury.

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

DESCRIPTION OF PROPOSALS

1. Increase to Social Security retirement earnings limitation

Present Law

Senior citizens age 70 and older receive full Social Security benefits regardless of the amount of earnings they have from wages or self employment.

Senior citizens age 65 to 69 receive full Social Security benefits only if their wages or self-employment income are lower than a retirement earnings limit. The earnings limit is increased annually based on the rate of average wage growth. The estimated limitation amounts under present law for 1995 and the following seven years are:

Year	*Present Law*
1995	$11,280
1996	11,520
1997	11,880
1998	12,240
1999	12,270
2000	13,200
2001	13,800
2002	24,400

Senior citizens age 65 to 69 who earn more than the limit for a year lose $1 in Social Security benefits for every $3 in wages or self-employment income they earn over the limitation amount.

Reason for Change

According to the Social Security Administration, 925,000 beneficiaries between age 65 and 69 lose some or all of their benefits as a result of the earnings limit. Given the combined effects of Federal, State and local income taxes, Social Security payroll taxes, income taxes on benefits, and the earnings limit, senior citizens who earn even moderate amounts over the limit may realize very little financial gain from their labor. These rates are a disincentive to work and penalize retirees who often need to work out of economic need.

Proposed Change

The retirement earnings limit for workers age 65 to 69 is gradually raised to $30,000 by the year 2002 as follows;

Year	*Proposed*
1996	$14,000
1997	15,000
1998	16,000
1999	17,000
2000	18,000
2001	25,000
2002	30,000

After 2002, the limitation amount will increase annually based on the rate of average wage growth.

Senior citizens age 65 to 69 who have wages or self-employment income in excess of the earnings limit continue to lose $1 in Social Security benefits for every $3 earned over the limit.

The substantial gainful activity (SGA) amount used in determining whether an individual under age 65 is eligible for disability benefits on the basis of blindness is not changed. Therefore, it will no longer equal the Social Security retirement earnings limit for senior citizens age 65 to 69. The SGA amount for blind individuals under age 65 will continue at the present law amount ($11,280 for 1995— and will continue to be wage-indexed in future years.

Effective Date

The proposal, phased in gradually over 7 years, would be effective beginning in 1996.

2. Denial of disability benefits to drug addicts and alcoholics

Present Law

Individuals whose drug addition or alcoholism is a contributing factor material to their disability may receive cash disability benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program through a representative payee for up to three years. These recipients must participate in an approved treatment program when available, and must allow their participation in a treatment program to be monitored. Cash benefits (SSDI or SSI)) end after 36 months, although medical benefits (Medicare or Medicaid) continue if an individual remains disabled by drug addiction or alcoholism.

Reason for Change

The Committee is concerned that the current policy of paying cash Social Security and SSI disability benefits to individuals whose sole severe disabling condition is drug addiction or alcoholism is false compassion and only helps those individuals sustain his/her addiction. Treatment is needed instead. The legislation diverts part of the savings to additional Federal funding to States for drug and alcohol treatment, providing an incentive for States to provide treatment to former recipients.

Proposed Change

The proposal would end entitlement to SSDI and SSI disability benefits if drug addiction or alcoholism is the contributing factor material to the individual's disability. Individuals with drug addiction and/or alcoholism who have another severe disabling condition can qualify for benefits based on that disabling condition.

If a person qualifying for disability benefits based on another disability is also determined to be an alcoholic or drug addict and unable to manage their benefits, a representative payee would be appointed to receive and handle the individual's checks. In the case of any individual whose benefits are paid through a representative payee, the Commissioner of Social Security shall refer that individual to the appropriate State agency for substance abuse treatment services approved under the Public Health Service Act Substance Abuse Prevention and Treatment Block Grant.

For each of fiscal years 1997 and 1998, $50 million will be available to fund additional treatment programs and services through Substance Abuse Prevention and Treatment Block Grant.

Effective Date

Generally, changes apply to benefits for months beginning on or after the date of enactment. However, an individual entitled to benefits before the month of enactment would continue to be eligible for benefits until January 1, 1997. The Commissioner of Social Security must notify such individuals within three months of the date of enactment. The Committee's intent in providing this partial grandfather is to allow current beneficiaries to complete treatment and to allow the Social Security Administration to determine in an orderly fashion if such individuals are disabled by another condition.

Those who wish to reapply for benefits must do so within four months after the date of enactment in order to qualify for priority redetermination of eligibility. The Commissioner must make these determinations within one year after the date of enactment for individuals who reapply.

In addition, in the case of an individual with an alcoholism or drug addiction condition who is entitled to Social Security or SSI disability benefits on the date of enactment, the representative payee and referral