

support this legislation when it comes back from conference only if it matches what we have done here in the Senate." That is, that it follows what we have done here in the Senate.

Certainly that is what it did. The Senate position was what was adopted. The President's weak ideas for vetoing this, we have gone over.

There are people who do not like this legislation, and I respect them for that. I respect them for that. But those people who supported this legislation initially should understand that one of our leaders, Senator DODD, has spent a great deal of time and effort on this legislation and he does not deserve any of the 18 Democratic Senators who voted for this to have jerked the rug out from under him. He deserves more than that. He works on a daily basis for all Democratic Senators. But certainly let us not do this to him. As chairman of the DNC, he is probably more in sync with the desires of the body politic than the rest of us. He knows what direction our party should be headed, and he realizes that the centrist commonsense proposals, such as we are now asking of the majority of this Senate should be given our support.

I ask my Democratic colleagues to consider this when voting on the override. Consider the work that has gone into this by the senior Senator from Connecticut.

This is needed legislation that will do much good. This will put some lawyers out of the kind of work they have been doing making fortunes. They may have to get another practice, or another type of law, or maybe start doing work in which they get paid on an hourly basis. But in the long run, it will also create many new jobs and benefit small investors. It represents the moderate centrist approach to legislating that we ought to be engaged in here.

I respect the opposition to this legislation. There are some people who simply did not like it to begin with. It is a very small minority. But I respect them for that. But those that supported this legislation on this side of the aisle should stick with our leader on this issue, that is, Senator DODD who has spent so much time on this legislation.

This legislation does not represent the ideology of the liberal left or the radical right. It represents a commonsense, bipartisan consensus, and I believe that is what the voters sent us here to do.

There is speculation as to why it was vetoed. I am not going to engage in that other than to say that the President got some real bad advice. The absence of persuasion in the veto message does little to quell any speculation.

I must say, however, that the death of this legislation only benefits a very small group of lawyers who have ruthlessly exploited current laws. They do so to the detriment of small investors and those who have legitimate claims. Their access to money has endowed them with tremendous influence in this

debate, and I believe that is regrettable.

I believe, Mr. President, that this legislation is fair. I think it is directly going to help clear up an area of law that needs clearing up.

To those people who are talking about investors not being protected, I repeat that Senator DODD went to great lengths to work with the vast majority of people on the other side of the aisle, with the White House, and a number of Senators on this side, making sure that investors would still be protected. Investors will be protected, but the lawyers who have been getting these exorbitant fees will not be protected if this veto is overridden, which I hope it is.

PERSONAL RESPONSIBILITY AND WORK ACT OF 1995—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the clerk will report the conference report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of December 20, 1995.)

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

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

Mr. ROTH. Mr. President, sometime ago the American people reached a turning point concerning welfare reform. They understand that despite having spent over \$5 trillion over the past 30 years, the welfare system is a catastrophic failure.

In 1965, 15.6 percent of all families with children under the age of 18 had incomes below the poverty level. And in 1993, 18.5 percent of families with children under the age of 18 were under the Federal poverty level. The system created to end poverty has helped to bring more poverty. By destroying the work ethic and undermining the formation of family, the welfare system has lured more Americans into a cruel cycle of dependency. The size and cost of the welfare programs are at historically high levels and are out of control. Federal, State, and local governments

now spend over \$350 billion on means-tested programs.

Between 1965 and 1992, the number of children receiving AFDC has grown by nearly 200 percent. Yet, the entire population of children under the age of 18 has declined—declined by 5.5 percent over this same period. More than 1.5 million children have been added to the AFDC caseload since 1990. And if we do nothing, if we do nothing to reform it, the number of children receiving AFDC is expected to grow from 9.6 million today to 12 million within 10 years.

That is what the future holds if the current system is allowed to continue. A welfare system run by Washington simply costs too much and produces too little in terms of results.

Twenty years ago, 4.3 million people received food stamp benefits. In 1994, that number had grown to 27.5 million people, an increase of more than 500 percent. And between 1990 and 1994 alone, the number of people receiving food stamps grew by nearly 7.5 million people.

In 1974, the Supplemental Security Income Program was established to replace former programs serving low-income elderly and disabled persons. SSI was considered to be a type of retirement program for people who had not been able to contribute enough for Social Security benefits. Of the 3.9 million recipients in 1974, 2.3 million were elderly adults. The number of elderly adults has actually declined by 36 percent.

But consider this: In 1982, noncitizens constituted 3 percent of all SSI recipients. By 1993, noncitizens constituted nearly 12 percent of the entire SSI caseload. Today, almost 1 out of every four elderly SSI recipients is a noncitizen.

Before 1990, the growth in the number of disabled children receiving SSI was moderate, averaging 3 percent annually since 1984. Then, in the beginning of 1990, and through 1994, the growth averaged 25 percent annually and the number trimmed to nearly 900,000 children. The number of disabled children receiving cash assistance under the Supplemental Security Income Program has increased by 166 percent since 1990 alone. The maximum SSI benefit is greater than the maximum AFDC benefit for a family of three in 40 States.

Welfare reform is necessary today because while the rest of the Nation has gone through a series of social transformations, the Federal bureaucracy has been left behind, still searching in vain for the solution to the problems of poverty. It simply will not be found in Washington.

Our colleague, Senator MOYNIHAN, has reminded us on a number of occasions that the AFDC Program began 60 years ago as a sort of widow's pension. Consider that the AFDC Program cost \$697 million in 1947 measured in constant 1995 dollars. In 1995, the Federal Government spent \$18 billion on the AFDC population, an increase of 2,500 percent measured in constant dollars.

Now, the AFDC Program was originally intended to be a modest means to keep a family together in dignity. But much has changed since then and the system has become a cruel hoax on our young people. It has torn families apart and left them without the dignity of work.

Washington does not know how to build strong families because it has forgotten what makes families strong. It has failed to understand the consequences of idleness and illegitimacy.

Last March, the House of Representatives charted an ambitious course for welfare reform in the 104th Congress. H.R. 4, the Personal Responsibility Act of 1995, was a bold challenge to all of us. It was a creative and comprehensive response to the many problems we currently face in the complex welfare system.

Since then, the Senate has continued the national debate and built on the blueprint provided by the House. Just 3 months ago, the Senate demonstrated that it recognized dramatic and sweeping reforms are necessary. The Work Opportunity Act passed the Senate with an overwhelming and bipartisan vote of 87 to 12.

Today, I am here to present to the Senate and to the American people H.R. 4, the Personal Responsibility and Work Opportunity Act of 1995. H.R. 4 ends the individual entitlement to Federal cash assistance under the current AFDC Program. It also caps the total amount of Federal funding over the next 7 years. These are the critical pieces of welfare reform which will institute dramatic changes the American people want.

These two provisions are the key to everything else which will transpire in the States. They make all other reforms possible. They guarantee the national debate about work and family will be repeated in every statehouse. Fiscal discipline will force the State to set priorities. Block grants will provide them with the flexibility needed to design their own system to break the cycle of dependency. And most importantly, this legislation restores the work ethic and reinforces the value of the family as the fundamental cell of our society.

Mr. President, after decades of research and rhetoric, it is indeed time to end welfare as we know it. This welfare reform initiative is built on three basic platforms and contains all the necessary requirements of authentic welfare reform.

First, individuals must take responsibility for their lives and actions. The present welfare system has sapped the spirit of so many Americans because it rewards dependency. It has also allowed absent parents to flee their moral and legal obligations to their children. This legislation ends the individual entitlement to public assistance and provides for a stronger child support enforcement mechanism.

Second, it restores the expectation that people who can help themselves

must help themselves. For far too long, welfare has been more attractive than work. This legislation corrects the mistakes of the past which allowed people to avoid work. We provide additional funding for child care and incorporate educational and training activities to help individuals make the transition from welfare to work. Under this legislation, welfare recipients will know that welfare will truly be only a temporary means of support and must prepare themselves accordingly.

Finally, this legislation transfers power from Washington back to the States where it belongs. This will yield great dividends to recipients and taxpayers alike. As the power is drained from Washington, Americans should eagerly anticipate the reciprocal actions that take place in the States. States will find more innovative ways to use this money to help families than Washington ever imagined.

Freed from the current adversarial system, the States will be able to design their own unique methods to help families overcome adversity. The current system insults the dignity of individuals by demanding a person prove and maintain destitution. States will reverse this disordered thinking and raise expectations by shifting the emphasis from what a person cannot do to what a person can do.

On balance, you will find that the conference reflects the work of the Senate on the major issues within the Finance Committee jurisdiction. And as you examine the individual parts and the bill as a whole, I believe you will find we have been responsive to the concerns of the Senate.

The conference report provides the right mixture of flexibility to the States but still retains appropriate accountability. And I think the States will find this transfer of power to be a reasonable challenge.

Here are the major specific items included in title I which creates the new block grants to States for temporary assistance for needy families with minor children.

Each State is entitled to receive its allocation of a national cash welfare block grant which is set at \$16.3 billion each year, and in return the States are required to spend at least 75 percent of the amount they spent on cash welfare programs in 1994 over the next 5 years.

In terms of funding, the States will be allowed to choose the greater of their average for the years 1992 to 1994 or their 1994 level of funding or their 1995 level of funding. By allowing the States to use their 1995 funding level, we have increased Federal spending for the block grant by \$3.5 billion over the Senate-passed bill. We have maintained the \$1 billion contingency fund.

The States will be required to meet tough but reasonable work requirements. In 1997, the work participation rate will be 20 percent. This percentage will increase by 5 percentage points each year. By the year 2002, half of the State total welfare caseload must be

engaged in work activities. As provided by the Senate bill, States will be required to enforce "pay for performance." If a recipient refuses to work, a pro rata reduction in benefits will be made.

We provide the resources to make this possible with \$11 billion in mandatory child care funds for welfare families. Let me repeat. The conference report includes \$1 billion more for child care than the Senate welfare bill.

Another \$7 billion in discretionary funds are provided to assist low-income working families. There will be a single block grant administered through the child care and development block grant, but guaranteed funding for the welfare population.

The House has agreed to accept the Senate definition of work activities to include vocational training.

The House has agreed to drop its mandatory prohibition on cash assistance to teenage mothers. As under the Senate bill, this will be an option for the States to determine. The House has accepted the Senate authorization for the creation of second chance homes for unmarried young mothers.

The family cap provision has been modified from both positions. Under the new proposal, States will not be permitted to increase Federal benefits for additional children born while a family is on welfare. However, each State will be allowed to opt out of this Federal prohibition by passing State legislation.

The sweeping reforms in child support enforcement has unfortunately been overlooked in the public debate. This has been an important area of bipartisan action and an important method of assisting families to avoid and escape from poverty.

We are strengthening the enforcement mechanism in several ways. In general, the conference report more closely reflects the Senate bill. We reconciled several of the differences between the House and Senate on items such as the Director of New Hires and the expansion of the Federal Parent Locator Service simply by choosing a midpoint. We have increased funding over the Senate bill for the continued development costs of automation from \$260 to \$400 million.

One particular child support enforcement issue which may be of interest to you is the distribution of child support arrears. Beginning October 1, 1997, all post-assistance arrears will be distributed to the family before the State. As of October 1, 2000, all preassistance arrears will go to the family before the State will be allowed to recoup its costs.

We believe that improving child support collection will greatly assist families in avoiding and escaping poverty.

The American Bar Association strongly supports our child support enforcement changes. The ABA recently wrote that, "if these child support reforms are enacted, it will be an historic

stride forward for children in our nation." Mr. President, we cannot afford to miss this historic opportunity.

SSI is now the largest cash assistance program for the poor and one of the fastest growing entitlement programs. Program costs have grown 20 percent annually in the past 4 years. Last year, over 6 million SSI recipients received nearly \$22 billion in Federal benefits and over \$3 billion in State benefits. The maximum SSI benefit is greater than the maximum AFDC benefit for a family of 3 in 40 States.

The conference agreement contains the bipartisan changes in the definition of childhood disability contained in the Senate-passed welfare reform bill. I am pleased we have addressed this problem on common ground.

The conference rejected the House block grant approach. All eligible children will continue to receive cash assistance. We retain our commitment to serving the disabled while linking assistance to need.

For children who become eligible in the future, there will be a two-tier system of benefits. All children will receive cash benefits. Those disabled children requiring special personal assistance to remain at home will receive a full cash benefit. For families where the need is not as great, such children will receive 75 percent of the full benefit.

No changes in children's benefits for SSI will take place before January 1, 1997. This will allow for an orderly implementation and protect the interests of current recipients.

These changes will restore the public's confidence in this program and maintain our national commitment to children with disabilities.

Current resident noncitizens receiving benefits on the date of enactment may continue to receive SSI, food stamps, AFDC, Medicaid, or title XX services until January 1, 1997. After January 1, 1997, current resident noncitizens may not receive food stamps or SSI unless they have worked long enough to qualify for Social Security. States will have the option of restricting AFDC, Medicaid, and title XX benefits.

Legal noncitizens arriving after the date of enactment are barred from receiving most Federal means-tested benefits during their first 5 years in the United States. SSI and food stamps will remain restricted until citizenship or until the person has worked long enough to qualify for Social Security. The States have the option to restrict AFDC, Medicaid, and title XX benefits after 5 years.

Mr. President, it is time to correct the fundamental mistakes made by the welfare system over the past three decades. All too often, the system simply assumes that if a person lacks money, he or she also lacks any means of earning it. The present welfare system locks families into permanent dependency when they only needed a temporary hand up. It creates poverty and

dependence by destroying families and initiative. To end welfare as we know it, we must put an end to the system which has done so much to trap families into dependence. The Personal Responsibility and Work Opportunity Act of 1995 will accomplish precisely these goals.

From the early days of his administration, President Clinton promised welfare reform to the American people. H.R. 4 meets all principles he has outlined for welfare reform. If the President vetoes H.R. 4, he will be preserving a system which costs and wastes billions of taxpayers' dollars. More importantly, however, if the President vetoes H.R. 4, he will be accepting the status quo in which another 2½ million children will fall into the welfare system.

On January 24, 1995, President Clinton declared at a joint session of Congress, "Nothing has done more to undermine our sense of common responsibility than our failed welfare system."

Mr. President, vetoing welfare reform will seriously undermine the American people's confidence in our political system. The American people know the present welfare system is a failure. They are also tired of empty rhetoric from politicians. Words without deeds are meaningless. The time to enact welfare reform is now.

Mr. President, I yield back the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, just as a point of inquiry, we have 3 hours this evening, and I assume it will be equally divided? Is that agreeable to my friend, the distinguished chairman?

Mr. ROTH. That is correct. That is my understanding.

The PRESIDING OFFICER. That is correct.

Mr. MOYNIHAN. Mr. President, first, may I express my appreciation for the thoughtfulness and sincerity with which the Senator from Delaware has addressed this troubled issue. It is not necessarily the mode of address in these times with regard to this subject. And if I do not agree with him, it is not for lack of respect for his views. He knows that.

He mentioned the subject of a presidential veto, sir. And I must say that there will be such. The President this morning issued a statement saying that, "If Congress sends me this conference report, I will veto it and insist that they try again." And I hope we will try again.

He spoke to the idea that, as he says as he concludes, "My administration remains ready at any moment to sit down in good faith with Democrats and Republicans in Congress to work out a real welfare reform plan."

May I say in that regard, first of all, that it is disappointing considering the degree of bipartisan efforts we have made with respect to the Social Security Act. As the Senator from Delaware stated, this bill would repeal the indi-

vidual entitlement under title IV-A of the Social Security Act, the Aid to Families with Dependent Children program.

The conference report before us states:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4), to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, having met, after full and free conference, have agreed to recommend—

Full and free conference? No, Mr. President. There was one meeting of the conferees on October 24, 2 months ago. We took the occasion to make opening statements, and the conference, as such, has never met since. We received a copy of this report late this afternoon. This is no way to address a matter of this consequence. Let me, if I may, state to you what consequence I refer to.

It is possible to think of the problem of welfare dependency, an enormous problem, as somehow confined to parts of our society and geography, the inner-city, most quintessentially. It is certainly concentrated there but by no means confined there.

The supplemental security income provision, established in 1974, is what is left of President Nixon's proposal for the Family Assistance Plan that would have created a guaranteed level of income. I remarked earlier, a quarter century ago I found myself working with our masterful majority leader in this purpose—the children were left out. But we established a guaranteed income for the aged, the blind and disabled and later expanded it greatly for children. But, basically, the provision to replace AFDC with a negative income tax was dropped.

In the course of the 1960's we developed a new set of initiatives, in particular the Economic Opportunity Act of 1965. We had learned, as a matter of social inquiry, that there is just so much you can do with a one-time survey of the population to understand the condition of that population. You can extrapolate, you can use your mathematical skills as much as possible, sampling and surveying periodically. But we said, if you are going to learn more, you are going to have to follow events over time. Longitudinal studies, as against vertical. The distinguished Presiding Officer knows those words from his experience as an applied economist in the world of business. In 1968, we established the panel study of income dynamics at the University of Michigan at the Survey Research Center, and they have been following a panel of actual persons, with names and addresses, for almost 30 years. We now know something about how people's incomes go up and down, and such.

A distinguished social scientist, Greg J. Duncan, at Northwestern University and Wei-Jun Jean Yeung of the University of Michigan have calculated the

incidence of welfare dependency in our population for the cohort, by which we mean people born, between 1973 and 1975. These people will be just going into their twenties and out of age of eligibility.

Mr. President, of the American children born from 1973 to 1975, now just turning 20, 24 percent had received AFDC benefits at some point before turning 18. That includes 19 percent of the white population and 66 percent of the black population. Do not ever forget the racial component in what we are dealing with.

If you include AFDC, supplemental security income, and food stamps, you find that 39 percent of your children, 81 percent of African-Americans and 33 percent of whites—received benefits at some point in their youth.

Problems of this magnitude deserve careful analysis and careful response. That is why persons whose voices have been most persuasive in this debate, those asking, "What are you doing?" have been conservative social analysts, social scientists. James Q. Wilson at the University of California, Los Angeles, for example; Lawrence Mead on leave at Princeton. His chair is at New York University. And George Will, a thoughtful conservative, who had a column when we began this discussion last September called "Women and Children First?" He said:

As the welfare reform debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here.

No child in America asked to be here.

Each was summoned into existence by the acts of adults. And no child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare system.

We are talking about these children.

I ask unanimous consent that this column be printed in the RECORD.

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

[From the Washington Post, Sept. 14, 1995]

WOMEN AND CHILDREN FIRST?

(By George F. Will)

As the welfare reform debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here.

Each was summoned into existence by the acts of adults. And no child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare system.

Phil Gramm says welfare recipients are people "in the wagon" who ought to get out and "help the rest of us pull." Well. Of the 14 million people receiving Aid to Families with Dependent Children, 9 million are children. Even if we get all these free riders into wee harnesses, the wagon will not move much faster.

Furthermore, there is hardly an individual or industry in America that is not in some sense "in the wagon," receiving some federal subvention. If everyone gets out, the wagon may rocket along. But no one is proposing that. Instead, welfare reform may give a

whole new meaning to the phrase "women and children first."

Marx said that history's great events appear twice, first as tragedy, then as farce. Pat Moynihan worries that a tragedy visited upon a vulnerable population three decades ago may now recur, not as farce but again as tragedy.

Moynihan was there on Oct. 31, 1963, when President Kennedy, in his last signing ceremony, signed legislation to further the "de-institutionalization" of the mentally ill. Advances in psychotropic drugs, combined with "community-based programs," supposedly would make possible substantial reductions of the populations of mental institutions.

But the drugs were not as effective as had been hoped, and community-based programs never materialized in sufficient numbers and sophistication. What materialized instead were mentally ill homeless people. Moynihan warns that welfare reform could produce a similar unanticipated increase in children sleeping on, and freezing to death on, grates.

Actually, cities will have to build more grates. Here are the percentages of children on AFDC at some point during 1993 in five cities: Detroit (67), Philadelphia (57), Chicago (46), New York (39), Los Angeles (38). "There are," says Moynihan, "not enough social workers, not enough nuns, not enough Salvation Army workers" to care for children who would be purged from the welfare rolls were Congress to decree (as candidate Bill Clinton proposed) a two-year limit for welfare eligibility.

Don't worry, say the designers of a brave new world, welfare recipients will soon be working. However, 60 percent of welfare families—usually families without fathers—have children under 6 years old. Who will care for those children in the year 2000 if Congress decrees that 50 percent of welfare recipients must by then be in work programs? And whence springs this conservative Congress's faith in work programs?

Much of the welfare population has no family memory of regular work, and little of the social capital of habits and disciplines that come with work. Life in, say, Chicago's Robert Taylor housing project produces what sociologist Emil Durkheim called "a dust of individuals," not an employable population. A 1994 Columbia University study concluded that most welfare mothers are negligibly educated and emotionally disturbed, and 40 percent are serious drug abusers. Small wonder a Congressional budget Office study estimated an annual cost of \$3,000 just for monitoring each worldfare enrollee—in addition to the bill for training to give such people elemental skills.

Moynihan says that a two-year limit for welfare eligibility, and work requirements, might have worked 30 years ago, when the nation's illegitimacy rate was 5 percent, but today it is 33 percent. Don't worry, say reformers, we'll take care of that by tinkering with the incentives: there will be no payments for additional children born while the mother is on welfare.

But Nicholas Eberstadt of Harvard and the American enterprise Institute says: Suppose today's welfare policy incentives to illegitimacy were transported back in time to Salem, Mass., in 1660. How many additional illegitimate births would have occurred in Puritan Salem? Few, because the people of Salem in 1660 believed in hell and believed that what today are called "disorganized lifestyles" led to hell. Congress cannot legislate useful attitudes.

Moynihan, who spent August writing his annual book at his farm in Delaware County, N.Y., notes that in 1963 that county's illegitimacy rate was 3.8 percent and today is 32 percent—almost exactly the national average. And no one knows why the county

(which is rural and 98.8 percent white) or the nation has so changed.

Hence no one really knows what to do about it. Conservatives say, well, nothing could be worse than the current system. They are underestimating their ingenuity.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, in our family, we have had the great privilege and joy since the years of the Kennedy administration to have a home, an old farmhouse on a dairy farm in up-State New York, Delaware County, where the Delaware River rises. Mormonism had some of its origins on the banks of the Susquehanna in our county.

The population of Delaware County is largely Scots, the one main group that you can identify. This was sheep raising country in the 19th century. Presbyterian churches are everywhere. It is not so very prosperous, but more so now than when we moved there. In 1963, 3.5 percent of live births in Delaware County were out of wedlock; in 1973, 5.1; 1983, 16.6; 1993, 32.6. We are, in fact, above the national average in this rural traditional society.

We talk so much about how the welfare system has failed. Mr. President, the welfare system reflects a much larger failure in American society, not pervasive, but widespread, which we had evidence of, paid too little attention to, but still do not truly understand. It will be the defining issue of this coming generation in American social policy and politics.

There is nothing more dangerous to writer Daniel Boorstin, that most eminent historian, former Librarian of Congress, who said that it is not ignorance that is the great danger in society, it is "the illusion of knowledge." The illusion exists where none exists. I have spent much of my lifetime on this subject and have only grown more perplexed.

In the Department of Labor under Presidents Kennedy and Johnson, we began the policy planning staff and picked up the earthquake that shuttered through the American family. We picked up the first trembles. If you told me the damage would be as extensive as it is today, 30 years ago if I was told what would be the case, I would have said no, no, it would never get that way. It has.

Now, we did make an effort. We did, indeed, do something very considerable, and in 1988, by a vote of 96-1, we passed out of this Chamber the Family Support Act, which President Reagan signed in a wonderful ceremony. Governor Clinton was there, Governor Castle for the Governors' Association, in a Rose Garden ceremony, October 13. He said:

I am pleased to sign into law today a major reform of our Nation's welfare system, the Family Support Act. This bill represents the culmination of more than 2 years of effort and responds to the call in my 1986 State of the Union message for real welfare reform—reform that will lead to lasting emancipation from welfare dependency.

The act says of parents:

We expect of you what we expect of ourselves and our own loved ones: that you will

do your share in taking responsibility for your life and the lives of the children you bring into the world.

First, the legislation improves our system of securing support from absent parents. Secondly, it creates a new emphasis on the importance of work for individuals in the welfare system.

All we are saying all this year has been what President Reagan said. We put that legislation into place.

I offered on the floor a bill to bring it up to date, the Family Support Act of 1995. It got 41 votes, all, I am afraid, on this side, because both the present and previous administration, to be candid, have somehow not been willing to assert what has been going on under the existing statute.

I stood on the floor when we were debating the welfare bill and Senator after Senator on our side talked about the extraordinary things going on in his or her State by way of welfare changes, and none acknowledging that they are going on under the existing law.

On Wednesday, Senator James T. Fleming, a Republican, the majority leader of the Connecticut Senate, had an op-ed article, as we say, in the New York Times, called "Welfare in the Real World." He talked about Connecticut's new welfare legislation, which is tough. "It imposes the Nation's shortest time limit on benefits, 21 months, and reduces payments under the Aid to Families with Dependent Children program by an average of 7 percent."

Then he goes on to complain that to do this, the State had to get a waiver from Washington, which it did, particularly objecting to the fact that the administration has also refused to permit a two-tier payment system which discourages welfare migration by paying newcomers a lower cash benefit. He says the administration desperately clings to the discredited theory that Washington knows best.

Mr. President, I have spoken to our extraordinarily able, concerned, Secretary of Health and Human Services about this proposition. Why did you refuse the two-tier system? And she said, because it was unconstitutional, that is why. We have a Constitution which provides that an American citizen has equal rights with any other citizen of any State he or she happens to live in. That is what it means to be an American citizen—and that Connecticut cannot say you came from New York and therefore you get half of what somebody who was born here gets. We do not do that. That is all they did.

In point of fact, under the Clinton administration, 50 welfare demonstration projects have been approved in 35 States; 22 States have time-limited assistance in their demonstrations. This kind of experimentation is going on around the country. Governors have finally come to terms with the reality here. A new generation of public welfare officials is learning that they are no longer dealing with the old system.

Frances Perkins, who I had the privilege to know years ago, was Secretary of Labor when the Social Security Act was passed, which created the Aid to Families with Dependent Children program. It was simply a bridge program until old age assistance matured, as there was old age assistance. She described a typical recipient as a West Virginia coal mine widow. The widow was not going to go into the coal mines and was not going to get into the work force.

A wholly new population has come on to the rolls. We know it is extraordinary. We have had intense efforts. Douglas Besharov describes them in an article in the current issue of Public Interest, which I ask unanimous consent to have printed in the RECORD.

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

[From the Public Interest, Winter, 1995]

PATERNALISM AND WELFARE REFORM

(By Douglas J. Besharov and Karen N. Gardiner)

After years of collective denial, most politicians (and welfare policy makers) have finally acknowledged the link between unwed parenthood and long-term welfare dependency, as well as a host of other social problems. But it is one thing to recognize the nature of the problem and quite another to develop a realistic response to it. For, truth be told, there has been a fair amount of wishful thinking about what it takes to help these most disadvantaged parents become self-sufficient.

Young, unwed parents are extremely difficult to help. Besides living in deeply impoverished neighborhoods with few social (or familial) supports, many suffer severe educational deficits and are beset by multiple personal problems, from high levels of clinical depression to alcohol and drug abuse. As a result, even richly funded programs have had little success with these mothers; and they rarely, if ever, try to reach the fathers.

The best remedy, of course, would be to prevent unwed parenthood in the first place. But, even if the number of out-of-wedlock births were somehow reduced by half, there would still be over 600,000 such births each year. Thus social programs must do a much better job of improving the life prospects of unwed mothers and their children (without, of course, creating more incentives for them to become unwed mothers). This will require de-emphasizing the voluntary approaches of the past that have proven unsuccessful, and, in their place, pursuing promising new policies that are more paternalistic.

UNWED MOTHERS ON WELFARE

In the last four decades, the proportion of American children born out of wedlock has increased more than sevenfold, from 4 percent in 1950 to 31 percent in 1993. In that year, 1.2 million children were born outside of marriage. These children, and their mothers, comprise the bulk of long-term welfare dependents.

Images of Murphy Brown notwithstanding, the vast majority of out-of-wedlock births are to lower-income women: nearly half are to women with annual family incomes below \$10,000; more than 70 percent are to women in families earning less than \$20,000. In addition, most unmarried mothers are young (66 percent of all out-of-wedlock births were to 15- to 24-year-olds in 1988), poorly educated (only 57 percent have a high-school diploma), and unlikely to have work experience (only

28 percent worked full time and an additional 8 percent part time in 1990).

Consequently, most unwed mothers go on welfare. In Illinois, for example, over 70 percent of all unwed mothers go on welfare within five years of giving birth to a child. Nation-wide, an unmarried woman who has a baby in her early twenties is more than twice as likely to go on welfare within five years than is a married teen mother (63 percent versus 26 percent). And, once on welfare, unwed mothers tend to stay there. According to Harvard's David Ellwood, who served as one of President Clinton's chief welfare advisors, the average never-married mother spends almost a decade on welfare, twice as long as divorced mothers, the other major group on welfare.

Unwed parenthood among teenagers is a particularly serious problem. Between 1960 and 1993, the proportion of out-of-wedlock births among teenagers rose from 15 percent to 71 percent, with the absolute number of out-of-wedlock births rising from 89,000 to 369,000.

Teen mothers are now responsible for about 30 percent of all out-of-wedlock births, but even this understates the impact of unwed teen parenthood on the nation's illegitimacy problem. Sixty percent of all out-of-wedlock births involve mothers who had their first babies as teenagers.

Because so many unwed teen mothers have dropped out of school and have poor earnings prospects in general, they are even more likely to become long-term welfare recipients. Families begun by teenagers (married or unmarried) account for the majority of welfare expenditures in this country. According to Kristin Moore, executive director of Child Trends, Inc., 59 percent of women currently receiving Aid to Families with Dependent Children (AFDC) were 19 years old or younger when they had their first child.

These realities have changed the face of welfare. In 1940, shortly after AFDC was established as part of the Social Security Act of 1935, about one-third of the children entering the program were eligible because of a deceased parent, about one-third because of an incapacitated parent, and about one-third because of another reason for absence (including divorce, separation, or no marriage tie). By 1961, the children of widows accounted for only 7 percent of the caseload, while those of divorced or separated and never-married mothers had climbed to 39 percent and 20 percent, respectively. In 1993, the children of never-married mothers made up the largest proportion of the caseload, 55 percent, compared to children of widows (1 percent) and divorced or separated parents (29 percent).

The face of welfare dependency has changed for many and infinitely complex reasons. But there should be no denying that the inability of most unwed mothers to earn as much as their welfare package is a major reason why they go on welfare—and stay there for so long. (A common route off welfare is marriage, but that is a subject for another article.) Hence, since the 1960s, most attempts to reduce welfare dependency have focused on raising the earnings capacity of young mothers through a combination of educational and job-training efforts. Given the faith Americans have in education as the great social equalizer, this emphasis has been entirely understandable. However, the evaluations of three major demonstration projects serve as an unambiguous warning that a new approach is needed.

THREE DEMONSTRATIONS

Beginning in the late 1980s, three large-scale demonstration projects designed to reduce welfare dependency were launched. Although the projects had somewhat different

approaches, they all sought to foster self-sufficiency through a roughly similar combination of education, training, various health-related services, counseling, and, in two of the three, family planning.

New Chance tried to avert long-term welfare reciprocity by enhancing the "human capital" of young, welfare-dependent mothers. Designed and evaluated by Manpower Demonstration Research Corporation (MDRC), the program targeted those at especially high risk of long-term dependency: young welfare recipients (ages 16 to 22) who had their first child as a teenager and were also high-school dropouts. Its two-stage program attempted to remedy the mothers' severe educational deficits—primarily through the provision of a Graduate Equivalency Degree (GED) and building specific job-related skills.

The Teen Parent Demonstration attempted to use education and training services to increase the earnings potential of teen mothers before patterns of dependency took root. Evaluated by Mathematical Policy Research, the program required all first-time teen mothers in Camden and Newark, New Jersey, and the south side of Chicago, Illinois, to enroll when they first applied for welfare. The program enforced its mandate by punishing a mother's truancy through a reduction in her welfare grant.

The Comprehensive Child Development Program (CCDP), which is still operating, seeks to break patterns of intergenerational poverty by providing an enriched developmental experience for children and educational services to their parents. A planned five-year intervention is designed to enhance the intellectual, social, and physical development of children from age one until they enter school. Although not a requirement for participation, the majority of families are headed by single parents. The program, evaluated by Abt Associates, also provides classes on parenting, reading, and basic skills (including GED preparation), as well as other activities to promote self-sufficiency.

These three projects represent a major effort to break the cycle of poverty and to reduce welfare dependency. New Chance involved 1,500 families at 16 sites and cost about \$5,100 per participant for the first stage, \$1,300 for the second, and \$2,500 for child care (for an 18-month total of about \$9,000 per participant). The Teen Parent Demonstration, involving 2,700 families at three sites, was the least expensive at \$1,400 per participant per year. The most expensive is the CCDP, which serves 2,200 families at 24 sites for \$10,000 per family per year. Since it is intended to follow families for five years, the total cost is planned to be about \$50,000 per family. These costs are in addition to the standard welfare package, which averages about \$8,300 per year for AFDC, food stamps, and so forth.

All three projects served populations predominantly comprised of teen mothers and those who had been teens when they first gave birth. The average age at first birth was 17 for New Chance and Teen Parent Demonstration clients, while half of the CCDP clients were in their teens when they first gave birth. As the project evaluators soon found, this is an extremely disadvantaged—and difficult to reach—population. Over 60 percent of Teen Parent Demonstration and New Chance clients grew up in families that had received AFDC at some point in the past. If anything, early parenthood worsened their financial situations. All Teen Parent Demonstration clients, of course, were on welfare, as were 95 percent of those in New Chance. The average annual income for CCDP families was \$5,000.

The mothers also suffered from substantial educational deficiencies. Although most

were in their late teens or early twenties, few had high-school diplomas or GEDs. Many of those still in school (in the Teen Parent Demonstration) were behind by a grade. In New Chance and the Teen Parent Demonstration, the average mother was reading at the eighth-grade level. Their connections to the labor market were tenuous at best. Almost two-thirds of the New Chance participants had not worked in the year prior to enrollment, and 60 percent had never held a job for more than six months. Only half of Teen Parent Demonstration mothers had ever had a job. These young mothers also had a variety of emotional or personal problems. About half of New Chance clients and about 40 percent of those in CCDP were diagnosed as suffering clinical depression. The mothers also reported problems with drinking and drug abuse. Many were physically abused by boyfriends.

DISAPPOINTING RESULTS

Besides the intensity of the intervention, what set these three demonstrations apart from past efforts is that they were rigorously evaluated using random assignment to treatment and control groups. Random-assignment evaluations are especially important in this area because, at first glance, projects like these often look successful. For example, one demonstration site announced that it was successful because half of its clients had left welfare, and their earnings and rate of employment had both doubled. These results sound impressive, but the relevant policy question is: What would have happened in the absence of the project? This is called the "counterfactual," and it is the essence of judging the worth of a particular intervention.

Unfortunately, despite the effort expended, none of these demonstrations came anywhere near achieving its goals. After the intervention, the families in the control groups (which received no special services, but often did receive services outside of the demonstrations) were doing about as well, and sometimes better, than those in the demonstrations. In other words, the evaluations were unable to document any substantial differences in the lives of the families served. Here is a sample of their disappointing findings:

WELFARE RECIPIENCY

All three evaluations were unanimous: Participants were as likely to remain on welfare as those in the control groups. Robert Granger, senior vice president of MDRC, summed up the interim evaluation of New Chance: "This program at this particular point has not made people better off economically." At the end of 18 months, 82 percent of New Chance clients were on welfare compared to 81 percent of the control group. The Teen Parent Demonstration mothers did not fare any better. After two years, 71 percent were receiving AFDC, only slightly fewer than the control group (72.5 percent). CCDP participants were actually 5 percent more likely to have received welfare in the past year than were those in the control group (66 percent versus 63 percent).

EARNINGS AND WORK

Only the Teen Parent Demonstration program saw any gains in employment. Its mothers were 12 percent more likely to be employed sometime during the two years after the program began (48 percent of the treatment group versus 43 percent of the control group) and, as a result, averaged \$23 per month more in income. In most cases, however, employment did not permanently end their welfare dependency. Nearly one in three of those who left AFDC for work returned within six months, 44 percent within a year, and 65 percent within three years.

The other programs did not show even this small gain. Fewer New Chance clients were employed during the evaluation period than controls (43 percent versus 45 percent), in part because they were in classes during some of the period. Those who did work tended to work for a short time, usually less than three months. Given the lower level of work, New Chance clients had earned 25 percent less than the control group at the time of the evaluation (\$1,366 versus \$1,708 a year). Only 29 percent of the CCDP mothers were working at the time of the two-year evaluation, the same proportion as the control group; there was no difference in the number of hours worked per week, the wages earned per week, or the number of months spent working.

EDUCATION AND TRAINING

All three demonstrations were relatively successful in enrolling mothers in education programs. Teen Parent Demonstration mothers were over 40 percent more likely to be in school (41 percent versus 29 percent), and about one-third of the CCDP clients were working towards a degree, 78 percent more than the control group.

About three-quarters more New Chance participants received their GED than their control-group counterparts (37 percent versus 21 percent). But the mothers' receiving a GED did not seem to raise their employability—or functional literacy. The average reading level of the New Chance Mothers remained unchanged (eighth grade) and was identical to that of the control group. This finding echoes those from evaluations of other programs with similar goals, including the Department of Education's Even Start program. Jean Layzer, senior associate at Abt Associates, concluded that, rather than honing reading, writing, and math skills, GED classes tended to focus on test-taking: "What people did was memorize what they needed to know for the GED. They think that their goal is the GED because they think it will get them a job. But it won't—it won't give them the skills to read an ad in the newspaper."

In this light, it is especially troubling that, while increasing the number of GED recipients, New Chance seems to have reduced the number of young mothers who actually finished high school (6 percent versus 9 percent). According to one evaluator, the projects may have legitimated a young mother's opting for a GED rather than returning to high school.

SUBSEQUENT BIRTHS

Although the young mothers in New Chance and the Teen Parent Demonstration said they wanted to delay or forego future childbearing, the majority experienced a repeat pregnancy within the evaluation period, and most opted to give birth. Mothers in one project spent only 1.5 hours on family planning, while they spent 54 hours in another, with no discernible difference in impact.

All New Chance sites offered family-planning classes and life skills courses that sought to empower women to take control of their fertility. Many also dispensed contraceptives. In the Teen Parent Demonstration, the family planning workshop was mandatory. Despite these efforts, over 7 percent more New Chance mothers experienced a pregnancy (57 percent versus 53 percent). One-fourth of both Teen Parent Demonstration clients and the control group experienced a pregnancy within one year; half of each group did so by the two-year follow-up. Two-thirds of all pregnancies resulted in births. Although it was hoped that the CCDP intervention would reduce subsequent births, this was not an explicit goal of the demonstration; nor was family planning a core service provided by the sites. But,

again, there was no real difference between experimental and control groups: 30 percent of mothers in both had had another birth by the two-year follow-up.

MATERNAL DEPRESSION

Two of the projects, New Chance and CCDP, attempted to lessen the high rates of clinical depression among the mothers. All New Chance sites provided mental-health services, most often through referrals to other agencies (although the quality of such services differed by site). Yet program participants were as likely as those in the control group to be clinically depressed (44 percent). CCDP clients likewise received mental-health services as needed. But, again, there was no discernible impact. Two years into the program, 42 percent of the mothers in both the program and control groups were determined to be at risk of clinical depression. Measures of self-esteem and the use of social supports also showed no differences.

CHILD DEVELOPMENT AND CHILD REARING

The CCDP sought to prevent later educational failure by providing five years of developmental, psychological, medical, and social services to a group of children who entered the program as infants. Developmental screening and assessments were compulsory for all the children; those at risk of being developmentally delayed were referred to intervention programs.

A major CCDP goal was to improve the ability of the parents to nurture and educate their children. But, at the end of the first two years, the evaluation found only scattered short-term effects on measures of good parenting, such as time spent with the child, the parent's teaching skills, expectations for the child's success, attitudes about child rearing, and nurturing parent-child interactions. More disheartening, especially given the success of other early intervention programs, CCDP had small or no effect on the development of the children in the program. Participating children scored slightly higher on a test of cognitive development but about the same in terms of social withdrawal, depression, aggression, or destructiveness. They were only slightly more likely to have their immunizations up to date (88 percent versus 83 percent). CCDP's lack of success may be explained by its approach to child development (delivering about one hour per week of early childhood education through in-home visits by case managers or, sometimes, early-childhood-development specialists), which did not focus large amounts of resources squarely on children.

All in all, it's a sad story. But what is most discouraging about these results is that the projects, particularly New Chance and CCDP, enjoyed high levels of funding, yet still seemed unable to improve the lives of disadvantaged families. There are several explanations for their poor performance: Many of the project sites had no prior experience providing such a complex set of services; some were poorly managed; and almost all were plagued with the problems that typically characterize demonstration projects, such as slow start-ups, inexperienced personnel, and high staff turnover. In addition, the projects often chose the wrong objectives and tactics. For example, most focused on helping the mothers obtain GEDs, even in the face of accumulating evidence that the GED does not increase employability. As for the two programs that attempted to reduce subsequent births, program staff tried to walk a fine line between promoting the postponement of births and not devaluing the women's role as mothers. Their sessions on family planning seemed to have emphasized that the mothers should decide whether or not to have additional children—rather than that they should avoid having another child until they are self-sufficient.

But even such major weaknesses do not explain the dearth of positive impacts across so many goals—and so many sites. One would expect some signs of improvement in the treatment group if the projects had at least been on the right track. Hence, one is impelled to another explanation: The underlying strategy may be wrong. Voluntary education and job-training programs may simply be unable to help enough unwed mothers escape long-term dependency.

FROM CARROT TO STICK

Young mothers volunteered for both New Chance and the CCDP; no one required that they participate. That level of motivation should have given both projects an advantage in helping them break patterns of dependency. As social workers joke, you only need one social worker to change a light bulb, but it helps to have a bulb that really wants to be changed.

In both New Chance and the CCDP, however, initial motivation was not enough to overcome decades of personal, family, and neighborhood dysfunction. In relatively short order, there was serious attrition. New Chance, for example, was designed as a five-days-a-week, six-hours-a-day program. Yet, over the first 18 months, the young mothers averaged only 298 hours of participation, a mere 13 percent of the time available to them. CCDP experienced similar attrition. Although clients were asked to make a five-year commitment to the program, 35 percent quit after the end of the second year and 45 percent after the end of the fourth.

These dropout rates make all the more significant the Teen Parent Demonstration's success at enrolling non-volunteers. Participation was mandatory for all first-time mothers and was enforced through the threat of a reduction in welfare benefits equal to the mother's portion of the grant, about \$160 per month. When teen mothers first applied for welfare, they received a notice telling them that they had to register for the program and that nonparticipation would result in a financial sanction. Registration involved a meeting with program staff and a basic-skills test. Over 30 percent came to the program after receiving this initial notice. Another 52 percent came in after receiving a letter warning of a possible reduction of their welfare grant.

The 18 percent who failed to respond to the second notice saw their welfare checks cut. Of these, about one-third (6 percent of the total sample) eventually participated. As one mother recounted, "The first time they sent me a letter, I looked at it and threw it away. The second time, I looked at it and threw it away again. And then they cut my check, and I said 'Uh, oh, I'd better go.'" Thus sanctions brought in an entire cohort of teen mothers—from the most motivated to the least motivated and most troubled. For example, no exceptions were made for alcoholic and drug-addicted mothers.

Moreover, the Teen Parent Demonstration was able to keep this population of non-volunteers participating at levels similar to the volunteers in New Chance and the CCDP. After registration, the mothers were required to attend workshops, high-school classes, and other education and training programs. In any given month, participation averaged about 50 percent, reaching a high of about 65 percent during the period when the projects were fully operational. Sanctioning was not uncommon: Almost two-thirds of the participants received formal warnings, and 36 percent had their grants reduced for at least one month.

MORE TOUGH LOVE

Voluntary educational and training programs can play an important role in helping those welfare mothers (often older and di-

vorced) who want to improve their situations. But, by themselves, they seem unable to motivate the majority of young, unwed mothers to overcome their distressingly dysfunctional situations. Mandatory approaches are attractive to the public and to policy makers because they seem to do just that. In the "learnfare" component of Ohio's Learning, Earning, and Parenting Program (LEAP), AFDC recipients who were under the age of 20 and did not have a high-school diploma or GED were required to attend school. Those who failed to attend school or did not attend an initial assessment interview had their welfare grant reduced by \$62 per month. This penalty continued until the mother complied with the program's rules. Conversely, those who attended school regularly got a \$62 per month bonus. Thus the monthly benefit for a ten with one child was almost 60 percent higher for those who complied with the program (\$336 versus \$212). The program also provided limited counseling and child care. Based on a random assignment methodology, MDRC's evaluation found that, one year after LEAP began, almost 20 percent more LEAP participants than controls remained in school continuously or graduated (61 percent versus 51 percent). Over 40 percent more returned to school after dropping out (47 percent versus 33 percent).

Despite early concerns, such behavior-related rules have not been burdensome to administer. Most have been implemented without creating new bureaucracies or new problems. According to MDRC's Robert Granger, these "large-scale programs have not been expensive." The cost of the LEAP program in Cleveland, for example, was about \$540 per client per year, of which about \$350 was for case management and \$190 for child care.

Nor do such rules seem unduly harsh on clients. The sanctioning in the Teen Parent Demonstration caused little discernible dislocation among the young mothers. In fact, very few of them were continuously sanctioned (and, besides, the sanction was applied against only the mothers' portion of the grant). Rebecca Maynard, the director of the Mathematica evaluation, found that the "clear message from both the young mothers and the case managers is that the financial penalties are fair and effective in changing the culture of welfare from both sides." Clients viewed the demonstration program as supportive, although also serious and demanding. Case managers believe it motivated both clients and service providers. Similarly, the LEAP sanctions caused "no hardship whatsoever to the vast majority of participants and their children," according to David Long of MDRC, a co-author of the evaluation report. Mothers who had been sanctioned reported that they were able to "get by" either by trimming their budgets or by receiving assistance from others.

The early success of such experiments linking reductions (and increases) in welfare to particular behaviors led (as of May 1995) more than two-thirds of the state to adopt, and another nine to propose, one or more behavior-related welfare rules. (State reforms are authorized by a federal law that allows the Secretary of Health and Human Services to "waive" certain federal rules.) Between 1992 and 1995, 21 states adopted learnfare-type programs, which tie welfare payments to school attendance for AFDC children or teen parents (with federal waivers pending in three more); eight states adopted "family caps" that deny additional benefits to women who have more children while on welfare (with waivers pending in six more); 15 states adopted time limits for receiving benefits (with waivers pending in nine more); and 10 states adopted immunization requirements (with waivers pending in three more).

In the coming years, expect more states to adopt such rules—and expect more behaviors to become the subject of such rules.

This attempt to regulate the behavior of welfare recipients is a sharp break from the hands-off policy of the past 30 years—and an implicit rejection of past voluntary education and training efforts. It was not so long ago that people such as Princeton's Lawrence Mead were widely derided for suggesting that welfare is not simply a right but an obligation that should be contingent upon certain constructive behaviors. But, because of both political and practical experience, they are now in the mainstream of current developments.

THE LIMITS OF REFORM

No one, however, should expect such paternalistic welfare policies to eradicate dependency. Our political system is unlikely to adopt rules and sanctions tough enough to motivate the hardest-to-reach mothers—nor should it. No politician really wants tough welfare rules that result in large numbers of homeless families living on the streets. Although those who remain on welfare should feel the pinch of benefit reductions, they nevertheless need to be protected from hunger, homelessness, and other harmful deprivations. Thus there is a political limit to the amount of behavioral change that financial sanctions might potentially achieve.

Hence, in the coming years, states will have to grapple with issues such as: How many behaviors can be subject to regulation? How much can the sanctions be stiffened before becoming punitive (and counterproductive)? How should agencies handle clients who, because of emotional problems or substance abuse, seem unable to respond to financial incentives?

Even the experts can only guess about the impact of future rules. The jury is still out, for example, about the impact of New Jersey's family cap; and time-limited programs have yet to be tested in the "real world." Just as important, no sanctioning scheme can compensate for the inadequacy of existing programs for low-skilled and poorly motivated mothers. Programs need to hold out a palpable promise of higher earnings, otherwise participants will drop out—even in the face of financial sanctions. New Chance, the Teen Parent Demonstration, and CCDF all had high dropout rates, suggesting that they failed the consumer test. Describing the services available to the Teen Parent Demonstration, Maynard says: "We did not have much to offer. We had lousy public schools, boring and irrelevant GED programs, and very caring case managers."

Current approaches need to be fundamentally rethought. For example, many welfare experts now believe that education in basic skills is less effective than simply pushing recipients toward work. A recently released evaluation of welfare-reform programs in three sites (Atlanta, Georgia, Grand Rapids, Michigan, and Riverside, California) by MDRC found that intensive education and training activities were only about one-third as effective in moving recipients off welfare as what it called "rapid job entry" strategies (6 percent versus 16 percent).

"The mothers were taught how to look for work and how to sell themselves to employers," according to Judith Gueron of MDRC. "The focus was on how to prepare a resume, pursue job leads, handle interviews, and hold a job once you got one." The programs also maintained telephone banks from which recipients could call prospective employers. And, she stresses, "The program was very mandatory, backed up with heavy grants reductions for mothers who did not comply with job search requirements." Institutionalizing such programs and developing

others in all parts of the country will require creativity, clarity of purpose, and patience, and much trial and error. Still, success will be elusive.

Even if behavior-related rules do not sharply reduce welfare rolls, they could still serve an important and constructive purpose. The social problems associated with long-term welfare dependence cannot be addressed without first putting the brakes on the downward spirals of dysfunctional behavior common among so many recipients. Thus it would be achievement enough if such rules could stabilize home situations. Given the failure of voluntary approaches, the accomplishment of that alone would at least provide a base for other, more targeted approaches.

Aristotle is credited with the aphorism: "Virtue is habit." To him, the moral virtues (including wisdom, justice, temperance, and courage), what people now tend to call "character," were not inbred. Aristotle believed that they develop in much the same way people learn to play a musical instrument, through endless practice. In other words, character is built by the constant repetition of diverse good acts. These new behavior-related welfare rules are an attempt, long overdue in the minds of many, to build habits of responsible behavior among long-term recipients; that is, to legislate virtue.

Mr. MOYNIHAN. I am coming to a close. The three demonstration projects of intense efforts for young, unmarried mothers, training them, stimulating them, encouraging them, reassuring them—it is so hard. If we knew how hard it was, we would know what we are putting at risk here. We are abandoning the national commitment to solve a national problem. We are doing it with very little understanding, very little understanding.

I have here, Mr. President, and I will close with these remarks—we are getting used to everyone who comes to the Senate floor having a poster—I have an artifact. Give this a little thought, just a little thought. What I am holding is a pen with which John F. Kennedy, in his last public bill signing ceremony at the White House, October 31, 1963, signed the Mental Retardation Facilities and Community Health Centers Construction Act of 1963. I was there. I had worked on the legislation. He gave me a pen.

In that act we undertook what was known as the deinstitutionalization of our great mental institutions. We developed tranquilizers, first in New York State, at Rockland State Hospital. We again used them systemwide. We thought we had a medication for schizophrenia. We thought it could be treated in the community, perhaps more effectively in the community than in a large mental institution. So we were going to build 2,000 community mental health centers by the year 1980. And then, thereafter 1 per 100,000.

President Kennedy was very deeply interested in this. I have always thought, if some person with wonderful fast-forward vision was in the Oval Office at that moment and said, "Mr. President, before you sign that bill could I tell you we are going to empty out our mental institutions. In 30 years time they will have about 7 percent of

the population in this time. We are only going to build about 600 of these community mental health centers. Then we are going to forget we started that and go on to other things and leave it be." I think the President would have put that pen down. I think he would have put that pen down and said, "What, do you want people sleeping on grates on Constitution Avenue? Sleeping in doorways? In cities around the country, schizophrenic persons with no medication, no location, simply cast onto the streets?" He would have said, "They will be called homeless or something?"

I think he would not have signed the bill. I wish he had not. And that is why I am so pleased to say that President Clinton will veto this bill. And then we can get back together, work together for the next stage in what has to be a national effort for an extraordinarily severe national problem.

Mr. President, I see my friend from North Carolina is on the floor but I yield the floor. I thank the Chair for his courtesy.

Mr. ROTH. Mr. President, I yield 10 minutes to my distinguished colleague from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, I have, many times over the course of this session's welfare reform debate stated that it is my strong belief that unless we address the root cause of welfare dependency—illegitimacy—we will not truly reform our welfare system. And my belief in this principle has become stronger and strengthened by the twists and turns of almost a year of debate.

It is with mixed feelings that I rise to discuss this conference report on welfare reform. I am pleased that many of the weak points of our first Senate bills have been strengthened. This conference report contains important provisions to require real work from welfare recipients, a concept known as "pay-for-performance." This means that welfare recipients will only receive benefits as compensation for work done. While this commonsense principle is the undisputed standard in the private sector, can you believe it is a revolutionary thing for the Government to expect work for pay? "Pay-for-performance" requirements are the key to replacing welfare with workfare.

I am also glad to see that the welfare conference report contains what has come to be called the family cap. Middle-class American families who want to have children have to plan for, prepare, and save money, because they understand the serious responsibility involved in bringing children into the world. It is grossly unfair to ask these same people to send their hard-earned tax dollars to support the reckless and irresponsible behavior of a woman who has a child out of wedlock and continues to have them, expecting support from the American taxpayer. In fact, their sole support would be the American taxpayer.

The family cap sends an important message that higher standards of personal responsibility will be expected of welfare recipients. If this conference report becomes law, welfare recipients will no longer receive automatic increases in their benefits when they have additional children.

I am very disappointed that the conference was unable to follow through on the courage and fortitude shown by our colleagues in the House of Representatives, who passed a welfare reform bill which would have prohibited the use of block grant funds for cash payments to unwed mothers under 18. In place of this crucial provision we merely have a statement that options exist for the States. We need much more.

This is little more than a statement of current policy. And current policy has resulted in an out-of-wedlock birth rate which has quadrupled over the last 30 years. Today, more than one in every three American children is born out of wedlock. And in some communities, the illegitimacy rate approaches 80 percent.

Children born out of wedlock are three times more likely to be on welfare when they become adults—three times more likely. Furthermore, children raised in single-parent homes are six times more likely to be poor, and twice as likely to commit crime and end up in jail.

In fact, a young girl who is born out of wedlock, when she reaches early maturity is 164 percent more likely to herself have a child out of wedlock.

To truly reform welfare we must reverse current welfare policies which subsidize, and thus promote, self-destructive behavior and illegitimacy—policies which are destroying the American family. This legislation fails to take this crucial step.

It is also unfortunate that this conference report fails to make major changes in the way welfare is administered at the Federal level. Even though this legislation will block grant the AFDC program, and several other smaller programs, it still leaves in place a structure of too many bureaucrats running too many programs through too many different agencies. This bureaucratic structure will continue to stop and stifle substantial reform.

Mr. President, in spite of these deficiencies, the welfare reform conference report before us does mark a turning point in the attitude which prevails here in Washington, and is reflective of the attitude that prevails around the country and that is that it is past time that we do something.

Finally, we have legislation that recognizes what many of us on this side have known for so long. All of our problems cannot be solved by more Government programs and more spending. Government spending is no substitute for personal responsibility.

This legislation is also significant as a step in the right direction after 30

years of failed welfare policies—30 years of them. But, Mr. President, it is only a very small step in comparison to the enormity of the problem our current welfare system has produced. And our current welfare system has produced, with \$5 trillion of our dollars, the situation we find ourselves in today.

Mr. President, if this legislation does pass, it should not be taken as an excuse to rest, or to rest on any laurels from it. This legislation should serve as a start, to push ahead on the vast remainder of unfinished welfare reform business. The real work of welfare reform is still to be done, but this is a start.

Mr. President, I yield the floor.

Mr. FORD. Mr. President, on behalf of the floor manager for the minority, I yield 15 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

Mr. President, it is with sadness that I rise today to discuss the conference report on H.R. 4.

It is 4 days before Christmas, the season usually characterized by giving and good will. But here we are in this Congress in the middle of a partial Government shutdown considering legislation that will dismantle the Federal safety net for poor families and, in the process, push over 1 million additional children into grinding poverty.

Mr. President, it seems to me that too many of our colleagues have forgotten the lesson that Dr. Seuss tried to teach us in "The Grinch Who Stole Christmas." Not only are their hearts too small, but their vision is too narrow as well.

We are, Mr. President, a national community—as Americans—the conditions in which the poor live, especially the poor children, affect us all no matter our wealth or where we happen to live in this great country.

I have in my years in public life advocated making welfare work better. In fact, earlier this year I introduced a welfare bill that I believe addressed the critical problems entrenched in our current system; lack of incentives to move from welfare to work and lack of jobs in low-income communities to absorb those people who want to work.

Mr. President, that bill acknowledged that changes are needed, and it also incorporated lessons that the States have learned—particularly those States that have already instituted successful reform. Those States have shown us that you cannot reform welfare on the cheap.

This bill ignores that experience altogether. Welfare reform should center on eliminating the incentives for dependency on building strong, two-parent families and moving recipients into the economic mainstream.

The Senate bill, though better than the House effort, did not accomplish those objectives, and this conference

report is even worse. Reform may be needed, but not shortsighted reform.

I support increased State flexibility, experimentation, and positive and constructive change. But this bill will lead to a complete abandonment of any national commitment to poor families. There is room for a shared Federal-State partnership, but this bill gives us no partnership at all but simply envisions the Federal Government as the check writer of last resort. There is no accountability for the money. There is no accountability for the rules nor for the money, and the bill encourages a race to the bottom among the States with the States doing the least, potentially hurting the poor the most. There is no recognition in this legislation that as a national community we must have a national safety net if poverty is not to become an accident of geography.

In addition to dismantling the Federal safety net, this bill is flawed in a number of other ways.

The plan makes a mockery of the goal to move welfare recipients into private sector jobs.

The Congressional Budget Office, which has gotten a lot of support around these quarters in recent times, in discussions on the budget, has reported time and time again that the funding levels in this bill are inadequate to meet the work requirements. In fact, the Congressional Budget Office assumes that most States will fail to meet those work requirements and, therefore, will incur substantial penalties under the terms of the legislation.

If only 10 to 15 States—which is the estimate of the number of States that might meet the work requirements—if only 10 meet those work requirements, what of the other 40? What will be the ramifications for them?

Several studies, including one by Northern Illinois University, have shown that, even if the States could meet the work requirements in this legislation, the private sector job market cannot, at the present time, absorb all of the new workers entering the system. Half of the adults receiving AFDC in Chicago right now have never graduated from high school. And one-third of them have never held a job.

This conference report will seal the doom of many of these people for whom it will be difficult, if not impossible, to employ without appropriate support services, education, job training, and assistance—that is nowhere provided for in this legislation.

The plan also cuts funding and block grants critical child welfare programs. Mr. President, this is the last place where we should be making cuts. Our child protection system is already overburdened and underfunded. I can think of no more vulnerable population than abused children, and there have been, frankly, far too many heart-wrenching, alarming stories this year about children who have been abused by their parents who should have been

protecting them. This conference report would increase the chances that these children would languish in unsafe environments of abuse, neglect, disease, and death. This Congress should not blithely go down the road that will visit that kind of harm on the most vulnerable population of Americans.

Finally, Mr. President, most frightening, the conference report will push 1.5 million children into poverty. This country already has a higher child poverty rate than any other industrialized nation. Why would this legislative body knowingly exacerbate that already shameful figure?

It is clear to me that this plan fails those who need a national safety net the most. Welfare should have, I think, two goals at least—protecting children and helping adult recipients to become self-sufficient.

During the floor deliberations, I noted repeatedly that the majority of people receiving assistance under welfare, as we know it, are children. Currently, these are the facts. These are hard facts. This is not somebody's idea or speculation.

Currently, there are 14 million individuals receiving cash assistance, and two-thirds of them, or 9 million of them, are children. While the welfare rolls overall have declined recently, the number of children receiving welfare assistance has remained constant. And that trend is likely to continue because, while 50 percent of the recipients who go on welfare leave it within a year, many of them have a tendency to cycle on and off the rolls due to low-paying, entry-level jobs that barely provide a livable wage for a family. So we are looking at, again, 9 million children being involved in this debate.

Mr. President, I am not arguing that anybody should get a free ride. I do not believe anybody in this body or in this legislature believes that adults should get a free ride. People who can work should work. The role of government is not to subsidize indefinitely those who are capable of working. But it is our role, and indeed our responsibility, to provide a national safety net for children. It is not their fault that they are poor. But it is our fault if this bill dooms them to stay that way.

This Congress, Mr. President, should not pave the way to so-called welfare reform at the expense of poor children. What amazes me about this whole debate is that many of my colleagues know this and yet continue to support this legislation. Some of my colleagues believe that poor children are expendable and that it is, therefore, OK to experiment with their lives. If they can scratch and survive, that is fine. If they do not, well, that is life, and it is just too bad. It is a cruel game of survival of the fittest. We actually heard testimony to that effect in the Senate Finance Committee, and it was stunning to me.

But, Mr. President, policy based on political rhetoric is wrong. This debate has focused on the stereotypes and it

gets in the way of our understanding the facts. Senator MOYNIHAN was brilliant earlier in talking about the notion that the facts here are—facts that we really have not gotten yet to the point of fully being able to appreciate, much less to know how, if you push one button, you will get one kind of consequence.

So we are experimenting here based on stereotypes. We talked about the stereotype of the underdeserving, free-loading poor for so long that many of my colleagues, I think, are frankly determined not to let those misperceptions stand in the way of their policymaking.

Mr. President, the fact is that most of the people who will be affected by this legislation are children.

So my colleagues who support this legislation continue to talk about the parents so they will not have to face the consequences of the children.

It is very difficult, Mr. President, to survive and to compete, or to be self-sufficient if you are a child. So I want to go over again some additional facts that we must not let escape this debate.

Fact one, 22 percent of the children in this, the richest nation in the world, live in poverty. In fact, I have a chart here on child poverty rates. I just hope that this, again, does not get lost in this debate.

Child poverty rates among industrialized countries—here is the United States, 21.5. Here is Australia, Canada, Ireland, Israel, the U.K. can you imagine is here? Italy, Germany, France, the Netherlands, Austria, Norway, Luxembourg, Belgium, Switzerland, Denmark, Sweden, Finland—from 2.5 to 21.5 percent of the children in this country live in poverty.

Children living in poverty are more likely to have poor nutrition, to experience a greater incidence of illness, and to perform more poorly in school, to obtain low-paying jobs and then to live in poverty as adults themselves. And even more shocking, Mr. President, even more shocking, every day, every day in this country, 27 children die due to causes associated with their poverty.

I think these facts are or should be common knowledge for anyone who would presume to legislate in an area such as this. And yet, Mr. President, this body has so far rejected attempts to provide some subsistence to just the children. Assuming for a moment their parents are off the deep end and do not want to be self-sufficient or cannot find a job through no fault of their own, at least let us provide for some subsistence for the children. And this body has rejected those attempts. Quite frankly, if that is not mean-spirited, I do not know what is.

I am going to refer to this picture, which I am sure the Presiding Officer has seen. This is a picture that was taken at the turn of the century, and it was an article in the Chicago History magazine called "Friendless Found-

lings and Homeless Half Orphans." It talked about the social service and social welfare system for children before we had the national safety net that this legislation seeks to dismantle. In that article on friendless foundlings and homeless half orphans, it talked about the phenomenon of what happened to children, the friendless foundlings, the children that the mothers would take and put on the church steps or put on the doorway of someone who had money because they knew they could not feed them, or the homeless half orphans, the children whose mothers, when the winter came and there was no way to support them, would take them to the orphanage and drop them off to be cared for during the wintertime.

It talked about the fact that the various States had various ways of dealing with this issue. And, in fact, in some States there were trains that would take the babies that they found lying in the gutters and lying in the alleys and the streets and ship them out West so they could be raised by farm families who could possibly provide them subsistence.

Are we to go back to this? That is what this conference report would have us do, Mr. President, and it is absolutely sobering and it is absolutely unconscionable, in my mind. Need I remind you of this experiment and would it not make sense for us to be reminded of what happened then when we did not have a national safety net? Do we want to go back to a time of friendless foundlings, homeless half orphans and orphan trains? And do we want to go back to the whole idea of State flexibility? We have been there. As they say in the community, "been there; done that; hated it." We did that in this country. We had 50 separate welfare systems in this United States and this is what it produced. This conference report will send us back to that.

Mr. President, every child in this country is precious, too precious to risk on a poorly designed, shortsighted experiment, and that is what this legislation is. It is an experiment. I say to my colleagues, if the system is broke, this bill does not fix it but, rather, breaks it up even more and then shatters the parts and ships them out to the States. I urge my colleagues to think long and hard before they support this conference report for that reason.

In closing, Mr. President, I would like to end with a quote in a December 14 editorial from the Journal Star, a Peoria newspaper, remember how we used to talk about "how is it playing in Peoria?" I think the Journal Star has it exactly right. After describing the gory details—and I told my colleague on the other side of the aisle I would not read this out loud but, rather, would just put it in the RECORD—and the numerous negative consequences of this conference report, the article concluded by saying, "We're not opposed to welfare reform. We're just opposed

to welfare reform that makes no sense."

Mr. President, this bill makes no sense. This bill makes no sense. It will do more harm than good. And I am just delighted that the President has sent a letter saying that he will veto this bill and that he will do so quickly so that we can come together and, based on the facts as we know them, we can address welfare as we know it and begin to come up with responses to this problem that will make us proud as Americans for having addressed the condition of those who have the least in our community.

With that, Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I thank you very much, Mr. President.

Tonight I wish to talk about this bill from what I can see as a very different perspective. It is a perspective shared by a lot of people in my State and I think by people more broadly across America.

It may be that there are some in this Chamber who bought into the stereotype of people who are in the needy category in our country and view them only as freeloaders. I do not come from that perspective. We have people in my State—I know them well—who would like very much to not be dependent on the Government, people who would like to be earning their own income and people who would like to be on the first rung of the economic ladder. I know it from my own family's experience. My own father was at one time in a CCC camp, so I know a little bit about the experiences of people in hard times and the desire that I think exists within all of us to not be dependent on Government but, rather, dependent on ourselves.

What I think most people are saying in this country today is very simply this, that we have, over 20-plus years at a national level, attempted to fight a war on poverty with very little tangible success. Those who are below the poverty line today are approximately the same percentage of our country as the case when this program began. But in the meantime, and contrary I think to some of the things suggested here during the earlier debates and these, I think our States have changed their philosophy.

I know certainly that in Michigan the desire is not to have flexibility and liberation from Washington to put more people in poverty but, rather, to help the people who are below the poverty line to be able to take better care of themselves. Indeed, that is why I support this legislation, because I wish to really win the war on poverty, not just fight a battle that 20 years from now is at the same pace and point that we are today.

We have a broken system, and it should be fixed. I think the legislation

before us moves us in the direction of fixing it. It establishes goals that are long overdue—foremost among them, the notion that intact families are a critical ingredient in addressing the poverty problem in America today; that the problem of illegitimacy, which many of our colleagues have spoken of and spoken more eloquently than I and understand in more detail than I can understand, the problem of illegitimacy I think has been lost over the years during this poverty debate where a check became a substitute often for a parent, a check from Washington.

So I think it is time, as this bill does, to change the goals and to put intact families and reducing the illegitimacy at the top of our national agenda, and also to put the goal of putting people to work rather than being part of a permanent welfare condition at the top of the agenda. And most importantly, to put hope and the inspiration needed to put people on the economic ladder at the top of the agenda. The current system has I think failed us in achieving those objectives.

What the bill does strategically is this. It gives States, the people on the front lines, the kind of flexibility they need to help people who are on welfare. It says, let us have less bureaucracy in Washington and let us give the people on the front line, the front-line case-workers the chance to really work with people in our country who need help to get them on the economic ladder. That is what we need. In my State of Michigan, approximately two-thirds of the time of our front-line welfare case-workers is spent basically filling out paperwork, most of it for the Federal Government, instead of helping the people these programs are intended to help.

A second objective is to give the States the flexibility to give better solutions to the problems, rather than the Washington-knows-best solutions that they have labored under for far too long. The States in fact, Mr. President, care a lot more about the people who live in them than anybody here inside the beltway. And Governors and legislators are just as concerned and compassionate as we are, and I happen to think are a lot more likely to be creative and inventive in dealing with the problems in their own States than we possibly can be trying to administer a 50-State program with one set of solutions. So State flexibility is a cornerstone of the program. So, too, is the consolidation of the programs.

Instead of having the massive numbers of programs that have grown up during the last 25 years, this program, this welfare bill, reduces, consolidates programs. It saves us money in terms of bureaucracy but it makes the programs comprehensible and workable, instead of far too complicated, and oftentimes in conflict with one another.

Third, it addresses, as I suggested earlier, the illegitimacy problem facing our Nation today in a variety of, I think, very effective ways. During the

original debate on this bill I was on the floor promoting part of this legislation which I helped draft, the so-called bonus to States who reduce the rate of illegitimacy without simultaneously increasing the number of abortions.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. ABRAHAM. Mr. President, I ask the manager if I might have an additional 2 minutes?

Mr. ROTH. I yield 2 additional minutes.

The PRESIDING OFFICER. The Senator may continue.

Mr. ABRAHAM. I thank the Chair and I thank the manager.

This approach addressing the illegitimacy problems will start finally to focus priorities at the State level where they ought to be, on keeping families intact, on reducing the number of out-of-wedlock births, and as a consequence addressing the problem at its core, the child poverty statistics we hear so often about.

The concern I think we all have for children born in poverty is in no small sense a result of the fact that too many children are born out of wedlock into families that are not economically strong enough to protect them.

Finally, the strategy in this legislation is to put strong, tough work requirements into place and to give States the incentives they need to try to get people to work rather than simply administering the massive transfer of payment program that does very little to give people the kind of dignity, incentive, and encouragement and help they need to get onto the economic ladder.

For those reasons, Mr. President, I think this bill is on target. I will support the conference report when we vote tomorrow. I hope that the President will reconsider his comments with respect to vetoing the legislation because I believe this truly will accomplish something that he and many of us have spoken about in the context of our campaigns, the notion that we truly would reform welfare and change welfare as we know it.

This legislation ends business as usual. This legislation will address the welfare problems effectively. Mr. President, I hope our colleagues will support it. I thank the Chair and I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). Who yields time?

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I appreciate the willingness of the manager to yield me some time. I had the privilege of being in the chair and thereby being able to give my full attention to the statement of the Senator from New York, and following that the Senator from Illinois, two Senators for whom I have enormous respect and personal affection.

I am moved by the clear and unalloyed concern they have for the children in poverty in our country and for the failure of our present system to solve that problem. I can think of no two Senators who have better motives and more genuine urges to solve this problem than these two.

I am a supporter of the conference report. And I want to respond to the comments that were made so that my support for the conference report will not be misunderstood. I think the Senator from New York put it in the best context when he described the signing ceremony that took place in the Kennedy administration against a backdrop of great optimism and unfortunately complete ignorance as to what the future would actually be like.

I think the Senator's point is well taken. We are embarking once again on a leap of faith with considerable ignorance as to what the future would be like. I would be reluctant to take that leap of faith if I thought the present was working. But the present is not working. And I am willing to take a leap into the future in the hope that it will be better than the present and frankly a fear that things could not be much worse than we have in the present, that we are not risking that much by dismantling some of the present circumstance.

Let me share with you an experience from my home State of Utah that gives me more hope for the future than perhaps my friends have. In the State of Utah we set up—I say we, I had nothing to do with it—the Governor and the office of social services set up a program which required a whole series of waivers from Federal regulations in order to implement.

These waivers took a great deal of time and effort to put in place. Finally the Feds said, "Well, we will grant you the waivers"—my memory tells me that it took 44 such waivers—"We will grant you the waivers from the Federal regulations because we think the program you will put in place will in fact improve the lot of the poor, who come under your program. However, we tell you that based on our analysis, the program will cost 20 percent more than is being expended right now. And we do not think you can afford it, but we will give you the opportunity to spend that extra money."

We wanted to have—in response to the kinds of concerns the Senator from New York raised about "understanding"—a proper kind of control of this circumstance, so even though some centers were set up for the pilot program, in the one center where the most people would come for the pilot program, they established a truly random control group; that is, one would come in and be put in the present Federal programs, the next person through the door would be put in the State pilot program, the next person through the door in the Federal program, the next person in the State pilot program, and so on, so that you had exactly the

same kind of people, from exactly the same neighborhood, serviced by exactly the same social workers to see what happened.

Under the program devised by the State, which was completely flexible, the question asked was, "What do you need? Tell us your circumstance. And what do you need?"

"Oh, all right, if this is what you need, I have control over all of the Federal programs, all of the money, and I can give you so much for food stamps, I can give you so much for this, I can give you so much for that. By the way, before you receive this, we have to have an understanding that this is temporary and you are looking for work."

Under those that came in under the Federal program, the question was not "What do you need?" the question was, "For what are you eligible?" The whole focus was on eligibility. "You may need this program, but you don't happen to be eligible, and, therefore, I'm not empowered to give it to you. So I will give you only what you're eligible for."

And by the way, no one really brings up the issue of work. Very interesting results. First the financial results. The program managed by the State was not 20 percent more expensive, it was 5 percent cheaper. We saved money. That was not the purpose of the program. The purpose of the program was to do something better for the people who were poor, but the byproduct of doing it the way we did it is that we saved money. People who came in who had never had an experience with the welfare system before, when asked "Are you willing to go to work?" responded instantly, "Of course. That's what I want. I am only here because I can't get work."

"We'll help you find a job. That is part of the reason we're here for. We'll help you find employment."

People who came in who had experience with the Federal welfare program before said, "Wait a minute. Nobody ever asked me about work before. And I don't want to talk to you about that. I'm here to get that to which I am entitled. And I'm going to fight you if you say I have to do anything other than show up." Admittedly, those are people who had previous experience with the Federal welfare program.

The people who had not had the previous experience did not have that attitude. But among the new folk who were coming in for the first time—automatic—"We want to do something to get a job."

These are the statistics, as I remember them. The folks under the State pilot program, 95 percent of them are ultimately employed. Admittedly, they may not be employed in the kinds of jobs you and I would like, Mr. President. There are many of them employed in what are sometimes derisively called leaf raking jobs, but there are things for them to do somewhere, someplace that the office involved with

their lives helps them find. And 95 percent of them have some kind of income as a result of their work.

Mr. President, I cite this example as justification for my support of this conference report. The State devised this program, and it is better than the Federal program. The State devised this program, and it is cheaper than the Federal program. Then the final blow here, that says to me we must do what we can to get this out of the hands of the Federal control.

Donna Shalala came to Utah and saw this program, and she was entranced. She said, "This is what we should be doing nationwide." That was 3 years ago, Mr. President, and nothing has happened at the Federal level.

The Federal bureaucracy is so cumbersome and so difficult that even the Secretary, with all of her good will and desire to solve these problems—and I grant her all of that—has been unable to move the bureaucracy under her control in the direction that she herself said it ought to go. Governors move more rapidly than that. Federal bureaucrats, if I may use an old cliché, and I know that it is not entirely fair, but it makes the point. When I entered the Federal bureaucracy, I was told, we think in 40-year periods because that's how long it takes us to get our pension.

Governors get reelected in 4-year periods, so perhaps they think 10 times as rapidly. But the Governor who put in place the program I have just described already knew at the time he was doing that that he was going to face the electorate 4 years later and he had to have a success and he had to have it quickly. The bureaucrats who are in the Civil Service who think in 40-year periods think perhaps some day we might.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. I yield 5 minutes to my friend from Utah. He makes great sense.

Mr. BENNETT. I thank the Senator for his courtesy. I had not intended to go on this long. But it is this experience that has said to me: we ought to try this. We ought to turn this over to the States and see what happens.

When people say to me, "But you're playing with children's lives here"—and the Senator from Illinois was tremendously moving in her comments in that regard, and that is one of the reasons I take the floor, because I want to make it clear I am aware of the fact that we are playing with children's lives here, and I do not take that responsibility lightly—but I look at the results of the present system and I say, "What are we risking if we try something else?" I look at the disasters that have occurred under the present system and ultimately decide we are not risking that much.

Mr. President, I am not announcing for reelection at this point, but I expect to be in the Senate longer than my present term. I assure the Senator from New York and anyone else, if we

find out, as a result of the passing of this kind of torch from the Federal level to the State level, that we do, indeed, get a race to the bottom, we do, indeed, see greater disasters than what we have right now, I will be one of the first Senators to come here and say, "Let us not let the future roll continue" for however many years it has been since President Kennedy signed that bill that I think had a major, significant impact on the rise of homelessness. I will be one of the first Senators to be here and say, "OK, we tried it, it is clearly not working, the race to the bottom is happening, let's stop it, let's stop it now."

But I am not content to let the present circumstances go on without this kind of experimentation, because the human tragedy that the present circumstances created is so significant that we must do what we can.

I thank the Senator for his courtesy. That is my response to listening to the comments that were made. I appreciate the Senators letting me get it out while it is still fresh in my mind. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I yield myself 5 minutes, briefly to respond to my distinguished friend from Utah to say that I believe every word he says is true for him. I do not think this will lead to a race to the bottom in Utah. It will in New York, I am sorry to say. The proportions are so much vaster.

In New York City, we have 1.1 million people on welfare at this moment. These are overwhelmed systems, and you do what is easiest: You send out checks. That is the cheapest, easiest, and most destructive thing to do. We are learning the kinds of things you describe in Utah. The Manpower Development Research Corp., which is the principal evaluator of studies like this, said of some study results in Atlanta, Riverside, CA, Grand Rapids, MI, that they had an effect on bringing down AFDC rolls to the point where they said this exceeds the savings achieved by experimentally evaluated programs in the last 15 years.

We are beginning to get a hold, maybe. I begin with the thought that things are so much worse than we know.

In the fine State of Utah in 1970, the illegitimacy ratio was 3.6 percent. It is now 15.5. That is half the national average, but the trend line is the same. This is something so deep in our society, we have not found an answer. I simply want to maintain a national commitment, but I am sure that Secretary Shalala said just what she did, and I am sure she tried to move the Department of Health and Human Services.

That is our dilemma. The easiest thing to do is what we now do and it is the most destructive, but it need not be that way. President Reagan thought it would change, and it is changing, be-

cause the Utah program proceeds under the Family Support Act.

I can say no more but thanks for the candor and the quality of the Senator's statement.

Mr. President, the Senator from New Jersey was to be next. I am sorry if I seem to be stammering here, but it is because I am stammering.

The Senator from New Jersey is here now, and I would like to yield him such time as he may desire for the purpose of speaking. The Senator was one of 11 Members on this side who voted against this bill when it first came forward.

Mr. LAUTENBERG. Thank you very much, Mr. President. I thank my friend and colleague from New York not only for allotting me some of the time to respond to this conference report, but also for his long-time work, scholarly review of the problems of families, welfare, and balance in our society. Few have paid as much attention to the issue as has the distinguished Senator from New York.

Oddly enough, however, whenever I am doing something with the Senator from New York, whether I sit on the Environment Committee or another committee, he always has more knowledge than anyone else. I am still trying to figure out how he does it, but he does it very well. This is just one example of many.

Mr. President, I rise in strong opposition to the conference report. I think it is a terrible Christmas present to give the children in our country. If this bill becomes law, many children in this Nation will wake up on Christmas day with no safety net and hardly any prospect of anything pleasant in the Christmas stocking.

This piece of legislation represents the worst, I think, of Speaker GINGRICH's agenda. It rips at the safety net, tears it to shreds. These poor children fend for themselves, and it violates the most basic values of our country.

Mr. President, all of us here constantly extoll the justified virtues of this Nation of ours, the greatest country on God's Earth. But what a paradox. Here we are, the wealthiest country in the world, no exceptions, and despite our prosperity, 9 million children are so poor that their families are on AFDC assistance.

Mr. President, there is no question that the current welfare system needs reform. I think there are many avenues of reform that are not fully explored. I think we want to encourage family structuring. I think we have to think in terms of letting someone who is on welfare—typically a woman with children—who perhaps meets someone that she would like to share her life with and provide her own family network, we immediately say to her, "Well, you are off the welfare assistance, you are out of the health care program."

What you do is you cut off your opportunities when you form this union, and you are in far worse shape than you otherwise would be. That does not

encourage family togetherness. What it does do is it encourages a kind of deception and says, "OK, you maintain your address; I maintain my address; and we will cohabitate, but we will not violate the rules." I think we ought to be looking at that kind of program. We ought to help welfare recipients find productive work. I am all for that. I do not think we ought to punish the poor kids who are on AFDC.

Mr. President, this bill is not a serious policy document. It is a budget document. It is a downpayment on the Republican tax break that targets the benefits for the millionaires and other wealthy Americans. We found out what the thinking is when I proposed an amendment one night that said, tell you what we will do, friends in the U.S. Senate. We will limit any tax break to those who earn under \$1 million. Well, the outcome of the vote is in the RECORD. We did not get any Republican votes on that one. They said that even if you earn over \$1 million, if a tax break comes along, you have to get your share. We know what we face.

I had the opportunity yesterday morning to be on one of the early-morning local shows with a freshman Republican Congressman from the other body, and we start our discussion and the first thing he says is, "We are committed to providing that tax break." That overrides almost every other consideration. That is why we are here, wringing our hands, pleading the plight of those who face Christmas without an income, with a great deal of uncertainty, 280,000, roughly, Federal employees who give their all whenever they are asked, but now suddenly we have decided that they are good pawns to play in this chess game. Why? So they can force this reconciliation bill down the throat of the administration. It is a terrible game to play, I think.

The focus is on the tax break. Included in that will be those who are dependent on welfare who will suffer significantly if the program, as prescribed now, through the conference committee, goes through.

If you make \$350,000 a year, the GOP reconciliation bill includes an \$8,500 tax break. It is nice but certainly not necessary. I think it is painful because it comes from other people who do not have the means to get by on a day-to-day basis.

I want to talk for a moment about some of the facts with this legislation. The proponents talk about philosophy, giving States flexibility. It sounds good, but I found out there is kind of a catch-all situation here that says it is the bureaucracy—they do not say it is the bureaucracy, stupid; sometimes they say that—but it is the bureaucracy. That is the evil force that commands everything here. It may be a bureaucracy, but I do not know how you conduct a business or a structure of any kind without having people who work there—in this case, we are talking about people who are told to carry on policy in a particular fashion—and

perhaps they need more training, perhaps we have to alter the policy.

To conceal the fact that we are going to be shortchanging the recipients, the dependents on the welfare assistance, by calling it a block grant is, I believe, hypocrisy. The fact is that an HHS study shows this legislation—I was reminded about it in a letter I have included among my precious papers, a letter from the Senator from New York, just a short paragraph, talking about the children that will pay a price for the legislation that passed this body the first time with 11 Democrats and one Republican voting the other way.

Mr. President, 1.2 million to 2 million children will be facing hunger in roughly 7 years. That is hardly a way to design a program—punish the children, move 1 million to 2 million of them into poverty, into hunger. This is based on conservative assumptions. In all likelihood, the figure will be somewhat higher. I wish all Senators would fully appreciate what we are doing. Living below the poverty line is not a particularly pleasant experience. Having tried it myself as a child, I did not like it. My parents did not like it. The poverty level for a family of three, a woman and two children in this country, is \$11,800 a year. How many people here believe that they could properly raise two children on \$11,800 a year? It is not possible.

This bill also cuts food stamp funding by over \$32 billion. These cuts, literally, as I said earlier, will take the food out of the mouths of our children.

Unfortunately, this bill is not the end of the pain for our Nation's children. The budget reconciliation is yet another assault on our children. The Republican budget bill ends the guarantee of health care for poor children. The bill's Medicaid cuts will mean that about 4 million kids—to use the expression—will be denied health care coverage. The cuts in the earned-income tax credit will mean that the parents of 14.5 million children, parents making under \$30,000 a year, will get a tax increase on average of \$332 a year.

Mr. President, \$332 does not seem like a lot of money. But to a poor family it is an enormous sum. Working parents could use this money to buy the basic food, books, clothing, and pay for rent. I think it is unconscionable that our friends in the Republican majority are asking this of our children while providing a \$8,500 tax break for people who make over \$350,000 a year.

Republicans say they are making these deep cuts to help the children, the next generation. If I were the children I would say to them, "Thanks; no thanks. Do not do us any favors. Just kind of keep us in balance now. Make sure we get the appropriate nutrition so we can learn and be productive citizens."

The one thing I think that is really fallacious in what I hear going around here is that, somehow or other, those who are poor, those who are, perhaps,

different, are another group. They do not belong to us.

One does not have to be a genius to know that we all have a stake in their well-being. It is our responsibility to protect them and help lift them out of poverty as if they were our own children, because we will pay the price—in many cases personally—for the lack of development that these children suffer.

I do not know how many have been to Brazil, to Rio de Janeiro, one of the most beautiful cities in the world, where poverty fills every sight that you see, whether it is the mountains or the sea or what have you. Little kids, abandoned by their families, who will steal from open tables in the restaurant. I saw it happen. Because they are so hungry, they do not know any bounds, by virtue of appropriate conduct. Hunger, cunning takes over at all levels.

There was a shocking program the other night on "Nightline" about children who beg in the streets of Rio, who, when they get to be just a little more than 8 or 9 or 10 years old, they realize that their appeal for this baby face no longer has a salutary effect on the cups that they hold out for coins. Do you know what they do? They turn to prostitution at 9, 10, 11 years old. And they turn HIV positive in a hurry. And there is an epidemic of AIDS among little kids in Brazil, because they sell themselves. They do not know any other way to stay alive.

That is hardly a picture that we ought to aspire to and I am sure we do not. Those who are against this, I am not suggesting in any way, are for that kind of condition. But that is the reality when you cut off food and shelter and some caring concern. These little people find ways to exist, ways that we do not like, ways that we do not approve of, especially when they get a weapon in their hands, and especially when they gang up on someone who they think has the means to help them out.

That is why they are our responsibility, as well as some compassion in the hearts and souls of Americans. We have that as a people.

So, Mr. President, I hope we will reconsider. I hope my colleagues will reject this legislation. Once again, I commend our colleague from New York for his distinguished leadership in so many things, but particularly with this piece of legislation on welfare. I commend the President, also, for his veto statement, and I hope we will be able to sustain it.

Mr. President, this piece of legislation represents the worst of Speaker GINGRICH's radical agenda. It tears the safety net to threads. It leaves poor children to fend for themselves. It violates the most basic values of our Nation.

Mr. President, we live in the greatest nation on Earth. We are the wealthiest country in the world. But it is clear that some in our society do not share in this wealth. They are poor. They are

jobless and in some cases homeless. And they must rely on public assistance to survive. In America, this is unacceptable. And we should be committed to improving their lives.

Mr. President, there is no question that the current welfare system needs reform. But the central goal for any welfare reform bill should be to move welfare recipients into productive work.

This will only happen if we provide welfare recipients with education and job training to prepare them for employment. It will only happen if we provide families with affordable child care. It will only happen if we can place them into jobs, preferably in the private sector or—as a last resort—in community service.

But this welfare bill is not designed to help welfare recipients get on their feet and go to work. It is only designed to cut programs—pure and simple.

It is designed to take money from the poor so that Republicans can provide huge tax cuts for the rich. That is what is really going on here.

Unfortunately, Mr. President, the radical experiment proposed in this legislation will inflict additional problems on our society while producing defenseless victims.

Those victims are not represented in the Senate offices. They are not here lobbying against this bill. They do not even know they are at risk.

The victims will be America's children. And there will be millions of them.

Mr. President, the AFDC Program provides a safety net for 9 million children. These young people are innocent. They did not ask to be born into poverty. And they don't deserve to be punished.

These children are African-American, Hispanic, Asian, and white. They live in urban areas and rural areas. But, most importantly, they are American children. And we as a nation have a responsibility to provide them with a safety net.

The children we are talking about are desperately poor, Mr. President. They are not living high off the hog. These kids live in very poor conditions.

Mr. President, it is hard for many of us to appreciate what life is like for the 9 million children who are poor and who benefit from AFDC.

I grew up to a working class family in Paterson, NJ, in the heart of the Depression. Times were tough. And I learned all too well what it meant to struggle economically.

But as bad as things were for my own family, they still were not as bad as for millions of today's children.

These are children who are not always sure whether they will get their next meal. Not always sure that they will have a roof over their heads. Not always sure they will get the health care they need.

Mr. President, these children are vulnerable. They are living on the edge of homelessness and hunger. And they did not do anything to deserve this fate.

Mr. President, if we are serious about reforming a program that keeps these children afloat, we will not adopt a radical proposal like this bill. We will not put millions of American children at risk. And we will not simply give a blank check to States and throw up our hands.

Mr. President, this Republican bill isn't a serious policy document. It is a budget document. It is a downpayment on a Republican tax break that targets huge benefits for millionaires and other wealthy Americans. For those who make \$350,000 per year, the GOP reconciliation bill includes an \$8,500 tax break.

Mr. President, if the Republicans were serious about improving opportunities for those on welfare, they would be talking about increasing our commitment to education and job training. In fact, only last year, the House Republican welfare reform bill, authored in part by Senator SANTORUM, would have increased spending on education and training by \$10 billion.

This year, by contrast, this welfare bill actually cuts \$82 billion, including huge reductions in education and training.

So what has changed? The answer is simple. This year, the Republicans need the money for their tax breaks for the rich.

Mr. President, shifting our welfare system to 50 State bureaucracies may give Congress more money to provide tax breaks. But it is not going to solve the serious problems facing our welfare system, or the people it serves.

To really reform welfare, Mr. President, we first must emphasize a very basic American value: the value of work.

We should expect recipients to work. In fact, we should demand that they work, if they can.

Of course, Mr. President, that kind of emphasis on work is important. But it is not enough. We also have to help people get the skills they need to get a job in the private sector. I am not talking about handouts.

I am talking about teaching people to read. Teaching people how to run a cash register or a computer. Teaching people what it takes to be self-sufficient in today's economy.

We also have to provide child care.

Mr. President, How is a woman with several young children supposed to find a job if she cannot find someone to take care of her kids? It is simply impossible. There is just no point in pretending otherwise.

Unfortunately, this bill does not address these kind of needs. It does not even try to promote work. It does not even try to give people job training. It does little to provide child care.

All it does is throw up its hands and ship the program to the States. That is it.

Mr. President, that is not real welfare reform. It is simply passing the buck to save a buck. And who is going to get the buck that is saved? The peo-

ple the Republicans really care about: those who are well off.

Mr. President, I would like to take a moment now to talk about some of the facts about this legislation. The proponents of this legislation talk about philosophy and giving States flexibility, but I would like to talk about the facts.

The fact is that an HHS study showed that this legislation will force 1.2 to 2.1 million children into poverty.

And this is based on conservative assumptions. In all likelihood, the figure will be much higher.

Mr. President, I wish that all Senators would fully appreciate this. Living below the poverty rate is no fun. As I said, the poverty level for a family of three, a woman with two children, is \$11,821 per year.

Mr. President, How many people here think that they could raise two children well on \$11,821 per year?

Mr. President, not only does this analysis contain conservative assumptions, it also does not document what will happen to those children who already live in poverty. It is clear that they will also be harmed by this legislation because AFDC spending will be frozen at 1994 levels under this bill even though the cost of living for the poor will rise during the next 7 years.

This bill also includes a mandatory 5-year cap for the receipt of benefits. Once this time period is completed, there is nothing left for a poor family. No job, no education, no income support—nothing.

Mr. President, this seems like a benign provision but it will have harsh consequences for our children.

The cap will mean that 3.3 to 4.3 million children will get no help after 5 years. They will have no income support. They could be homeless.

Mr. President, I would like to point out that the 5-year cap is a maximum. It is an outer barrier. States can enact 1-, 2-, or 3-year caps and that will mean that even more children will have to go without assistance.

Mr. President, this bill also cuts Supplemental Security Income [SSI] benefits for disabled children. Under this conference report, 300,000 disabled children will be denied benefits in the year 2002.

Furthermore, approximately 500,000 children with disabilities, such as cerebral palsy, Down's syndrome, muscular dystrophy and cystic fibrosis, would have their benefits cut in the year 2002.

Mr. President, this bill also cuts food stamp funding by \$36 billion. These cuts will literally take food right out of the mouths of our children.

Mr. President, the children of this country belong to all of us. We all have a stake in their well being. It is our responsibility to protect them, as if they were our own children.

And, Mr. President, I would point out that we don't take risks with our own children's well being. We do not say to them—you better shape up or we will put you out on the street without food.

We protect our own children. And we want to do more to help them. Parents across this country work hard to make sure that their children will have a better life. This is the same philosophy we should take towards reforming our welfare system. We must protect our children and we must help them become better off.

We can not do this by cutting millions of children off and forcing them into poverty. This will make them worse off—not better off.

Mr. President, I urge my colleagues to reject this legislation and I urge the President to issue an emphatic veto.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I yield myself such time as I may require to thank my colleague and neighbor and friend from New Jersey for his statement, and particularly for raising a point, absolutely central to the legislation before us, which has not been raised until this moment in the debate, which is that this measure would repeal the eligibility of families who are now on Aid to Families with Dependent Children for Medicaid. This was not in the bill that passed the House. It was not in H.R. 4. It was not in the Senate bill. It is in the conference bill, which we have never seen. We never saw it. The conference never met.

I am sorry, we met once, October 24, for opening statements. And it never met again and the bill has come out. It was handed to us, the conference report was handed to us this afternoon. We found out what the Senator from New Jersey has said. That is the degree of the destructiveness of this measure.

I find it hard to comprehend, but I am not in the least surprised that every major religious group in the country, save one alone, pleads with us "Don't do this." Catholic bishops, the Lutheran Conference, on and on, UJA: "Don't do this to children."

I am increasingly confident, Mr. President, that we will not.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Delaware.

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Iowa.

Mr. GRASSLEY. Thank you, Senator ROTH, and thank you for being a good chairman of this committee and shepherding through a very important piece of legislation.

I have to acknowledge that it is with mixed emotions that I speak tonight on this conference report before us. I am very pleased to join my colleagues in support of a sweeping welfare reform proposal, probably the most sweeping in recent history. But I am angry at the President for saying that he will veto this.

I suppose you would say I should not be surprised that the President would veto this. I suppose you would look at his complaining about the Government being shut down and understand that he vetoed four bills this week, that if

he had not vetoed them, Government would be functioning. Yet he wants to point the finger at us.

This is the President who, in 1992, said we are going to change, reform welfare as we know it. He said that as a candidate. He said that as President of the United States. And considering the fact that he is always for a balanced budget on television but never negotiating for a balanced budget when he sits down to do it, or his people sit down to do it, and you cannot even get numbers on a sheet of paper, we maybe should not be surprised that the President said he is for reforming welfare as we know it and all of a sudden does not want to reform welfare as we know it, because he has a record of changing his mind on the very most critical issues before our country. He kind of has a real problem with making up his mind.

Mr. President, I have made up my mind. I am supporting this conference agreement. The House passed this conference by a vote of 245 to 178. That is a bipartisan vote. We should pass this bill more overwhelmingly than the House did. Remember, this passed the Senate 88 to 11. As I have said many times on this floor, States have been very successful in their efforts to reform welfare under waivers that are begrudgingly given to them by some faceless bureaucrat from time to time down at HHS. My own State of Iowa has a very successful effort at moving people from welfare to work, saving the taxpayers money, moving people off of welfare completely and trying to change the atmosphere in welfare of dependence to one of independence, where there is a sense of pride and esteem once again. The way my State of Iowa is doing this is by having the highest percentage of any State in the Nation of welfare recipients who are on private-sector jobs.

We have raised that percentage in 3 years of our reform from 18 percent to 34 percent. This is the kind of success that we at the Federal level have failed to achieve. Even in our best attempts in the 1988 Family Support Act we failed. That bill passed 96 to 1. That vote means that it was the best of intent to reform welfare. But we have three and a quarter million more people on welfare now than we did then. And it is costing billions of dollars more, which means we have failed to reform welfare.

We have seen States in the meantime succeed at welfare reform. That is the premise of this legislation. Moving out of the Washington bureaucracy the responsibility for welfare, moving it to our State and local governments to accomplish what we could not accomplish—moving people from welfare to work, moving people from dependence to independence, and saving the taxpayers' money.

I am pleased that we are making this move. We are acknowledging that we in Congress do not have a lock on wisdom or compassion. We are saying that we trust Governors and State legislatures

to take care of citizens in need, and to do it with a community-based approach and to reform welfare thus doing.

When we started this process 10 months ago now, I set four goals that I wanted to accomplish in welfare reform.

First, to provide a system that will meet the short-term needs of low-income Americans as they prepare for independence.

Second, to provide States a great deal of flexibility.

Third, to reduce the incidence of out-of-wedlock births.

And, finally to save the taxpayers some of their hard-earned money.

I am pleased that Senator ROTH has led a conference that has given us a report that substantially addresses each of these goals.

The conference report provides for a block grant of the AFDC program to the States so that the States can meet the needs of low-income Americans in the most community-oriented, cost-efficient manner. It accepts a fact of life—that you cannot pour one mold here in Washington, DC, and expect to spend the taxpayers' money wisely solving the problems the same in New York City as you do in Waterloo, IA. This will let New York do the best with the taxpayers' money they can to accomplish the goals that they know should be accomplished, and the people in Iowa will do it according to their best way.

In doing so, this gives the States the great flexibility they need to design their programs to meet the needs of their individual citizens. Iowa has demonstrated a great benefit of the program designed with its citizens in mind, its very own program. Over 2 years ago, the Iowa State Legislature passed a bill that totally overhauls our welfare system. State leaders came to us at the Congress at the Federal level for that waiver necessary to implement their ideas. The waiver was finally approved, and the State plan was implemented in October 1993.

As I mentioned before, in the last 2 years, we have moved from 18 percent to 34 percent the number of our welfare recipients in jobs. This dramatic increase shows the ingenuity of the Iowa State plan to move people from welfare to work. It also shows the importance of giving much greater flexibility to State leaders.

Another positive portion of the final report is that it protects States which are under waiver agreements like my State of Iowa.

When Iowa came to the Federal Government for their waiver, they were required to have a cost neutrality clause in their contract agreement with the Federal Government. If my State wanted to try new ideas, then they were told by the Federal Government that they would have to bear the burden of any additional cost incurred. Being sensitive to the Federal deficit, I understood the need for that agreement.

But since we are now changing the rules of the game midstream, it was

critical that we not hold the States liable under those waiver agreements. Since we are going to change our end of the deal—we at the Federal level by this legislation—States should not be required to live up to their end of the deal. This issue was addressed in the conference agreement by allowing States to cancel their waiver agreements while addressing the up-front costs that States have invested in their welfare programs.

My next goal was to take steps to address the seemingly intractable problem of out-of-wedlock births. The conference report requires that teenage mothers live at home, or in a supervised setting. If there is anything that we should all be able to agree upon, it is that young teenage mothers should not be left alone in raising children. They need support.

Witness after witness who came before Senator ROTH's committee agreed that teenage moms should not be left to fend for themselves and their children.

The conference also keeps the family cap but allows States to opt out if they desire. This compromise between the original House and Senate language is reasonable because it keeps the States from ignoring the issue but leaves the final determination to each State legislature.

My last goal—to save the taxpayers some of their hard-earned money—is really more of a result of reform than a goal itself. If we take steps to move people from welfare to work, give greater flexibility to the States, and reduce illegitimacy, we will—in the long run—save some taxpayer money. This would be a positive result.

I urge my colleagues to recognize this conference agreement as a good compromise between the House and Senate bills. It accomplishes the President's goal to end welfare as we know it.

We should send the President this conference report in the hopes that he will reconsider his recent comments and sign this bill into law. I urge adoption of the conference agreement.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand it, we have been rotating back and forth. I know that Senator GRAMS has been here. I do not intend to take very long. But I would like to address the Senate on this issue.

I yield myself 12 minutes.

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

Mr. KENNEDY. Mr. President, there is a right way and a wrong way to reform welfare. Punishing children is the wrong way. Denying realistic job training and work opportunities is the wrong way. Leaving States holding the bag is the wrong way. While we all want to reform welfare, this conference report is simply the wrong way. It takes a bad Senate bill and makes it worse.

Mr. President, I know all of our Members are familiar with the excellent work that has been done by our friend, the Senator from New York, Senator MOYNIHAN, both in his presentations earlier this evening and his very considerable contribution to this debate over the years. I hope all of our Members will read carefully, prior to the time that we vote, the presentation of our good friend and colleague, Senator MOYNIHAN.

The Senate bill eliminated a 60-year old good faith national commitment to protect all needy children, and for that reason, in my opinion, it was fatally flawed. The Office of Management and Budget documented that the Senate bill would have pushed an additional 1.2 million children into poverty—hardly the goal of real reform. This conference report simply adds insult to injury. It will undoubtedly result in increased suffering for millions of American children and families. It continues to be legislative child abuse—and it should be defeated.

The Senate bill cut food stamps for 14 million children, SSI benefits for 225,000 disabled children, essential protections for 100,000 abused children, and minimal assistance for 4 million children left with no safety net after the time limit. This conference report slashes each of these survival programs even further—with nutrition services, disability benefits, and child protection efforts footing most of the bill.

If the conference report becomes law, children born to parents on welfare will be punished in every State. Victims of domestic violence will lose their special protections. Food stamps for the working poor and the unemployed will be further restricted. Women and children on AFDC will lose their Medicaid guarantee. Family preservation programs, child abuse programs, and child nutrition programs will be block granted. Family hardship exemptions and State investment requirements will be further reduced. All this pain is inflicted above and beyond the Senate bill.

And even the modest child care provisions added to the Republican Home Alone bill on the Senate floor have been rolled back. The Republican welfare agreement not only falls far short of providing essential child care funding but guts essential protections for children in child care.

During consideration of the Senate bill, the Congressional Budget Office said most States were likely to simply throw up their hands and ignore the new work requirements. Unfortunately, nothing on that front has changed for the better. CBO continues to believe that under this conference agreement, States will accept the sanctions for failing to comply, rather than try to reach the goals without the resources needed to make it possible.

This conference report more than doubles the child care short fall found in the final Senate bill. According to the Congressional Budget Office, the

conference report is more than \$6 billion short of providing States with enough child care funding to make the work requirements work. Once again, this is not welfare reform; it is welfare fraud.

What we know is that there are certain ingredients which are necessary to make any real welfare reform effort work. First of all, you have to provide some degree of job training and education for the individual. There has to be a job market out there so that the individual is able to gain employment and hopefully earn a decent wage. And there has to be health insurance coverage, particularly for small children, and there has to be child care.

Those are the effective ingredients and without these effective ingredients we are not going to have the kind of welfare reform which is so important and necessary. We will not be able to move people out of dependency into some degree of hope and opportunity for themselves and for their children.

What we have seen here is, even after the debate held on the floor of the Senate, even after the amendment of Senator DODD, myself and others was accepted, it goes to the conference and is rolled back from that position. Not only is the total amount of funds inadequate, but the protections for children in child care are gone.

Mr. SANTORUM. Will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. If any Member of this Senate wants to see the best child care in this country, go to a military base. Go to any military camp across this country and you see child care programs at their very best. That is what has happened, Mr. President. Military child care represents the kind of high quality care that was fought for by our friend and colleague, Senator DODD, and also that was eventually worked out in a bipartisan way with Senator HATCH and Senator DODD and signed into law by President Bush—bipartisan support.

Now we read that these important child care protections have been stripped away in this conference report. It is absolutely untenable. And you and I know what is going to happen. With inadequate funding and protections for child care, we are going to hear in another 2 or 3 years about how child care is being bungled in the various States, and this is going to be used as an excuse to further reduce it. That is what is going to happen. And that I think is unfair, unjustified, and unwarranted.

Mr. SANTORUM. Will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. I would like to just finish. I do not intend to speak for long. And then I will be glad to yield.

Mr. President, further, the conference agreement will undoubtedly ensure that those struggling to stay off welfare will lose their support to those seeking to get off welfare. But low-in-

come working families need help, too. The average cost of a child in child care is almost \$5,000 a year, yet the take-home pay from a minimum wage job is stuck at \$8,500 a year. This is not manageable. It is not acceptable.

The conference agreement pulls the rug out from under these families just as they are getting on their feet. Such an approach is callous and counterproductive. In Massachusetts, of mothers who left welfare for work and then returned to welfare, 35 percent cited child care problems as the reason that they do not get enough of it. And the principal reason is we have three different child care programs that existed under the Finance Committee, all repealed. We also had a block grant program that was out there dealing with children of working parents. You had about 760,000 in one, about 650,000 in the other programs. And those programs have been combined and the entitlement status eliminated. At the same time, the need has been dramatically increased. In the Republican welfare conference, the total amount that is now being provided is even more inadequate than before. And even though we made some adjustment in this Chamber, that child care program has been very much emasculated.

The Republicans have cut by more than 50 percent the funds set aside to improve the quality of child care. This is true despite the fact that report after report documents the shockingly poor quality of child care in far too many child care centers and home-based child care settings. These Federal quality funds are making a measurable difference in the growth and development of low-income children.

The changes in this bill reduce child safety, parental choice, and parental opportunity. They do not promote work or protect children. This bill is not about moving American families from welfare to work. It is about taking assistance away from millions of poor, homeless and disabled children—and passing it out in tax breaks to the rich. It is about starving small children and feeding corporate fat cats. It is Robin Hood in reverse.

My Republican colleagues are correct when they say that this is a historic moment. If this bill passes, it will go down in history as the day the Congress turned its back on needy children, on poor mothers struggling to make ends meet, on millions of fellow citizens who need our help the most.

Some may wonder why the Republicans want to jam through a welfare conference report that they just managed to twist enough arms to get signed last night? The Republicans put a premium on speed. They hope that no one will find out exactly what their plan means until it is too late. They want to hide the harsh reality. When you strip away their rhetoric, their overall budget plan is to punish children and to protect corporate loopholes.

Republican priorities are clear. For millionaires, they will move mountains.

We passed in the Senate under the leadership of Senator MOYNIHAN and others by over 90 votes a repeal of the billionaire's tax cut. This is the provision that allows you to make \$4, \$5, \$6 billion, trade in your citizenship, and get a tax break to take up residency in another country while the rest of Americans are working hard and paying their fair share. We voted overwhelmingly to eliminate it. Only four Members actually voted against it. But as soon as they went to conference and closed the door, they put it right back in here. While they are cutting child protection and child nutrition programs, they are protecting the billionaire's tax cut. And that is untenable, Mr. President.

Poor children, there is not a finger lifted for them.

Some of the Nation's corporate executives purchased full page ads in the Washington Post and the New York Times calling on Congress to produce a budget deal stating that every form of spending should be on the table. I couldn't agree more. It is high time that we had shared sacrifice.

We all want to balance the budget. But it cannot and should not be done on the backs of America's children. Enough is enough. Enough of backroom deal with high paid corporate lobbyists. Enough of dismantling commitments made to our children and families who need our help.

In the end, it is a battle for the heart and soul of this Nation. It is a simple question of priorities. Are we going to leave millions of American low-income children behind in order to give huge tax breaks to the rich? Are we going to put disabled children back in institutions in order to allow corporations to ship their profits overseas.

A "survival of the richest" plan is not what makes America America.

President Kennedy said in his Inaugural Address: "If a free society cannot help the many who are poor, it cannot save the few who are rich."

And in defense of the national safety net—President Reagan said in 1984: "We can promote economic viability, while showing the disadvantaged genuine compassion."

We have learned from experience that some cuts never heal—and I caution my colleagues that this conference report is full of them.

I am proud to join President Clinton and my Democratic colleagues in the House and the Senate vigorously opposing this conference report. Clearly, we can do better, and now is the time to start trying.

For the children who are too young to vote and who cannot speak for themselves—we must be their voice. I urge my colleagues to vote "no" on this conference report.

I will be glad to yield.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. I yield myself 6 minutes to be able to respond, if the Senator from Pennsylvania had a question.

Mr. SANTORUM. I thank the Senator from Massachusetts. I just want to clear—

The PRESIDING OFFICER. The Senator from New York yields time?

Mr. MOYNIHAN. To the Senator from Massachusetts.

Mr. KENNEDY. The Senator from Pennsylvania had inquired earlier, and I indicated I wanted to complete my statement, and I have. And the Senator from New York has granted I think 2 more minutes—

Mr. MOYNIHAN. As much time as the Senator likes.

Mr. KENNEDY. To respond to the Senator who wanted to ask questions. Otherwise, I yield the floor.

Mr. SANTORUM. I would like to ask a question of the Senator from Massachusetts. The Senator from Massachusetts made the statement that child care funding under this bill is rolled back, has declined. I would just refer him to—he said we had a premium on speed, and I think in this case the premium on speed has been to our detriment because I am not sure the Senator has the most current figures on child care. Let me review for the Senator what is in the bill.

Like the Senate bill that passed, there is a \$1 billion per year block grant to the States, identical to what we passed here. There is a difference in the mandatory child care category. We in the Senate-passed bill spent \$10 billion over 7 years for child care. In the conference report it is \$11 billion, \$1 billion more than the Senate bill overall. And in addition, it is over \$1.8 billion more than the current CBO baseline. So it is more than the Senate bill, and it is substantially more than what would be under current law.

Mr. KENNEDY. Well, Mr. President, just to respond, I understand that it provides \$11 billion over 7 years for child care as opposed to \$8 billion over 5 years in the Senate bill. I think I am correct on that. I see my friend from New York nodding his head. And CBO says that this amount is \$6 billion short of the funding needed to make the work requirements work. In addition, the conference report caps the child care block grant for working poor families at \$1 billion—is that correct?—rather than such sums as in the Senate bill. So I think I stand by the earlier statement. I see the Senator from New York—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. The Senator can have as much time as remains to us, if he wishes.

Mr. SANTORUM. If I can say to the Senator from Massachusetts that the 5-year number is correct, \$8 billion over 5 years in the Senate-passed bill, but \$10 billion over 7 years in the conference report. The Senator is correct it is not \$8 billion in 5 years; it is \$7.8 billion. So you trade off in a sense \$200

million in the first 5 years for an additional \$1 billion in the final 2 years, which many would see as a pretty good trade-off and an increase in the overall allocation of \$1 billion.

So I do not think it is fair to say that it is a decrease in chapter funding when you are spending \$1 billion over a year covered by the bill.

Mr. KENNEDY. Well, I say to the Senator, I will put in the RECORD my understanding on the child care provisions, as I indicated earlier, the \$11 billion over 7 years, still far short of what CBO says is needed, and also that the cap of the child care block grant. This bill also rejects the Senate provisions preserving the funding entitlement for all protective services, including essential foster care and adoption programs.

As the Senator from Pennsylvania knows, the conference agreement maintains the entitlement for room and board costs associated with foster care and adoption, but block grant the funds used to keep children safe by removing them from dangerous situations and finding and monitoring alternative placements.

That is one of the most important aspects of the program. I am extremely familiar with the excellent program that is taking place in Los Angeles, one of the most effective family preservation programs around. With outreach and support efforts, children are being kept safe and experiencing good care and attention.

The Senate bill emphasized prevention and family preservation. But by block granting these special efforts with crisis intervention programs, these particular provisions have been effectively eliminated. Independent living programs are also repealed. And at a time when the needs will increase in terms of the children protection, the report cuts essential services by \$1.3 billion more than the Senate bill.

We have not even talked about the disabled children, what has happened to them. We have not talked about the food stamp programs that are going to affect children. We have not talked about child nutrition. You nearly double the size of the cuts in the Senate bill from \$3.4 to \$5 billion. There are 32 million needy children currently in this program. And the list goes on.

I know the Senator will want to address this. This is a listing of my understanding of it. I know the Senator from Pennsylvania will do likewise. But I welcome the opportunity to identify the impact of this legislation on children. And what exists at the present time, what was in the Senate bill, and what has come out of this conference. I think it should be listed, and attention should be drawn to it, hopefully prior to the time we vote. I know the Senator will put in his interpretation, as I do mine.

I thank the Senator from New York. I yield myself 30 more seconds to say how much all of us appreciate his leadership, not only this evening and the work on the conference report, but the

brilliance of his leadership during the consideration earlier in the debate and for all the good work that he has done over the years. In 1988, his true reform program provided the child care, provided jobs training and education, and provided for transitional support in terms of the health care.

That still is, when the final chapter is written, the way to go. All of us, all Americans are in his debt for the leadership that he has provided. I thank the Chair.

Mr. MOYNIHAN. Mr. President, may I yield myself 30 seconds to thank my friend from Massachusetts, who is, as ever, at the fore in these matters.

The President in his statement that he will veto this bill says that he looks forward to bipartisan efforts to pursue the directions we took in 1988 and on which we should continue. But it is not cheaper. Mr. President, the cheapest thing to do is what we do now, what we are going to do in this bill. And it is ruinous to children. We would look back at this as a day without precedent in the history of this body, an idea that a year ago would have been, I think, unthinkable.

I think now we will at long last, when we have come to our senses, as I said earlier, in a bipartisan effort accomplish what we need to as soon as this particular one is behind us. I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. ROTH. I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I ask the manager of the bill if I could have up to 10 minutes?

Mr. ROTH. I am sorry, just 5.

Mr. GRAMS. Mr. President, I rise today in support of the conference report to H.R. 4, the Work Opportunity Act of 1995, and I commend the majority leader and my colleagues for the months of concentrated effort it took to bring us to this point. And I appreciate the opportunity to speak on this bill tonight.

Mr. President, since the beginning of the 104th Congress, we have been debating the state of this Nation's welfare system. Both sides of the aisle recognize that the system is broken.

It encourages illegitimacy.

It does not recognize the importance of marriage and family. It offers no hope or opportunity for those Americans who are trapped within its layers of bureaucracy.

And it was not supposed to be this way.

After signing the 1964 Welfare Act, President Lyndon Johnson proclaimed, "We are not content to accept the endless growth of relief rolls or welfare rolls," and he promised the American people that "the days of the dole in our country are numbered."

The New York Times predicted the legislation would lead to "the restoration of individual dignity and the long-

run reduction of the need for government help."

In 1964, America's taxpayers invested \$947 million to support welfare recipients—an investment which President Johnson declared would eventually "result in savings to the country and especially to the local taxpayers" through reductions in welfare case-loads, health care costs, and the crime rate.

But yet, 30 years later, none of those predictions have materialized, and the failure of the welfare system continues to devastate millions of Americans every day—both the families who receive welfare benefits and the taxpayers who subsidize them.

Despite a \$5.4 trillion investment in welfare programs since 1964, at an average annual cost that had risen to \$3,357 per taxpaying household by 1993:

One in three children in the U.S. today is born out-of-wedlock;

One child in seven is being raised on welfare through the Aid to Families with Dependent Children program; and Our crime rate has increased 280 percent.

Mr. President, those are the kinds of devastating statistics which until recently have been ignored by the bureaucratic establishment in Washington, but those are the statistics H.R. 4 will finally address.

By rewriting Federal policies and working in close partnership with the States, we can create a welfare system which will effectively respond to the needs of those who depend on it—at the same time to protect the taxpayers.

This bipartisan welfare conference report sets in place the framework for meeting those needs by offering individuals who are down on their luck some opportunity, self-respect and most importantly, the ability to take control of their own lives.

And yes, we will ask something of them in return.

The most significant change in our welfare system will be the requirement that able-bodied individuals put in 20 hours of work every week before they receive assistance from America's taxpayers.

Mr. President, my colleagues and I have come to the floor repeatedly this session to suggest that our present welfare system promotes dependency by discouraging recipients from working, but nothing sums up the problem more perfectly than a story which appeared just last month in the Baltimore Sun.

It seems that the Baltimore regional office of the Salvation Army is having trouble this year recruiting volunteer bell ringers to staff the red kettles that have become a symbol of the holiday season.

So they decided to pay for the help—\$5 an hour, thinking it would give people on public assistance the opportunity to earn some money. Here is where the Baltimore Sun picks up the story:

The Frederick chapter ran a help-wanted ad for bell ringers in the local paper for a

week but received only four applications. It then approached an agency that provides temporary workers.

The agency interviewed 25 people for the bell ringing job, but no one wanted to do it. One person accepted the job at a second temporary help agency.

"I'm beating my head against the wall," Captain Mallard said.

That is Butch Mallard, commander of the Salvation Army in Frederick, MD:

I don't know if people don't want to work outside, or that they just don't want to work for \$5 an hour when they can stay home and get that much from the government.

Mr. President, the Salvation Army has found out what we have been saying all along: the government makes it so easy for a welfare recipient to skip the work and continue collecting a federal check that there is absolutely no incentive to ever get out of the house and find a job.

And if someone actually takes the initiative to take a job—perhaps as a bell ringer—they risk forfeiting their welfare benefits entirely.

During Senate consideration of the Work Opportunity Act, Senator SHELBY and I joined forces with the majority leader to ensure that welfare recipients receive benefits only after they work.

We believe welfare recipients should be held to the same standards, the same work ethic, to which America's taxpayers are held.

American taxpayers are putting in at least 40 hours on the job each week—and are sometimes forced to take on an additional job or work overtime hours just to make ends meet.

And all the while, they have been generously providing welfare recipients with cash and benefit assistance, while the only thing we ask of welfare recipients is to provide an address where we can mail their checks.

Under the Grams-Shelby pay-for-performance amendment which was adopted earlier this year, this practice will end. Welfare recipients will be required to work before they receive any cash assistance.

Simply put, our amendment stipulates that welfare recipients will receive financial assistance from the taxpayers only for the number of hours they are actually engaged in a work activity.

A work activity includes: a private sector job, on-the-job-training, a subsidized job, workfare, community service, job search limited to 4 weeks, and vocational education limited to 1 year.

A welfare recipient is required to be required to work 20 hours a week—if they only put in 15 hours in a particular week, they will only receive cash assistance for those 15 hours of work.

Many of my colleagues have expressed their support for these tough work requirements and the need for the pay-for-performance amendment.

But some Members believe our original bill did not include adequate funding to provide child care while parents were working.

These concerns were raised despite the fact that the Senate bill dedicated \$8 billion toward child care services.

But in order to address the concerns that \$8 billion is still not enough, the conference report increases child care funding to \$18 billion.

As it has in the past, safeguarding the well-being of children will continue to remain a primary concern of the re-focused welfare system our bill will create.

I am proud that we have taken additional steps through this conference report to ensure our children's readiness, and ability, to learn.

Throughout the last year, I have been meeting with parents, educators, nutrition experts and pediatricians who are concerned about the future of Federal nutrition standards.

Many of them have pointed out that unless children receive and maintain a proper level of nutrition, they will perform significantly lower than their learning potential.

And so I have worked to ensure that medically devised Federal nutrition standards, established by the National Advisory Council on Maternal, Infant and Fetal Nutrition, are maintained under this legislation.

I am pleased that my colleagues have joined me in recognizing the need for these uniform standards by including them in this bill.

Mr. President, our bill also recognizes that officials elected locally—our state legislators and governors—are more capable than their representatives in far-away Washington to administer effective programs on the State and local level.

And so this welfare reform legislation will give States like Minnesota the flexibility they need to develop innovative programs to assist those who need help most.

States will no longer have to ask Washington for permission to establish successful programs like the Minnesota family investment plan. States will finally be able to save money and use it wisely, rather than being forced to spend it on the wasteful paperwork Washington requires them to fill out.

Mr. President, the bipartisan legislation before us today to overhaul our failed welfare system is the first positive step away from a system which has held nearly three generations hostage with little hope of escape.

Only by enacting this legislation can we offer these Americans a way out and a way up.

I challenge my colleagues on both sides of the aisle, and the President, and the American people themselves, to take this message to heart: Government cannot solve all our problems.

As Americans, we need to look within ourselves rather than continuing to look to Washington for solutions.

Does anybody really believe the Federal Government embodies compassion, that it has a heart?

Of course not—those are qualities found only outside Washington, in America's communities.

Mr. President, there is no one I can think of who better exemplifies heart

and compassion than Corla Wilson-Hawkins, and I was so fortunate to have had the opportunity to meet her recently.

She was one of 21 recipients of the 1995 National Caring Awards for her outstanding volunteer service to her community.

Corla is known as "Mama Hawk" because, more than anything else, she has become a second mother to hundreds of schoolchildren in her west-side Chicago community, children who, without her guidance, might go without meals, or homes, or a loving hug.

Mama Hawk gives them all that and more, and she and the many, many other caring Americans just like her represent the good we can accomplish when ordinary folks look inward, not to the government—and follow their hearts, not the trail of tax dollars to Washington.

Mama Hawk tells a story that illustrates better than I ever could how the present welfare system has permeated our culture and become as ingrained as the very problems it was originally created to solve.

These are her words.

When I first started teaching, I asked my kids, what did they want to be when they grew up? What kind of job they wanted. Most of them said they wanted to be on public aid. I was a little stunned.

I said, "Public aid—I didn't realize that was a form of employment." They said, "Well, our mom's on public aid. They make a lot of money and, if you have a baby, they get a raise."

Mr. President, that is the perception, maybe even the reality, we're fighting to change with our vote today on this historic conference report. While there is more work to accomplish, this bill is a good first step toward truly ending welfare as we know it.

I look forward to working with my colleagues in the future to finish the good work we have started today.

Ms. MIKULSKI. Mr. President, I oppose this conference report. We should reject this bill. We should return to the bargaining table to negotiate real welfare reform which moves people from welfare to work and provides a safety net for kids.

Nearly 3 months ago, I joined 34 of my Democratic colleagues in reaching across the aisle to pass a bipartisan welfare reform bill by a vote of 87-12.

We did so because our deliberations had produced a bill that began to move the welfare reform debate away from the harsh rhetoric of the House bill.

I had hoped that our initial success at compromise in the Senate could lead to true compromise with the House. Regrettably, it did not.

During Senate action last September, Senate Republicans and Democrats worked together to find common ground and the sensible center. In contrast, the House-Senate welfare conference was shaped by Republican back room deals. Democrats were shut out.

This Conference Report is punitive. It's tough on kids, and it does not give people the tools they need to get and keep a job.

This bill moves us in the wrong direction.

First, this bill is part of the Republican assault on needy families. This bill cuts \$82 billion from child care, food stamps, child nutrition, child protection, welfare and other programs over 7 years—drastically more than the Senate welfare reform bill. These cuts are draconian.

They are coupled with other budget cuts critical to working families, such as the earned income tax credit. The EITC helps keep working families out of poverty. The Republicans welfare plan says go to work. The Republican budget says, once you get to work, we're going to make you pay more in taxes.

Second, the conference report snatches away the safety net for kids. It weakens the Senate effort to provide child care to working families by cutting \$1.2 billion. These drastic cuts mean that parents will have to choose between taking care of their kids and going to work. Today, 34 percent of women on welfare say they are not working because they cannot find or afford child care.

Children will go hungry under this conference report. It jeopardizes the nutrition and health of millions of children, working families, and the elderly. It cuts food stamps and school lunches. And, if there is a recession, there is no guarantee those in need can get either. At least 14 million kids will suffer from this cut.

Third, neglected and abandoned children, and children in foster and adoptive care, will suffer further under this conference report. It slashes protective services to these kids by 23 percent or \$4.6 billion over the next 7 years. The bill also cuts funding to investigate reports of abuse and neglect, to train potential foster and adoptive parents, to help place children in foster and adoptive homes and to monitor State child protection programs. These cuts come at a time when resources can't meet current needs to protect children from abuse and neglect.

Fourth, the conference agreement is punitive to disabled children. We all agree Supplemental Security Income needs to be reformed. But, this goes too far. It too narrowly defines who qualifies. So, only the most severely disabled children will get SSI, stranding many disabled kids and their families.

Fifth, the conference report allows States to cut back on their financial commitment to poor families. It weakens the State maintenance of effort provisions the Senate fought so hard for. Under this bill States could cut their contributions to poor families by 25 percent each year. The net effect—less child care, fewer tools to help get people to work, and more children falling into poverty.

And sixth, the bill fails to recognize that when there is an economic downturn, people lose their jobs and need a helping hand. There is not an adequate contingency fund for use during times

of natural disasters, changes in child poverty, and population shifts.

This bill fails to move people from welfare to work. And it is a bill that will force more than a million additional children into poverty.

The welfare package of the President's 7-year balanced budget plan is a good place to start. It takes a significant page from the Work First proposal that Senators DASCHLE, BREAUX, and I wrote earlier this year. It requires welfare recipients to go to work by providing them with the tools to get a job and keep it. It cuts \$49 billion in welfare programs, but does so responsibly—not in the reckless and punitive fashion of this conference report.

The best social program in America is a job. Unfortunately, the Republicans welfare bill now before the Senate is a con job when it comes to Americans' desire to get welfare recipients back to work. Vote no on this conference report.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we are truly at the end of our debate this evening, toward the end. I ask unanimous consent that statement by the presidents of the National League of Cities, the National Association of Counties, and the United States Conference of Mayors urging the defeat of this measure be printed in the RECORD.

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

NATIONAL LEAGUE OF CITIES, NATIONAL ASSOCIATION OF COUNTIES, THE UNITED STATES CONFERENCE OF MAYORS, DECEMBER 20, 1995.

DEAR SENATOR: On behalf of the nation's local elected officials, we are writing to urge you to oppose H.R. 4, the conference agreement on the Personal Responsibility Act. Although the conferees agreed to some changes in the areas of foster care consultation with local governments, we cannot support the Final conference agreement which fails to address many of the other significant concerns of local governments. In particular, we object to the following provisions:

The bill ends the entitlement of Aid to Families with Depend Children, thereby dismantling the critical safety net for children and their families.

The bill places foster care administration and training into a block grant. These funds provide basic services to our most vulnerable children. If administration and training do not remain an individual entitlement, our agencies will not have sufficient funds to provide the necessary child protective services, thereby placing more children at risk.

The eligibility restrictions for legal immigrants go too far and will shift substantial cost into local governments. The most objectionable provisions include denying Supplemental Security Income and Food Stamps, particularly to older immigrants. Local governments cannot and should not be the safety net for federal policy decisions regarding immigration.

The work participation requirements are unrealistic, and funding for child care and job training is not sufficient to meet these

requirements. One example of the impracticality of these provisions is the removal of Senate language that would have allowed states to require lower hours of partition for parents with children under age six.

We remain very concerned with the possibility of any block granting of child nutrition programs. A strong federal role in child nutrition would continue to ensure an adequate level of nutrition assistance to children and their families. School lunch programs are necessary to ensure that children receive the nutrition they need to succeed in school. Children's educational success is essential to the economic well being of our nation's local communities.

The implementation dates and transition periods are inadequate to make the changes necessary to comply with the legislation. We suggest delaying them until the next fiscal year.

As the level of government closets to the people, local elected officials understand the importance of reforming the welfare system. However, the welfare reform conference agreement would shift costs and liabilities and create new unfunded mandates for local governments, as well as penalize low income families. Such a bill, in combination with federal cuts and increased demands for services, will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. We, therefore, urge you to vote against the conference agreement on H.R. 4.

Sincerely,

GREGORY S. LASHUTKA,
President, National League of Cities, Mayor, Columbus, Ohio.

DOUGLAS R. BOVIN,
President, National Association of Counties, Commissioner, Delta County, Michigan.

NORMAN B. RICE,
President, The United States Conference on Mayors, Mayor, Seattle, Washington.

Mr. MOYNIHAN. Mr. President, they make a number of points, but the first one being:

The bill ends the entitlement of Aid to Families with Dependent Children, thereby dismantling the critical safety net for children and their families.

This is the central point. We do not have welfare reform before us, we have welfare repeal, a repeal of a commitment made in the 1930's in the middle of the Depression. To be abandoned now would be unthinkable, and I am increasingly confident it will not occur.

Also, I ask unanimous consent to print in the RECORD a joint statement by Catholic Charities USA, the Lutheran Social Ministry Organizations of the Evangelical Lutheran Church in America, the Salvation Army, and the Young Women's Christian Association on these and other matters.

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

JOINT STATEMENT OF LARGE NONPROFIT SOCIAL SERVICE PROVIDERS, OCTOBER 19, 1995

Catholic Charities USA, the Lutheran Social Ministry Organizations of the Evangelical Lutheran Church in America (ELCA), The Salvation Army, and the Young Women's Christian Association (YWCA) are the

nonprofit organizations who together do more for low-income families and poor people in the United States than anyone else. We are greatly concerned about the consequences that deep cuts in programs that serve poor and low-income people will likely create. The very fabric of our society is at risk. We believe that such cuts will exacerbate the despair already felt among many and turn it into hopelessness. As we go about our business of serving both the physical and spiritual needs of people, we see the desperation in many of their eyes.

The chasm between the rich and poor in our country appears to be growing. While children born to families in the upper twenty percent of the income scale in the United States experience the highest standard of living in the industrialized world, the children born to families in the lowest twenty percent receive one of the lowest. We should be developing policy that narrows that gap rather than policy that widens it. The reduction in the support for programs serving low-income people such as Aid to Families with Dependent Children, food and nutrition, Medicaid, housing, the Legal Services Corporation, Supplemental Security Income, and the Earned Income Tax Credit, when combined, will have a devastating effect on families that have few options. Even if these families are able to work, that work is often at or near minimum wage with no benefits leaving families still living in terrible deprivation. Elderly people as well will experience increased poverty and all that it brings.

In addition to the hopelessness of spirit, we believe the proposed policy changes will increase hunger, homelessness, and abuse and neglect within families.

Historically, we have worked quite successfully in partnership with government to provide services to persons with special needs. On every front we have received commendation for the great work we have done. However, we do not have either the financial or physical capacity to serve the increased need we expect to occur because of these policy changes. In fact some of the changes may force us to terminate some programs and even close our doors in some areas. We are deeply concerned that the partnership between government and religious institutions, which has worked so well in the past, is now being broken.

We will do our part to alleviate as much suffering as possible by our acts of mercy. However, we believe that all have a responsibility for the needs of the people, the general welfare, the common good—church members and non-church members alike. Because not all seek what is just and good, dependence on charity for the basic needs of life is inadequate. Charity can supplement, but it will never be able to replace "justice." It is not just the responsibility of faith group members who choose to give generously of both their time and resources to ensure that people's needs are met. Society as a whole must be committed to the well being of all. We believe that government, as a means by which Americans act corporately, has a major role in establishing justice, protecting and advancing human rights, and providing for the general welfare of all. This is not a time for government to deny their role and reduce their portion of the partnership.

We believe that Congress and the President should be cautious when making sweeping changes in policy and not reverse the present working relationship with nonprofit providers which has worked so well in the past.

Rev. CHARLES MILLER,
Executive Director, Lutheran Social Ministry Organizations of the Evangelical Lutheran Church in America.

Rev. FRED KAMMER, S.J.,
President, Catholic
Charities USA.
Commissioner KENNETH L.
HODDER,
National Commander,
The Salvation Army.
PREME MATHAI-DAVIS,
Executive Director,
YWCA of the U.S.A.

Mr. MOYNIHAN. I reserve the remainder of my time as I believe we are going to try to go to a concluding measure here.

Mr. ROTH. Mr. President, first, I yield 5 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Thank you, Mr. President. I thank the distinguished chairman of the committee for the wonderful job that he has done. It is never easy to make such changes as we are making in this bill. But it is one of the most important decisions that we will make, because it is one of the key elements to change the direction of this country as it relates to welfare and to allow us to balance the budget.

We have heard a lot of talk this afternoon and this evening about helping children. Mr. President, if we are going to help the children of this country, the most important thing we can do is balance the budget. We cannot balance the budget unless we put welfare on a budget. If we do not put welfare on a budget, we will not be able to do what is right for this country.

I am voting yes on this conference report for two reasons: We must take welfare off entitlement status and, Mr. President, we have talked all day and all night about the President saying he is going to veto this bill. There is one reason he is going to veto this bill. It is because we are taking welfare off entitlement status and putting it on a budget. That is the fundamental difference between the President and those of us who are going to support this bill.

This bill does not cut welfare spending. This bill slows the rate of growth of welfare spending from 5.8 percent to 4.02 percent, less than 2 percentage points of difference in the rate of growth. We are going to spend more on welfare. But the difference is we are going to put some parameters around it. We are going to give the States the right to have a welfare program that fits the needs of their States.

Mr. President, my Governor, George Bush, says, "What are they talking about, hurting the children? Do they think I am going to have starving children in my home State?"

My Governor is a graduate of Yale. I mean, it is not the University of Texas, but it is OK. I think he is enlightened. I think he can handle the job, and I think every other Governor in the United States of America knows best what will fit their State's needs.

This is going to make some monumental changes in the priorities we have. We have heard tonight Senators

saying, "What are the priorities of this country?" We are going to decide.

The priorities of this country are that we want to help people who need a transition for a temporary period, and that is what this bill does. Can people stay on welfare if they are able-bodied and do not have young children under 6? They cannot do it forever. No, they cannot. They cannot stay on it generation to generation. They have to work after 2 years and they have a lifetime limitation of 5 years.

What does that tell working people of this country, especially the working poor? It says there is an incentive for you to do what is right. No longer are you going to have to support people who can work but will not. If you can work and do, if you consider it a privilege to work and contribute to the economy of this country, you will not be subsidizing people who can work and do not.

We have talked about what is a block grant and what is not a block grant. We are going to put AFDC on a block grant with growth. There is a formula that allows for the growth States to have a fair allocation. But there still is a safety net, Mr. President. There is a safety net in food stamps, in child nutrition. Those will not be block granted. Those are going to be based on need. So food and nutrition programs are a safety net, and they are kept in the bill as a safety net.

Mr. President, we are going to set the priorities of our country with this bill. We are going to say to the working people of this country that it is worth something to work, it is a privilege in this country to have a job and to contribute to the economy and you are not going to be competing with someone who refuses to work even if they can. The working people of this country are going to know that we have a budget and that this is not going to be unlimited spending.

Mr. President, I know that my time is up, and I will just say that we are making decisions that will determine the priorities of our country and we are going to get this country back on track and we are going to bring back what made this country great.

It was the strong families, it was the spirit of entrepreneurship and the working relationships that have built this country. We are going to bring it back and make this country strong again.

Thank you, Mr. President. I yield the floor and thank the chairman.

Mr. ROTH. Mr. President, I yield the remainder of my time to the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 18 minutes, 52 seconds.

Mr. SANTORUM. Mr. President, I want to thank the distinguished chairman of the committee who has done an absolutely superb job with this piece of legislation in shepherding it through the conference. It has been a pleasure to work with him in the time we have

worked on the welfare bill since he has become chairman.

For the benefit of the staff here, I am going to do the wrap-up and then proceed with my remarks after the wrap-up.

MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business.

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

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, December 20, the Federal debt stood at \$4,988,966,775,602.69, a little more than \$11 billion shy of the \$5 trillion mark, which the Federal debt will exceed in a few weeks.

On a per capita basis, every man, woman, and child in America owes \$18,938.20 as his or her share of that debt.

HONORING JOHN C. STENNIS

Mr. WARNER. Mr. President, I rise today to pay tribute to Senator John C. Stennis, for whom our Nation's newest aircraft carrier is named. Further, I include in today's RECORD the excellent remarks given by the Secretary of Defense, William Perry, and Senator THAD COCHRAN, the two principal speakers at the commissioning of this great ship on December 9, 1995.

Built with the minds, hands, and sweat of thousands of workers at Newport News Shipbuilding, and manned by the men and women of the most powerful Navy in today's world, this ship serves as an symbol of peace, that will stand guard night and day on the seven seas deterring aggression. As a former sailor in World War II, Secretary of the Navy, and now a senior member of the Senate Armed Services Committee, I know well the awesome capabilities of these magnificent ships.

In my brief remarks to an impressive audience of over ten thousand people who braved a wintery day, I recalled how, as I worked by his side for over a decade, Senator Stennis would relate stories of how a succession of Presidents would say "Whenever I was awakened in the middle of the night by a report of a crisis somewhere in the world, my first thoughts were always 'Where is the nearest U.S. aircraft carrier?'"

Mr. President, it is fitting that this great ship bears the name of Senator Stennis. Senator Stennis was my friend and mentor, whose humble beginnings in a small working-class home and equally humble and proud manner in which he lived his entire life, stand in stark contrast to this magnificent ship that now bears his name. He was a true visionary and champion of our Nation's