Mr. Speaker, for the past two years, House Republicans in the Wednesday Group have developed a reform agenda for welfare policy. While the Democrat-led Congress continues to guard the spoils of a failed and decaying welfare system, House Republicans are promoting a new vision and a new agenda to fight chronic poverty in our country.

For too long, the federal government's poverty programs have relied almost entirely on transferring income from one group of Americans to another. The strategy was obvious: If people get money, they won't be poor.

In fact, that truism isn't always true. Income transfers have been successful in reducing poverty for some parts of society, especially the elderly and disabled. However, millions of Americans remain mired in chronic poverty, despite the billions of dollars in federal assistance they received.

Contrary to popular myth, spending on programs for the poor have increased substantially in the past decade. More importantly, economic growth has had a substantial impact on poverty in America. As 18 million new jobs were created, poverty declined and average real wages increased every year from 1983 to 1990.

Despite these impressive improvements, millions of Americans made little progress against poverty. For this group of Americans, family dissolution, low commitment to work, and low or declining wages played a significant role in their economic plight. Any authentic attempt to help them must address these problems.

Reform means spending money on welfare programs that require recipients to work and develop skills, with strong incentives to move out of dependency. It also means eliminating current incentives that allow recipients to remain forever dependent on federal programs.

We can begin by fully implementing provisions in the Family Support Act of 1988. In a sense, this bill was a typical compromise, where Democrats who sought higher benefits compromised with Republicans seeking stronger work requirements.

The law requires participation rates of 20 percent by 1995, meaning that 20 percent of the nonexempt caseload at any time must be working or involved in work training. It's a modest start, but Congress must oppose any
efforts to weaken those requirements. In the future, we must move to higher participation rates.

We also need to eliminate the disincentive for work in the current structure of programs to push those who leave welfare "off a cliff," where all benefits immediately cease and a recipient finds that work is a less lucrative alternative.

Providing continued Medicaid coverage during a transition period and developing health insurance alternatives for the working poor remove powerful incentives in the current system to remain on welfare. In addition, the expansions of the Earned Income Tax Credit since 1986 have served to subsidize the incomes of low-income workers, providing additional financial incentives for welfare mothers to take low-wage jobs.

These positive inducements for families to escape from welfare will not work in all cases. Thus, Congress should consider time-limiting coverage under the Aid to Families with Dependent Children program. Currently, over 65 percent of the caseload on AFDC will make clear that these programs are meant to provide a safety net in a time of transition, not a permanent support for those who are unwilling to work.

The point should be clear. These immediate goals lead toward our real goal, which is to convert welfare to a temporary program, as the poor move from dependency to self-reliance.

The proposals outlined are part of a comprehensive review issued by the Wednesday Group: Moving Ahead: Initiatives for Expanding Opportunity in America. The paper lays out a vision of needed changes in our welfare policies, and it shows the kind of ideas House Republicans will promote when they control this chamber. I urge my colleagues to review it in detail.