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Welfare Press

For States, Complications Only Begin When Welfare Bill Is Signed

By RAYMOND HERNANDEZ

ALBANY, Aug. 21 — The welfare bill that President Clinton is expected to sign on Thursday creates such complicated questions for the states that officials here have yet to determine how much Federal aid New York will lose, even after spending five weeks studying the legislation.

Preliminary estimates by city officials suggest that New York City alone stands to lose $290 million a year because of one provision that eliminates welfare benefits for legal immigrants who are not American citizens. But a state task force assigned to measure the effect of the legislation has yet to determine how many legal immigrants are on the welfare rolls statewide because such data has never been collected before. The earliest officials expect to have those figures is in six weeks.

The financial effect of the legislation is causing concern in other states as well. For example, California officials released a report this week estimating that their state would lose more than $1 billion a year in aid from Washington because of the bill, mostly from cuts in benefits to legal immigrants.

The legislation has created other huge headaches for state lawmakers here and around the country even as it gives them greater flexibility over welfare policy. Not only will bureaucrats and political leaders have to set new policy, but they also must choose whether to abide by some of the bill's more stringent requirements or face financial penalties.

Among the questions raised are these::

¶Will states pay for job placement and child-care programs intended to get adult recipients to work within two years, as the bill requires? If so, how?

¶Should states provide benefits for legal immigrants now that the Federal Government will no longer cover these people?

¶And will they deny cash assistance to unmarried mothers who refuse to earn high school diplomas, as the bill allows?

Although other states, including New Jersey, Connecticut, Michigan and Wisconsin, have built political consensus over similar

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limits for welfare, New York has stood out because it has been riven by debate over proposals from Gov. George E. Pataki to reduce benefits and impose time limits.

That debate, together with the political split between the Governor and Mayor Rudolph W. Giuliani, a fellow Republican, will make the next step on welfare reform especially contentious in New York. The way the stalemate is resolved here will matter more than in many other states because both the state and New York City spend a larger proportion of their budgets on welfare recipients than most other places do.

"The debates in the coming legislative session are going to be fierce because they are going to be so fundamental," said Anne Erickson, the legislative coordinator for the Greater Upstate Law Project, an advocacy group for the poor. "The state is going to have to decide just what to do about poverty, homelessness and hunger at a time when the Federal Government is abandoning responsibilities in large part."

Indeed, many advocates for the poor and lawmakers have expressed concern that critical policy decisions will be made on the basis of their fiscal effect on the state at a time when New York is trying to close a budget gap projected by the State Comptroller to be $3 billion.

"The question is going to be, how much are we willing to run up the misery index to save money?" said Senator Richard A. Dollinger, a Democrat from Rochester.

For six decades, the nation's governors and state legislators have largely depended on Washington to dictate welfare policy. But now even people who had supported giving states more control over welfare policy say that the bill has created unforeseen problems.

"It is going to be an incredibly ambitious undertaking for every state," said Jack Tweedie, a welfare specialist with the National Conference of State Legislatures. "Right now, states don't know how they are going to achieve what needs to be achieved in the welfare bill."

The bill includes a provision that allows the 44 states that have received Federal waivers to run experimental welfare programs, including New York, to continue those programs for up to a year, even if the programs don't comply with the new requirements. But it is far from clear how many states will keep such programs going and how many will simply embrace the bill's provisions.

New York's waiver applies only to marginal issues and will not be a big factor.

The most pressing question for now is when the state should move to adopt a new plan. In theory, states have until next July 1 to enact a plan. But some officials here believe that New York would stand to gain at least $200 million in Federal aid if it submits a plan soon after the bill takes effect on Oct. 1, instead of waiting until the deadline.

Until a state submits a plan, it receives Federal funds based on the size of its current caseload, which in New York is the lowest in years. Once a state submits a plan, the bill will provide it a lump sum of money, known as a block grant, based on previous years when the caseloads were much higher.

Governor Pataki has already said he may have to call lawmakers back to Albany to deal with problems arising from the bill. But advocates for the poor and some lawmakers have said that it is important for the state not to act hastily, particularly since officials lack crucial information, such as how many legal aliens currently receive welfare, Medicaid or other benefits.

Even when that information becomes available, Democratic leaders of the Assembly, who have opposed changes in the welfare system, will likely resist returning for a special session before November in order to keep welfare from becoming an election-year issue.

The leaders of the Assembly also realize that they would have a hard time persuading many Democrats from more conservative upstate and suburban districts to oppose the Governor's changes in welfare while they are fighting to keep their seats. The issue is so touchy that a spokeswoman for Speaker Sheldon Silver of the Assembly declined to comment.

Yet another question that New York's lawmakers must face is what to do about the people who are kicked off the Federal welfare rolls because of provisions that deny benefits to legal immigrants and impose five-year lifetime limits on cash assistance to families.

New York has a peculiar problem because its Constitution requires state officials to provide for the "aid, care and support of the needy," as determined by the State Legislature. Many lawmakers say that means state taxpayers will have to absorb enormous new costs to provide benefits to people taken off the Federal rolls, possibly by expanding a state program known as Home Relief.

That program largely provides benefits to single adults and childless couples who do not qualify for the Federal program known as Aid to Families with Dependent Children, which the bill abolishes.

But Mr. Pataki has made it clear that he would like to place restrictions on the state program. He proposed earlier in the year to create a 60-day time limit for people receiving benefits from Home Relief. Even the Democrats in the Assembly have proposed their own time limit of five years for Home Relief recipients. But it is not clear what position the Assembly will take now that Home Relief emerges as the only safety net in the state for poor families.

Another question is whether New York will adopt the strict new eligibility requirements suggested in the bill. The states would be free to deny benefits to a mother who refuses to help officials establish paternity. And under the new legislation, states will have to deny benefits to anyone convicted of a drug-related felony unless the states enact legislation to exempt themselves from that rule.

The bill would also allow state lawmakers to cut off benefits for a teen-age parent who refuses to finish high school. And it would let states deny additional money to parents who have children while on public assistance.

It also promises $400 million in bonuses to states that do the best at containing or reducing their rates of illegitimate births, and sets aside $250 million for educating people about abstinence from sex.

THE NEW YORK TIMES

THURSDAY, AUGUST 22, 1996

In Some States, Planning Ahead Paid Off

Faced with new Federal welfare legislation that has many other states scrambling, Connecticut's response was somewhat unusual: "What took so long?" Gov. John G. Rowland asked last month when the bill passed the House.

In contrast to New York, which is rushing to come up with a plan so it will not lose Federal funds, Connecticut began to adopt a new welfare program in July 1995. The program, called Jobs First, involves a 21-month limit on assistance to families — much tougher than the five-year limit in the Federal law — and a requirement that welfare recipients look for work.

While the state may need to make adjustments to comply with the Federal guidelines, state officials are confident that the thrust of their program satisfies the basic Federal requirements.

"We're way ahead of many that haven't thought about time limits, family caps or restructuring their programs so that the emphasis is on finding work quickly," said Claudette Beaulieu, a spokeswoman for the State Department of Social Services.

New Jersey also has a head start on revamping its welfare program, though it is not as far along as Connecticut.

In January, Gov. Christine Todd Whitman announced a new initiative called Work First New Jersey that would limit cash assistance to five years and require welfare recipients to get a job or participate in job search programs or vocational training.

New Jersey welfare officials are studying the Governor's proposal to assess how it will be affected by the new Federal program, said John McKeegan, a spokesman for the State Department of Human Services.

"Our program, as I understand it, is very similar to the Federal legislation," Mr. McKeegan said. Officials in the Republican-controlled State Legislature are expected to introduce legislation based on the Governor's proposal this fall.

In Connecticut, social services officials are meeting weekly to assess how the new Federal law will affect the state, and they expect to have a modified welfare plan ready for Governor Rowland in the fall.

THE NEW YORK TIMES

THURSDAY, AUGUST 22, 1996

Clinton Signs Bill to Give Portability In Insurance

By TODD S. PURDUM

WASHINGTON, Aug. 21 — In a South Lawn ceremony filled with both celebration and the ghosts of unmet goals, President Clinton signed a bill today to expand access to health insurance. And though the bill falls far short of his hope of insuring all Americans, he called it "a long step toward the kind of health care reform our nation needs."

Mr. Clinton used the occasion to declare a partial vindication for his and Hillary Rodham Clinton's own failed efforts to overhaul the health insurance system, saying the bill shows what can happen "when we cross party lines and put the interests of the American people first."

Mrs. Clinton, who retreated to the background after the effort she led turned into the Administration's biggest policy debacle, had a front-row seat for the signing ceremony, but not a seat on the platform with the President.

Asking the guests to "forgive me a personal note," Mr. Clinton looked toward his wife and said: "I believe, Hillary, that this justifies all those days on the road and all those nights you stayed up reading the incomprehensibly complex issues of health care. Thank you."

The audience responded with a standing ovation as Mrs. Clinton nodded silent thanks in reply. It was the first time in many months that "health care" had been uttered at the White House with such happiness. Left unsaid today were the Administration's dire warnings of two years ago that such incremental changes in the system could do more harm than good, and Mr. Clinton's repeated threats to veto any bill that did not provide health insurance for all Americans.

But Mr. Clinton's Republican opponent, Bob Dole, issued a statement harking back to those days, saying the new law "should end once and for all the Clinton prescription of big Government health care." Mr. Dole added, "The American people should ask why it took President Clinton more than three years to support these common sense reforms which he previously threatened to veto."

The new law, which passed the Senate unanimously and drew only two dissenting votes in the House, allows workers to maintain health insurance coverage if they change or lose their jobs. It effectively bars insurance companies from denying coverage to people who have pre-existing medical conditions.

The legislation was co-sponsored by Senators Nancy Landon Kassebaum, Republican of Kansas, and Edward M. Kennedy, Democrat of Massachusetts, and both today praised Mr. Clinton for helping jump start support for the bill by pressing for its passage in his State of the Union address in January.

Mr. Kennedy said, "Every valuable part of this legislation — from insurance reform, to help with long-term care, to assistance for the self-employed — was originally conceived and contained in the broad-based health reform proposal that you submitted to Congress in 1993."

Today's ceremony was part of a trio of bill-signings this week — including an increase in the minimum wage on Tuesday and welfare overhaul on Thursday — intended to showcase both the powers of incumbency and Mr. Clinton's ability to get things done, all on the eve of the Democratic Convention next week.

But health care holds a bittersweet place in the politics of the Administration. Top advisers to the President have long acknowledged that the failure of his original bill in 1994 came to be seen as the failure of his overall domestic policy on the eve of the midterm elections, in which Republicans won control of Congress.

Today's flag-draped ceremony was the culmination of a months-long effort to redress that perception. Among those in the audience was Ira Magaziner, who was seated in the second row, and who was the main architect of the failed effort.

Besides assuring expanded access to insurance, the new law makes it easier for self-employed workers to afford their own insurance, by increasing the share of its cost they can deduct from their income taxes to 80 percent, from 30. It toughens penalties for Medicare and Medicaid fraud, reduces paperwork and offers tax breaks for long-term care.

"It seals the cracks that swallow as many as 25 million Americans who can't get insurance or fear they will lose it," Mr. Clinton said of the bill, most of which takes effect next July. "Now, they will be protected."

But Mr. Clinton made it clear he believed that much work remained to be done, including expanding coverage for the unemployed and treating mental health coverage the same way physical ailments are treated, a provision that was dropped from the final bill.

While the legislation requires companies to offer the same access to coverage to people with pre-existing conditions that they offer to the general public, it does not set price limits on individual policies or guarantee that premiums will be affordable.

Perhaps the most contentious provision of the law also allows people who work in small businesses or who are self-employed to buy a high deductible health insurance policy for catastrophic illness and set aside other money, pre-tax, in a "medical savings account" for routine or long-term care.

Mr. Clinton and many Democrats opposed such a provision on the ground that the accounts would be most attractive to healthy, well-off people, leaving the traditional insurance pool to the sick and poor. In a compromise, the law allows 750,000 such accounts to be established in a nationwide pilot program.

Agency Is Accused of Eroding Welfare Cuts

By PETER T. KILBORN

WASHINGTON, Aug. 21 — One of Congress's Republican authors of the overhaul of the welfare system accused the Clinton Administration today of trying to "undermine" provisions of the bill that would cut off cash assistance to recipients who do not get jobs. President Clinton plans to sign the bill on Thursday.

In a letter to the President postdated today, the Congressman, E. Clay Shaw of Florida, said the Department of Health and Human Services had hurriedly approved last-minute waivers of existing Federal welfare regulations for several states and the District of Columbia that would let them postpone compliance with some provisions.

Mr. Shaw said he was particularly incensed over waivers that could affect enforcement of a provision limiting welfare recipients to five years of cash assistance in a lifetime.

On Monday, the department granted the District a 10-year waiver that would allow welfare recipients annual extensions beyond the five years, as long as they keep looking for work.

To Republicans in Congress, the five-year time limit on cash aid is crucial both to cutting welfare spending and to spurring recipients to find jobs.

Throughout the yearlong debate over welfare, the Administration sought to continue assistance for people who try to comply but fail, and it denied Massachusetts and Wisconsin the firm limits on aid that they requested in their waiver applications. Under the bill, those limits will take effect.

Waivers could allow welfare beyond the five-year limit.

In his letter, Mr. Shaw wrote, "While I am very pleased you have decided to sign the Congressional welfare bill and look forward to joining you at the White House today, regrettably I have come to the conclusion that your Administration has actively worked in the last three weeks to undermine several key provisions of the bill."

Michael Kharfen, a spokesman for the department, said the President introduced the notion of a five-year limit and firmly supported it. States that are using such limits report that they work, Mr. Kharfen added, and even the District's version "is still a time limit that requires people to get to work."

Mr. Kharfen noted that Congress itself allowed for some leniency, including an exemption of 20 percent of a state's welfare cases because of hardship and the right to keep paying benefits to others after five years, provided the states use their own funds and not their Federal grants.

Since late in the Bush Administration, the Department of Health and Human Services has granted 45 states and the district a wide variety of waivers for welfare programs.

Now, with the bill about to becomne law, disputes are brewing between its Republican authors, the department and the states as to how much these waivers can insulate states from the law's provisions.

In the three weeks since the President said he would sign the bill, several states, including Hawaii and Minnesota, along with the District, have been granted last-minute waivers in spite of a request that Mr. Shaw made to deny them.

Waivers Complicate Welfare Reform ation (Washn)By Elizabeth Shogren= (c) Los Angeles Times=

SHINGTON In the days before President Clinton signs ing welfare reform legislation, his administration has ed several states permission to waive some of the tough w requirements in the law a move that Republicans charge is intended to undermine it.

In the two weeks since the measure won congressional approval, the Department of Health and Human Services has granted the waivers. Other states had been granted waivers to federal requirements by the administration before the welfare legislation was passed by Congress.

While Republicans were ardent supporters of those earlier waivers, they now are criticizing the president for continuing to approve state requests now that Congress has passed federal reforms that the president has endorsed and plans to sign into law Thursday.

Their reasoning: The earlier waivers contained provisions that were tougher than existing federal law, but the federal changes approved earlier this month are even tougher in an effort to break the cycle of welfare dependency. Granting waivers now, the Republicans argue, effectively allows states to avoid the tough new federal standards.

In a harshly worded letter to the president, the chief congressional architect of the legislation accused the administration of actively working to ``undermine the spirit and the letter" of the bill. The letter, from Rep. E. Clay Shaw Jr., R-Fla., criticized the administration specifically for granting waivers to the District of Columbia, Hawaii and Minnesota.

Hawaii's and the District of Columbia's waivers relax a new welfare eligibility cap that will limit an individual to five years of cash assistance in a lifetime. Under Minnesota's waiver, individuals with long commutes to jobs and recipients who are ``under duress" will not have to search for work and take jobs, as the new law will require.

``We must work together and not dilute the time limits and the work requirements," Shaw said in the letter dated Aug. 22 but made available to the Los Angeles Times Wednesday.

But administration officials defended approval of the waivers.

Shaw specifically added language to the legislation that would allow the administration to continue to grant waivers until the president signs the bill, according to HHS spokeswoman Melissa Skolfield. He also included a provision that allows states with waivers to continue to follow their own welfare rules until their waivers expire in the next three to 10 years.

Shaw put the clauses in the bill because Republican governors asked him for it," Skolfield said. ``It's simply giving states a little more flexibility." The states that received last-minute waivers have governors of both parties.

Unlike the other recent waivers, the one granted to California was for a narrow provision that is consistent with the new federal law. It allows the state to freeze welfare payments when families on welfare have additional children.

Republicans are particularly concerned about waivers from the five-year time limit and from the definition of what counts as work.

The new federal legislation, while requiring states to limit benefits to five years in a recipient's lifetime, allows them to exempt up to 20 percent of their caseload from the rule.

Officials in states granted waivers with more lenient time-limits defended their policies.

``As long as individuals are making every effort to become employed, but by no fault of their own they cannot find jobs, we think they should still qualify for assistance," said Patricia Murekami, the director of family and adult services administration of the Hawaii Department of Human Services.

Murekami said she was relieved that Washington had approved her state's waiver. It means that welfare recipients in her state would not face ``five years and then boom."

Kathy Patterson, a councilwoman in the District of Columbia, argued that the district's welfare population is especially dependent on the aid and that low-wage jobs are scarce.

``When poverty is more intractable, it takes longer for people to get off welfare," Patterson said.

Republican sponsors of the legislation, however, said that a strict time limit is necessary to prod people to change their behavior and become self-sufficient.

The new legislation requires states to put 50 percent of their welfare recipients in jobs by 2002. But Republicans argue that waivers granted by the department might allow many states to say they had met the requirement without having people in real jobs.

U.S. Student Enrollment to Reach Record 51.7 Million (Washn)By Josh Greenberg= (c) 1996, Los Angeles Times=

WASHINGTON More students will enroll in school this fall than ever before, surpassing a peak reached 25 years ago and causing a serious strain on school budgets around the country, the Education Department said in a report Wednesday.

``When school starts this year, I would hope that most districts have analyzed their own situation and prepared for it," said Education Secretary Richard W. Riley, who released the report.

The student enrollment record of 51.7 million students nationwide this fall will continue to be broken every year for the next 10 years, amounting to a 15 percent increase by 2006, the report said.

California, which has the largest student population in the country at 5.8 million, is expected to lead the surge, adding a million more students over the next 10 years.

California, alone, will have to find seats for an additional 525,000 high school students by 2006 and build 20,000 new classrooms, according to Riley and Mamie Starr, chairwoman of the Coalition for Adequate School Housing of California.

Although California faces the largest increase, 31 other states also will see substantial growth in their student populations. Districts across the country will need 6,000 more schools and 190,000 more teachers at an estimated cost of $15.1 billion to meet the demands.

The growth poses serious problems for many school districts already strapped for funds, officials said.

The trend, dubbed ``The Baby Boom Echo" by the Education Department, is reminiscent of the enrollment growth caused by the baby boomers themselves the children of the World War II generation. Born between 1946 and 1964, they produced a peak school enrollment of 51.3 million students in 1971 a record that remained in place until this fall.

Between the early 1970s and the mid-1980s, enrollment waned and districts experienced the sometimes painful process of closing schools to save money. But the numbers began to rise again once baby boomers married and had children of their own.

After a downward slope since 1971, the ``echo" looks like an upward curve beginning in the mid-1980s and extending to the year 2006.

``We are really at the midpoint of a long, slow rising wave," Riley said in describing how the ``echo" looks when charted on a graph.

The ``Baby Boom Echo" is not the only factor in the most recent enrollment rise. Education Department statisticians also point to three others, two of which appear to explain why California is witnessing a more dramatic change than other states.

Black and Latino birth rates have been higher than rates for the population as a whole. For California, where the black and Latino population is quite large, the effect has been more significant.

Immigration has reached record levels in some parts of the country. School systems in so-called ``gateway cities" cities like Los Angeles and San Diego felt the

impact most strongly.

The report also said that more teen-agers are staying in school until graduation.

The enrollment spurt has forced many districts to scramble for funds, rent portable classrooms and experiment with year-round education programs and Saturday classes.

Low-Key Carrick Carries the Ball for Clinton in Calif. (Los Angeles)By Alan Abrahamson= (c) 1996, Los Angeles Times=

LOS ANGELES He's low-key in a field known for overweening ego and ambition.

A child of the conservative Deep South and boyhood pals with perhaps the most hard-edged Republican strategist in recent memory, he worked in Washington for the most enduringly famous liberal in America.

After years inside the Beltway, he swore off that scene and moved to California. But not to Sacramento. Instead, he set up shop at home in the Hollywood Hills, way up near the famous sign, with a view of downtown to die for and a phone that rings constantly and a fax machine that spews out 200 missives a day from around the nation.

Unorthodox in many regards, Bill Carrick finds himself the operative at the center of much of California's 1996 political action.

He's senior adviser to Bill Clinton's re-election campaign in California. While former state Assemblyman Tom Umberg handles the nuts and bolts of the campaign, Carrick is the big-picture guy and the main link to the president's White House political team.

He keeps in close contact with these advisers, who include several transplants from Calfornia, and who, like Clinton, have worked hard to keep the administration popular in the state.

Carrick is also chief strategist for Los Angeles District Attorney Gil Garcetti and for a variety of candidates running for U.S. Congress.

Not to mention the work he's already got going for early next year advising Los Angeles Mayor Richard Riordan and City Attorney Jim Hahn in their re-election campaigns.

He's in such demand for a simple reason:

He wins. Frequently.

Among his recent California credits are Dianne Feinstein's victorious 1992 and 1994 senatorial campaigns.

At this point, it looks like he's got another winner at the top of the ticket the most recent Los Angeles Times Poll showed Clinton with a 27 percentage point lead over GOP nominee Bob Dole in California.

That poll, however, was taken before last week's Republican convention and, with national surveys showing the race tightening, Carrick said, ``We're not going to win by 27." Nevertheless, he likes his candidate's position.

``The president is in enormously strong shape here and I think Dole has two problems," he said. ``One is Clinton's very popular. Two is, he's unpopular. `That sounds real simplistic, but it's hard to solve both problems (before) Nov. 5."

For all his successes, Carrick is no stranger to defeat. He ran Feinstein's unsuccessful 1990 gubernatorial campaign, and he managed Missouri Rep. Richard Gephardt's failed bid for the 1988 Democratic nomination.

Even those losses, however, did not tarnish Carrick's reputation.

Feinstein upset then-Attorney General John Van de Kamp to win the Democratic primary and barely lost the general election to Republican Pete Wilson.

``I happen to like him, too," said Ken Khachigian, Dole's top campaign adviser in California. ``I also respect him. Which is more important than liking him."

Carrick, 46, said such comments are naturally gratifying. But he insisted he is not out for flattery, or even attention.

Expressing his dismay about availing himself for an interview, he said, ``I come from the old school. It's better not to be in the press yourself."

(Begin optional trim)

He also said there's no special trick to what he does. He finds himself drawn to candidates he believes have ``real-life, common-sense approaches to problems" and tries to ``make the campaign real to real people."

That's why, he said, he works in Los Angeles, not Washington or Sacramento, and at home instead of an office. ``It's more important to know what people in Torrance, for instance, feel about education, crime and tort reform than to know so-and-so is getting business because they know somebody else's press secretary. That stuff just gets in the way."

(End optional trim)

Carrick has been around politics virtually his entire life. He grew up in Aiken, S.C. home to conservative Democrat-turned-Republican Sen. Strom Thurmond where his dad worked in a plutonium processing plant. Both his parents, he said, were ``committed Democrats," especially his volunteering mom, and he grew up knocking on doors for local Democrats.

Among the rug rats in the neighborhood sandbox were Marcia Hale, now at the White House as director of intergovernmental affairs, and George Bush's campaign manager, Lee Atwater.

Though their politics and their styles could not have been more different, Carrick said he and Atwater who died in 1991 of a brain tumor were lifelong friends. ``He was part of the neighborhood gang," Carrick said.

Carrick moved on to run local and state campaigns, often against Atwater, and to become executive director of South Carolina's Democratic Party. In 1982, he moved to Washington to become political director for Sen. Edward M. Kennedy, D-Mass., long the standard-bearer of his party's liberal wing.

``People can underestimate him," Kennedy said of Carrick. ``He has that sort of down-home appearance and accent. But behind that kind of innocent-looking face is a bear-trap mind and a will of steel."

In late 1987, the Gephardt campaign beckoned.

When the Gephardt campaign ended, Carrick said, he was ``really burnt out." So he moved to Los Angeles and tried the business world for 18 months. After that, he said, ``The itch was back."

He formed a partnership with New York-based consultant Hank Morris and they connected with Feinstein, who was then preparing to run in the 1990 gubernatorial campaign. As she geared up in late 1989, she trailed Van de Kamp badly in the polls. That's when Carrick and Morris devised a TV ad still talked about in California political circles.

The spot was designed to introduce Feinstein, the former mayor of San Francisco, to Southern California voters. It ended up making such an impression on viewers, it proved a key to her primary victory.

The ad opened with the 1978 footage of Feinstein announcing, on the steps of San Francisco's City Hall, the killings of Mayor George Moscone and Supervisor Harvey Milk. ``Forged from tragedy,"
a narrator said of her, as the ad went on to tout Feinstein's positions on various issues.

That one spot, said Sherry Bebitch Jeffe, the veteran political analyst based at the Claremont Graduate School, ``really put (Carrick) on the map."

U.S. Ends Customs Corruption Probe of 1990 Incident (San Diego)By Anne-Marie O'Connor= (c) 1996, Los Angeles Times=

SAN DIEGO Federal investigators announced Wednesday they are closing a 17-month probe into allegations of widespread high-level corruption among U.S. Customs employees after failing to find evidence that would support criminal charges.

The probe, conducted by the multi-agency Border Patrol Corruption Task Force, focused on an incident in which a supervisor attempted to allow a Mexican gas tanker packed with 8,800 pounds of cocaine into the United States Oct. 3, 1990.

That argument began to fall apart in 1994 with the emergence of documents describing studies conducted for the tobacco industry that showed nicotine was addictive.

After reviewing documents from Brown & Williamson Tobacco Corp., which the company said were stolen, the American Medical Association blasted the tobacco company, charging that its own research proved 30 years ago that nicotine is addictive.

``And they withheld this information. . .the American public has been duped. We should all be outraged," said Dr. Stanton Glantz, of the University of California at San Francisco, speaking for the AMA.

Since then, public attitudes seem to be shifting from blaming the victims of cigarettes to holding the makers accountable. Earlier this month, a Florida jury, for only the second time in history, ordered a tobacco company to pay $750,000 to a man who had smoked for 44 years, was unable to quit, and developed lung cancer five years ago.

Similar individual lawsuits are being filed, and 13 states are suing the tobacco industry seeking to recoup health-care costs of smokers.

Research that would truly help smokers short of quitting cold turkey has been long in coming. But the scientific evidence that nicotine causes addiction is overwhelming, said Dr. James Zacny, a University of Chicago psychiatrist who found that more than 90 percent of heavy drinkers are also heavy smokers and that the two addictions may feed off one another.

It probably takes several months for someone to become addicted to cigarettes, depending on the nicotine level and number of cigarettes smoked, he said.

``By the age of 17, about 90 percent of smokers are hooked."

Reporting last month in the prestigious journal Nature, scientists for the first time traced the chemical path that nicotine molecules take in the brain and found that it follows the same footsteps as cocaine.

Nicotine targets a tiny group of cells in a specific area known as the nucleus accumbens, deep within the center of the brain, which produces pleasurable sensations.

As with cocaine, nicotine increases the level of the powerful neurotransmitter dopamine in this region, causing a high. Normally, dopamine, which helps brain cells communicate, is released in the nucleus accumbuns to reward a person for a job well done, whether the praise comes from a boss, a good meal, or sex.

But when dopamine production is stimulated from the outside, brain cells adapt by changing the way they respond to the pleasure chemical.

As a result, when intake of a compound like nicotine is stopped, dopamine levels plunge below normal. Brain cells become irritable and demand another fix to make them feel normal, causing the withdrawal symptoms that are at the heart of addiction.

Programs that help welfare moms go to college appear to be doomed By Rogers Worthington Chicago Tribune (KRT)

CHICAGO Joni Jansma went from personal devastation to environmental entrepreneur in four years, a dramatic change she attributes to the college education she got while a welfare mother.

Not that her monthly AFDC check paid her way. It barely covered living costs after her husband left her with a pile of debts. She paid her tuition at Prairie State College and the University of Illinois at Chicago with a federal Pell grant for low-income students.

A federal-state welfare program called Opportunities paid for day care for her 5-year-old daughter, Stephanie a monthly bill that can easily swallow an entire AFDC check.

``I wouldn't have been able to do it without Opportunities," said Jansma, 32, who now has two full-time and four part-time workers on the payroll of her toxic lead-testing business, Ecoserv Inc.

Because of the Opportunities program, which pays for books and transportation as well as child care, thousands of welfare mothers have pursued two-and four-year degrees, many in the nursing and teaching fields.

``The object is to qualify them for jobs that will get and keep them off welfare. We have been phenomenally successful in that regard," said Yvonne Johnson, who directs the Opportunities program at City Colleges of Chicago, part of the 13 community colleges statewide that participate.

But such programs aimed at ``developing human capital" rather than putting welfare recipients to work immediately, appear doomed by the welfare-reform legislation passed by Congress this month and set to be signed into law by President Clinton.

Critics say the programs are financially and philosophically untenable, given the immediate payoffs of jobs for the poor and the inequity of helping public aid recipients when many working poor can't pay for college. But supporters counter that the long-term investment in education is the only way to ensure that welfare recipients are lifted permanently out of poverty.

The new welfare-reform legislation ends Opportunities, which is part of the 1988 Family Support Act Job Opportunities and Basic Skills (JOBS) program. It limits a recipient's lifetime aid benefits to five years and requires them to be working after two years. Education will be limited to completing a high school diploma or to vocational training for a maximum of 12 months.

Meanwhile, states must have 25 percent of all their recipients (50 percent by 2002) in work, or work-related activities.

Postsecondary education, even for two-year college degrees, is not one of the identified work activities.

``We have people in school who are calling us now, who will have to drop out and go to work, as opposed to continuing their program so they can be better off and have a shot at a livable wage," said Sharron Matthews, director of the Public Welfare Coalition of Chicago.

(EDITORS: NEXT 3 GRAFS OPTIONAL TRIM)

Illinois has supported aid recipients attending college longer than many other states. But the handwriting has been on the wall since last year, when new state legislation imposed a minimum eight-hours-a-week work requirement on AFDC recipients attending college. That work requirement is expected to increase, while the numbers of those mothers supported by public aid in their efforts to get a degree is expected to sharply decline.

``Where are we going to put resources? Into those going to college, or the larger number of clients who need basic skills even to get entry-level jobs?" asked Karen Maxson, planning and community services administrator for the Illinois Department of Public Aid.

Of the total adult Illinois AFDC recipients involved in educational efforts last year, 11 percent (about 3,500) were in two- or four-year college degree programs.

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Higher education does for welfare recipients what it does for anyone: Namely, it measurably improves their earning capacity.

``It also changes their attitudes and their children's attitudes toward education and lifestyle. Those results were extremely positive and clear-cut," said Marilyn Gittell, a political scientist at City University of New York, who studied the relationship between women on welfare and higher education.

No one has done a national study to determine the long-term effectiveness of higher education on keeping people off welfare. But Gittell and others did a 1993 study for the Ford Foundation of AFDC recipient/students in five states. They found that those who received any higher education had an increased capacity to hold a job and that the vast majority who earned degrees became financially independent.

Moreover, employment projections are that half of all jobs by the year 2000 will require some sort of a college degree.

But a critical 1995 study by the General Accounting Office (GAO) found that the Opportunities program was placing too much emphasis on education, and not enough on

ush appointee David Kessler has worked toward one goal: making Americans believe the FDA is serious about its mission By Frank James Chicago Tribune(KRT)

WASHINGTON When Dr. David Kessler took over the Food and Drug Administration six years ago, the demoralized agency was in crisis, the result of a bribery scandal. There were doubts that it could do its main job: safeguarding America's public health.

Under Kessler's aggressive leadership, however, many of the doubts about the FDA have vanished. And, with its proposal to the Clinton administration to regulate tobacco, the agency could actually expand its role under Kessler.

If Clinton approves the regulation of tobacco, the agency would be responsible for enforcement.

From the time President George Bush made him head of the agency in December 1990, Kessler has been fixated on one goal: making Americans believe the FDA is serious about its mission.

It is a role Kessler, 45, who has a University of Chicago law degree and is a Harvard University-trained pediatrician, has approached with zeal.

Some wags have even called Kessler ``Elliott Knessler," after Elliott Ness, the Chicago-based G-man who brought down Al Capone.

In a speech to food editors and writers during his first year in the job, Kessler said one of the FDA's greatest problems was that it had ``reached the point where it was no longer a force to be reckoned with."

Generally lax enforcement before his arrival, as well as outright corruption, contributed to that sense. In a generic drug scandal, some pharmaceutical companies had sold mislabeled and adulterated products, practices they bribed some agency inspectors to ignore. Four FDA employees were later convicted.

Besides that disaster, the ``proverbial line in the sand the line beyond which those regulated must not go was drawn inconsistently, or it was not drawn at all" by the agency, he said.

So Kessler's time at the FDA has been spent drawing bright lines and going after companies that step over them.

Just four months after he took office, Kessler had the U.S. attorney in Minneapolis file a seizure action against Procter & Gamble's Citrus Hill orange juice unit. The company had continued to label as ``fresh" highly processed juice despite FDA warnings that such labeling was misleading.

``In that instant, I believe that people began to understand what I meant by providing adequate incentive not to cross the line," Kessler said.

It was Kessler's insistence on such labeling issues that led Bush to sign legislation requiring sweeping changes in the labeling of foods. The nutritional labels that show calories and fat content were required on most packaged goods and the use of terms such as ``light" and ``fat-free" were strictly regulated.

``I think his impact has been tremendous," said Caroline Smith DeWaal, director of food safety issues for the Center for Science in the Public Interest, a Washington advocacy group.

``He has shown great leadership in taking the agency from a real low point to one where they are highly respected among the public interest community and the consumer community. . ."

Though Kessler may be the darling of consumer advocates, he is the symbol of government over-regulation to many conservatives, including Sen. Orin Hatch, R-Utah, for whom Kessler once worked as a health consultant.

His work for Hatch was just part of his varied resume. Kessler, a New York native, taught food and drug law at Columbia University and was medical director at Albert Einstein Hospital.

Kessler's war on tobacco stems from his belief that ``there is no greater public health issue," and that tobacco companies intentionally try to addict young people to their products. He has called smoking a ``pediatric disease."

In a article for the New England Journal of Medicine last year, Kessler wrote: ``Ask a smoker when he or she began to smoke, and chances are you will hear the tale of a child."

New scientific information led to U.S. acts against tobacco industry By Ronald Kotulak and Peter Gorner Chicago Tribune(KRT)

Although many scientists have insisted for years that nicotine is addicting, it took a spate of revelations to give President Clinton the ammunition to act against the powerful tobacco industry.

The new information included the first scientific evidence that nicotine acts in the same areas of the brain as heroin and cocaine; the discovery of secret documents showing that tobacco company executives knew of the addictive power of nicotine; and population studies showing that addiction to cigarettes starts in the teens.

Clinton is expected to announce Friday that he will accept the proposal of the U.S. Food and Drug Administration to declare cigarettes a drug device for delivering nicotine and hence subject to regulation by the FDA.

The proposal's purpose is not to ban cigarettes for adults, but to try to break the chain of addiction across the generations by strictly limiting the availability of cigarettes to children.

``The thesis is that smoking is a disease that starts in childhood, and therefore if you make a list of things that will decrease the chance of teenagers starting to smoke, you will remove the largest number of people who ultimately become addicted and die," said Dr. Sidney Wolfe, director of Public Citizen's Health Research Group in Washington, an archfoe of the tobacco industry for 25 years.

``Very few people start smoking over the age of 20," Wolfe noted.

As many as 50 million Americans are addicted to nicotine, and most started before they were 18. Each year nearly 16 million Americans try to quit smoking, but only 1.3 million succeed, according to studies.

By itself, nicotine isn't terribly harmful to health and may even help protect against Parkinson's disease and perhaps strengthen the memories of Alzheimer's patients, studies suggest.

What makes nicotine dangerous is the company it keeps. Other chemicals in cigarette smoke get into the lungs and bloodstream and are blamed for hundreds of thousands of American deaths annually.

``From our perspective, cancer and heart disease are side effects of nicotine addiction," said Jack Henningfield, chief of clinical pharmacology at the National Institute on Drug Abuse.

``If people tried one cigarette and never tried it again, you wouldn't see so much heart disease and cancer, which kill about half the people who don't quit smoking," he said.

Brain chemistry is an individual matter, and people react to addictions in highly personal ways. Nicotine withdrawal may not shock the body as violently as heroin withdrawal, but it is associated with a wide range of physical and psychological symptoms, including edginess, nervousness and craving.

Over time, smokers' brains may actually become different from those of nonsmokers. ``But even among youths aged 10 to 22, one of the main reasons they say they smoke is that it's just too hard to quit," said Gary Giuovino, of the Atlanta-based Centers for Disease Control and Prevention.

New studies also show that smokeless tobacco has become popular among teens and that they graduate from products with the lowest nicotine levels to those containing the most. For most of those youngsters, cigarettes are the next step.

Tobacco companies traditionally have denied that nicotine is addictive. It is a habit associated with pleasurable behavior, like caffeine, they insist. People take it up as a matter of choice.

ding employment.

``If you give them the option to work or get an education, they will utilize the education to avoid working," said Robert Rector, a resident scholar at the Heritage Foundation who has studied welfare-reform efforts.

Then there is the issue of fairness.

``Why should a mother who is not working and on welfare be supported and going to college, while another mother working down the street at McDonald's is fighting to get a Pell grant to go to college?" said Judith Gueron, president of Manpower Demonstration Research Corp., which evaluates state and federal welfare and job training programs.

Some states, using federal block grants, could still choose to make college an option, paying child-care costs out of their own budgets.

But competition for financial resources among the 75 percent of recipients not working or in work-related activity, does not bode well for those who want to pursue, or continue, higher education.

(EDITORS: NEXT 4 GRAFS OPTIONAL TRIM)

For one thing, anyone with a high school diploma or its equivalent

40.8 percent of AFDC recipients in Illinois will be a prime candidate for immediate job search and entry into the work force. For another, the 47.7 percent of AFDC recipients who do not have high school diplomas, including the teenage mothers who constitute about 7 percent of all AFDC cases nationally, will consume much of the child-care money while they complete their basic educations.

Those in job training that pays only slightly more than minimum wage, such as eight-week programs to become a nurse's assistant or hotel worker, as well as those in longer vocational training programs, such as for child development aides and teacher's aides, will provide further competition for child-care resources.

Turnover is high in such jobs, making it difficult to determine how effective they are in preventing a worker from returning to welfare. Maxson anticipates that Illinois' recasting of the federal legislation will contain provisions allowing for more training while such aides are working.

``I hope that we'll be able to support a nurse's aide for example, to upgrade her skills so she'll be more self-sufficient when the five-year time limit expires," Maxson said.

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Maricella Baltazar, a mother of five who struggled along on a series of short-term secretarial jobs and food stamps, is thankful she has only one year to go before receiving her teaching degree at Governors State University. Before going to college, Baltazar, 31, barely eked out a living after paying day-care costs of $600 a month.

Then she went on AFDC, heard about and entered the Opportunities program, and enrolled in college with the aid of federal and state grants.

``It's difficult enough for me getting this help," she said. ``Without it, there would be no way I would be able to finish school."

Jansma, who attended college for three years, never completed her planned degree in biology. The opportunity of the lead-testing business, which she learned of while taking public health courses, proved too lucrative to resist.

``If I hadn't gone back to school, I would never have found out about this," she said.

Other former AFDC recipients also praise even a partial exposure to
a college education.

Still, said U.S. Rep. Charles Rangel, D-N.Y., of the political climate: ``Nobody is opposed to college. It's a question of priority. What are you taking away to provide this benefit?"

Sen. Kassebaum ending career on high note By Tom Webb Knight-Ridder Newspapers(KRT)

WASHINGTON With accolades from the president and applause on the White House lawn Wednesday, Kansas Sen. Nancy Kassebaum approached the end her long Senate career with one of her proudest moments.

She watched as President Clinton signed her health-care bill into law, giving Americans the freedom to change jobs without fear of losing their insurance. It's something Kassebaum has worked years to achieve.

``Senator Kassebaum, we are deeply in your debt," Clinton said at the ceremony. ``We're going to miss you. And you must be very proud that, here in the last months of your career in the Senate, you have done such a magnificent thing."

Afterward, Kassebaum laughed that she isn't gone yet. She has three months of work left and more bills to pass. Atop her list is the creation of a national park in the Kansas Flint Hills.

``I hope we can have another signing ceremony," she said with a laugh.

For Kassebaum, her moment at the White House typified much of her 18-year career. Although she's a loyal Republican, she praised leaders from both parties never mind the political season that's raging all around her.

She thanked President Clinton. She praised the significant contributions of former Sen. Bob Dole, R-Kan. And she offered special thanks to the bill's co-sponsor, Sen. Edward Kennedy, D-Mass., ``the wrestler of the team who was willing to take any opponent to the mat."

Kennedy returned the favor, in his way, introducing Kassebaum as ``the kinder and gentler senator from Kansas."

The audience at the White House giggled at the back-handed reference to Dole. And they applauded, too, after Kennedy lauded Kassebaum as ``one of the ablest and most caring senators of our time."

As usually happens at a high-profile signing ceremony, the president used a dozen pens to sign the bill, so that souvenir pens can be given to all of a bill's important authors. The president gave Kassebaum one of the pens.

Later, as she walked down the White House driveway, Kassebaum spotted Dr. Dean Rosen, a physician who worked on her staff. It was Rosen who labored behind the scenes for months, working to pass the bill.

Kassebaum thanked him, too. Then she gave Rosen the pen.

Clinton set to declare nicotine an addictive drug By Shankar Vedantam and Bob Geiger Knight-Ridder Newspapers(KRT)

WASHINGTON The Clinton administration is soon expected to declare nicotine an addictive drug and to announce restrictions intended to keep kids from smoking.

The attempt to restrict tobacco's appeal to teen-agers and cut their access to cigarettes carries major political weight especially since it might be announced as early as Friday, just days before the Democratic National Convention in Chicago.

Although it may cause President Clinton trouble in tobacco-growing states, the move will probably boost the president's re-election campaign.

Tobacco control experts hailed the plan. But even if the rules can survive legal challenged, they doubted whether David Kessler, the Food and Drug Administration's chief, can reach his goal of cutting youth smoking in half within seven years.

There are no accompanying plans from Congress to raise taxes on cigarettes or to mount a broad attack against smoking in society, which the experts say must be a part of an effective campaign against tobacco-related disease.

``If you're talking of 30 percent of teens smoking now," said Michael Cummings, a senior research scientist at the Roswell Park Cancer Institute in Buffalo, N.Y., ``looking down the line, two or three years from now I would doubt that it would be much different, maybe a

percentage point or two."

``It's a lofty goal and very appropriate," he said, ``but I doubt it will happen."

An aura of suspense still hangs over the tobacco industry: Will Clinton carry through on all his proposals from last year?

Those included: banning vending machine sales of tobacco, restricting tobacco advertising on billboards and in magazines with a large youth readership, creating an industry-funded $150 million anti-tobacco education campaign, banning promotional items such as T-shirts and baseball caps, and limiting sponsorship of sporting events.

The FDA sent its proposals to the White House last week. Mike McCurry, White House spokesman, said Wednesday
that the rules were still being reviewed but that President Clinton has made his position clear all along.

``The tobacco industry has no right to peddle cigarettes to children or encourage them directly or indirectly to smoke," Clinton writes in his new book, ``Between Hope and History," out this week. ``It is immoral."

Whatever the exact details of the rules, one thing is certain: The industry will do legal battle with them.

Already the five major tobacco companies have filed suit in North Carolina questioning the FDA's right to regulate tobacco. The FDA's authority over cigarettes rests on its declaration that nicotine is a drug.

The industry is expected to file suit immediately after the White House formally announces tobacco rules.

The companies will also carry their case to the media and the public that the proposals are ill-thought out, and that the industry wants to prevent children from smoking as much as anyone else. In the last year, the industry has launched several plans aimed at preventing young people from smoking.

``There is no evidence that banning a vending machine in a bar or taking a display off a store shelf or taking away a billboard will stop any child from smoking," said Brennan Dawson, a spokeswoman for the Tobacco Institute, the umbrella organization representing the industry.

``There are studies from around the world," she said, ``that demonstrate that advertising restrictions don't reduce youth smoking."

In a decision that may also affect tobacco advertising, the Supreme Court ruled this year that bans on liquor-price advertising are unconstitutional violations of free speech. Other courts have insisted that any plans to restrict tobacco advertising must prove that they will directly reduce youth smoking.

The industry has been lately under siege, and is battling cases both in court and the hallways of public opinion. Dozens of lawsuits in recent months have charged that the industry willfully manipulates nicotine levels to cause addiction, deliberately tries to hook youngsters and should be financially responsible for the diseases and deaths caused by smoking.

A recent study conducted by the Campaign for Tobacco-Free Kids found that an overwhelming majority of people are against youth smoking and support government interventions to prevent kids from smoking.

Public health officials, led by Kessler, say smoking is essentially
a disease that starts in childhood: A vast majority of the 25 percent of Americans who smoke today started in their teens. If youth addictions can be slowed, these experts argue, the government can prevent the smoking epidemic from reaching its claws into the future.

Kessler says that of the 3,000 children who start smoking every day, about 1,000 will die of tobacco-related disease. Almost half a million Americans now die every year from such diseases, government health officials say.

Public health officials are more enthusiastic about Clinton's commitment to attack smoking than about whether this specific proposal can significantly reduce youth smoking. That's because things like cigarette tax hikes are not under the FDA's control, but up to Congress or the states.

Raising cigarette prices through tax increases is probably the most sure-fire way to cut teen smoking. Studies indicate that a 10 percent price increase would slash teen-age smoking by 8 to 10 percent, said Cummings, the research scientist.

``Kids ... don't have a lot of disposable income and they're not yet addicted," said David Sweanor, senior legal counsel for the Non-Smokers' Rights Association in Canada.

Sweanor said that as Canadian cigarette prices skyrocketed from the early 1980s to the early 1990s, partly because of a huge tax increase, the number of daily teen smokers fell by more than 50 percent. Once the taxes were repealed in 1994, teen smoking rose again, he said.

(EDITORS: NEXT 6 GRAFS OPTIONAL)

The proposed rules may still suffer from weak enforcement.

Anti-tobacco advocates also favor undercover sting operations using minors who try to buy tobacco. Some states, like Florida, are already using this approach.

For years, the stings have been used in Woodridge, Ill., and officials there say they have virtually stamped out underage tobacco sales. One study suggested Woodridge's tactic reduced youth smoking.

But when the FDA proposal was made last year, FDA spokesman James O'Hara said the Clinton administration wanted to avoid creating a burdensome bureaucracy. Such a bureaucracy might be necessary if the federal government were to try to ensure that the laws against underage sales are actually enforced.

``I think the FDA regulations are a modest step forward," said Stanton Glantz, professor of medicine at the University of California at San Francisco. ``But the people who view them as a silver bullet are being naive."

``The most important finding of the FDA is that nicotine is a drug and is open to its jurisdiction Philip Morris was willing to accept large parts of the FDA rule in exchange for not having that happen," he said.

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What if the Clinton administration's plan doesn't work? What if youth smoking rates continue to hover around the one-third mark, or even rise?

``If the FDA rules are not effective," said Ronald Davis, former anti-smoking chief at the Centers for Disease Control and Prevention, ``we need to go beyond them."

Automakers want safety rule changed to allow less-violent air bags By Janet L. Fix Knight-Ridder Newspapers(KRT)

WASHINGTON To reduce death and injuries from air bags, U.S. auto makers will soon ask that a cornerstone safety regulation be reshaped to allow them to put less-violent air bags in cars.

Possibly as early as Friday, auto makers are expected to unveil a plan to make air bags gentler and, it is hoped, less deadly although they can't promise this especially to children who are now being killed at a rate of one a month by passenger-side air bags.

``The less violent we can make the air bag blow, the better off you'll be and your children will be," said Vann Wilber, the director of vehicle safety for the American Automobile Manufacturers Association, which is drafting the plan to make air bags safer.

There's no proof yet that their proposal would reduce deaths or serious injuries. It could actually increase the risk of injury or death in high-speed crashes when belts aren't used, according to auto makers, insurers and federal safety officials.

Officials of the National Highway Traffic Safety Administration aren't convinced that changing safety standards or testing is the answer.

``We don't think it is the solution," said NHTSA Administrator Ricardo Martinez, ``There's no evidence that this will stop deaths and injuries from air bags."

He believes education is the answer, which is why he recently announced plans for labels in new cars that warn

CLINTON SIGNS BILL CUTTING WELFARE; STATES IN NEW ROLE

Work Rules and Time Limits Replace Guarantees

A1 By FRANCIS X. CLINES

WASHINGTON, Aug. 22 — In a sweeping reversal of Federal policy, President Clinton today ended six decades of guaranteed help to the nation's poorest children by signing into law a vast new welfare overhaul requiring the 50 states to deal more directly with the social burdens and the budget expense of poverty.

"Today we are taking a historic chance to make welfare what it was meant to be: a second chance, not a way of life," Mr. Clinton declared in signing the measure, which will affect tens of millions of poor Americans, largely by mandating work requirements and imposing a five-year lifetime limit on welfare help to needy families.

With his signature, at a Rose Garden ceremony, the President eliminated a pillar of Franklin D. Roosevelt's New Deal social welfare program, delighting the Republican-controlled Congress in this election year and incensing many of his fellow Democrats.

Mr. Clinton, hailing the law as "good and solid" progress, expressed hope that the partisan edge would now be eliminated from the nation's frustrations over welfare. But moments after the signing, the Presidential campaign of Bob Dole commented, "By selling out his own party, Bill Clinton has proven he is ideologically adrift."

On the Democratic side, the enactment was decried as a "moment of shame" by Marion Wright Edelman, the president of the Children's Defense Fund and a longtime friend of Hillary Rodham Clinton, who was the fund's co-chairwoman until the 1992 election. Another frequent Clinton defender, Senator Paul Simon, Democrat of Illinois, rued the President's signature by declaring, "This isn't welfare reform, it's welfare denial."

Mr. Clinton took care to have three former welfare mothers at his side in the sunshine as he signed the measure, praising it for restoring "America's basic bargain of providing opportunity and demanding in return responsibility."

He claimed credit for gaining a $3.5 billion increase in child care from Congress, for a total of $14 billion to help single mothers while

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they seek work.

The heart of the complex new law abolishes Aid to Families With Dependent Children, the Government's welfare bulwark, which provides monthly cash benefits to 12.8 million people, including more than 8 million children.

This is to be replaced by a system of block grants and vast new authority for the states, in the hope that they can fashion new work and welfare programs to solve the long-intractable problem of dependence on government. Job creation will be a particular state burden, since the law requires most poor adults to find a job within two years of first receiving aid.

Critics, including the nation's Roman Catholic bishops, have asked how states already laboring to meet their own budget-crimping priorities can manage welfare better when the new law will provide less Federal revenue for the task, $55 billion less over six years.

"The governors," Mr. Clinton noted, "asked for this responsibility. Now they've got to live up to it." He celebrated that "there is no longer a system in the way."

But Representative Carrie P. Meek, a Florida Democrat with a large welfare constituency, said it was more accurate to say, "Now we'll have 50 welfare systems, all doing different things."

Mr. Clinton, who had vetoed two earlier welfare-overhaul measures, hailed the final legislation, on balance, as a historic chance to "recreate the nation's social bargain with the poor." He vowed to fight what he described as its shortcomings, particularly a six-year, $24 billion cut in food stamp help to 25 million poor Americans and the barring of future legal immigrants from most welfare assistance.

Those two cuts account for most of the law's budget savings. Realistically, Mr. Clinton's vow to return to Congress to fight those reversals, and to initiate job-creation programs for the poor, would require his leading the Democrats back to majority power in the Congress this November.

The President, already deep into his own re-election campaign, candidly admitted that he was hoping to neutralize the risky welfare issue, which has hounded him since his 1992 campaign vow to "end welfare as we know it."

"After I sign my name to this bill, welfare will no longer be a political issue," he contended rather wishfully even as Republicans claimed credit for forcing his hand through a combination of public pressure and his own re-election strategy of preferring centrist compromise to ideological standoff.

"The two parties cannot attack each other over it," the President insisted moments before taking pen in hand. "The politicians cannot attack poor people over it. There are no encrusted habits, systems and failures that can be laid at the foot of someone else. We have to begin again. This is not the end of welfare reform; this is the beginning. And we have to all assume responsibility."

Mr. Dole, former Senate majority leader, issued a statement welcoming the President's signature on a bill that the Republican challenger pronounced similar to "my welfare reform proposal."

"When they look beyond President Clinton's election-year calculation," he said, "the American people know Republican leadership delivered welfare reform."

The Rose Garden ceremony was remarkable for the dearth of Democratic leaders in attendance and the presence of beaming Republicans. Even Senator Christopher J. Dodd of Connecticut, the general chairman of the Democratic National Committee, who is now busily working for the President's re-election, had denounced the measure as an "unconscionable retreat."

Democratic pickets have already begun dogging the President, notably at his birthday celebration last weekend in New York, and White House officials privately concede that there are likely to be some heated moments over the issue next week at Mr. Clinton's re-nomination convention in Chicago.

Even before he signed the law, the Administration was quietly granting last-minute waivers to allow states to offer extensions beyond the five-year lifetime limit on aid, provided recipients keep looking for work. Republicans led by Mr. Dole have accused the President of already trying to undermine the law in the face of liberal counterpressure.

Some Democrats hope this proves true. "I'm upset about the bill, but as I read it I figure most states will be able to get out from under the toughest parts with waivers," said Representative Patricia Schroeder of Colorado. "After a lot of tinkering and tuning, this all may prove nothing more than an election-year brouhaha."

Dealing with the accusation that he was severing his party's New Deal taproot, the President declared, "The typical family on welfare today is very different from the one that welfare was designed to deal with 60 years ago." In contrast to needy Depression-era Americans, he said, modern Americans who get aid "are trapped on welfare for a very long time, exiling them from the entire community of work that gives structure to our lives."

As he signed the law, a long line of protesters stretched along the block north of the White House, out of sight of the Rose Garden, in a rally organized by the Children's Defense Fund, the National Organization for Women and the Feminist Majority. "We intend to fix the political climate that makes the President and Congress think they can get away with writing off the poor," declared Patricia Ireland, the president of NOW. She accused Mr. Clinton of creating "a shameful place for himself in history." But she stopped clearly short of opposing his re-election.

Mr. Clinton, to the contrary, depicted himself as delivering creatively on a promise. "Today we are ending welfare as we know it," he insisted. "But I hope this day will be remembered not for what it ended, but for what it began: a new day that offers hope, honors responsibility, rewards work and changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor or on welfare."

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TOP YELTSIN AIDE AND CHECHEN FOES SIGN A PEACE PACT

A TRUCE IS SET FOR TODAY

Russian Troops Would Move Back From Grozny Under Terms of Agreement

A1

By MICHAEL SPECTER

MOSCOW, Aug. 22 — In the most promising step yet toward the resolution of the 20-month war between Russia and the secessionist region of Chechnya, the Russian security chief signed a detailed peace agreement today with his Chechen counterpart.

The accord calls for a cease-fire to begin at noon on Friday and for Russian troops to pull back from Grozny, the ravaged capital that separatists recaptured this month in the offensive that led to the latest negotiations. Eventually, according to the plan, the Chechens would surrender their weapons and Russian troops would leave the region completely.

"I take these actions in the name of the Russian mothers, their sons who died and are still dying in Chechnya," the Russian official, Aleksandr I. Lebed, said this evening in Novye Atagi, the town 15 miles south of Grozny where he met throughout the day with the Chechen official, Aslan Maskhadov. "I know there will be critics of these accords among both democrats and great patriots. To them I can only say that if they like, they are welcome to form a brigade and storm Grozny."

This is far from the first peace treaty of the war, which has killed more than 30,000 people and reduced much of the region to ruins, began at the end of 1994. It is not even the first treaty signed by Mr. Lebed, the outspoken opponent of the war who just last week was put in charge of ending it by President Boris N. Yeltsin.

But it is the first time Mr. Lebed has been able to assert his authority over the Russian military. In his last attempt at a cease-fire, the commanders did not stand by him, but if they continue to obey him after he leaves the region, the war might finally come to an end.

He will also, of course, need the support of Mr. Yeltsin, who returned to the Kremlin today from a brief vacation, looking frail. He appeared

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on television in a short interview in which he criticized Mr. Lebed for having failed to solve the problems in Chechnya. Although the interview appeared to have been filmed today, it could not be ascertained when exactly it was held, or whether Mr. Yeltsin had been informed of the latest peace efforts when he spoke.

"I am not fully satisfied with Lebed or his work in Chechnya," he said, raising new questions about the measure of authority he has given his security adviser. "When he was running for president, he constantly promised to settle the war. Now he has power, but regrettably there are no visible results of his work in Chechnya."

After Mr. Lebed's recent and highly public efforts, the comments were startling, even for Mr. Yeltsin, who often seems disengaged these days. If Mr. Lebed does have Mr. Yeltsin's support, there are several reasons to be optimistic about the process. Unlike past agreements, this one is specific. It requires that checkpoints manned by soldiers from both sides be established throughout the region. It also calls for the movement of Russian troops away from the rebel strongholds in the southern mountains and toward more neutral territory in the center of the republic. It specifies that, as federal troops fulfill their agreements, the rebels would yield their positions and weapons in Grozny. And a special commission is to be created to investigate violations of the truce.

Mr. Lebed arrived in the region on Wednesday, frenetically shuttling between the enemy camps in an attempt to prevent a devastating assault on the regional capital, which the acting Russian commander in Chechnya had threatened to launch.

For the first time in weeks, no planes, helicopters or artillery were used to attack the Chechen rebels in Grozny today. Fighting continued in several parts of the contested city, however, including one battle in which as many as 50 Russian soldiers died. The separatists allowed those Russians who are surrounded in their barracks to receive fresh supplies of food and water today.

Mr. Lebed left for Moscow this evening after meeting with the commander of the federal forces, Gen. Vyacheslav Tikhomirov, and then with Mr. Maskhadov to agree on the military protocols of a peace accord. He said he would return in two days with a political agreement to accompany the military accord.

That may prove to be a stickier problem, in part because it would have to address the crucial issue that started the war, independence for Chechnya, and in part because it will require the support of Mr. Yeltsin. Still, the Chechens have said repeatedly that what they want now is an end to fighting. They envision free elections that would create a regional parliament that could then put independence to a referendum.

Beginning on Friday, the Russian troops left in Grozny will withdraw to their main bases at the Severny and Khankala airports, according to the truce agreement signed tonight. Joint offices to police the agreement, with about 200 men assigned to them, will be established.

Mr. Lebed acknowledged this evening that rebels were still fighting in Grozny and that "one should act resolutely to end this bloody bacchanalia. But the constitutional order cannot be restored by blanket bombing or artillery barrages."

Mr. Maskhadov also expressed cautious optimism over the accord.

Not everyone was glowing with optimism today. At a news conference in Grozny, the commander of Russian Interior Ministry troops, Gen. Anatoly Shkirko, said that that his troops would honor the agreements, but that he was angry that the separatists were intensifying their attacks until the last moment.

"During my service in Chechnya the present talks are already the third major negotiations," said General Shkirko, who has served there for just over a year. "No previous talks brought positive results. In fact, they led to new casualties both to the Interior troops and to units of the Russian Army. I can only hope this time it will all be different."

With Welfare Overhaul Now Law, States Grapple With the Consequences

By PETER T. KILBORN

WASHINGTON, Aug. 22 — Even as President Clinton signed the welfare bill, the biggest shift in social policy since the Depression, many state officials across the country say they are nowhere near ready to assume the greater control the measure grants them of the nation's vast welfare system.

Many state officials who supported the law now acknowledge, as they read the fine print, that it is in some ways tougher on recipients, and in other ways less flexible for state governments, than some had envisioned. Some provisions did not coalesce until the final hours in negotiations with the White House and Congressional leaders.

For one thing, even the 45 states that have already received permission to experiment with their own welfare programs will have to meet a strict standard of having a quarter of their welfare recipients working by next year, or face losing some of their Federal financing. In the first weeks after the bill was passed, officials in some of those states had thought they would be exempt from that provision for several years, until their Federally approved experiments ended.

It is also unclear whether states will be able to keep recipients on the rolls beyond the new law's five-year lifetime limit.

Other officials, in interviews, said they were still confused by the nuts and bolts of the final bill, with its host of riders they are still examining. "I don't think anyone out there has the whole bill figured out yet," said Douglas Howard, administrator of the Iowa Division of Economic Assistance. "I think there's a lot of anxiety."

Marilynn Knipp, an associate director of the Missouri Department of Social Services said, "It's a maze and a tangle." Jack Tweedie, welfare policy specialist at the National Conference of State Legislatures in Denver, said, "The word is confusion."

Typical of the confusion is a part of the legislation that would seem simple — the definition of "work." The ultimate purpose of the law is to put able-bodied welfare recipients to work. But many states count a broad array of job-training and education programs as work, while the new law's definition is much more restrictive.

Turmoil Ahead In States and Cities

As they parse the technicalities, officials are contemplating a new chapter in the welfare debate, one that will be waged outside of Washington.

By all accounts, there will be political battles in capitals across the country, as big cities like New York, Chicago and Detroit compete with suburban and rural communities for resources. Many will have to make tough choices that will certainly provoke debate, particularly whether to extend support to people whom the Federal system will no longer fully protect, like impoverished childless adults, noncitizens, and children whose parents refuse to get jobs or fail to get work by the deadline.

Some states are far along in getting ready for the changes. For example, in Wisconsin and Michigan, whose welfare systems were the prototypes for the new law, officials say they will be ready by this fall to submit plans describing how they will comply, and to start tapping the block grants Washington will allot them. "We will be sending our plan out for comment even as the President signs the bill," said Gerald H. Miller, director of Michigan's Family Independence Agency.

But interviews with welfare officials in more than 20 states, and with groups that track state politics, show that most states are far from drafting plans that all must submit to the Department of Health and Human Services by July 1. "We're going to have to go through months and months of discussions," said Ronald L. Rhodes, spokesman for the Ohio Department of Social Services.

And even though they have most of a year to submit proposals, now that Mr. Clinton has signed the bill, they must immediately begin dealing with some of the law's provisions, like those cutting aid the Federal Government will still provide — food stamps and disability checks — to legal immigrants who have been in the country for less than 10 years.

In other provisions, the legislation requires that recipients be working within two years of receiving their first welfare check; if not, they lose their benefits. It also places a five-year lifetime limit on cash benefits, except for the 20 percent of the welfare cases that states may determine to have special hardships, like the burden of caring for a disabled child. States can pay for more aid if they want, but the money must come from their own resources.

Vera Blakes, an assistant secretary of the Social Services Department of Louisiana, a poor and generally conservative state that supports lowering the welfare rolls, described what the bill's provisions could mean. "A child could very well have to go to foster care," she said. "Parents will say, 'I have a six-year education, and I can't find a job. I can't afford to care for this child.' "

"It takes a lot to give up a child," she continued. "But imagine a child sitting over there with no place to sleep. It sounds like Charles Dickens, but people will have to make those decisions."

With the ink on Mr. Clinton's signature barely dry, some officials in the Administration and Congress are suggesting that during the new term after the election, Congress may decide to modify the provisions affecting legal immigrants. "We can change what is wrong," the President said during the signing ceremony in reiterating his discomfort with the bill's curbs on aid to legal immigrants. Indeed, many of the President's liberal political supporters have said all along that they are hoping the bill will be softened after this year's election.

Two possible approaches are to establish a fund of several billion dollars that states could use to help immigrants move from welfare to jobs, or to delay the immigrant provisions by a year.

But the immigrant provisions offer major budget savings in the bill, and so changing them may be difficult to accomplish.

In most states, the main effects of the law's principal provision — replacing Federal cash assistance to welfare recipients with block grants to states over which they have more control — will not be felt immediately. Indeed, over the next two years, because of various technicalities, most states will actually get more in their block grants than they did under the old program.

But the total amount for all block grants, $16.4 billion, will remain the same until 2002, with no allowance for either inflation or population growth, so states will feel the pinch within a few years.

Coming to Terms With the Details

At this point, most states are still just grappling with the details. All agree that the welfare system needed an overhaul to promote jobs and and self-sufficiency instead of lifetime dependence. Many complain about some features of the law but see them in the context of a change they all endorse.

"There's a lot of different attitudes, from, 'Oh, my God, this is a disaster,' to 'It's about time we made recipients go to work,' " Mr. Tweedie said. "This is a huge task, but they're very interested in ideas on how to accomplish it."

From the moment three weeks ago when the President said he would sign the bill, states have been hounding the Administration for guidance.

"We've been talking with H.H.S. on a daily basis," Claudette Beaulieu, spokeswoman for Connecticut's Social Services Department, said of the Federal Department of Health and Human Services. Since last week, Mary Jo Bane, the assistant secretary at the Federal agency who oversees welfare, has been conducting conference calls with state officials.

But Peter Leousis, North Carolina's assistant secretary for children, youth and family in the state's Human Resources Department, said the Federal agency often did not have the answers. "In some respects they know no more than we do."

To help states understand the law, the National Governors' Association, the National Conference of State Legislatures and the American Public Welfare Association have called a special conference here of 300 to 400 state administrators for Sept. 9 and 10. Regional conferences are scheduled, too. "I'm taking 40 to 50 calls a day," said Elaine Ryan, the welfare association's expert on the law.

One of the major problems has to do with how the bill defines work. The definition is crucial because the law will cut 5 percent from a state's block grant unless 25 percent of its welfare recipients are "working," according to the law's meaning, at least 20 hours a week by next year. Each year after that, the state can lose an additional 2 percent if it does not place more people in "work."

The bill takes a more restrictive view than many state officials do of what is "work." For example, the bill counts no more than four consecutive weeks of job hunting as work, while many state officials, who say finding a job can take much longer, would prefer to permit several months of job searching as work.

Many states also disagree with how the bill counts training and education as work. The legislation considers training in a specific skill as work, while some states count as work a wide range of job-training programs, including a two- to four-year liberal-arts education.

Deborah Huskins, assistant commissioner in Minnesota's Department of Human Services, raised another, quite different, issue, concerning how the law determines who is working. If welfare recipients get jobs that pay well enough to free them of all public assistance, they would not be counted, under the law, among the 25 percent of the state caseload that must be working. Ms. Huskins said states will have no reason to help people get well-paid jobs if such employment lead to cuts in Federal money to the state. She said the law "has set up a perverse incentive for states to keep people on public assistance and in low-paying jobs because that counts toward meeting the work percentages."

Many state officials are also concerned about the law's work requirements because the economy could fall into a recession, making jobs harder to get, and because employers often are not eager to hire long-term welfare recipients who never learned the disciplines of work.

"We've been looking at job projections," said Jean Ross, executive director of the California Budget Project, a nonpartisan research group in Sacramento. "The question nobody has asked is, 'Are there jobs for these people?' "

Another contentious issue concerns the general five-year lifetime limit on welfare. Through waivers, some states have established different time limits, some longer and some shorter, but under the new law, the longer limits are no longer valid. Although earlier this week, the District of Columbia received permission to keep recipients on the rolls longer, it is still unclear whether other states will either seek or be granted such permission.

Meanwhile, tucked into the bill are some provisions that venture into social engineering by encouraging both marriage and abstinence. Under one provision, the Government will pay $20 million in annual bonuses to each of the five states that record the sharpest reductions in illegitimate births each year from 1999 to 2002. Under another, the law allocates $400 million to states to teach abstinence and nothing for other means of birch control.

Officials are also concerned that the new law will foster tensions among cities, counties and statehouses as people are shed from the welfare rolls, and turn up at the shelters and soup kitchens of local charities and governments.

"I'm concerned," said Reagan Wilson, chief executive of Stanislaus County, California. He said 85,000 people in a county population of 425,000 are on some form of welfare. "The most immediate impact will be on legal immigrants," he said.

Ms. Huskins said, "The old program doesn't work for families," adding, "We certainly endorse the overall direction toward work."

"But it's hard to become enthusiastic," she continued. "We were willing to take the block grant as long as we had flexibility to decide what we should be doing. Instead we got a great deal of prescriptions and a lot of details as far as what counts as work and what counts as success" in moving recipients into jobs.

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THE NEW YORK TIMES
FRIDAY, AUGUST 23, 1996

SCENARIOS

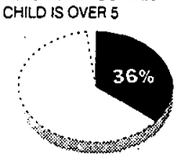
What the Welfare Law May Mean for Certain Recipients

The new welfare law will abolish the Federal guarantee of welfare benefits, principally Aid to Families with Dependent Children, and instead give states block grants they may use as they wish to aid the poor. Eligibility criteria and benefit levels, which already vary from state to state, could vary even more. The new law also establishes work requirements for most people seeking welfare or other benefits; states that do not meet these requirements may lose some of their Federal grant. Pie chart figures are for 1994, except where noted.

JULIE SHAVER

Single mother; youngest child is over the age of 5

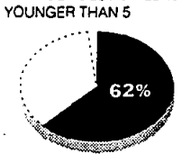
PERCENTAGE OF ALL A.F.D.C. FAMILIES IN WHICH THE YOUNGEST CHILD IS OVER 5



The mother will be required to work within two years of receiving benefits, perhaps sooner. Since the youngest child is over the age of 5, the mother will not be able to sidestep work requirements. States will generally be required to have 25 percent of adult welfare recipients working at least 20 hours a week next year (and 50 percent working 30 hours a week by 2002). Mother and children will be guaranteed health coverage under Medicaid as long as they would qualify for welfare under current law.

Single mother; youngest child is younger than 5

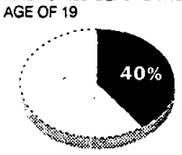
PERCENTAGE OF ALL A.F.D.C. FAMILIES IN WHICH THE YOUNGEST CHILD IS YOUNGER THAN 5



Because the youngest child is younger than 5, the mother will be exempted from work requirements if she proves that she cannot find suitable, affordable child care.

Unmarried mother under 18

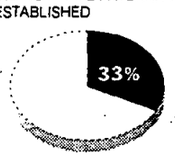
PERCENTAGE OF FEMALE A.F.D.C. RECIPIENTS IN 1993 WHO GAVE BIRTH TO THEIR FIRST CHILD BEFORE THE AGE OF 19



She will generally have to live with an adult and attend school in order to receive welfare benefits. She will not have to live with her parent or guardian if she or her child is likely to suffer serious physical or emotional harm, sexual abuse or exploitation as a result of such living arrangements.

Missing father

PERCENTAGE OF A.F.D.C. CHILD RECIPIENTS WHO DID NOT HAVE PATERNITY ESTABLISHED



A woman will be required to provide information about the father of her child as a condition of receiving welfare. If she does not cooperate with state authorities, she will lose at least 25 percent of her family's welfare benefit. Using a national data base, the Federal Government will help states locate the father and force him to pay child support. States may require genetic testing of the child and parents in some cases.

Legal immigrant family

PERCENTAGE OF A.F.D.C. RECIPIENTS WHO ARE LEGAL IMMIGRANTS

Noncitizens will generally be ineligible for food stamps and Supplemental Security Income, a cash assistance program with an average monthly payment of about $420, for the needy aged, blind and disabled. Immigrants arriving in the future will be ineligible for most other Government benefits as well. States will be allowed, but not required, to cut off cash assistance, Medicaid and social services for noncitizens now receiving such aid. In assessing an immigrant's need for assistance, the Government will assume that the income and assets of an immigrant's sponsor are available to the alien.

The Chronic Welfare Family

About half of all A.F.D.C. recipients are people who have received benefits for five years or longer. The new law sets a five-year lifetime limit for aid from Federal block grant funds. By 2004, between 2.5 and 3.5 million children could be affected by the time limit.

Convicted drug abuser or drug dealer

If convicted of a drug felony under Federal or state law, a person may not receive cash welfare benefits or food stamps. A state may override this ban.

Childless nonworker

A person 18 to 50 years old who is not raising children and not working may receive food stamps for only three months in a three-year period, with three additional months allowed if the person gets and then loses a job. The person may receive food stamps for a maximum of six months in any three-year period. The Congressional Budget Office estimates that in an average month, one million jobless individuals who are willing to work and would take a work slot if one were available will be denied food stamps under the new law.

Low-income disabled child

The Supplemental Security Income program for children will be cut and, over the next six years, 315,000 low-income children with disabilities will lose or be denied access to benefits. The program currently provides eligible children up to $470 a month and, in most states, access to health care through Medicaid.

Sources: Personal Responsibility and Work Opportunity Reconciliation Act, U.S. Department of Health and Human Services. National Immigration Law Center, Center on Budget and Policy Priorities, Bazelon Center for Mental Health Law

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THE WALL STREET JOURNAL

THURSDAY, AUGUST 1, 1996

REVIEW & OUTLOOK

It's Over

Over the coming days and weeks of the campaign, Bill Clinton no doubt will pour an ocean of explanation onto liberals upset at the decision he so half-heartedly announced yesterday to sign the Republican Congress's welfare-reform bill. He'd save time and energy if he simply leveled with the nation's liberals by quoting the title of a Roy Orbison song he surely knows by heart: It's Over.

With the repeal of an automatic Federal entitlement, welfare as this country has known it for 30 years is over. The 60-year Democratic philosophy of social welfare as a federal responsibility has been broken; yesterday Bill Clinton and Newt Gingrich found agreement in one word to describe the reform: "historic."

And we suspect that it was indeed history more than anything that swept Mr. Clinton to say he'll sign the bill, which should pass Congress later this week. Until recently, the ethos was that welfare was a *public* responsibility. Clearly history's tide has shifted, with the ascendant ethos now holding that the organizing principle of our politics should be *personal* responsibility. Most Americans support the idea of some kind of safety net, of course, but this bill devolves that responsibility away from the massive authority of one government and disperses it among the variants of 50 political units. Mirroring forces long evident in the modern marketplace, welfare now has many producers. Running for re-election, no Clinton campaign would ever stand against so strong a tide.

Our expectation would be that the enactment of welfare reform in turn will produce corollary effects and changes throughout the nation's politics. We hope that reform of the welfare entitlement will be followed by reform of middle-class entitlements. Liberals, including Mr. Clinton, oppose including Medical Savings Accounts in any health-care reform because that too would introduce the principle of personal responsibility into federalized medical insurance. Similarly, school vouchers would disperse authority over education away from mass bureaucracies and into the hands of parents. And, incidentally, we would urge the GOP to press now for school choice with all deliberate speed; whatever the merits of workfare, any welfare recipient hoping to hold a real, long-term job is going to need a better basic education than she's getting from the inner-city school systems now controlled by the teachers unions and the ACLU.

And however astute the politics of Mr. Clinton's decision, we suspect that in the public mind, the principles associated with this new direction in welfare policy are tied to the Republican Party, whose governors laid the groundwork for what the GOP Congress fashioned. For many such Republicans, and the Democrats who joined them, this is not a hardhearted budget issue. Rather they see it as an issue of morality—even, if you excuse the language, an issue of compassion. To wit, the current welfare system ruins the lives of the recipients.

Given this turn of events, one may legitimately ask: With the principle of federal entitlement broken, wither the Democratic Party? The party's moderates, organized as the Democratic Leadership Council and personified by such figures as Senators Joe Lieberman and Bob Kerrey or Rep. Rob Andrews of New Jersey, believe Mr. Clinton's welfare decision inevitably pushes the party in their direction. We think that a Democratic shift toward the emerging political mainstream would be very healthy for the nation's two-party system, but we're hard put to see how it happens.

Run through a list of the party's allied institutions and it's difficult to identify any that would vote for this welfare reform bill. The AFL-CIO, the National Education Association, the public workers unions, the satellite groups orbiting around Marian Wright Edelman and Fred Greenstein, the National Council of Churches, the Catholic church, the establishment civil rights groups, the environmentalists, trial lawyers, newsroom progressives—this is the Democratic forward infantry. Practically no foot soldier has shown any stomach for following American politics in the direction so clearly implied by this welfare bill. AFL-CIO chief John Sweeney urged Mr. Clinton to have "the courage and the compassion to veto" the bill. Rep. Charlie Rangel, a Democratic icon, announced after the Clinton decision that "my President will boldly throw one million into poverty."

This is not to suggest that Mr. Clinton will suffer politically for his decision. The lost tribe of Reagan Democrats has wanted welfare reformed for years. And for Clinton liberals, the stark choice is the Clinton way or the highway. In any event, most liberals by now have made abortion rights the movement's Alamo, and Mr. Clinton won't abandon them there, as his veto of the partial-birth abortion bill showed.

Yet the important thing this week is to recognize that something happened that transcends the daily, often numbing grinding mill of Washington politics. It may be only coincidence that a half-century of welfare policy is being changed profoundly on the eve of the 21st century. But the significance is impossible to miss. This is a big deal indeed.

An Honest Living

As the new welfare bill shows, we seem to have reached a national consensus that welfare stifles individual initiative. It doesn't help that at the same time that governments are endorsing policies that encourage work, they are also keeping in place regulations and monopolies that discourage people from starting the kinds of small businesses that are often the first step toward self-reliance.

Helping small-scale entrepreneurs take on onerous government regulations is one of the aims of the Institute for Justice, a public-interest law firm in Washington, D.C., that fights for economic liberties for the poor. Through litigation brought on behalf of its clients, who are often minorities, it has already opened up the taxi market in Denver, the jitney market in Houston, and the hair-braiding market in Washington. Now it is taking on New York City, in the first of a series of studies of barriers to entrepreneurship. Reports on Baltimore, Boston, Charlotte, Detroit, San Antonio and San Diego will follow this fall.

The title of the report that was issued Tuesday on the steps of City Hall is "Is New York City Killing Entrepreneurship?" In it, Chip Mellor, president of the Institute of Justice, answers his own question with an emphatic yes: "In occupation after occupation, obstacles to enterprise often far exceed any legitimate exercise of government's authority to protect public health and safety." He comes up with three broad categories of ways in which New York makes it hard for small-scale entrepreneurs to get started:

Ceilings: Would-be taxi drivers, street vendors and newsstand operators are hit hard by arbitrary caps on the number of permits issued. Most infamous is New York's taxi-medallion system, which sharply limits the number of cabs authorized to pick up and discharge passengers on the street. The predictable result—other than higher fares and a scarcity of cabs—is that the city now has 12,000 legal taxis and 30,000 illegal ones. The illegal drivers pilot gypsy cabs that mostly serve areas outside of Manhattan that the legal drivers don't bother with because they can find plenty of fares in Manhattan. In addition, there are 20,000 radio cabs, which are legal but aren't allowed to cruise for passengers.

Occupational licensing: These are requirements that go beyond public health and safety concerns. Does a hair braider really need 900 hours of instruction in all aspects of cosmetology? Is it essential to the well-being of young children that daycare center directors possess master's degrees? What's the point of requiring a car service to have a minimum of 10 cars?

Public monopolies: In New York, private van services aren't allowed to compete with the heavily subsidized city buses—even though in many instances, such as residential areas of Queens and Brooklyn, they can operate more cheaply and more efficiently. Residential trash collection is a privilege reserved for the 11,000 employees of the Department of Sanitation.

The Institute for Justice plans to take a number of these cases to court. But even if the hurdles listed here are eliminated, New Yorkers who want to start small businesses still will face taxes that rank among the highest in the nation and a public school system that doesn't do its job. But it would be a useful start. With an underground economy fed by small entrepreneurs who can't afford to go legit, the last thing the city needs is policies that discourage New Yorkers from earning an honest living.

Asides

Choice Comes to Cleveland

Until now, Wisconsin has been the only state to allow genuine school choice that includes private schools. Its five-year-old scholarship program has been a success and inspired dozens of privately funded efforts. Last year, Wisconsin was joined by Ohio, which passed a state-sponsored choice program for 2,000 low-income children in Cleveland. Teachers unions and, of course, the ACLU promptly sued, delaying its implementation. Yesterday an Ohio trial court upheld the constitutionality of choice in all respects. That means that this fall when 2,000 kids are allowed to attend schools their parents couldn't otherwise afford, the school choice movement will have another chance to show that competition in education can work in the real world.

THE WALL STREET JOURNAL
THURSDAY, AUGUST 1, 1996

Despite the Hype, the Olympics Make a Gold-Medal Vacation

ATLANTA—Our family is spending our summer vacation in a city that's congested and hot, where ancient history is a book published six decades ago, famous because it was made into a movie.

No matter what you may read or hear, and notwithstanding the trauma of last weekend's terrorism, the Atlanta Olympics have been terrific. For first-time Olympic attendees the games are really special, the Southern hospitality has been genuine and—with visits to Martin Luther King Jr.'s Ebenezer Baptist Church and the Carter Center—our three kids have even learned a little.

Politics & People

By Albert R. Hunt

So have I while attending my first major event as a fan rather than as a reporter. The press generally has portrayed these Olympics as chaotic, tacky and dominated by greedy monied interests. The media outnumber the athletes here 15,000 to 11,000, and clearly weren't sufficiently pampered.

But riding the subways, hanging out with the kids in Centennial Park—before and after the bomb—and attending more than a dozen events with ordinary fans, produces a much different impression. People are upbeat, appreciative of the hospitality and tolerant of most of the problems, particularly with a new awareness of security. It has been a fun and festive two weeks.

There are, of course, legitimate grievances. The games are too commercialized; big companies aren't ponying up $40 million apiece just to enjoy the competitive spirit.

More offensive is the pretentiousness of the Olympics honchos, who refuse to acknowledge that these are great games but only games. They persist in the fiction this all is of international consequence, abetted by commentators who talk about gains in international harmony or draw parallels to the Nobel Peace Prize.

A favorite in Olympic folklore is the way the great Jesse Owens put Adolph Hitler in his place at the 1936 Berlin games. The Olympic spirit, however, eluded the Führer over the next nine years. Like his infamous predecessor, Avery Brundage, the current international Olympic President Juan Antonio Samaranch perpetuates the myth that the Olympic "movement" is above politics. Let him explain, then, why he shamefully refuses to pay tribute to the 11 Israeli athletes slain by Palestinian terrorists at the 1972 games.

The Atlanta Olympic committee, meanwhile, has been guilty both of deceptive hype to drive up prices and more than a little arrogance. Billy Payne, the head of the Olympics here, has come in for his share of criticism.

But there wouldn't be an Atlanta Olympics without him. "Billy is an optimist who thinks you can get things done at a time when many of us get so bogged down we don't see the big picture," notes Neil Williams, a prominent Atlanta lawyer. Mr. Payne atoned for many sins with the choice of Muhammad Ali to light the Olympic torch in the opening ceremonies. (Tears streamed down my face when the Parkinson's-afflicted Mr. Ali lit the torch, but since the same thing happened last September over Joe DiMaggio's presence when Cal Ripken Jr. broke Lou Gehrig's record, my nine year old has an easy explanation: His Dad is a crybaby.)

Then there are the Monday morning quarterbacks complaining about security after the Centennial Park bombing. Sen. Arlen Specter, over 700 miles away in Washington, contended that the explosion "might have been prevented" if everyone had been checked in and out. That would have eliminated this glorious people's park, where kids trade pins and people of all ages relish free concerts and take in magnificent places, like Coca Cola's pavilion.

This park is the one Olympic venue where people without $80 tickets can celebrate, and in an open society that unavoidably means some risks. For my children the best antidote to fear was to join the quarter million people in Centennial Park when it reopened Tuesday. I have been to 11 political conventions and scores of events with the president of the United States; security here, with a few flaws, has been comparatively good.

Which brings us to the reason we're all here, the games. On opening night we sat right next to the walkway where the athletes entered. There was a striking reality: Each of the other 196 national teams looked pretty homogenous, but the huge American delegation reflected the beautiful mosaic of this country. If the immigration-bashers had prevailed years ago, we might not have won many more medals than Moldavia.

But in focusing on the American participants in the more than a dozen different sports we've seen, there has been a common theme of great drama and intense competition. This is true both of the renowned—like Carl Lewis or the women's gymnastic team—and the unknown—like Rod White, a 19-year-old archer, who despite a disappointing defeat Tuesday comes away with a lifetime of memories, such as the opening night graciousness of Dream Teamer David Robinson in Olympic Stadium.

As for the family vacation, anytime you spend two concentrated weeks with three kids there are ups and downs; when, as this time, there are lots more of the former than the latter, it's a success. (When our two younger ones did their imitation of gymnast Dominique Moceanu in the living room of our rented condominium the balance was threatened.) But all three have had a good time—at less visible events like wrestling, water polo and judo as well as the glamorous track, basketball, swimming/diving and gymnastics—and grown some in the process.

Our 14-year-old son, Jeffrey, has that rampant teenage disease, unearned cynicism; he would question Mother Teresa's angle. But the other night, no doubt influenced by his best friend, Noah Waxman, there he was at Olympic Stadium cheering wildly for Carl Lewis and Michael Johnson, waving a flag and chanting U-S-A. It gave me some hope for Mark Twain's observation on teenagers' evolving view—even acceptance—of their fathers.

Nine-year-old Benjamin is a real sports fan and naturally attracted to the Dream Team, though he immediately noted that without Michael Jordan the name is a misnomer. He's also at the age where girls are considered dumb. But he was dazzled by some of the remarkable women athletes, especially Amy Van Dyken, the gold medal American swimmer who is an asthmatic.

Lauren, age seven, has, surprisingly, not decided she wants to become a gymnast. She was born in Korea and this has been a cultural revelation. The first time she saw the U.S. play South Korea she instinctively cheered for her birth country until chastised by her newly patriotic brother. Then she decided she would cheer for both teams. We either have a future diplomat or a budding Bill Clinton.

My guess is someday they'll regale their own children with stories about these two weeks. That makes for a pretty good vacation.

THE WALL STREET JOURNAL

THURSDAY, AUGUST 1, 1996

Mr. Clinton Keeps His Welfare Promise

By WILL MARSHALL

Defying an 11th-hour campaign to save the federal welfare entitlement, President Clinton yesterday said he will sign legislation that would redeem his pledge to "end welfare as we know it." The torrent of criticism he has drawn from self-styled advocates of the poor illustrates the chasm between elite and popular views of welfare.

To the welfare establishment and some liberal lawmakers, ending the existing federal entitlement to cash support for poor families carries unacceptable risks. With stunning illogic, they brandish studies citing the poor results of the current system in moving welfare recipients into work to "prove" that a dramatic change in welfare policy will fail. They also seek to counter the welfare system's well-earned reputation as destructive of moral and civic values by issuing dire warnings that welfare reform will plunge millions of children into poverty.

To most Americans, however, the sky has already fallen. They view the current welfare system as flawed beyond repair because it fails to promote the right values: work, marriage, parental responsibility. Whereas professional advocates portray welfare as a benign "safety net" for the poor, the public rightly sees it as a trap that smothers initiative, instills passivity and dependence and isolates the poor in a public subsistence economy rather than offering them real opportunities to become productive and self-sufficient.

Contrary to conservative myth and liberal fears, most Americans do not want a cheaper, meaner, more punitive version of the status quo. Survey after survey confirms that what the public wants is a system organized around the moral and practical imperative of work. As Mr. Clinton has remarked, work is the organizing principle of most people's lives, as well as the only lasting solution to poverty. Aid to Families with Dependent Children, the main federal cash welfare program, was designed explicitly to prevent widows and divorced women with young children from having to work. But the idea that the government should pay single mothers to stay home with their children is untenable today, when more than 60% of women with children under six hold jobs.

The bill the president promises to sign would end the 61-year-old AFDC program and replace it with grants to the states for new programs designed to move welfare recipients immediately into work. It would also eliminate the failed Job Opportunities and Basic Skills program created by the 1988 Family Support Act, Congress's most recent attempt to reform an unreformable system.

The new welfare bill is far from perfect. As Mr. Clinton said yesterday, it unreasonably denies various forms of public assistance to legal immigrants, who pay U.S. taxes as they await citizenship. It also includes cuts in spending for food stamps and disability programs that, opponents reasonably fear, will lead many states simply to trim their rolls rather than engage in potentially expensive efforts to place welfare recipients in jobs.

Yet the bill still deserves the support of New Democrats, who have long called for a grand bargain on welfare that would combine genuine, systemic change with enough money to make work pay, and that would help the states move a significant portion of their welfare caseload into private jobs. Rather than mourning the death of the federal entitlement, Democrats should seize the opportunity to convert welfare into a true employment system that both requires and enables people to work. Under prodding from the White House and reformers in both parties, congressional leaders have significantly improved the bill over the previously vetoed Senate version. For one thing, it substantially expands money for child care. On Monday conferees also accepted Mr. Clinton's demand that states be allowed to provide vouchers to welfare families with children even after the mandatory time limit on cash assistance expires.

Enactment of the bill would be a first step toward replacing the unconditional welfare entitlement with a new social compact based on work and mutual responsibility. Democrats should rally behind the president and continue looking for ways to make work pay for welfare recipients who take available entry-level jobs. The administration already laid the foundation for a work-based system when it pressed successfully in 1993 for a $22 billion expansion of the Earned Income Tax Credit. Together with child-care support, improved enforcement of absent fathers' child-support obligations, and transitional medical benefits, the EITC expansion ensures that even entry-level jobs should pay enough to lift most families out of poverty.

Those Democrats who worry that the bill provides insufficient funding to move welfare recipients to work should remember that Congress meets every year and can boost spending if the alarmist prophesies of welfare's defenders start coming true. More important, Democrats should carry the fight for work-based welfare reform to the states to ensure that people who leave welfare are headed for jobs rather than the streets.

The fiercest opposition to the bill, of course, has come not from Democrats with legitimate concerns about particular proposals, but from activists who have always opposed fundamental change. Few are quite as honest about this as the Washington Post editorial page, which actually called on Mr. Clinton to repudiate his 1992 vow to "end welfare as we know it." Some on the left cynically went along with talk of reform as long as it seemed merely a matter of political tactics—of masking liberal purposes with centrist rhetoric—rather than a serious governing commitment. It's hard to imagine an approach that would be more damaging to poor children—or more congenial to Republican strategists who hope to portray the president as an unprincipled opportunist.

In one sense, the bill's opponents are right: The question of welfare reform does present a defining test of Mr. Clinton and his party. For an overwhelming majority of Americans, the welfare system exemplifies a dysfunctional bureaucracy that flouts their values and feeds a self-perpetuating culture of poverty. Yet it is staunchly defended by paternalistic liberal elites. The president has made his choice and his party should follow his lead.

Mr. Marshall is president of the Progressive Policy Institute, the think tank of the Democratic Leadership Council.

The President at 50

By TRUDE B. FELDMAN

This month marks the 50th anniversary of the birth of the president of the United States. And today is the 50th anniversary of the Fulbright Scholarship Program, initiated by William Jefferson Clinton's mentor, who inspired the president to make a genuine contribution to global understanding. Eighteen days after President Truman signed Sen. J. William Fulbright's legislation into law, the boy who would become the 42st U.S. president was born—one month ahead of schedule, by Caesarean section.

In an exclusive interview for his 50th birthday, President Clinton spoke of the two milestones, recalling what he had learned from his first political role model.

"Sen. Fulbright had a profound impact on the way I now view the world," the president told me. "He taught that education is the solution to most of the problems of mankind: and he also cautioned against the arrogance of power.

"It was two weeks after Hiroshima when he sponsored the international education program that has affected the direction of policy in country after country. He changed our world forever, and for the better. And my goal is to continue on the path that he envisioned."

Sitting in the Oval Office for the one-on-one interview, the president was pensive as he expounded on the legacy of Fulbright's vision for the baby boomer generation. Mr. Clinton also spoke of his spiritual journey as well as his achievements, goals and regrets. He addressed the character issue; explained his views on the economy; poignantly recalled the death of Vincent Foster; and reflected on what stirs within him as he reaches his half-century.

Excerpts from the hour-long interview follow:

Ms. Feldman: Is this milestone a turning point for you?

President Clinton: Yes, in many ways. I feel grateful to reach my 50th anniversary on Earth, to have my health, my family and this job at the time when I feel most able—mentally, physically and emotionally—to do it. But I also feel a sort of sea change. Becoming 50 gives me more yesterdays than tomorrows, and I'll now begin to think more about the long-term implications as well as the consequences of what I do. Since I've been president, I've become steadily more philosophical, but not less optimistic.

Q. Is there anything about yourself that you'd like to change as you turn 50?

A. Oh sure, lots of things. I'd like to develop more of what my wife calls the "discipline of gratitude." I'd like to be able to roll with the punches more. I've become much calmer in the face of buffeting events in the last few years, and I hope this continues so the highs and lows of events don't throw me off course.

Everybody has some regrets, but I've been so fortunate that I feel I've gotten a better deal in life than I deserved.

Q. What is your most significant accomplishment in the past 50 years; and in the last four years?

A. The most significant accomplishment in my life was convincing Hillary Rodham to marry me. It changed everything. There is no question about that.

The most significant accomplishment in the last four years is that I have largely succeeded in changing the way we think about ourselves and our future. By doing this, I helped to make it possible to make substantive changes. That's more important than any specific bill I passed.

Q. This is the third anniversary of Vincent Foster's death, so may I ask if you ever think about whether you could have helped avoid that tragedy by talking out his problems with him?

A. Absolutely, I think about that. We knew each other since I was four years old. Vince worked daily with Hillary in [a law firm in] Little Rock. But he was always so quiet and unassuming . . . that months would go by when we wouldn't have any contact. So his persona made it more difficult to see that he was profoundly depressed. When he worked here [as White House deputy counsel] I knew he had been under a lot of stress. I called him the night before he killed himself and asked if he wanted to come back and watch a movie. He said he was already at home and didn't want to leave his wife and return to the White House.

Then, he said, "I want to talk to you about something." And I said, "I want to talk to you about some things."

That was Monday. I told him I was busy on Tuesday and asked to meet him on Wednesday. He said, "Sure," and sounded very calm. I don't know whether, at that time, he had already decided to kill himself. And I don't know whether I could have helped.

I hated that I was insufficiently aware that he was going through that kind of pain, and I feel very bad that I missed it. You know, at that time [July 1993], we were all getting beat up very badly. Everybody was sort of bruised and also amazed that the press coverage was the way it was. Still, I showed up every day for work and I thought that's what Vince was doing. We thought we would work our way through it.

I still remember the last time I saw Vince. He was standing with his hands folded, over there at the back, to the right [Mr. Clinton pointed to the Rose Garden] during the ceremony when I nominated Louis Freeh as FBI director. Vince was pleased about the selection. He thought it would be well received in the country and in Congress. [That was on Tuesday morning, July 20. He was found dead that evening.]

HAL KRAFO

Trude Feldman and President Clinton

Q. Do you agree with Vince Foster's alleged suicide note, in which he scribbled that ruining people is considered sport in Washington, D.C.?

A. Well, Vince was a proud person. He was a successful lawyer and everyone who knew him respected him. He was a good and highly ethical person, whether or not you agreed with his politics. And to get the kind of licking from the editorial pages of one newspaper bewildered him.

In retrospect, I didn't handle it well. I told him the attacks should not worry him so, but he must have been taking them more seriously than I knew.

Apparently, this is what happened to Adm. [Jeremy M.] Boorda. There are other victims of smear campaigns who would not go that far. But they are still left with lifetime scars because of mean-spirited attacks.

It is particularly painful because they know many of these attacks register with the public even though the attackers often have no reason to attack. The smear campaigns have gotten too personal.

You know, if I win re-election, I hope to find ways to minimize the destruction and the unfair, subtle personal attacks because our country needs more civility.

Q. How concerned are you about the decline in civility in the nation today?

A. Very much so and I'm constantly trying to do something about this loss of civility and the impact it has—dividing us one against the other. Too often the debate goes, "If you disagree with me, you must be no good." Or, "If you can't prove yourself innocent of whatever I decide to charge you with today, you must be guilty."

Q. Given the relentless attempts at character assassination, why do you want a second term here in the Oval Office?

A. Because I can divorce those attempts from this job. They are called character assassination, but they are attempts at reputation assassination. There is nothing any person can say or do that can affect my character one bit. My character will be judged by what I do and will be judged ultimately by my God, not by any of these people who criticize me. They may assassinate my reputation, but they can't lay a hand on my character. Whether it's good or bad or somewhere in between, their ability to influence it or impact on it is nil.

'I hope these middle class tax initiatives will be adopted. Then, we'll have a fairer tax system, but we'll also have a much more healthy economy than if I had sacrificed deficit reduction in 1993 to cut taxes more.'

Q. How has your presidency influenced your spiritual life?

A. It has tested my spiritual life. But at times the presidency has been good for my spiritual life because I realize I was not smart enough to make a lot of these decisions on my own. I realize that no matter how hard I work or what kind of brain God gave me, I cannot think my way through or calculate entirely some of these decisions. I have to feel what is the right thing to do and do it. And to do that, I have to be spiritually grounded. If I go through a week when I neglect my spiritual life, I can feel it. Little alarms go off and I try to get back in my groove.

I also spend a lot of time thinking about the relationship of personal morality to public purpose and public life. When I was younger I read Reinhold Niebuhr's "Moral Man and Immoral Society" and Max Weber's "Politics as a Vocation." They both had a profound impact on my feel for the moral, spiritual challenges to people involved in politics.

Q. Turning to the economy, is the 2.5% growth of the GNP enough to satisfy the needs of the American people?

A. We would be better off if we could grow a little faster. If we grow at 2.8% to 3%, for a period of three or four years, perhaps we could bring more private sector growth and job opportunities to isolated inner city areas and rural areas; and we could see genuine increases in incomes for all groups. Then we wouldn't have this continuing inequality of income that we've seen in the last few years.

But the truth is, no one knows what the optimum rate of economic growth without inflation is. The only thing I tried to do in dealing with the Federal Reserve was to show that I would be responsible in getting the deficit down, but I didn't want them to get in the way of economic growth. What I hoped we could do is develop a relationship where I did not interfere with the Fed's decisions, that they would be governed by a philosophy that basica[illegible] the evidence, and not o[illegible] about how the economy [illegible] much global competition a[illegible] change, it's possible you ca[illegible] today without inflation than [illegible] years ago. We just do not kn[illegible] need to find out.

Q. Can you explain why you w[illegible] able to keep your 1992 campaign co[illegible] ment for a middle class tax cut?

A. First, it's important to make t[illegible] point that we made a serious down payment on it. We gave 15 million families a big tax cut through the Earned Income Tax Credit, which today is worth about $1,000 in lower taxes to a family of four with an income of $28,000 or less.

We stopped there because, frankly, after I won the presidency it was obvious to me that the deficit was bigger than I thought it was going to be, that getting it down would be tougher and that we had to get a hold of it. I believed that if I could cut the deficit enough, we would get interest rates down and middle class people would be better off because more jobs would be created and they could then refinance their homes and get cheaper car payments and better interest rates on their credit card payments.

In fact, that's true. Since I've been president, eight million Americans have refinanced their home mortgages at lower rates. So I think I made the right decision. But it was a difficult one because I wanted to do even more. Now, for the last year I've been pushing for a targeted middle class tax cut dedicated primarily to education—the $1,500 credit for people to go to community colleges for two years; a $10,000 deduction for the cost of college tuition; an IRA for people that would permit them to withdraw without penalty for the cost of a college education, a first-time home or a family medical emergency.

I hope these middle class tax initiatives will be adopted by Congress, and I believe they will—either before or after the election. Then, we'll have a fairer tax system, but we'll also have a much more healthy economy than if I had sacrificed deficit reduction in 1993 to cut taxes more.

Q. If you are re-elected, do you expect any tax cuts?

A. Yes, the ones I just mentioned—unless we get them done before Election Day. If we get them done this term, in the context of the balanced budget, I would not expect significant tax cuts in the next term because we must continue until we balance the budget. But we already have enough savings identified to balance the budget and have a middle class tax cut targeted to education and child-rearing.

Q. Your reply indicates you expect to be re-elected. Do you?

A. I'm hopeful about winning the election, but I'm not overconfident by any means. As we do this interview the polls look good, but it is forever until the election. I am working hard as president, and also to be ready for the campaign, but I'm not overconfident. I believe we'll be successful because of our emphasis on the future.

Q. Speaking of the campaign, how do you compare your style with Bob Dole's?

A. Bob Dole is not like me; we're very different. Also, he has never lost an election in Kansas and I lost two [in Arkansas].

Q. In your estimation, what are his strengths and his weaknesses as a campaigner?

A. I think Sen. Dole is a good campaigner, a very tough and effective one, and I expect him to do rather well. I'm also impressed with his patriotism. He was severely wounded in World War II and could have become indifferent and bitter but he became a fine senator and public servant. You know, I think it's healthy to say positive things about competitors. I don't mind Sen. Dole saying anything he wants to about how he thinks I was wrong on the budget or on the Brady Bill or about any issue on which he disagrees with me. I look forward to a vigorous debate.

Ms. Feldman, White House correspondent for Universal Press Syndicate, was covering her first Rose Garden event on July 24, 1963, when she saw teen-aged Bill Clinton get his now-famous handshake from President Kennedy.

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A Sad Day for Poor Children

President Clinton's defense at yesterday's press conference of his decision to sign an atrocious welfare bill exaggerated its tiny virtues and ignored some large faults. His disappointing excuse was that the flawed bill was the last realistic chance to fulfill his campaign promise to "end welfare as we know it." Last chance? This conservative Congress longs to send him as many bills as it takes to cut welfare.

The President said the bill would replace welfare checks with paychecks. That is simply wrong. The bill *says* it would require states to put at least 50 percent of welfare parents to work within two years of going on welfare. But the actual language exempts 43 states, covering about 95 percent of welfare recipients, from the work requirements because they already have federally approved welfare reform plans. Also, according to the nonpartisan Congressional Budget Office, the bill is $12 billion short of what would be needed to hit its welfare-to-work targets. The President, in short, is signing a bill that does not require work, nor spend enough to create work.

This is not reform, it is punishment. The Administration's staff estimates that such provisions will throw a million more children into poverty. The President himself criticized the harsh cut in food stamps for families saddled with excessive energy and housing bills. Even worse, the bill would prevent unemployed workers without minor children from collecting food stamps for more than three months in any three-year period — even if they work steadily, get laid off and can find no new job.

There are also extreme cuts in benefits for disabled children and impoverished legal immigrants. Mr. Clinton promised to work for reversal of some of these missteps after he signs the bill, but there is little chance that this Congress will raise taxes or cut other popular entitlement programs for the sake of poor immigrants.

The effect on some cities will be devastating, especially those with large immigrant populations. New York estimates that by cutting off parents on welfare for more than five years even if they have no job prospects, by providing too little money for job slots and by cutting off immigrants, the measure will impose hundreds of millions of dollars of costs each year on a city that can barely afford the services it currently provides. Besides, Mayor Rudolph Giuliani points out, the city has already aggressively pruned welfare rolls and put recipients to work under existing law.

As Mr. Clinton noted, the bill has positive features. It would provide more money to support day care for welfare recipients, preserve Medicaid for people who qualify for welfare under current law and better enforce court orders that require absent parents to support their children. There is also nothing inherently wrong with a bill that wants states to take more control over welfare-to-work programs and impose time limits on cash assistance. But most of these features are possible under current law. The Administration has already granted 41 states the right to design their own welfare programs.

This bill provides no useful follow-up. It is not fair to cut parents off welfare unless they are provided an opportunity to work. It is not humane to remove a Federal guarantee of welfare aid and create the leeway for additional punitive cuts at the state level. A bill that creates child poverty is not an acceptable way to end welfare as we know it.

THE NEW YORK TIMES
THURSDAY, AUGUST 1, 1996

Turmoil in Indonesia

Indonesia's long-suppressed political life erupted into violence in Jakarta last weekend. After Indonesian police forcibly evicted supporters of an embattled but peaceable opposition leader from her party's headquarters, anti-government rioters surged through downtown streets, clashing with police and soldiers and burning government offices and banks.

This explosive outburst could signal a serious challenge to the 30-year-long rule of Indonesia's leader, Suharto. The country's suppressed opposition forces can mount no more than a modest political challenge to the military-backed regime at this point. But the Government's reflexive response to the rioting — including a call for the army to shoot rioters on sight — risks igniting a prolonged period of instability.

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General Suharto's extended rule has brought order and economic progress at the expense of most political freedoms. But the aging President now puts the more positive elements of that legacy at risk by refusing to prepare the way for a democratically chosen successor. The Clinton Administration, which reasonably argues that prosperity helps smooth the path to political democracy, now has a responsibility to support the efforts of Indonesia's democrats.

Indonesia's remarkable, though unevenly shared, economic advance has swelled its urban population with a vastly expanded middle and working class. These new urbanites have sought to gain greater control over their lives by organizing an extensive network of independent organizations, including magazines, labor unions and human rights and environmental groups.

Indonesians have also become impatient with a closed political system that for years allowed only two tame opposition parties. Both parties traditionally united with the Government party to back General Suharto as the only permitted presidential candidate.

But this arrangement was openly challenged this year by Megawati Sukarnoputri, the daughter of Indonesia's founding President, Sukarno. Ms. Megawati, leader of one of the legal opposition parties, appeared to be preparing for a possible presidential race in 1998. But earlier this summer the Government engineered her ouster. The eviction of Ms. Megawati's supporters from party headquarters set off last Saturday's violence.

Ms. Megawati has deplored the violence, and called on her supporters to rally peacefully behind her efforts to challenge her ouster in the courts. But the Government now openly talks about bringing her in for questioning and has already arrested the country's most important union leader, Muchtar Pakpahan.

It also blames the rioting on Indonesia's no-longer-significant Communist Party, reviving memories of the regime's earliest days. The Government oversaw the massacre of some 500,000 alleged Communists after crushing what it claimed to be an attempted Communist coup.

Those days are long over. The Suharto regime must now choose between its own perpetuation in power and an orderly political transition. Only the latter can assure stability and continued economic growth. The United States, which has been quicker to see Indonesia as an emerging market than an emerging democracy, must use its considerable influence to discourage reflexive repression and encourage timely change.

Sterling Forest, Almost Out of the Woods

Sterling Forest, a vital watershed straddling the New York-New Jersey border, may soon be liberated from Congressional bondage. On Tuesday the House of Representatives authorized $17.5 million to help acquire the forest from developers, a down payment on a deal that will ultimately require $55 million in Federal, state and private money to complete. The struggle to save the forest now shifts to the Senate, where Alfonse D'Amato's support will be crucial.

The bill already has strong Democratic support. Senator D'Amato has said he wishes to save the forest. His task now is to dissuade his Republican colleagues from loading up the House bill with so many extraneous provisions it will have to be returned to the House, where it is likely to languish through the election or, worse, be forgotten.

Lying 40 miles northwest of New York City, Sterling Forest consists of 20,000 acres of lakes and woodlands. Apart from its recreational value, it is the primary source of clean, safe drinking water for more than two million New Jersey residents. A Swiss insurance company owns the property and had planned to develop it.

Last month the company agreed to sell the land to two conservation organizations for $55 million if the money could be raised in two years. New York and New Jersey have pledged $10 million each. There is already $5 million of private money in the till, and while more will ultimately be needed from Albany, the deal is within plain sight if Congress will do its part.

In legislative terms, Sterling Forest has suffered long enough. It is not that the forest does not have friends. Its problem is that there are legislators who, knowing of its popularity, have used the issue to advance their own agendas, many of which had nothing to do with the cause of conservation and in some cases were frankly hostile to the environment. The result has been legislative paralysis.

Late last year, for example, the forest purchase was attached to a bill that would have forced an offsetting sale of some 55,000 acres of Federal grasslands in Oklahoma. When that dubious idea fell though, Western Republicans tried to attach it to a measure that would have opened Utah's Red Rock Wilderness to commercial exploitation. The measure died.

Most recently, Sterling Forest got tangled up in a parks bill that included a provision weakening environmental protections on Federal grazing land. That provision is so objectionable that President Clinton has threatened to veto the entire bill.

Now, as he promised six months ago, House Speaker Newt Gingrich has delivered to the Senate a relatively clean Sterling Forest bill unencumbered with harmful precedents for national environmental policy. Moderate Republicans like Sherry Boehlert of New York and Marge Roukema of New Jersey deserve great credit for keeping Mr. Gingrich focused on the importance of this issue. But in the end it was the Speaker who stood up to the Western Republicans holding Sterling Forest hostage to their pet projects. Mr. D'Amato, as the only Republican Senator in either New York or New Jersey, must now do the same on the Senate side.

s said Thursday afternoon that no analysis of the nation had been made and he said that those who had ened to the recording, which was made by four microphones sensitive enough to pick up the crew's voices and other sounds in the airplane, had not characterized what they had heard.

As the analysis was under way, President Clinton flew to New York and spent nearly 3&1/2 hours with relatives of the flight's 230 victims, who had been en route to Paris when the plane exploded shortly after leaving John F. Kennedy International Airport.

Seeking to console them, Clinton and his wife, Hillary Rodham Clinton at times with tears in her eyes visited individually with many of them. A number of the family members have grown increasingly vocal and angry in recent days over the slow pace of the recovery of bodies from the ocean floor and at what they have said was inadequate information about the effort.

The delays and complaints have threatened to become an embarrassment for the administration.

``These families have suffered enormous pain. They were still in
a great deal of pain and I know we can all understand not only their pain, but the frustration that they feel at the time it is taking to recover their loved ones and get answers," Clinton said afterward.

The president apologized to the 500 people gathered at the Ramada Plaza Hotel for the delayed and sometimes inaccurate information that they had been receiving and said that he would ask Congress to fund a special government office to attend to families' needs after such air disasters much like the assistance the federal government provides victims of storms and other disasters.

Clinton's comments were translated into French and Italian for the families of victims from those countries. Few of the families offered public comments after the meeting but several New York officials who were present said that it appeared to comfort many of the relatives.

As of Friday afternoon, Francis said, 126 bodies had been recovered including 12 on Friday and that 111 had been identified.

(Begin optional trim)

Meanwhile, crews from three Navy ships, including the USS Grasp, worked at the crash site and below the surface to map the disaster area and to search for more bodies and debris.

Underwater operations were under way, involving so-called ``hard-hat" Navy divers who use oxygen supply lines connected to their ships, allowing them to work beneath the surface for extended periods. Crews also were operating a remote-control camera and sonar that scans in multiple directions for underwater objects.

Working in calm seas, recovery workers were optimistic that more bodies and wreckage would be found through the night.

(End optional trim)

The discovery of the black boxes was an important milestone for the investigation, even if the data fails to provide specific evidence of what occurred in the moments before the plane disintegrated and fell into the ocean.

On a cockpit voice recorder, the sound of voices ending abruptly, capped with a sound, ``clearly means a major catastrophic event that is external, either a bomb or a missile," said former CIA counterterrorism chief Vince Canistraro, who helped investigate the 1988 Lockerbie, Scotland, crash of a Pan American Airways jetliner, caused by a terrorist's bomb. ``This is eerily reminiscent of Pan Am 103."

But to be certain that a bomb was involved, he said, investigators ``will need lab proof, which includes residue of a bomb."

Kallstrom, who is heading up a task force of federal, state and local officials, said that investigators are comparing information from the TWA crash with that of the Lockerbie crash, both involving Boeing 747s.

(Optional add end)

Officials said that no large pieces of the plane were retrieved Thursday, although small pieces were brought to the surface by divers.

Francis, who with other officials reported to Clinton during the morning on the investigation's progress, said that the cockpit voice recorder ``indicated a routine pre-flight takeoff and departure from JFK International" before it abruptly ended.

He said that no analysis had been made of the sound heard at the end of the tape. However, sources close to the investigation said that an explosion which is a form of a sound wave could register on a cockpit voice recorder.

The sources said that painstaking analysis of such sounds sometimes can provide clues about what sort of explosion occurred and where in the aircraft it occurred.

Francis said that, while both recorders sustained ``moderate impact damage," they were providing good information. There was no evidence of fire damage to either recorder, he said.

Study Shows Welfare Plan Pushes More Children into Poverty(Washn)By Elizabeth Shogren= (c) 1996, Los Angeles Times=

WASHINGTON Welfare reform legislation pending in Congress could push more than 1.1 million children into poverty and worsen conditions for millions more already below the poverty line, according to a new analysis by a research institute.

The study concludes that the legislation, expected to win final congressional approval next week, would result in one-fifth of all families with children some 11 million families losing an average of $1,000 in income a year, according to the report. Almost half of those families currently have members who work.

The Washington-based Urban Institute, an independent research center that regularly produces reports for Republican and Democratic administrations, conducted the analysis on its own because the Clinton administration was unwilling to take on the task.

The institute produced a similar analysis on behalf of the White House last year, which was suppressed until it was leaked to the media.

The findings helped persuade many lawmakers to vote against last year's welfare measure and influenced President Clinton's decision to veto it. Democratic opponents of the GOP welfare effort hope the new report will have the same effect, despite indications that Clinton is eager to sign the current bill.

Isabel Sawhill, a senior analyst at the Urban Institute and a former Clinton administration official, said the institute conducted the study because it believed there was a shortage of information about the effects of the legislation.

The White House rejected requests in recent weeks to provide senior members of Congress with analysis of the legislation's impact on child poverty.

``We believe that requiring and promoting work offers great potential for lifting families out of poverty, but this impact is very difficult to estimate in a poverty analysis," Jacob Lew, acting director of the White House office of Management and Budget, explained in a letter to Sen. Daniel P. Moynihan, D-N.Y.

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The analysis of last year's legislation showed that an estimated 1.5 million children would be pushed into poverty 400,000 more than under the current bill. Lew conceded that the difference was not vast. But he, as well as many congressional Republicans, argued that the Urban Institute's method of analysis does does not account for other benefits of welfare reform.

``Children growing up in homes and communities where there is work will be far better off over the long run

than children growing up in homes and communities where there is only welfare even though a family on welfare might look better off in a poverty analysis," he said.

The Urban Institute said it used more conservative assumptions about the effects of the legislation on state policy-makers and welfare recipients than it used in last year's report.

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Under the institute's definition of poverty, about 10 million American children currently live in poverty. Those figures indicate the number of children in poverty would increase by more than 10 percent under the legislative changes.

Most of the children who would be forced into poverty have parents who work but rely on public assistance to boost them above the poverty line, which was $12,156 for a family of three in 1995. Those who rely solely on benefits already live below the poverty line and would be made more destitute by the changes.

House and Senate representatives began meeting Thursday to resolve differences between the two versions of welfare reform approved by each chamber. The plans would put the first-ever time limit on cash benefits, require recipients to join the work force within two years and give states broad authority to design their own programs for helping participants move from welfare to work.

The efforts save $60 billion over six years, largely by cutting food stamps benefits and making most legal immigrants ineligible for most federal assistance.

Case Against Clinton's Banker Friends Goes to Jury (Little Rock)By Robert L. Jackson= (c) 1996, Los Angeles Times=

LITTLE ROCK, Ark. The criminal case against two Arkansas banker friends of President Clinton went to a jury Thursday after W. Hickman Ewing Jr., an associate Whitewater prosecutor, charged the pair had misused their institution's funds for political purposes.

Summing up his case in the 6-week-old trial, Ewing told jurors that Perry County Bank co-owners Herby Branscum Jr. and Robert M. Hill curried favor with Clinton as governor in 1990 by misapplying $13,200 in bank funds for campaign contributions.

But defense attorney Dan Guthrie said in his closing argument that ``these men did nothing wrong" and cited videotaped testimony on their behalf by Clinton and live testimony by White House Deputy Counsel Bruce Lindsey, who
was Clinton's campaign treasurer when he was re-elected governor in 1990.

Ewing and Guthrie also took opposing viewpoints on Neal T. Ainley, former president of the bank, who claimed that at the direction of Branscum and Hill he omitted filing federal reports on $52,500 in cash withdrawals by the Clinton campaign from its account at the bank.

Federal law requires banks to submit reports to the Internal Revenue Service, known as currency transaction reports, whenever a customer deposits or withdraws $10,000 or more in cash. The law is aimed at curbing money-laundering and misuse of banks by drug traffickers. In addition to misapplication, Branscum and Hill are charged with violating the law on the transaction reports, based largely on Ainley's testimony for the prosecution that he acted at their behest.

Late Thursday, U.S. District Judge Susan Webber Wright dismissed jurors for the night and ordered them to resume deliberations Friday morning . They are not sequestered.

``Neal Ainley knew very well what his job was," Ewing said in his closing argument. ``He followed orders from his bosses."

Guthrie, however, ridiculed that statement.

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``They want you to believe Herby Branscum engaged in a criminal conspiracy with a man (Ainley) he had kn[illegible] than one year and who was formerly a government ban[illegible] examiner," the defense attorney said, his voice rising.

``That fact alone should cause you hesitation about Neal Ainley's story and create a reasonable doubt in your minds."

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In a plea agreement last year with the office of Whitewater Independent Counsel Kenneth W. Starr, Ainley won a reduced sentence of two years' probation, a $1,000 fine and 416 hours of community service after pleading guilty to two misdemeanors.

Jack Lassiter, the defense attorney for Hill, joined Guthrie in condemning Ainley. ``He was influenced by the deal he made, and he had the habit of trying to blame other people," Lassiter told jurors.

Ewing, in defending Ainley, attacked the credibility of Lindsey, Clinton's most trusted aide for nearly two decades. Lindsey, who testified as a defense witness last week, was classified as an unindicted co-conspirator by the prosecution.

Heaping scorn on the testimony of Lindsey, who denied claims he had influenced the bank to omit filing the required currency reports, Ewing reminded jurors that Lindsey frequently cited a lack of recollection to many questions about financing of Clinton's last gubernatorial campaign.

``Bruce knew nothing about nothing," the prosecutor declared.

Ewing, however, was gentle in his references to Clinton's testimony on behalf of the defendants.

Noting Clinton had testified that large contributions by Branscum and Hill had no bearing on their subsequent appointments to state commissions, Ewing declared:

``President Clinton said it didn't make any difference. But in the eye of the beholders Branscum and Hill it did. One of the ways you ingratiate yourself is to give contributions."

(Optional add end)

Ewing further charged that to cover the illegal reimbursements for political donations in their names and the names of relatives and friends, Branscum and Hill listed payments from the bank as business expenses, often with the notation ``misc."

Guthrie insisted that the payments were for legitimate legal or business services, not reimbursements for political contributions, but that ``the paperwork in small banks sometimes is not up to standard."

Congress Resolves Central Dispute in Health Care Reform(Washn)By Janet Hook= (c) 1996, Los Angeles Times=

WASHINGTON In a breakthrough that vastly improves the prospects for significant health insurance reform this year, congressional negotiators Thursday resolved a central dispute on tax-free medical savings accounts that has for months stalled legislation to make it easier for people to keep health insurance.

The agreement, hammered out by key lawmakers in private talks, authorizes a limited trial of the new accounts, a concept favored by many Republicans but opposed by Democrats and the Clinton administration.

The agreement resurrects legislation many had left for dead, a seemingly noncontroversial bill that had fallen victim to election-year partisan bickering.

``We're back on track," said Sen. Edward M. Kennedy, D-Mass., leading opponent of the medical savings accounts who finalized the long-sought compromise in talks with House Ways and Means Chairman Bill Archer, R-Texas, leading proponent of the savings accounts.

The next step is for House and Senate negotiators to address other important, but less contentious parts of the bill. Lawmakers warned that there were still potential

Senate Passes Welfare-Reform Bill (Washn)By Laura Sullivan= (c) 1996, Newsday=

WASHINGTON The Senate voted 74-24 Tuesday to end 61 years of guaranteed assistance to the poor, passing a sweeping welfare-reform bill that would turn the program into a work-oriented, time-limited system run largely by the states.

The vote sends the bill to a House-Senate conference, where differences between the Senate version and a similar but not identical House-passed bill will have to be ironed out.

Congressional leaders have said they hope to have a completed bill the third welfare measure passed this session on President Clinton's desk before the August recess. But Tuesday, the White House remained coy about whether the president would sign this version or veto it, as he did the previous two.

The Senate made concessions to Clinton Tuesday in an effort to further close the gap between the GOP proposal and the Clinton stand. In a key vote bowing to Clinton's objections, the Senate voted 97-2 to ensure that the poor maintain their current eligibility for Medicaid.

Another amendment favored by the White House passed 53-45 with the help of six Republicans. While it would lower the amount allocated to food stamps, it would eliminate the states' option to receive their share in the form of a block grant, allowing the federal government to maintain control. Jacob Lew, acting director of the Office of Management and Budget, said the proposed state option could wind up ``jeopardizing the nutrition and health of millions of children, working families and the elderly."

But the Senate rejected a proposal favored by Clinton that would have allowed states to use federal funds for non-cash benefits beyond the five-year limit.

Clinton praised some of the Senate modifications. But, the president told a crowd during a California campaign stop, ``You can put wings on a pig, but you don't make it an eagle.

``We want real welfare reform," he added before the final vote. ``If we can keep this progress up, if we make it bipartisan, then we can have real welfare reform."

Republican presidential challenger Bob Dole, who has attacked Clinton for his earlier vetoes, predicted the bill would be strengthened in conference.

``He's (Clinton) not going to get that bill. He's going to get a tougher bill," Dole said in Kansas. ``You have one last chance, Mr. President; keep your promise, and sign this bill."

Tuesday's vote split the Democrats down the middle 23 of them voted against, and another 23 voted in favor. Only one Republican, Lauch Faircloth of North Carolina, broke ranks, opposing the bill.

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While Republicans hailed the bill, which would save $55 billion, as a victory for taxpayers, Democrats criticized the measure for being too tough on mothers and punishing children. They also argued that the bill also comes down too hard on legal and illegal immigrants who would no longer receive medical care, food stamps or social services.

``This Senate will do actual violence to children," said Sen. Carol Moseley-Braun, D-Ill. ``It uses the children as weapons and does not move in a direction of reform. This bill is a sham."

Sen. Bill Bradley, D-N.J., told his colleagues the measure ``will simply punish those in cities least able to cope."

But Republicans say the bill would help.

``It provides for child care and job training," said Sen. Majority Leader Trent Lott, R-Miss. ``The best thing we can do for children is to do what we can to get parents off welfare."

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The bill would eliminate Aid to Families with Dependent Children, the nation's largest cash-welfare program, and would cut off welfare recipients after five years. The bill places most programs at the discretion of the states through block grants.

Under the bill, the states would be required to cut off welfare benefits after two years unless the able-bodied family head gets a job and would require that all recipients perform community service after two months of receiving aid.

States would be able, however, to exempt up to 20 percent of recipients for hardship.

``Welfare was always intended to be a temporary situation," said Sen. William Roth, R-Del. ``In the end, (recipients) ... will look to our program as being in their interest."

At GOP Economic Conference, It's Tax Cuts vs. Balanced Budget(Washn)By Glenn Kessler= (c) 1996, Newsday=

WASHINGTON Senior Republican lawmakers wanted to sing from the same tax-cut hymnbook Tuesday at an unusual Capitol Hill conference designed to nudge presumptive Republican nominee Bob Dole into supporting a sweeping tax-cut package.

Then, unannounced and near the end, in walked Sen. Pete Domenici, R-N.M., chairman of the Budget Committee. He walked to the microphones and uttered the words that had not passed the lips of the previous speakers: ``You cannot lose sight of the fact that we must continue down that path to a balanced budget."

That, in a nutshell, is the conundrum facing Dole, a longtime advocate of fiscal discipline who is under intense pressure to propose tax cuts and rollbacks in an effort to jump-start his flagging campaign for the presidency.

Dole already has said he will propose some sort of tax cuts. Indeed, he supported tax cuts as part of the unsuccessful Republican drive to enact a balanced budget plan.

But some of the proposals under consideration including rollbacks of the 1993 and 1990 tax increases or a 15 percent across-the-board tax cut could wipe out progress in reducing the federal deficit. Achieving a balanced budget with those sorts of tax reductions would require deep cuts in many government-benefit programs, such as Medicare. President Clinton was able to rally public opinion against the Republican budget plan by arguing that cuts in those programs were made to pay for tax cuts.

``We don't have a debate on whether cutting taxes is a good idea," said Ann Lewis, deputy campaign manager for Clinton, ticking off smaller, ``targeted" tax cuts proposed by Clinton. ``We are curious to find out how Bob Dole proposes to pay for tax cuts."

Donald Rumsfeld, a senior Dole adviser who attended the economic conference scheduled by Republican leaders and designed for maximum media attention, said in an interview afterward that Dole was still committed to balancing the budget by 2002.

But during the conference, Rumsfeld a former U.S. congressman and White House chief of staff made it clear that he personally had become a fervent believer in ``supply-side economics," which hold that tax cuts will spur enough growth in the economy to make up for, or even exceed, any loss in government revenues.

After former President Reagan cut taxes and budget deficits ballooned, Dole, by contrast, used to joke that the good news was that a bus full of supply-siders had gone over a cliff while the bad news was that several seats were empty.

Rumsfeld declined to say what Dole would propose in his tax package. Dole plans to spell out his plan before the Republican Convention starts in San Diego Aug. 12, but the precise timing is still under discussion.

House Speaker Newt Gingrich, R-Ga., who presided over the conference, said he hoped to see a three-pronged proposal from Dole

a rollback of the 1993 tax increase pushed through Congress by Clinton as part of his deficit-reduction

believe any constitutional amendment is unnecessary.

``We can't remedy everything we feel passionately about by amending the Constitution," said Rep. John Conyers, D-Mich.

The House is not expected to consider the issue until after it returns from its summer recess.

For 30 years, some conservatives have been trying to overturn U.S. Supreme Court rulings on prayer in public schools.

When Republicans gained control of the House last year, Speaker Newt Gingrich of Georgia promised religious groups that the House would vote on a school prayer amendment before the end of the legislative session.

But House Judiciary Committee Chairman Henry Hyde, R-Ill., and Rep. Ernest Istook, R-Okla., who has taken the lead on the issue, have been unable to agree on the best way to write legislation that would withstand a court challenge.

Armey, on behalf of the Republican leadership, introduced his plan last week in an attempt to break the impasse.

The heart of the dispute is whether the proposed constitutional amendment should actually use the words ``school prayer," as Istook's version does.

The Texas Republican's proposal says the United States nor any state shall not ``discriminate against any person, on account of religious belief, expression or exercise."

The preamble to Armey's proposal, however, states its purpose is to ``protect religious freedom, including the right of students in public schools to pray without government sponsorship or compulsion."

``Armey's language only reaffirms the status quo," Istook said in an interview. ``It does not say anything about school prayer."

Armey's spokeswoman, Michele Davis, said the majority leader and Hyde have been working with constitutional scholars to ensure the language can withstand a court challenge.

The Christian Coalition endorsed Armey's version.

``Religious speech should be no less valued by our public institutions than any other form of free speech," said Brian Lopina, the coalition's director of governmental affairs.

But Focus on the Family, another conservative group, contends the school prayer proposal has been ``overly lawyered" by Congress.

Tom Minnery, vice president of public policy for the group, said the ``mild language ... will plainly fail to ignite the grassroots support necessary to advance the amendment."

Lamm adviser criticizes `censorship' by Reform Party By Lori Stahl and Christopher Lee Dallas Morning News (KRT)

DALLAS Ross Perot aides defended their party's nominating rules Tuesday, saying they never promised to provide a cost-free list of Reform Party members to presidential candidates.

But a letter that Perot officials released to bolster their case prompted new criticism from a senior adviser to former Colorado Gov. Richard Lamm that the party was trying to muzzle Perot rivals.

The mailing list became an issue this week when Reform Party leaders told Lamm, who is running against Perot for the party's nomination, they would not give him a copy of the 1.3 million membership list.

They said they told potential candidates, including Lamm, how to get the list in a July 9 letter to prospective candidates. The letter states that individual candidates ``will negotiate production and mailing costs, including postage ..."

But the previously undisclosed letter also stated that the Reform Party intended to inspect campaign literature to ensure it wasn't ``negative" before providing candidates with the name of the mailing house with the list.

``Any material you submit must be professional and present a positive campaign," said Russell Verney, national coordinator of the Reform Party, who signed the letter.

``Once your campaign literature has been reviewed, we will provide you" the information on the mailing company, Verney wrote.

Lamm officials complained Tuesday about the requirement that their campaign material be screened.

``That's very different than saying we can have a list," said Tom D'Amore Jr., a Lamm senior adviser. ``That's censorship of some form, if you will."

Verney couldn't be reached for comment. Perot spokeswoman Sharon Holman said no candidate, including Perot, could have the list for free because its value exceeds federal spending campaign spending limits.

Lamm has said he was promised the list, and without it, campaigning is difficult.

Meanwhile, Perot has not yet answered Lamm's request that the two debate before the party's Aug. 11 convention. Holman said a response could come later this week.

The Perot camp already has turn down a joint program with Lamm that C-Span wanted to set up, said Steve Scully, political editor of the cable program.

He said Tuesday that a Perot spokeswoman said he would appear in an interview separate from Lamm but not on a program together.

Clinton says new national phone number needed to report domestic abuse By Carol Jouzaitis and James Warren Chicago Tribune(KRT)

SACRAMENTO, Calif. Completing a three-day campaign swing in the West, President Clinton on Tuesday made an appeal to women concerned about domestic violence, suggesting they should have their own three-digit phone number to report abuse.

His likely Republican opponent, Bob Dole, was in Russell, Kan. for the day, where he was being filmed for the documentary that will be broadcast during the Republican National Convention.

Dole was coming under increasing pressure from some Republicans to come up with a strong tax-cut proposal as a way to stimulate interest in his campaign. Dole is said to be considering such a plan as part of an economic program he says he will unveil soon.

Dole said Tuesday his program would not be restricted to tax cuts. ``It will include a lot of things, not just on the tax side but on the regulatory side. It has got to be a credible plan," he said.

In California, Clinton was, in a way, preaching to the choir; he already has a substantial advantage among female voters in opinion polls.

Asserting that domestic violence is a serious crime issue, he said the overburdened 911 emergency reporting system makes it difficult for victims to get help.

In some communities, 9 out of 10 calls to the 911 system are not about life-threatening situations but more routine matters such as abandoned cars and graffiti.

After meeting with a women's counseling group, Clinton said he asked Attorney General Janet Reno to work with police and the telecommunications industry in developing a three-digit, nonemergency police number. The national number would be easier to remember than current, seven-digit police numbers.

White House aides said communities could adopt the number to lighten the load of 911 calls and make it easier for people to get through when reporting crimes in progress.

The initiative was welcomed by the National Association of Police Organizations, National Troopers Coalition, National Sheriffs' Association and other law enforcement groups.

Clinton, who experienced domestic violence as a teen-ager, said that ``no child should ever have to grow up in a home where ... a hand is raised in anger."

Campaign officials for Dole dismissed the idea of a nonemergency system as politically motivated. They said that despite millions of calls to a national domestic violence hot line each year, the Justice Department prosecuted only 18 such cases since 1994.

Clinton is running strong in the Golden State, where a recent Los Angeles Times poll gave him a 27-point lead over likely Republican challenger Dole. In California, with a whopping 54 electoral votes, more than one-third of Republican women said they favor Clinton.

There is a strong ``gender gap" component in Clinton's favor in polls from other key electoral-vote states.

Senate approves welfare bill, takes hard line on children, immigrants By Mary Jacoby Chicago Tribune (KRT)

WASHINGTON If President Clinton hopes to make good on his long-delayed promise to ``end welfare as we know it," the Senate approved a bill Tuesday that could complicate his task.

By a vote of 74 to 24, the Senate passed legislation that, like a version approved by the House last week, would take a hard line on two key issues: It would deny benefits to legal immigrants and provide no safety net for children of parents who are forced off welfare rolls.

Keeping his election-year options open, Clinton has refused to specify what, if anything, will cause him to veto the legislation. But administration officials indicated that the provisions on legal immigrants and children are problems.

``You can put wings on a pig, but you don't make it eagle," Clinton said while campaigning in California on Tuesday.

Still, Clinton has strong political incentives to sign a welfare bill and avert criticism from GOP presidential rival Bob Dole. After promising to ``end welfare as we know it" in 1992, Clinton has since vetoed two GOP welfare bills.

(EDITORS: NEXT 4 GRAFS OPTIONAL)

That may explain why he also sounded an encouraging note Tuesday. Speaking in Sacramento, Clinton praised the Senate for maintaining nutrition and health care funding for children on welfare and refusing to turn over the federal food stamp program to management by the states.

``If we can keep this progress up, if we can make it bipartisan, then we can have a real welfare reform bill that honors work and protects children," Clinton said.

So is the bill a pig or an eagle? Dole hit his rival for not making his position clear. ``The White House continues to evade, hedge and waffle," Dole said in a statement calling on Clinton to enact welfare reform. ``These partisan games must end."

Privately, many Republicans were doubtful about the chances of welfare reform this year, saying they believe Clinton will feel compelled to sign a bill only if his poll numbers drop.

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Fifty-one Republicans voted for the measure, while Democrats split 23 for and 23 against. Some Democrats, including Illinois Sens. Paul Simon and Carol Moseley-Braun, urged a veto, saying the bill is too harsh on children.

Differences between the House and Senate bills must now be reconciled, and a final version approved by Congress, before it can go to Clinton's desk for his decision. Congressional leaders have said they hope to finish the final version before their August break.

The House and Senate versions are similar in most respects. Both end the 61-year-old federal entitlement to welfare benefits and turn over to the states administration of the main welfare program, Aid to Families with Dependent Children.

The bills also would cut off cash benefits to most welfare recipients after five years, with the goal of moving them into paying jobs before then. The Senate bill would allow states to exempt up to 20 percent of families on welfare from the five-year limit due to hardship.

Both bills aim to save about $60 billion over six years, in large part by denying Medicaid and other benefits to legal immigrants.

One difference is treatment of the federal food stamp program. The House bill permits states to add some restrictions on who can receive food stamps. The Senate keeps the program entirely under control of the federal government a move Clinton had sought.

Also, both bills deny additional benefits to families that have more children after going on welfare. And both versions require recipients to work after two years, with a maximum of five years on public assistance.

In voting 256-170 for welfare reform last Thursday, the House made some changes to an earlier bill that were designed to win Clinton's approval, including $4 billion in additional child-care funds.

But the Senate failed to address Clinton's concerns on denying benefits to legal immigrants and providing assistance to children whose parents lose welfare benefits.

The Senate rejected on a procedural vote an amendment by California Sens. Dianne Feinstein and Barbara Boxer, both Democrats, that would have allowed legal immigrants to keep disability, food stamps and other benefits.

Refugees and naturalized citizens, however, would not be subject to the restrictions on legal immigrants. They would be eligible for up to five years of welfare benefits.

The Senate failed by one vote, again on a procedural move, to amend the bill to provide vouchers for child-related expenses to parents who lose benefits.

Republicans said vouchers would open up a loophole.

The Washington Times
WEDNESDAY, JULY 24, 1996

The 'right' to die

The issue of euthanasia seems to be snaking its way toward the Supreme Court — although grisly associations with Nazi medical practices have produced a more comforting name for it, "physician assisted suicide."

Call it what you will, however, the question of whether doctors may legally help their patients to commit suicide is now before the courts in various guises (the most notorious being, of course, that of Doctor Death, pathologist turned suicide technician Jack Kevorkian). And, thanks to two recent decisions in federal appellate courts, the Supreme Court will inevitably be asked to decide whether Americans actually have a constitutional *right* to such help.

The two appellate courts held that we do. In New York, the Second Circuit found that the state's ban on physician-assisted suicide violated the right to equal protection guaranteed by the 14th Amendment. Terminally ill patients, according to the court's thinking, are allowed to remove themselves from life support, even if doing so kills them; denying terminal patients *not* on life support the same option denies them equal protection. And the Ninth Circuit in San Francisco ruled that Washington State's ban violated the 14th Amendment's due process clause — the same clause that has been used to find a right to abortion.

That's no accident, of course. Indeed, the court clearly noted that the right to kill oneself is the natural extension of the right created 30 years ago by the Supreme Court to abort a baby. Since then, we've acquired such a clinically casual attitude to the termination of life that more than 1 million abortions are performed in this country every year. And the ban on partial-birth abortion faced such violent opposition from abortion-rights activists that President Clinton vetoed a bill that would have made the gruesome practice illegal. One of the chief arguments against the bill was that it would violate a woman's right to choose under Roe vs. Wade.

Theoretically, of course, an old and sick and depressed adult is making his (or her) own choice to die, unlike the hapless fetuses at the mercy of their mothers' wishes. But theory and practice do not always jibe, as has been amply demonstrated in the Netherlands. There, what began as state-sponsored doctor-assisted suicide has metamorphosed into something far grimmer. As Arianna Huffington noted in a recent column, medical euthanasia now accounts for more than 9 percent of the country's deaths — and not always at the request of the patient, either. And, as determined by a recent study of cancer patients by the Dana Farber Cancer Institute, the desire to die should not be taken at face value: it turns out that, as is the case in the *non*-terminal population, it is depression more than anything else that creates suicidal urges. And depression is eminently treatable.

There has always been suicide. And there have always been doctors — and nurses and relatives — willing to speed death along for a suffering patient. It is surely possible, and even commendable, to recognize that truth, to sympathize, even to look the other way despite the moral and legal strictures against both. Finding a right to suicide in the Constitution is another story. Rational people concerned with the moral condition of our society can only hope euthanasia doesn't drag us further down Roe vs. Wade's slippery slope.

The school board blunders along

Every now and then a few members of the D.C. Board of Education collectively demonstrate why it is that so many of the District's children end up leaving the school system a little less ignorant than when they enter it. Consider who's running the show. These board members oppose reform proposals out of hand, all the while laying blame at the feet of the D.C. Council, Congress and the financial control board. Fortunately, this being an election year, voters have an opportunity — amid all the talk of school reform, closings, furloughs and privatization — to put an end to the ignorance at the top.

Parents wonder why D.C. students are so poorly educated. Insight could be found Monday afternoon, when the board met to shorten the time period required for notifying employees of coming furloughs from 30 days to 10 days. But what was supposed to be a routine public meeting turned into a series of political pratfalls.

- At-large member Valencia Mohammed, who snarled at being cut off after her designated five minutes, is happy some D.C. Council members are not seeking re-election because they are cutting the school system's infrastructure. She pledged to do as much herself in 1992, when she first won a seat on the board.
- Ward 5 member Angie K. Corley, who seemed to bore some members, complained the superintendent has too much authority. The board allocated that authority.
- Ward 1 member Wilma Harvey demanded that the superintendent should renegotiate contracts to cut the budget. He already had.
- Ward 6 member Bernard Gray, a lawyer, made a profound observation: Everything the board has done this year affected children.

This uninformed group has been an impediment to progress. Its members whined about budget cuts and they whined about furloughs and layoffs. They even whined about closing dilapidated school buildings they knew to be unsafe.

The preponderance of the evidence demonstrates their culpability: low test scores, a bloated central administration, mismanagement and plain old-fashioned incompetence. The matter before the board Monday was hardly complex, a simple task of changing the furlough policy. Superintendent Franklin Smith needed to move quickly on the furloughs in order to close a $5.8 million budget gap by Sept. 30 without shutting the doors on students. The 7-4 vote gave Mr. Smith what he needs to swing into action. Who were the opponents? Mrs. Mohammed, Mrs. Corley, Mrs. Harvey and Mr. Gray.

Board President Karen Shook, a two-term member who holds an at-large seat, announced this week that she is is not seeking re-election. She says the board needs new leadership. Well, so it does. But Mrs. Shook has been an intermittent voice of reason. How much more refreshing it would be to hear from Mrs. Mohammed, Mr. Gray, Mrs. Harvey and Mrs. Corley that they are calling it quits.

ensured that the ceremony does not replace the essence, lest the polite manners conceal a tendency to avoid any real steps."

Just as the Levy-Arafat meeting was ending at a small, newly built military building inside Gaza, thousands of Arab workers began streaming home from work in Israel, hurriedly walking in twos and threes from an Israeli army checkpoint.

Their ranks have increased slightly in the last few days as the Israeli government, bowing to Arab and foreign criticism, agreed to allow another 10,000 workers to return to their jobs in Israel.

A series of bloody suicide attacks led the Israelis to seal their doors to Arab workers in February. They now allow in about 35,000 workers daily, down from 80,000 before the terrorism and markedly lower than the 120,000 who worked in Israel three years ago.

The closure has been a severe burden on the Palestinian economy and the average Palestinians' way of life.

``I'm optimistic if they agree to let us work. Because without work there is nothing for us here," said Ali Hamdan, 55, who was hurrying in the blazing sun to cross the long no-man's-land between Israel and the Gaza Strip.

Thanks to the easing of the closure, he had just returned to work in Israel, but he had a hard time finding work in Tel Aviv and had earned only $13 Tuesday on a construction job.

``That's not enough to buy bread for everyone," he grumbled.

Senate passes welfare reform after making some changes By David Hess Knight-Ridder Newspapers(KRT)

WASHINGTON The Senate passed sweeping legislation Tuesday to hand power over welfare programs to the states, including some provisions that might invite a veto from President Clinton.

The bill would end the 61-year-old Aid to Families With Dependent Children program and slash into food stamp and other federal programs that provide tens of billions of dollars a year in public aid to eligible families.

It was approved 74-24 with broad bipartisan support. It was opposed by 23 Democrats and one Republican, Lauch Faircloth of North Carolina, who felt some elements of the bill were too liberal. Twenty-three Democrats joined 51 Republicans in supporting the bill.

Six of the seven Democrats seeking re-election voted for the bill, including Max Baucus on Montana and liberals Carl Levin of Michigan, Tom Harkin of Iowa, Jay Rockefeller of West Virginia, John Kerry of Massachusetts and Joseph Biden of Delaware.

It's a measure of the perceived popularity of welfare reform that among the Democrats seeking re-election, only Paul Wellstone of Minnesota voted no.

Senate Minority Leader Thomas Daschle, D-S.D., voted no, asserting that it came down too hard on children. ``And what about kids?" he said. ``When it comes to their safety net, this bill is still too punitive."

But Majority Leader Trent Lott, R.-Miss., said he was ``shocked to hear the Democratic leader say ... the answer will still be no. There are many here who talk about welfare reform, but when they get right up to it they back away."

The legislation, like the House version, would limit lifetime welfare assistance to five years per family, and require recipients to accept work if offered after two years on welfare.

The bills would cut welfare and food stamp benefits by roughly $60 billion by 2002, compared with current law. Of that sum, food stamps and other federal nutrition programs (including school lunches) would be slashed about $30 billion.

The legislation also would deny a wide range of benefits including welfare, disability and Medicaid to legal immigrants, amounting to $18 billion.

If Clinton signs a welfare reform bill, each state would be able to establish its own rules of eligibility and level of benefits. In earlier years, before the federal minimum standards were set, there were vast disparities from state to state on the amount of monthly support for poor families.

A House-Senate committee will bring the two bills into agreement, and final approval from both houses is expected by Aug. 4, when Congress breaks for its summer recess before the presidential nominating conventions.

Clinton has said repeatedly that he wants to sign the welfare bill. But he already has vetoed two earlier GOP welfare proposals, and Republicans dared him to do it again and risk the wrath of the large majority of voters who say they want reform.

The president said during a Western campaign swing Tuesday that he would sign a truly ``bipartisan" bill that represented ``real welfare reform." And he said he was pleased by a few changes made by the Senate to cushion the bill's impact on children.

But he also indicated the bill did not yet go far enough in meeting his demands.

``Today, the Senate, I want you to know, took some major steps to improve the bill going through Congress," Clinton said in Sacramento, Calif. ``On the other hand, we want a bill that actually is welfare reform. You can put wings on a pig, but you don't make it an eagle. We want real welfare reform. ...

``If we can keep this progress up, if we can make it bipartisan, then we can have a real welfare reform bill," Clinton said.

The president has been deliberately vague about the details of his objections. Critics have pointed to elements that cut benefits to legal immigrants and limit aid to children as reasons why Clinton ought to reject the Senate bill.

Clinton's remarks were seen as an effort to maintain pressure on House and Senate Republicans to agree to more changes to satisfy him.

Republican leaders are confident, however, that the president will end up signing their bill because the political risk of vetoing it would be unacceptable.

``I think the president will sign what he gets (from us)," said House Majority Leader Dick Armey of Texas, ``because the president is a pure politician who wants to get re-elected."

Lott said, ``If the president doesn't sign this one, it'll be the third one he's vetoed. ... You can't say you're for (welfare reform), and then say but not that one, not that one, not that one."

Much of the debate in the House and Senate the past two weeks has centered on the impact of the changes on indigent children, along with complaints that the bills fall well short of providing the resources that states and cities would need to offer jobs required to move people off welfare.

The non-partisan Congressional Budget Office, for instance, has estimated that the legislation falls some $12 billion shy, over six years, of the amount that would be needed to meet the states' work requirements. The monthly benefits of hundreds of thousands, perhaps millions, of families could be terminated without any prospect of having jobs ready for them to make the transition from welfare to work.

(EDITORS: NEXT 3 GRAFS OPTIONAL)

As the Senate plowed through amendments to the bill Tuesday, it softened a few items in response to White House objections. It deleted a provision that would have handed over to states control of the food stamp program. And, in a major concession to Clinton, it continued Medicaid coverage for poor women and children, even if they exhausted their welfare payments or went on to low-paying jobs that provided no health benefits.

Sen. John Chafee, R-R.I., the chief sponsor of that amendment, said, ``The United States has the highest percentage of children in poverty of any industrial nation in the world. I certainly hope we won't make it worse by denying these children (health) benefits."

At the same time, senators voted narrowly, 50-49, to kill an effort by Sen. Wendell Ford, D-Ky., permitting states to use federal block grants to pay for such items

would seriously undermine the real five-year time on welfare assistance," said Sen. Bill Roth, Del., chairman of the Senate Finance Committee, which has jurisdiction over welfare. ``Recipients must understand that public assistance is temporary, not a way of life."

Because neither the House nor Senate approved benefits for legal immigrants or the child-expense vouchers, the provisions are not likely to be in any final version sent to Clinton. If he signs a bill without them, he would risk the wrath of liberals in his party.

Still, election-year expediency may mean that Clinton ends up signing the legislation.

``We want to continue to work with Congress to improve this bill, so that it represents genuine reform, one that emphasizes work and responsibility and supports children rather than harming them," said Barry Toiv, an aide to White House Chief of Staff Leon Panetta.

Burundi on the edge of all-out ethnic warfare By Hugh Dellios Chicago Tribune(KRT)

BUJUMBURA, Burundi This central African nation edged closer to all-out ethnic warfare Tuesday as the president nearly was stoned at the burial of massacre victims and international officials pleaded with government officials to stop the expulsion of thousands of refugees to neighboring Rwanda.

Foreign diplomats said that the slaughter of 300 civilians Saturday further had polarized the nation's Hutus and Tutsis and that the result could be the death of a regional peace plan and a possible coup by Tutsi leaders.

``The next few days will be crucial," one Western diplomat said.

He spoke after President Sylvestre Ntibantunganya, the Hutu president of Burundi's coalition government, was swarmed by an angry crowd of 1,000 Tutsis in Bugendana, where 300 Tutsis were shot, hacked and burned to death Saturday by Hutu rebels.

The crowd threw rocks, sticks and dirt at Ntibantunganya, forcing him to flee quickly in his helicopter before scheduled funeral services took place. The president was unhurt, but a French journalist was injured when he was hit in the head with a rock.

Saturday's massacre was the latest atrocity in a cycle of ethnic violence that has engulfed Burundi since the assassination of its first Hutu president in 1993. Officials say more than 150,000 people, almost all civilians, have died at the hands of the rebels and Tutsi-dominated army.

The Hutus, who make up 85 percent of the population, are demanding more access to the nation's power and wealth, which always has been concentrated in Tutsi hands. The Tutsis fear the Hutus plan to wipe them out in a repeat of the Rwandan genocide of 1994.

Burundi currently operates under a coalition government, and the Hutu president and Tutsi prime minister last month agreed to a peace plan that would welcome soldiers from other African countries to help restore order. But last weekend's massacre hardened Tutsi opposition to the plan, which foreign diplomats say could be the country's last chance to avoid civil war.

Foreign diplomats say the possibility is greater than ever for a coup by the military, which already holds most of the power in the country. But the Hutu president says he won't go willingly.

``Maybe people can force him to resign, but the president would never decide to do such a thing," said Mames Bansubiyeko, a presidential adviser.

Meanwhile, Burundian officials said they would halt their efforts to forcibly repatriate 85,000 Rwandan Hutus who have sought refuge in Burundi since their country's 1994 massacres. The Rwandans fear that returning home would make them vulnerable to revenge by the country's Tutsi-led government, which seized power after the genocide in that country.

Burundi began to expel the refugees Friday but stepped up the operation after Saturday's massacre. By Tuesday night, they had expelled 17,000 Rwandans, cramming them into trucks and containers for a ride over the border. Three, including an 18-month-old baby, died of suffocation.

A Rwandan minister said Tuesday that all the Burundi refugee camps were to be closed, but officials from the United Nations High Commissioner for Refugees issued a letter of protest and pressured the Rwanda and Burundi governments to end the operation.

The Burundi military contends that the refugee camps have provided support for Hutu rebels and announced plans to close the camps earlier this year.

But U.N. officials said they approved the evacuation plan only after Burundi officials promised to move the refugees to another safe place within Burundi.

``They did not keep their promise," said Hitoshi Mize, the refugee commission's special representative in Burundi. ``Gradually, the refugees are going home. There's no reason to rush them now. "

Aid workers feared that some of the refugees would try to escape into Burundi's hills or flee to Tanzania or other neighboring countries if they no longer are welcome in Burundi.

Israeli Levy, Arafat encouraged by meeting By Stephen Franklin Chicago Tribune(KRT)

EREZ CROSSING, Gaza Strip The somber-faced Israeli foreign minister politely shook hands at first and later said he was encouraged.

The smiling Palestinian leader, who warmly greeted his guest, later said he was encouraged, too, and then cheerfully waved so long to his new acquaintance.

Otherwise they revealed nothing major Tuesday except that they had talked for 1&1/2 hours, some agreements were reached and some dates were set for future meetings between Arab and Israeli negotiators.

To be sure, the fact that Foreign Minister David Levy met Palestinian leader Yasser Arafat was a breakthrough for Levy's ruling right-wing Likud bloc.

From refusing to recognize the PLO as the Palestinians' sole legitimate voice to blasting late Prime Minister Yitzhak Rabin for shaking Arafat's hand at the White House, the Likud bloc has viewed Arafat as the devil himself.

Since taking office six weeks ago, Prime Minister Benjamin Netanyahu has also put off Arafat, sent underlings to deal with him, and said he would meet Arafat only if he had to.

As suggested by his campaign rhetoric, Netanyahu has also made few positive gestures toward the Palestinians and has ignored deadlines set by prior negotiations for Israeli actions or joint talks.

One of the positive gestures, however, was the decision to let Levy, a moderate within Likud's ranks, met Arafat.

It was announced last week by Netanyahu in Cairo, Egypt, where he wanted to show that Israel is willing to keep the process alive. And on Tuesday Levy gave that impression after emerging from his meeting with Arafat.

``We are surmounting obstacles and setting goals," Levy said. Likewise, Arafat told reporters that the ``contacts will continue" and talks were held on a number of issues.

The Palestinians want to set a date for the removal of Israeli troops from the West Bank town of Hebron, to renew the final talks on the peace agreement, to get the Israelis to halt the growth of settlements and to continue to use their offices in Jerusalem.

Arafat alluded to upcoming talks with the Israelis on the status of Hebron, and Saeb Erekat, a top-ranking minister, told reporters afterward that an agreement had been reached to keep foreign military observers in Hebron.

There was also an agreement, Erekat added, on the upcoming release of Arab female prisoners.

While the lull in the peace process has not troubled Netanyahu's hard-line supporters, who felt the situation was changing too fast under Rabin and his successor, Shimon Peres, the slowdown has perplexed other Israelis.

Looking forward to the meeting between Levy and Arafat, the liberal daily newspaper Ha'aretz wrote: ``It must be

pers, clothing, medicine or other children's needs r their parents exhausted their AFDC benefits. The hite House had lobbied strenuously for Ford's amendment.

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Although the Senate eased some of the more stringent House-passed features, the bill still was derided by critics as overly harsh to the poor and as shifting too much of the financial burden to states.

Sen. Daniel Patrick Moynihan, D-N.Y., complained that as many as 1.5 million children could be lopped off welfare and food stamp rolls with no financial recourse. ``It slashes a gaping hole in the safety net," he said.

(EDITORS: NEXT 4 GRAFS OPTIONAL TRIM)

And the liberal think-tank, the Center on Budget and Policy Priorities, issued an analysis of the bill saying that ``almost half the food stamp cuts would come from the poorest of the poor households with incomes below half of the poverty line."

The official federal poverty line now for a three-member family is $12,500 a year; half of that would be $6,250.

The 20 percent cut, over six years, in food stamp benefits would reduce the amount per meal for food stamp recipients to 66 cents from 80 cents.

``I defy anybody to eat a nourishing meal for 66 cents," said Sen. Patrick Leahy, D-Vt. ``This bill is anti-family, anti-child and mean-spirited. It is really beneath what a great country should stand for."

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Sen. Edward M. Kennedy, D-Mass., also criticized the bill's underlying purpose of removing the federal guarantee of assistance called an entitlement for people meeting uniform, nationwide standards of joblessness and poverty.

``Needy children will no longer receive a helping hand, unless they are lucky enough to be born in a state that has the resources and the will to provide that assistance," Kennedy said. ``Help for children will no longer be a matter of national policy but a gamble of geography."

But Sen. John Ashcroft, R-Mo., argued that the time has come to break the cycle of dependency of multi-generation welfarism.

``We need to change welfare from being a condition to being a transition," he said. ``Welfare cannot be something that is a lifestyle. It has to be something that is just for a while."

(EDITORS: STORY CAN TRIM HERE)

Other major features of the bill would:

Allow states to exempt from work up to 20 percent of all recipients in cases of hardship.

Convert federal aid into block grants for states to use mostly as they see fit in operating their own assistance programs.

Retain Medicaid health benefits for poor families whose welfare eligibility expires.

Ban states from using federal block grants to give food and medicine vouchers to children whose parents' welfare eligibility lapsed.

Make it harder for children to qualify for disability benefits under the Supplemental Security Income (SSI) program.

Slower growth not seen soon enough for Fed By Susan Mandel Knight-Ridder Financial News(KRT)

WASHINGTON Analysts said the U.S. economy won't slow as quickly as the Federal Reserve wants, which will prompt the Fed to raise interest rates in August.

Last week, Fed Chairman Alan Greenspan said that some slowing in the economy must become evident soon to confirm the Fed's current forecast of a slowdown in the second half of 1996. ``The early weeks of the third quarter are very crucial," he said.

However, analysts said the expected slowdown won't happen soon enough to satisfy Greenspan.

``The data (coming) out over the next few weeks ... would probably not show sufficient slowing for the Fed to hold off on a tightening," Dana Saporta, an economist at Stone and McCarthy, said.

The Fed will decide whether it needs to raise interest rates head at next Federal Open Market Committee meeting on Aug. 20.

``We're ... looking for an Aug 20th tightening," said Bill Kan, an economist at Merrill Lynch, since ``we don't think any slowing will be apparent" by then.

Economists said the week of July 29 will be especially important for short-term Fed policy since the employment cost index, the National Association of Purchasing Management survey, Gross Domestic Product, and the employment report are all scheduled for release.

``That week (is) the key week for data," David Jones, chief economist at Aubrey G. Lanston, said. ``Most of those numbers will be on the stronger side because we do have considerable economic momentum going into the second half of the year and also because a lot of businesses are trying to rebuild rather lean inventory stocks," he said.

Kan said the composition of second-quarter gross domestic product and the overall number would indicate how much momentum the economy has.

Economists are predicting second-quarter GDP growth at an annual rate of 4 percent, following the 2.2 percent gain in the first quarter. Estimates ranged from up 3.3 percent to up 5.0 percent. The GDP report is due at 0830 ET Aug. 1.

The three other reports will be even more important to the Fed, analysts said.

Bob Dederick, chief economist at Northern Trust said the big 9-cent jump in average hourly earnings in June suggests the employment cost index will show wages accelerated in the second quarter.

The first-quarter gain in the wages and salaries component of the index was the biggest in nearly five years. Another big gain in the second quarter would be the first real evidence that tight labor markets is starting to cause higher wage increases, Dederick said.

Likewise, he said the recent Philadelphia Fed report suggests the NAPM survey for July will be strong.

The NAPM supplier delivery time index lengthened significantly in June and ``I would expect (them) to lengthen further in the July numbers," Jones said.

He said Greenspan focuses on that component of the report because longer delivery times mean ``businesses would aggressively try to rebuild inventories, (which) would put all kinds of pressures on productive capacity at a time when ... we can ill afford a lot more pressure on capacity."

As for the employment report, Saporta predicted it would show average hourly earnings to be flat in July, which would ``not be particularly good news on the wage front" since it doesn't reverse any of June's big gain.

The report should also show healthy July job gains, analysts said. The median estimate of analysts surveyed by Knight-Ridder put non-farm payroll jobs up 195,000 in July following June's 239,000 gain. Estimates ranged from up 120,000 to up 280,000.

The report is scheduled for release at 0830 ET Aug. 2. Kan said the composition of the report will indicate how much momentum the economy has.

One economist, Chris Vavares, vice president and economist at Macroeconomic Advisers said he thought the upcoming data would show enough slowing to keep Fed policy on hold at the August meeting.

But even he conceded the Fed would probably raise interest rates ``if there's more than a little doubt" that the slowdown is occurring.

Shoulder-held missile may have caused explosion of TWA Flight 800, but not likely, experts say By Michael E. Ruane Knight-Ridder Newspapers(KRT)

WASHINGTON It was an awful image: a terrorist with a shoulder-fired missile shooting at an American jetliner packed with summer travelers, hitting his target and filling the sky with ``a bright orange inferno."

Ten years ago when then-U.S. Sen. Dennis DeConcini wrote an essay warning of such a catastrophe, he described the scene as ``hypothetical." Today, with the mysterious explosion of TWA Flight 800, it seems less so.

While a missile may at this point appear less likely than a bomb in the crash of the New York-to-Paris Boeing 747 and neither may turn out to be the cause it's a theory that won't go away.

Indeed, missiles that could have done the job are readily available on world markets, and experts say a hit by a heat-seeker on the 747's engine could have ignited wing fuel cells and triggered the kind of catastrophic explosion that took the lives of 230 people aboard Flight 800.

The Pentagon said Tuesday that radar records do not show any evidence of a missile track but conceded that a small, shoulder-fired missile would have been hard to pick up on radar.

For DeConcini, who now works for a lobbying firm here, and for some military and security experts, a missile was the first thing that came to mind on hearing accounts of the TWA disaster.

``I hope that isn't what happened," DeConcini, former chairman of the Senate Intelligence Committee, said Tuesday, ``but when I heard about this, that's the first thing that came to my mind."

While investigators have just begun testing wreckage of the jet for clues, several witnesses have reported seeing what looked like a shooting star or a flare in the area right before Flight 800 exploded in a ball of fire.

There is an array of portable surface-to-air missiles capable of shooting down a jet from the Russian Strella, to the British Javelin and Blowpipe, to the Swedish RBS-70, to the potent American Stinger.

It was the broomstick-like Stinger, for example, that downed several medium-sized Russian-built Antonov transport planes, and 250 other Russian aircraft, during the war in Afghanistan in the mid-1980s. While the Russian targets were smaller than a 747, they were flying closer to the ground when shot down.

It was the proliferation of the Stinger 1,000 of which the United States gave to Afghan rebels that worried DeConcini when he wrote his essay for The New York Times in April 1986. ``We cannot afford to let these particular missiles, the ultimate terrorist weapon, slip into the wrong hands," he wrote.

The CIA has since shared that concern, setting aside $55 million in recent years to buy back 300 of the sophisticated heat-seeking Stingers still in Afghan hands that were never accounted for.

But bidding reportedly was fierce, with Iranian, North Korean and Islamic militants all vying for the merchandise. The $52,000 missile reportedly was fetching as much as $200,000 on the Pakistani arms market, with the CIA paying $68,000 and up.

Other foreign-built, hand-held missiles also are used by many governments and reportedly available on the black market.

``I hope that is not what happened, because if it is, I don't know that it could have been avoided, but it should have been avoided by not having those things all over the world, in my opinion," DeConcini said.

He was not alone in his concern. Prior to the 1984 Olympics in Los Angeles, the Federal Aviation Administration thought about routing all airliners into the city over the water for fear of terrorists firing missiles from land near the airport.

``We did surveys ... as to whether or not we might need to use the approach over water if we had to deal with a missile threat at that time," according to Billie Vincent, former security chief of the FAA and now head of Aerospace Services International, a Virginia airport-security firm. ``That's always worried aviation officials."

In the Flight 800 case, however, a terrorist with a missile would have needed a good amount of luck, experts believe.

Officials have ruled out a missile shot from land, because the jet would have been too far out at sea. A shot from a boat was conceivable, but that would have been challenging.

The main limiting factor is the range of shoulder-fired missiles. Officials have said the 747 was flying at 13,700 feet, which they said would have placed it at the limits of the reported range of most such missiles, including the Stinger.

The Defense Department says the stinger can reach targets at ``more than" 13,100 feet. But Hughes Missile Systems, which makes the Stinger, says its range is classified, and there have been reports that it can travel significantly higher.

(EDITORS: STORY CAN TRIM HERE)

Even less-capable, foreign-built shoulder-fired missiles could have easily had crude boosters added to increase range, one military expert said: ``It might singe your hair," but it could be done. ``Plus, it helps when you're shooting at an elephant rather than a rabbit."

How easy such missiles are to operate is a matter of debate. DeConcini, who said he saw Stingers tested, remarked: ``I didn't fire it, but I probably could have. ... All you had to do was get (the target) in the sight."

According to Jane's, the respected publisher of military encyclopedias, once the Stinger's heat seeker is activated, it provides the shooter an audio tone when it locks onto the target, and the shooter can then pull the trigger.

Though, at the time of the Afghan war, the Mujahedeen rebels were said to have easily learned the operation, some doubts about that have since surfaced.

``You have to have a lot of training to fire a Stinger," said Paul Beaver, a weapons expert and a spokesman for Jane's Information Group. ``The Mujahedeen found it very hard" to use the Stingers well.

He added that picking up the target would be even more difficult with the rolling motion aboard a boat at sea.

Furthermore, other experts said, picking out a specific airliner flying at 13,700 feet from the ground would have been very difficult, although possible with binoculars.

But using a missile would have been a psychological coup for a terrorist something experts say terrorists often seek.

``There is a built-in tendency for escalation in any sustained terrorist campaign because people become inured to anything," said Ilana Kass, professor of military strategy at the National War College here.

``There are several ways you can escalate," she said.

``You can go for greater lethality. You can go for greater frequency. And third, and most useful from their perspective, you can go for something that was not yet done."

Senate committee postpones Rep. Peterson's confirmation hearings By Elsa C. Arnett Knight-Ridder Newspapers(KRT)

WASHINGTON President Clinton's controversial attempt to send a U.S. ambassador to Vietnam has hit another roadblock.

The confirmation hearing for Rep. Pete Peterson, D-Fla., whose nomination has been quietly opposed by lawmakers wary of improving relations with a former foe, was postponed Tuesday by the Senate Foreign Relations Committee for one week.

The delay further diminishes the prospects for approving Peterson as the first ambassador to Vietnam. With the election-year calendar limiting Congress' schedule, it will be difficult to squeeze in the time to consider the contentious nomination this year.

Also clouding the nomination is an arcane constitutional question raised last week by the committee's Republican lawyers.

According to Article I, Section 6 of the Constitution, any sitting senator or representative is prohibited from being appointed to a civil office created while he or she served in Congress.

Republicans say that provision applies to Peterson, a former fighter pilot and prisoner-of-war in Vietnam who is serving his third term as a Democrat from northern Florida.

Though the United States has sent ambassadors to South Vietnam and its capital in Saigon, there has never been a U.S. ambassador in the Socialist Republic of Vietnam, with its capital in Hanoi.

Committee spokesman Marc Thiessen blamed a busy Senate schedule not the constitutional question for the hearing postponement.

And the administration said that it had consulted with a number of lawyers on the question and decided to proceed with the nomination.

State Department spokesman Nicholas Burns said that based on the administration's reading of the Constitution, the position of ambassador will not be created until the nominee is officially appointed by the president. An appointment occurs after a nominee has been confirmed by the Senate.

Burns said the president intends to delay formally appointing Peterson until January, after the current term of Congress ends. Before the question was raised, the administration was hoping to send Peterson immediately after his Senate confirmation.

``We will be fully consistent with the Constitution," Burns said.

Thiessen of the Foreign Relations Committee said lawyers on both sides continue to study the question.

Suzanne Farmer, Peterson's chief of staff, said, ``We are still optimistic the confirmation will proceed as we are anticipating."

Senate approves welfare reform bill, 74-24 By George Rodrigue Dallas Morning News(KRT)

WASHINGTON The Senate overwhelmingly passed a bill rewriting six decades of welfare policy Tuesday, after adopting several Democratic amendments aimed at easing President Clinton's objections.

Republican leaders vowed to swiftly reconcile the Senate bill with a somewhat more stringent House measure and present a final bill to Clinton by the end of next week.

``We are going to give him the chance to tell the American people once and for all, does he support welfare reform," said Sen. Phil Gramm, R-Texas. ``If he does, he will sign it."

The bill, approved 74-24, was supported by all but one Republican, North Carolina's Sen. Lauch Faircloth. Democrats, however, divided evenly with 23 ayes and 23 nays.

During a campaign stop in California, Clinton praised the Senate for adding new guarantees of food and medical coverage. Then he said the bill was not yet good enough.

``You can put wings on a pig, but you don't make it an eagle," he said.

``We want real welfare reform," he added. ``If we can keep this progress up, if we make it bipartisan, then we can have real welfare reform."

Republican rival Bob Dole hailed the Senate bill.

``But one major obstacle remains," Dole said. ``The White House continues to evade, hedge and waffle ... Under pressure from his party's liberal wing, the president has refused to offer his support for this common-sense and bipartisan approach."

Like the House bill, the Senate measure would end the 61-year-old guarantee of a minimum level of federal support for America's poor, which members of both parties say has contributed to a culture of ``dependency."

The bills would allow states to convert federal welfare funds into block grants, which they would be allowed to spend largely as they see fit.

Welfare recipients generally would be limited to five years of benefits in a lifetime and could be pushed off the rolls almost immediately.

By 2002, states would be required to put most recipients to work, though the nonpartisan Congressional Budget Office says the GOP plans fall more than $12 billion short of the funding needed to reach that objective.

Both bills also would lower projected social spending by roughly $60 billion through 2002.

Virtually none of those savings come from cash welfare programs, however. Almost half comes from lowering food stamp benefits, and much of the remainder comes from cutting virtually all federal support for legal immigrants.

(EDITORS: NEXT 12 GRAFS OPTIONAL TRIM)

The cuts for legal immigrants may cost Texas more than $605 million annually, according to Ron Borg, a spokesman for the Texas Department of Human Services. He said state officials estimate the bills' impact on Texas at:

$275 million annually in Medicaid benefits to 96,000 legal immigrants, many of them elderly or disabled.

The House bill made Medicaid cuts to legal immigrants mandatory. The Senate version gives states the option of continuing payments to such noncitizens.

$178 million annually in lost Supplemental Security Income payments to 53,000 elderly or disabled legal immigrants.

$152 million annually in lost food stamp support for 186,000 legal immigrants.

Gramm and Sen. Kay Bailey Hutchison, R-Texas, voted against an amendment Tuesday that would have exempted noncitizens already in the country from those provisions.

``I think that the vast majority of the people of Texas believe that immigrants should come to Texas with their sleeves rolled up, ready to go to work, and not with their hands out, ready to go on welfare," Gramm said.

Borg, however, said state, county and city governments probably will have to make up reduced federal spending on immigrants. ``Their illnesses won't go away," he said. ``They'll most likely wind up in public hospitals. And their hunger won't go away just because they're not eligible for food stamps."

A spokesman for Texas Gov. George W. Bush said he was vacationing in Maine and unavailable for comment.

Opponents of the bill charged that it would cost Texas money in another way, too: Its welfare block grants are based on current spending, so historically frugal states will have far less money with which to move people from welfare to work.

Democrats said Texas would get about $339 annually per child under the proposed block grant, while New York gets $1,998 and Massachusetts gets $2,106. Minor annual adjustments would allow Texas to catch up to New York, but only in the year 2159.

Hutchison, however, said the bill's underlying principles were too important for it to be held up by a divisive fight over money. ``That would have killed the bill," she said.

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Liberal Democrats say both the House and Senate proposals are too harsh toward poor women and children.

Moderate Senate Democrats, however, said they would urge the president to sign the Senate version of the bill assuming it is not changed in conference committee with the House partly because of amendments approved Tuesday.

Most importantly, senators voted to strengthen guarantees of medical care to poor women and children and to preserve federal guarantees of food stamp aid to the needy.

The Senate's conservative Republican leadership had removed Medicaid reform from Tuesday's bill, but then added a clause that would have allowed states to end guaranteed medical care for some poor families in the future.

Sen. John Chafee, R-R.I., called that a ``back-door" attack on medical services.

``The states can throw a woman and small children off cash assistance and at the same time, take away their Medicaid, their only chance for any medical services," he said. ``The United States has the highest percentage of children in poverty in any industrial nation in the world.

I certainly hope we won't make it worse by denying these children benefits."

Chafee and his fellow moderates reversed the leadership's bill on a 37-60 vote.

Moderate Republicans joined Democrats, 53-45, to preserve the food stamp program as a national entitlement. Senate Republican leaders had sought to give states permission to convert the program to a block grant, as did the House bill.

Supporters said block grants would guarantee states more flexibility. Opponents said they could leave families hungry, either because states chose not to feed them or because the states ran out of money during a recession or natural disaster.

The Republicans held fast against one Democratic proposal, to allow states to use federal funds to supply diapers, clothes or schoolbooks to children whose families are cut off the welfare rolls after five years.

Clinton has said vouchers should be an important part of the safety net. Republican leaders said they would weaken the bill's central message that welfare is a short-term program, not a way of life.

Searchers pull up more wreckage, but investigation stalls By David Jackson Dallas Morning News(KRT)

EAST MORICHES, N.Y. As searchers prepared Tuesday to pull up more wreckage of TWA Flight 800, the government's efforts to learn if it was attacked by terrorist bombers hit a brick wall.

Tests of chemicals on some sections of the wrecked plane came up inconclusive, although the FBI sent two pieces to its lab in Washington for further tests.

``They don't know whether it's (bomb) chemical residue or gunk," one federal law enforcement official said, speaking on condition of anonymity. ``They're not expecting very much out of the material currently on hand. But they're expecting to get more material."

To that end, the Navy began using a special salvage-and-rescue ship that will make it easier to pull up what officials believe are three large chunks of the plane's fuselage, perhaps containing dozens of bodies.

The Paris-bound Flight 800 exploded Wednesday night, shortly after taking off from New York's John F. Kennedy International Airport. The fiery crash into the Atlantic Ocean killed all 230 passengers. So far, 108 bodies have been recovered.

Most federal officials suspect a terrorist bomb, although they say there is not yet proof of that. While some officials were disappointed with test results to date, others were more hopeful citing the ongoing tests in Washington that future analysis will prove they already have enough evidence to make a case for terrorism.

However, officials cautioned that mechanical failure or even an airborne missile cannot be ruled out completely.

White House Chief of Staff Leon Panetta told reporters that the FBI is looking at ``chemical leftovers," but stopped short of saying they proved terrorism.

``The problem is until you get that actual analysis, it's tough to come to that conclusion," Panetta said. ``But clearly that's the area that they're looking at most closely."

Officials said the Bureau of Alcohol, Tobacco and Firearms also has conducted tests. Some initial tests pointed to a bomb within the plane; follow-up tests were less conclusive.

Although the FBI is researching a number of terrorist theories, the investigation still is headed by the National Transportation Safety Board, which has not ruled out mechanical failure.

Both the NTSB and FBI say their top priority now is to recover the more than 100 remaining bodies. Officials believe many of them are in or under three huge pieces of wreckage that sonar has detected at the bottom of the ocean, more than 100 feet down.

To speed the recovery effort, the Navy brought in the USS Grasp, which arrived late Monday night. The ship, which brought 23 additional divers, includes an underwater robot and sophisticated radar equipment. ``Grasp provides the recovery team with a heavy lift capability," the Navy said in a statement. ``The ship's after-boom has a capacity of 40 tons."

Coast Guard Rear Adm. John L. Linnon said that once the big pieces are lifted, other pieces of wreckage are likely to float to the surface.

``I would expect that once you start moving huge pieces of fuselage it's going to free up some other things," Linnon said. He described the total search area as twice the size of Rhode Island.

(EDITORS: STORY CAN TRIM HERE)

President Clinton on Monday dispatched James Lee Witt, director of the Federal Emergency Management Office, to the scene of the crash for an eyewitness report. On Tuesday, Witt discussed the rescue efforts with officials at the scene.

The search yielded no bodies early Tuesday, but officials were confident more will be found soon, now that they believe they have located large chunks of the fuselage.

``Today has been slow ... in bringing things to the surface, but a lot of the groundwork has been done so that we're hopeful that tomorrow will produce some major results," New York Gov. George Pataki told CNN.

Robert Bontempi, director of operations for the Suffolk County Medical Examiner's Office, said that of the 108 bodies received, 77 have been positively identified. He asked families to send more information that can help with future identifications, such as fingerprints and medical and dental records.

``We are actively working with French, Italian, Swiss and Norwegian doctors in an effort to assist us in identifying the remaining victims," Bontempi said.

(EDITORS: STORY CAN TRIM HERE)

Law enforcement officials said the pace of the investigation is not unusual. They noted that it took a week to declare terrorism in the 1988 crash of Pam An 103 over Lockerbie, Scotland and that incident occurred over land, which made recovery of wreckage much easier.

Officials added that there are many good reasons to proceed slowly and cautiously, not the least of which is the preservation of evidence that may already be damaged by salt water. ``If they had all the pieces (and the bodies) for a few days, then obviously they'd be further along," one official said.

Federal officials also cited last year's bombing in Oklahoma City, where initial suspicions of Middle East terrorism yielded to criminal charges against two Americans. Arab-Americans protested that initial jump to conclusion, and have counseled patience in this case.

(EDITORS: STORY CAN TRIM HERE)

Another concern is the potential ramification on foreign affairs, should agents determine that the attack implicates a country or countries that sponsor terrorism, such as Iran, Iraq or Libya.

One federal official said that while few investigators talk about missiles or mechanical failure, ``nobody has come up with any evidence of a bomb ... I'm not saying it couldn't happen in the future, but it hasn't happened yet."

Armey's `religious freedom' amendment hitting opposition By Catalina Camia Dallas Morning News(KRT)

WASHINGTON A bid by House Majority Leader Dick Armey to fulfill a promise to religious leaders drew sharp criticism Tuesday, amid disagreements over a bill to allow prayer in public schools.

Armey's proposed ``religious freedom" amendment to the Constitution drew wide-ranging opposition in the first hearing about the proposal before a key House Judiciary subcommittee.

Some conservatives want stronger language. The American Civil Liberties Union and other groups believe Armey's proposal would lead to direct government funding and oversight of religious institutions.

And the National School Boards Association and others

The Washington Times

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Senate passes welfare overhaul

President could get final bill next week

"It gets at the root cause of poverty in America, but with a lifeline to those that really need it."

— Senate Majority Leader Trent Lott, Mississippi Republican

By Cheryl Wetzstein
THE WASHINGTON TIMES

The Senate last night overwhelmingly passed a bill that would limit how long people could receive welfare benefits, a measure one Republican called the "real welfare reform that the public has been asking for."

Senate Democrats split evenly in the 74-24 vote: Twenty-three supported the measure, and 23 opposed it. One Republican — Lauch Faircloth of North Carolina, who said the bill is not tough enough — voted against it.

Senate leaders promised to merge the bill with the House version and send it to President Clinton by the end of next week. The Senate had enough votes to override a veto, but the House's 256-170 vote is not veto-proof.

"The Senate stands on the brink of passing genuine welfare reform worthy of its name, not a hollow shell," Senate Majority Leader Trent Lott of Mississippi said before the evening vote.

"I appeal to the president to look at the bill carefully," Mr. Lott said. "It does what we promised it would do. It gets at the root cause of poverty in America, but with a lifeline to those that really need it. ... If you really want welfare reform, this is it. And this may be the last opportunity to get it."

In Sacramento, Calif., Mr. Clinton praised the Senate bill, saying: "Today the Senate ... took some major steps to improve the bill.

"If we can keep this progress up, if we can make it bipartisan, then we can have a real welfare reform bill that honors work and protects children coming to the White House for my signature."

But the president warned lawmakers: "We want a bill that is ac-

see WELFARE, *page A18*

U.S. gymnasts strike gold

AP

The home team: The members of the U.S. women's gymnastics team acknowledge cheers after being presented with their gold medals yesterday. From left are Amanda Borden, Dominique Dawes, Amy Chow, Jaycie Phelps, Dominique Moceanu, Kerri Strug and Shannon Miller.

Women's team beats Russians for first-ever Olympic win

By Barker Davis
THE WASHINGTON TIMES

ATLANTA — In a moment that may prove to define the 1996 Olympics, Kerri Strug overcame a severe ankle sprain to land a clutch vault in the final rotation of yesterday's women's team finals and secure the United States its first-ever gold medal in women's team gymnastics.

"We are all very proud of her," U.S. coach Martha Karolyi said of Strug's dramatic effort. "I think her leg was hurting her after the first vault, but I also think she knew she needed that second vault to earn this team the gold, and she had the heart to pull it off."

The U.S. gymnasts entered the optional phase of the artistic gymnastics competition trailing the Russians by just over a tenth of a point, but they quickly overtook them with strong efforts in the uneven bars, balance beam and floor exercise. But after falling almost impossibly behind, the Russians charged in the afternoon's final rotation, stringing together a series of capable floor exercises while the U.S. team faltered on the vault.

After diminutive dynamo Dominique Moceanu fell on both of her vault attempts, the U.S. lead had dwindled to less than half a point, with only Strug remaining to assure victory. After falling on her first attempt, Strug winced in pain but collected herself for her final run. As the 32,428 fans rose in unison, Strug hurled herself over the horse, held her landing for a brief moment and then collapsed to the floor clutching her left ankle.

In form, the vault wasn't perfect, earning her a score of only 9.712, but under the circumstances it might be the best American vault since Mary Lou Retton's perfect 10 in 1984.

"This was a beautiful moment, for sports," Strug's personal coach, Bela Karolyi, said after his stu-

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Inside

Swimming: U.S. men's and women's teams continue to reap a harvest of medals. B1

Wrestling: Greco-Roman heavyweight Alexander Karelin of Russia is the toughest man on the Olympic block. B1

Vendors: D.C. entrepreneurs find that fans aren't interested in unofficial Olympic merchandise. B11

In Washington: Area Olympic viewers are either fed up or can't get enough. C8

Visitors: How athletes are getting along here. C10

No bomb evidence so far in wreckage

Navy helps recover TWA debris, bodies

By Pat Milton
ASSOCIATED PRESS

EAST MORICHES, N.Y. — Divers descended from the Navy's best salvage ship yesterday and recovered more victims from the wreckage of TWA Flight 800, but officials acknowledged that nothing found so far in the debris or bodies shows traces of explosives.

Three more bodies were pulled up during the day, and divers believe 60 to 100 more are under the huge chunks of fuselage — one 60 feet long — that lay more than 100 feet down in the Atlantic Ocean, New York Gov. George Pataki said.

"It's dozens and dozens of additional bodies," Mr. Pataki said in describing the find by scuba divers.

But Robert Francis, vice chairman of the National Transportation Safety Board, which is heading up the investigation, disputed Mr. Pataki's claim last night.

"There are no bodies that we have discovered that have not been recovered," he said.

Meanwhile, Pentagon analysts said they have found no sign on radar tapes or high-altitude photographs of a missile or anything else that might have brought down the jumbo jet, spokesman Kenneth Bacon said.

Nevertheless, investigators have found "circumstantial" evidence that points to a bomb or missile, James Kallstrom, the assistant FBI director in charge of the investigation, said late last night.

"We have looked at this from the standpoint of a bomb or a missile and we have circumstantial evidence that would point in those directions, but certainly it is not conclusive," he said.

Working in target areas mapped out by sonar equipment, scores of divers kicked up silt with their

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- *Lawsuits by victims' families may hinge on exact crash site. A10*
- *Almost no theories of the crash's cause are too far-fetched. A10*

Gingrich sees deal on tax cut for D.C.

By Brian Blomquist
THE WASHINGTON TIMES

House Speaker Newt Gingrich announced a breakthrough yesterday in his effort to deliver a tax cut to D.C. residents, but he said details of the new proposal have not been worked out.

The Georgia Republican met yesterday morning with House Ways and Means Committee Chairman Bill Archer, Texas Republican, who has been the main obstacle to a bill that would grant city residents a federal tax cut.

After the meeting, Mr. Gingrich said he and Mr. Archer agreed to give the District some sort of tax cut this year.

"Certainly, at a minimum, we are committed this year to having a very, very strong enterprise-zone bill designed to make this city a lot more like Hong Kong," Mr. Gingrich said.

"I can't give you the details yet," Mr. Gingrich said, "but Chairman Archer is on board for a very strong step in the right direction."

But an Archer spokesman said there was no agreement at the meeting to pursue a tax cut or to develop any other bill to help the District.

"No decisions have been made," spokesman Ari Fleischer said. "The chairman still has many concerns about proceeding."

Mr. Archer, who has more control over tax legislation than anyone else in the House, has said it would be unfair to taxpayers in other cities if Congress reduced federal taxes just in the District.

Several House and Senate Republican leaders support a pro-

see TAX, *page A18*

City union plots Walsh's demise

By John Mercurio
THE WASHINGTON TIMES

Rep. James T. Walsh, the House chairman who holds the District's purse strings, will leave his D.C. critics behind next month to campaign among voters in Syracuse, N.Y., who have shown their support by re-electing him three times.

Or so he thinks.

If a local union leader has his way, the conservative Republican will return home to find a host of D.C. government workers busily helping to organize the campaign of his Democratic challenger, Marty Mack.

Walter Jones, president of the local chapter of the American Federation of State, County and Municipal Employees, wants to send as many as 300 volunteers this fall to help Mr. Mack block Mr. Walsh's bid for a fifth House term.

"If he was going to continue to wreak havoc on the District, we need to change his status in Congress," said Mr. Jones, whose chapter represents about 300 employees in clerical and support staff positions in city government.

AFSCME represents about 6,000 workers in the District.

see WALSH, *page A18*

Top Netanyahu aide breaks ice with Arafat

By Charles W. Holmes
COX NEWS SERVICE

JERUSALEM — Prime Minister Benjamin Netanyahu took the first step toward reviving peace negotiations with the Palestinians yesterday when a top aide held talks with Yasser Arafat in the first high-level meeting between the PLO leader and Israel's new conservative government.

Foreign Minister David Levy and Mr. Arafat, the elected president of the Palestinian Authority, met on the border between Israel and the Gaza Strip in talks that Mr. Levy said "will give a push to the process that is meant to bring peace to Israel and the Palestinians."

"We decided to formalize our relations and to create the proper frameworks for examining the issues and advancing them," Mr.

see AIDE, *page A18*

- *Israel's new Washington envoy is a charming hard-liner. A11*

AP

A first step from Likud: Yasser Arafat greets Israeli Foreign Minister David Levy outside Palestinian offices on the Israel-Gaza border.

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RULES FOR SCHOOLS — An Anne Arundel County mother is hauled into court by Maryland officials because she refuses to let the state interfere in any way in the home-schooling of her daughter. C5

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Testimony concludes in second Whitewater trial

By Jerry Seper
THE WASHINGTON TIMES

LITTLE ROCK, Ark. — Prosecutors yesterday accused one of the defendants in the second Whitewater trial of fabricating documents to cover up his use of expense vouchers on which he claimed reimbursements for campaign donations to Gov. Bill Clinton in 1990.

The charge came shortly before the defense rested in the six-week trial of Robert M. Hill and Herbert Branscum Jr. U.S. District Judge Susan Webber Wright said she expects to turn the case over to the jury tomorrow. There will be no session today so attorneys for both sides can prepare their closing arguments.

W. Hickman Ewing Jr., the lead prosecutor, accused Mr. Hill of making false entries in the records of an Arkansas bank that he and Mr. Branscum owned. Mr. Ewing also accused him of reworking other documents to justify $6,500 in expenses that prosecutors say he got illegally from the bank.

In his second day of cross-examination of Mr. Hill, the prosecutor charged that the documents were revised after the government served subpoenas on the Perry County Bank, and before the records were turned over to investigators.

"These entries were written after you got the subpoenas. Isn't that true, Mr. Hill?" Mr. Ewing asked about notations in a 1990 bank ledger and about handwritten explanations on 1991 expense vouchers.

"It's possible that nothing was written on there until years later, when the investigation started. Isn't that right, sir?" Mr. Ewing

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The Washington Times
WEDNESDAY, JULY 24, 1996

Senate passes welfare overhaul

President could get final bill next week

By Cheryl Wetzstein
THE WASHINGTON TIMES

A1

The Senate last night overwhelmingly passed a bill that would limit how long people could receive welfare benefits, a measure one Republican called the "real welfare reform that the public has been asking for."

Senate Democrats split evenly in the 74-24 vote: Twenty-three supported the measure, and 23 opposed it. One Republican — Lauch Faircloth of North Carolina, who said the bill is not tough enough — voted against it.

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"The Senate stands on the brink of passing genuine welfare reform worthy of its name, not a hollow shell," Senate Majority Leader Trent Lott of Mississippi said before the evening vote.

"I appeal to the president to look at the bill carefully," Mr. Lott said. "It does what we promised it would do. It gets at the root cause of poverty in America, but with a lifeline to those that really need it. . . . If you really want welfare reform, this is it. And this may be the last opportunity to get it."

In Sacramento, Calif., Mr. Clinton praised the Senate bill, saying: "Today the Senate . . . took some major steps to improve the bill.

"If we can keep this progress up, if we can make it bipartisan, then we can have a real welfare reform bill that honors work and protects children coming to the White House for my signature."

But the president warned lawmakers: "We want a bill that is ac-

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WELFARE

From page A1

tually welfare reform. You can put wings on a pig, but you don't make it an eagle."

The Senate vote came after several days of debate and consideration of about 50 amendments. Some changes were in areas where the White House had expressed reservations. These included:

- Not allowing states to get food-stamp funds as a lump sum or block grant.
- Maintaining Medicaid eligibility rules for welfare families.

A White House-inspired change to allow federal funding of vouchers for children whose families fail to get off welfare in five years was defeated, 50-49.

The Senate also took votes on three GOP measures that Democrats wanted dropped under budget rules.

The Senate voted to retain one of the challenged measures and allow states to contract with religious, charitable and other private groups to deliver welfare services.

But senators voted down a measure that would have required states to deny cash to children born to welfare parents, a provision known as a "family cap," and they voted against allocating $75 million a year for abstinence education, a measure promoted by Mr. Faircloth.

Before the final vote, many Democrats urged support for the bill despite its weaknesses.

"Is this bill perfect? Of course not. Nothing we as humans do is perfect. But does it deserve our support? I think the answer is clearly yes," said Sen. John B. Breaux of Louisiana, who said the bill is "tough on work" and "good on kids."

Mr. Breaux and other Democrats said they expect the bill to be improved when the Senate and House reconcile their bills.

The Senate welfare measure is similar to the House bill. Both would repeal major federal welfare programs and give states block grants to design and run their own welfare-to-work programs. The measures also reform the food-stamp program and make changes in numerous other welfare programs, saving about $60 billion over six years.

Senate Minority Leader Tom Daschle of South Dakota urged a no vote. "Too many kids will be punished," he said. Provisions dealing with immigrants are "far too harsh," and most states are projected to fail to meet the bill's work requirements.

"In my view, this bill is still too light on real reform," Mr. Daschle said, adding that maybe it could be improved in conference "if the political will is there."

> *"If you really want welfare reform, this is it. Vote yes. Send this bill to conference. We will get it out . . . next week."*
>
> — *Sen. Trent Lott*

Sens. Barbara Boxer and Dianne Feinstein, both California Democrats, said they opposed the bill because its provisions to cut off immigrants from many welfare programs and its other reforms would hit their state the hardest.

Welfare reform is "essentially paid for by one state — California," Mrs. Boxer said.

Mr. Lott said he was "shocked" to hear that after months of negotiations and many changes to the bill, "the answer will still be no."

"If you really want welfare reform, this is it. Vote yes. Send this bill to conference. We will get it out of conference next week, and we will send it to the president," he said.

"This is welfare reform," said Sen. Rick Santorum, Pennsylvania Republican, who has been one of the GOP point men on Senate passage of welfare reform. "This is the dramatic change the public has been asking for for years and years."

"This bill is about kids," said Senate Budget Committee Chairman Pete V. Domenici, New Mexico Republican. "If anyone thinks that kids under this welfare system are getting a good deal today, I can't think of what a rotten deal would be."

Senate Finance Committee Chairman William V. Roth Jr., Delaware Republican, said the "key" elements of bill are its "real" time limits, work requirements for the able-bodied, an end to welfare for felons and noncitizens, a return of power to the states, and personal responsibility in fighting illegitimacy.

geles Times first-edition Page 1 for esday, July 24, 1996:

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Cols 1-4: Art on Olympic Games.

Cols 5-6: The Senate gives broad approval to welfare reform legislation after making changes expected to improve chances that President Clinton will sign it into law. (WELFARE-TIMES, moved).

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Col 1: A notorious conviction for murder based on a message in blood has forced the French to seriously question the credence they have traditionally given to analyses of penmanship. (GRAPHOLOGY, moving Wednesday).

Cols 2-3: ABC Sports says it has signed a seven-year deal with the bowl alliance, Big Ten and Pac-10 that will bring together all the college football powers in a bowl package for the first time, setting up a game between the two top-ranked teams starting after the 1998 regular season. (with art). (FBC-ALLIANCE, moved on ALL-SPORTS).

Col 4: Recovery crews step up the task of hauling bodies and wreckage from TWA Flight 800 from a newly discovered debris area at the ocean floor off Long Island but there still is no clue to what may have caused the crash. (TWA-TIMES, moved).

Col 6: The last maneuvers on the Republican welfare reform legislation testify to President Clinton's extraordinary political recovery over the last 18 months and to the extent to which he has regained his footing only by giving ground to conservative ideas. (WELFARE-ASSESS, moved).

Below fold:

Cols 5-6: An inexpensive solution of a local anesthetic can bring almost immediate relief to the majority of the millions of people who suffer from migraines every year, according to a team of physicians. (MIGRAINE, moved).

Bottom of page:

Cols 1-2: Local feature on problems counting crime statistics.
Cols 5-6: Feature on local politician facing trial on extortion and tax fraud.

Clinton Accused of Slow Work on Curbing Domestic Abuse (Sacramento)By Paul Richter= (c) 1996, Los Angeles Times=

SACRAMENTO, Calif. President Clinton on Tuesday ended a two-day California swing by seeking to bolster his already strong lead among women voters both statewide and nationally, but his campaign found itself forced to defend the slow start of an administration initiative on domestic violence.

Addressing a rally outside a counseling center here for battered women and their families, Clinton claimed credit for the Violence Against Women Act, which funnels money to local programs tackling the effects of domestic violence. The act also added federal penalties for some cases of domestic abuse.

``We can never be successful until we deal with this issue of domestic violence and treat it as a public, not a private, issue," he said. ``This is a terrible, terrible problem."

But Republican Bob Dole's presidential campaign seized on Clinton's remarks to charge that the administration had so far spent only $473,000 of the $175 million authorized by the bill. And it complained that the U.S. Justice Department had so far sought prosecution of only 18 men accused of violence against women.

Clinton campaign officials responded that the slow disbursement of money was caused by last winter's two-time shutdown of the federal government, which occurred as GOP congressional leaders including ‡then ‼Senate Majority Leader Dole haggled with the president over budget issues.

``There are going to be consequences when you close the government down," said Joseph Lockhart, the Clinton campaign's deputy press secretary.

And he said the law envisioned that federal prosecutions would be relatively infrequent. ``This is mostly a local law enforcement issue," he said.

The cross-fire over the issue hinted at Clinton's intense focus on maintaining his strong lead among women voters and Dole's need to undermine that margin in order to come within shouting distance of the president in the polls.

A poll for USA Today released this week showed Dole lagging Clinton nationally among men by a margin of only 6 percentage points but trailing among women by 27 points. And a Los Angeles Times poll of California voters released last week showed Clinton with a 29 percent lead among women
(he led by 27 points among all voters).

Clinton also used his Sacramento appearance to announce that he has ordered federal officials to work on developing an alternative to the 911 emergency call system, which is increasingly clogged with nonemergency calls. He said he was directing the Department of Justice to work with the Federal Communications Commission to develop an easy-to-remember alternate number for nonemergency calls.

``We cannot do what we need to on the issue of domestic violence unless we do something about the stunning fact that the 911 emergency number system today is completely overburdened," Clinton said.

(Optional add end)

His initiative followed in the mold of many others offered by Clinton this year that appear to have a broad popular appeal but only a glancing connection to the federal government's usual role as well as only a minimal commitment of federal tax dollars.

On Monday in Monrovia, for instance, he extolled a variety of local efforts to fight youth crime and increase school attendance.

Also in Sacramento, Clinton attended a fund-raiser and met with a group overseeing the conversion to nonmilitary use of the former McClellan Air Force Base. After two more fund-raisers in San Francisco, he was to return overnight to Washington.

Senate OKs Welfare Reform Bill With Some of Clinton's Wishes (Washn)By Elizabeth Shogren= (c) 1996, Los Angeles Times=

WASHINGTON The Senate gave broad approval Tuesday to welfare reform legislation after making changes expected to improve chances that President Clinton will sign it into law.

Responding to pressure from the White House as well as Democrats and ‡moderate‼Republicans, the Senate adopted amendments at the top of the president's wish list. One would retain the federal guarantee of food stamps for all those now eligible and another would maintain current criteria for determining eligibility for ‡Medicaid health‼insurance. But the Senate refused to change a provision that would deny most federal benefits to most legal immigrants who have not become citizens.

The legislation was approved, 74-24, with 23 Democrats and one Republican Sen. Lauch Faircloth ‡of‼North Carolina voting against passage.

``This reverses 30 years of welfare policy," said Sen. William V. Roth Jr., R-Del., chairman of the Senate Finance Committee, which drafted much of the bill. ``It replaces the hopelessness of the current system ... with

the hope that comes from self-reliance."

Clinton, who vetoed Republican welfare reform legislation last year, applauded the Senate revisions Tuesday. Even so, there was significant opposition from the chamber's 46 Democrats, only half of whom voted to approve the measure.

Senate Minority Leader Tom Daschle, D-S.D., voted against the bill, complaining that ``too many kids will still be punished," despite the changes.

The measure would end the 60-year federal guarantee of cash benefits for all eligible American families, and give states broad authority to design their own programs for moving recipients from welfare to work.

Under the plan, recipients would be required to enter the work force within two years and benefits would be limited to five years in a lifetime. It would save about $60 billion during six years, mostly by barring legal immigrants from most benefits and cutting the food stamps program.

Democrats who voted for the package argued that it makes significant changes in a federal program that Democrats and Republicans agree has failed poor families and taxpayers.

``I believe it goes a long way to reforming much that is wrong with the welfare system," said Sen. J. James Exon, D-Neb. ``We cannot lose this opportunity to break welfare's bitter cycle of dependency."

Members of the House, who passed a similar but tougher welfare measure two weeks ago, will meet with senators during the next several days to try to resolve differences in the two versions. Votes on a compromise version are expected next week.

(Begin optional trim)

Clinton's main rival for the presidency, Republican Bob Dole, predicted that even after the conference committee, Clinton will face a bill that is less generous than the one approved by the Senate.

The president ``is going to get a tougher bill," Dole said in Kansas. In a prepared statement, he added: ``You have one last chance, Mr. President keep your promise and sign this bill."

(End optional trim)

The amendments adopted by the Senate, however, represented significant movement in Clinton's direction.

By a vote of 53-45, the Senate eliminated a provision that would have given state governments the option to take over their food stamp programs. Clinton and many Democrats feared that the proposal would hurt the poor at times when their need is greatest.

Although the rejected provision would have required the federal government to continue to fund the program with lump-sum grants, the size of the grants would not have changed even in times of severe economic downturns or natural disasters that could have left some states unable to meet surging need for food assistance.

The battle over that issue remains alive, however, because the food stamp provision is part of the House version of the bill.

By a vote of 97-2, senators embraced an amendment to continue broad health-care coverage for poor families by maintaining current eligibility criteria for Medicaid the joint federal state health-care program for poor families.

The Senate also struck down a ``family-cap" provision that would have forbidden states from increasing welfare checks for recipients who have additional children. But that provision remains part of the House bill.

The president wants states to have the option of imposing a family cap, as is the case now under the Senate bill.

The Senate rejected, 52-46, an amendment that would have modified provisions in the bill denying most federal benefits to most legal immigrants who are not naturalized citizens. The amendment would have retained benefits for those who currently receive them but would not have granted benefits to future immigrants.

In an unexpected development during the debate, the Senate voted, 74-25, to approve an amendment that would make individuals convicted of drug offenses including misdemeanors ineligible for all means-tested federal benefits, from food stamps to student loans.

Clinton Feels Cross Pressures Before Welfare Reform Decision (Washn)By Ronald Brownstein= (c) 1996, Los Angeles Times=

WASHINGTON Powerful cross pressures confront President Clinton as he moves toward a decision on whether to sign or veto the welfare reform legislation that has now cleared both houses of the Republican Congress.

Both publicly and privately, Clinton and other White House officials have sent conflicting signals on whether the president will sign the bill, though most administration officials continue to believe Clinton still ``edges more toward yes than no" as one senior official put it Tuesday.

In either case, however, the struggle over the bill, which passed the Senate Tuesday and the House last Thursday, testifies to Clinton's extraordinary political recovery over the past 18 months and to the extent to which his policy options remain shaped by Republican priorities and preferences.

Clinton has had some successes.Republicans agreed earlier this month to separate welfare reform from changes in the Medicaid program unacceptable to Clinton and to rewrite other provisions in the legislation he opposed. Tuesday, the Senate passed two amendments that softened some provisions of the bill to which Clinton had objected.

But the basic structure of any bill likely to reach the president's desk still offers a vision of welfare reform much more conservative than the program Clinton ran on in 1992 or proposed in 1994.

Both houses have ignored Clinton's complaints in many areas and have spiked the legislation with provisions that are anathema to liberal groups at the core of the Democratic political coalition.

If Clinton does sign the legislation which must now be completed in a House-Senate conference committee that could finish its work as soon as Friday he will inevitably declare victory in forcing the GOP to sand down the edges of its original reform plans.

But viewed from a longer perspective, a signature from Clinton on legislation that ends the federal entitlement to welfare and imposes a five-year time limit on benefits without the guarantee of a public job that Clinton proposed in 1992 would stand as a historic milepost in the rightward drift of Washington's policy debate.

The end game of the welfare struggle offers a bewildering maze of policy and political considerations not only between the two parties, but within each of them.

The political incentives for Clinton to sign a bill are enormous: reaching agreement would allow him not only to finally fulfill his celebrated 1992 promise to ``end welfare as we know it" but simultaneously deny a potent issue to Dole.

But signing a GOP welfare plan could expose Clinton to the wrath of liberal groups, from the Children's Defense Fund to the AFL-CIO, now rapidly mobilizing against the legislation.

``If the bill looks like it looks now, Clinton should reject it," says Bob Greenstein, executive director of the Center on Budget and Policy Priorities in Washington.

Republicans face their own tightrope. While many congressional Republicans are eager to take home a welfare bill in November, the Dole campaign worries that an agreement would boost the president's prospects as well. Though Dole publicly embraced the decision to separate welfare reform from congressional efforts to end the entitlement to Medicaid the key procedural decision that has created the possibility for agreement many GOP sources say his campaign privately resisted the idea.

``You might say he encouraged the obvious," said one senior GOP strategist involved in the discussions. ``There is a lot of thought on the Hill about `what do I do for

nd these political considerations, on a policy he welfare proposals represent a huge leap into the own. No one in either party can say for certain what l happen to millions of welfare recipients and their ildren who would no longer be allowed to receive benefits for more than five years, and even less if states choose.

(Begin optional trim)

Clinton has cited as one of his major objections provisions in the bill denying access to most social service programs to legal immigrants who are not yet citizens; on Thursday, the House voted to expand that exclusion. Likewise, Clinton has strongly urged Congress to allow states to use federal money to provide vouchers for children whose parents are denied aid after hitting the five-year time limit; both the House and the Senate have rejected amendments to make that change.

``I think they want to present him a bill just below the minimum that he would sign," says Sen. John Breaux, D-La., who offered the amendment in the Senate. One key House Republican aide said the GOP is ``extremely" unlikely to ``make major changes for the benefit of the president" when the bill moves into conference.

As Clinton has oscillated over the past year between confrontation and cooperation with the GOP, even the sharpest analysts have despaired of predicting his decisions. Most observers in both parties believe Clinton will reach as far as possible in defining the acceptable minimum on the welfare bill though no one is confident they know exactly where Clinton's minimum lies.

(End optional trim)

That the White House would seriously consider signing the GOP plan is itself a mark of how much the policy debate in Washington has shifted to conservative terrain since the Republican takeover of Congress.

In some carefully selected areas such as raising the minimum wage, requiring the installation of a ``V-chip" in new televisions, defending the ban on semiautomatic assault weapons, and imposing new restrictions on tobacco advertising aimed at young people Clinton continues to support an aggressive deployment of federal power. But on the largest issues, Clinton has assiduously denied the GOP a clear ideological contrast by moving to accommodate the anti-Washington sentiment that powered the 1994 Republican electoral landslide. On most issues, Clinton is proposing to moderate and tame, but not reverse, the GOP thrust toward smaller government.

``One reason Clinton is doing well is he has convinced voters ... that he accepts the results of 1994," says GOP strategist Bill Kristol, publisher of The Weekly Standard magazine.

GOP Leaders Call for Tax Cuts to Stimulate Dole Campaign(Washn)By Jonathan Peterson and Ronald Brownstein= (c) 1996, Los Angeles Times=

WASHINGTON Increasingly worried about the November presidential election, leading Republicans Tuesday called for sweeping tax cuts as a way to fire up the White House bid of Bob Dole, as GOP sources said the presumptive nominee had narrowed down his tax-cutting options to two principal choices.

Those ``leading contenders" are either an across-the-board tax cut of up to 15 percent, or a rollback of the tax hikes approved by President Clinton in 1993 and President Bush in 1990. Either option could reduce projected federal revenue by roughly $90 billion a year, according to some estimates.

The tax cuts would be pushed as a way to stimulate economic growth, which Dole maintains has suffered under the Clinton presidency.

Beyond those two choices, Dole is considering a menu of possible other tax cuts, including reducing the levy on capital gains and a potentially costly plan that would make the Social Security payroll tax deductible on federal income taxes, according to Republican sources.

An assortment of GOP heavyweights Tuesday sought to influence Dole toward a dramatic tax reduction, as he nears the key, final decisions on his long-awaited economic program. They argued that taxes have hobbled the economy and leap out as a major, if unexploited, weakness of Clinton. They also blamed the White House for excessive burdens of red tape that reputedly have weighed down the economy.

``This is not just a numbers game," said House Speaker Newt Gingrich, R-Ga., at a Capitol Hill conference, which at times resembled a pep rally for the virtues of economic growth. ``When the economy grows faster, there are more jobs. When the economy grows faster, there is more income."

The U.S. economy has grown steadily if modestly throughout Clinton's term in office, with inflation contained around 3 percent, and unemployment falling to low levels. Some 10 million new jobs have been added, far exceeding the 8 million Clinton pledged as a candidate.

Nonetheless, the expansion has not been accompanied by substantial gains in income for average workers, and many Americans have some anxiety about their own job security.

While many Republicans believe that Clinton is vulnerable on the issue of growth, they are deeply divided on the best policies to facilitate it. In particular, Dole is being beseeched by some Republicans to focus heavily on tax cuts as a way to spark more ebullient gains in the standard of living. Others, meanwhile, are calling on him to combat the budget deficit, his own long-held approach.

``I don't think any of my friends here would deny that a growth plan that is not credible is worse than not having one," said Budget Committee Chairman Sen. Pete Domenici, R-N.M., one of those who places a much higher priority on cutting the deficit than on cutting taxes.

Despite such concerns, Republican sources said Tuesday that Dole had decided to place a major tax cut at the center of the economic plan he is expected to announce before the Republican National Convention in San Diego next month.

(Optional add end)

Out of deference to Dole, Republicans Tuesday refrained from insisting on any particular version of a tax cut, preferring to pound at the broader argument that lower taxes would contribute to brisker economic growth.

``The real deficit in America is the growth deficit," maintained Jack Kemp, a former Cabinet official and conference sponsor who is allied with the tax-cutting faction of supply-side Republicans.

During the primaries, Dole criticized the one-rate flat tax plans particularly the purist version proposed by former GOP presidential candidate Steve Forbes but Dole has said that he wanted to create a ``flatter, fairer, simpler" tax system. In a recent interview on CNN's ``Larry King Live," Dole said that if elected he would follow up whatever plan he releases this summer with ``a more major overhaul" of the tax system after ``the first year or two" in office.

Dole's representative at the meeting Tuesday did not disclose details of the candidate's program, but he voiced some of the main themes that Dole is planning to emphasize in the coming weeks.

``The idea that the United States of America has to be satisfied with a puny 2 percent or 2&1/2 percent growth rate is utter nonsense," said Donald Rumsfeld, a veteran GOP policy-maker and leading Dole adviser, in one of many potshots that Republicans took Tuesday at the Clinton administration and the performance of the economy.

``Sure we need tax relief," Rumsfeld said. ``We need tax reform as well."

Greenspan Reassures Investors on Recent Volatile Market(Washn)By Robert A. Rosenblatt= (c) 1996, Los Angeles Times=

WASHINGTON Federal Reserve Board Chairman Alan Greenspan said Tuesday that investors shouldn't be shaken by the market-roiling volatility of high technology stocks, which he said simply reflects the uncertain prospects of companies with ``very large potential and also very high risk."

Recent turbulence in the market is normal behavior, Greenspan told the monetary policy subcommittee of the House Banking Committee. It is the steady, uninterrupted gains of recent years that were highly unusual for the market, Greenspan said.

Discussing the stomach-turning gyrations of the technology issues, the Fed chairman said, ``We know that a lot of these companies in five years won't exist. They will have blown it, or one can turn into a Microsoft."

The high-tech stocks ``will fluctuate tremendously" because of the opportunities for huge profits or total losses, he said. By contrast, the stocks of companies in mature industries are much less volatile because the prospects for profits are in a much more narrow and predictable range, he suggested.

The Fed chairman offered an upbeat assessment of the economy, now in its 65th month of expansion without showing any danger signs of generating significant inflationary pressures.

With little variation, he re-emphasized the theme of his recent testimony at the Senate Banking Committee: the Fed doesn't see any imminent threats of recession or inflation.

(Begin optional trim)

Greenspan skipped away from committee members who tried to pin him down on the precise circumstances under which the Fed would boost interest rates.

No single figure whether the growth rate of the economy or the unemployment rate would be the trigger for Fed action, the chairman insisted. ``It would be inappropriate to slow growth on the basis of some arbitrary statistical measure," he said.

He said the Fed distrusts isolated numbers such as the growth rate because ``we don't know what growth is." The government's measure of growth doesn't portray the true expansion of the economy because it doesn't reflect increased productivity from the use of computers throughout the economy.

(End optional trim)

Wages are rising, but prices aren't, Greenspan told the committee. What the Fed cannot determine is whether this means increased productivity, which is good for the economy, or whether it means a coming slump in corporate profits.

``We are approaching some sort of fulcrum the economy can go in two different ways and it's too early to tell," he said.

This kind of ambivalence will be frustrating for Fed watchers and market analysts trying to anticipate interest rate moves. The stock market has often responded suddenly to a change in the monthly jobless rate or the inflation rate.

The Fed isn't worried by the prospect of full employment, which presumably would trigger wage inflation. The idea is a ``fuzzy concept," because the United States has many regional labor markets, Greenspan said. Some locations have a jobless rate of less than 2 percent, while others could have unemployment at 12 percent, he noted.

Owners of fast food restaurants report shortages of entry level workers, and many companies cannot get employees to fill a range of skilled jobs, he said.

The evidence of inflationary tendencies is ``scant," Greenspan told the committee. U.S. companies ``by and large have felt comfortable that inflation has been subdued ...," he said.

Crews Soon May Recover More Victims, (East Moriches, N.Y.)By Art Pine and Eric Malnic= (c) 1996, Los Angeles Times=

EAST MORICHES, N.Y. Recovery crews stepped up probe in a freshly discovered debris area on the ocean floor Long Island on Tuesday, leading to new speculation that they may be on the verge of uncovering a sizable number of additional victims of TWA Flight 800.

After a day of searching the area using both underwater robots and human divers, officials said privately they were confident that recovery efforts being planned for Wednesday would retrieve more bodies.

New York Gov. George Pataki told reporters at a news conference that investigators hoped to find between 60 and 100 more victims at the underwater site, although federal officials said they had nothing to back up such speculation.

Robert T. Francis, vice chairman of the National Transportation Safety Board, which is overseeing the investigation, told reporters that initial probes had suggested that the debris area now being plumbed ought to yield ``a pretty high percentage of aircraft wreckage."

At the same time, investigators also said sonar searches have spotted another large piece of wreckage about 45 feet tall near the fuselage where the bodies have been located. However, they said, there is no indication what section of the plane it is.

The recovery effort accelerated Tuesday with the arrival of two ships: a Navy salvage vessel, the USS Grasp, which carries a special high-tech salvage robot, and a private cable-laying vessel that is equipped with a tractor that can crawl along the ocean floor.

Yet despite the progress at the end of Tuesday's workday, salvage crews had recovered only three more bodies and had not been able to haul in any significant new debris or sections of the aircraft's fuselage, a portion of which is lying in the wreckage area.

By mid-afternoon, officials at the Suffolk County, N.Y., medical examiner's office said they had made ``positive identification" of 78 of the 108 victims whose bodies have been recovered and tentatively identified 10 more. In all, 230 people died in the crash.

The action came as federal officials disclosed that tests of residue discovered on some fragments of the aircraft had shown no sign of explosives, despite earlier reports that preliminary screening had uncovered some traces.

At the same time, the Pentagon reported that an analysis of radar tapes and infra-red images of the explosion, recorded by warships and spy-satellites, had shown no immediate indication that the blast had been caused by a missile, as some analysts have theorized.

But James K. Kallstrom, the assistant FBI director who heads the agency's New York office, said law-enforcement officials still are looking seriously at the possibility that the explosion stemmed from a terrorist act, possibly a missile.

``We have circumstantial evidence that would point in those directions, but it certainly isn't conclusive," Kallstrom told the news conference that authorities held late on Tuesday. ``I'm not discounting anything, quite frankly."

(Begin optional trim)

While Tuesday's recovery efforts yielded only slim results, officials said they believe they had made progress that could be significant. Recovery crews planned to work through the night, using underwater lights and video cameras.

The Navy announced Tuesday that it had dispatched a multipurpose amphibious ship, the USS Oak Hill, from the Norfolk, Va., naval base to serve as a command-post for the operation. The vessel has a special well-deck that can accommodate large pieces of debris.

The Oak Hill will join a flotilla of more than 30 search vessels that took part in the recovery efforts Tuesday including the Grasp, two civilian salvage ships, four Coast Guard cutters and 25 small boats. Some 60

USA TODAY
WEDNESDAY, JULY 24, 1996

In welfare battle, noncitizens, kids have most to lose

Clinton weighs effect on 2 groups

By Richard Wolf
USA TODAY

President Clinton's decision to sign or veto a landmark welfare-reform bill may hinge on its effect on two groups of people who don't vote — children and legal immigrants who are not citizens.

With Republicans in Congress eager to send the bill to the White House next month, those two groups may have the most at stake.

For children, the issue is the prospective loss of federal welfare payments after five years.

For legal immigrants who are not citizens, the issue is the crackdown on all forms of welfare payments. Exceptions for current immigrants and the future immigrants' children also lost.

Clinton got several changes in the Senate bill. Therefore, he must be willing to cut some benefits to children and noncitizens to make good on his 1992 campaign pledge to "end welfare as we know it."

Although Republicans have taken the lead on welfare reform during this Congress, Democrats have driven some issues their way:

▶ Medicaid reform was dropped, leaving intact the federal guarantee of health insurance for 37.5 million poor, elderly and disabled people.

▶ Under the Senate but not the House bill, food stamps would remain a federal entitlement, rather than giving states the option to run their own programs.

▶ Nearly $5 billion was added in federal child care funding, making it easier for welfare recipients to meet the measure's work requirements.

"It is not a perfect bill, but I would suggest it is a major improvement over the current system," says Sen. John Breaux, D-La.

But in the days ahead, as the House and Senate bills are reconciled, debate likely will focus on children and noncitizens. And on those issues, Republicans are adamant.

Democrats lost by one vote Tuesday in an effort to permit federally funded vouchers for children who lose welfare benefits after five years. That vote would have made it much easier for Clinton to sign the bill.

As a result, the only protection for children after their parents or guardians have reached the five-year lifetime limit on benefits would be for states to pay for vouchers.

Republicans say that's enough. The current system, they say, hurts children by promoting illegitimacy and fatherless families. "This system hurts kids," says Sen. Rick Santorum, R-Pa.

Democrats say that more than 1 million children will be pushed into poverty by the legislation unless their parents become self-sufficient.

"This bill opens up the floor under poor children," says Sen. Carol Moseley-Braun, D-Ill.

The effect on legal immigrants who have not become citizens may be less of a roadblock to Clinton's signature, but several Democrats put it second on their list of concerns.

The GOP argument: That sponsors of immigrants should provide for them, at least for the first five years they are in the country. Under the current system, Republicans say, immigrants may cross the border to receive benefits.

By Ron Edmonds, AP

Welfare showdown: Sens. Phil Gramm, left, R-Texas, and William Roth, R-Del., Finance Committee chairman, meet the media Tuesday on Capitol Hill.

KEY POINTS, OBJECTIONS

Below are the main provisions of Senate Republicans' welfare-reform plan, which is very similar to the plan passed by the House last week. President Clinton's chief objections are in *italics*.

Cost savings: $57.2 billion over six years.

Time limits: Five-year lifetime limit on welfare benefits; states can impose stricter limits. Hardship exemptions for up to 20% of families. *Clinton wants states to provide vouchers for goods and services to children after parents hit the five-year limit.*

Work requirements: Heads of families must find work within two years or risk losing benefits. By 2002, 50% of welfare families in each state must find work.

Food stamps: Cuts $26.7 billion over six years. *Clinton opposes the size of the cuts.* Limits able-bodied adults between 18 and 50 without children at home to six months of food stamps per year unless they find work.

Legal immigrants: Makes legal immigrants ineligible for most welfare benefits for five years after entering USA, saving $18.1 billion. *Clinton opposes the ban.*

Child-care funding: Adds $4.5 billion to help welfare recipients accept jobs.

Disabled children: Eliminates cash payments to about 300,000 disabled children through stricter eligibility standards.

Teen-age pregnancies: States can halt payments to unmarried teen-age mothers unless they attend school and live with an adult.

Family cap: States can deny benefits to children born to mothers already on welfare.

"It is wrong to ask taxpayers to foot the bill for welfare recipients who are not even citizens of this country," says Senate Finance Committee head William Roth, R-Del.

Democrats call the provisions unfair. "The treatment of legal immigrants in this bill is far too harsh," says Senate Minority Leader Tom Daschle, D-S.D.

▶ Senate passes bill, 1A

Dole to expand short[redacted] as govs interview for VP

By Judy Keen
USA TODAY

Bob Dole's search for a running mate has focused on GOP governors, but he'll soon cast a wider net.

No women, members of Congress or business executives are currently under serious consideration.

However, many additional prospects, including women and members of Congress, have been discussed by campaign officials. Among members of Congress, Arizona Sen. John McCain's name comes up most often.

AP

Edgar

AP

Engler

Six men are undergoing formal screening, including interviews and detailed questionnaires: Govs. Jim Edgar of Illinois, John Engler of Michigan, Tom Ridge of Pennsylvania, Tommy Thompson of Wisconsin, George Voinovich of Ohio and former South Carolina governor Carroll Campbell.

A handful more soon will be asked to submit to the screening process, including former GOP administration officials.

Those may include former Education secretary Bill Bennett, former White House chief of staff Don Rumsfeld and former Secretary of State James Baker.

The only real list exists in Dole's own mind. Some of his aides suspect he's been talking to prospects outside the formal screening process.

"No one likes to admit it, but ... people in the process know it's not a bad idea to let names float out there to see if reaction is good, bad or indifferent," says Craig Fuller, who was involved in George Bush's 1988 choice of Dan Quayle.

"The problem with floating," says Dole adviser Charlie Black, "is that everyone is eligible to do it, including the floatees' friends. We should take it all with a huge grain of salt."

In 1988, Bush started from a list of 30 prospects. On the day he named Quayle, he still was considering three or four finalists, Fuller says.

As they boarded a helicopter on the White House lawn that morning, Fuller asked Bush how close he was to a decision. "I'm close," Bush said.

"We don't really have a clue yet what Bob Dole is thinking," Fuller says.

Dole has not decided when to announce his pick. It will be between Aug. 8 and Aug. 12, the day his convention begins. Other developments:

▶ Many Republicans are promoting Texas Gov. George W. Bush as a running mate. He has said he's not interested, partly because he'd be succeeded by a Democrat.

But Dole will see him Friday when he visits former President George Bush in Kennebunkport, Maine. The younger Bush is vacationing there with his family.

▶ New Jersey Gov. Christie Whitman, another popular choice, is not being seriously considered. She said Tuesday she may have Lyme disease, a chronic ailment transmitted by ticks.

▶ Dole accepts Colin Powell's insistence he's not interested and doesn't plan to approach the general.

Dole has said he wants someone compatible with his political views and someone whose health is not an issue. He's often said he wants a "10."

Republican National Committee Chairman Haley Barbour says Dole has "the luxury of a huge reservoir of potential running mates."

Dole might be planning a surprise to try to rejuvenate his campaign. Dole's dilemma, Barbour says, is "Do you throw the bomb?"

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Divers target ocean floor debris

Conflicting results from initial tests

By Robert Davis
USA TODAY

SMITHTOWN, N.Y. — More than 60 divers looking for the physical evidence needed to explain the explosion of TWA Flight 800 focused Tuesday on large pieces of wreckage lying on the sandy ocean floor.

Although the first tests on some of the debris pulled from the ocean indicated to federal investigators that a bomb may have brought the plane down last Wednesday, further study at an FBI laboratory in Washington failed to confirm those results.

More tests are ongoing.

A huge part of the Boeing 747's right wing pulled from the sea last week is also being sent to Washington on a transport plane for further study.

By Tuesday evening, however, investigators were refusing to comment on reports from White House chief of staff Leon Panetta about chemical residue on parts of the plane. President Clinton stressed that "we must not draw a conclusion on what caused the accident until we get all of the facts.

"There (are) some traces of some chemicals that have been identified. But based on the reports that I have read, and I'm getting regular reports ... I cannot say that the evidence establishes the cause of the accident."

James Kallstrom, chief FBI agent at the scene, was more emphatic. "I'm not discounting anything. I thought I was quite clear ... that we have looked at this from the standpoint of a bomb or a missile and we have circumstantial evidence that would point in those directions."

While the debate continued, searchers Tuesday found another large piece of the plane rising 45 feet from the surface of the ocean floor.

Another key piece to the puzzle is a 60-foot-long section of the plane's fuselage that has been located and is thought to be covering more bodies.

And, three more bodies were found Tuesday, bringing the total number recovered to 110. There were 230 people aboard Wednesday's flight from New York to Paris.

Divers return to the 120-foot-deep water today hoping to find more bodies, but they are being cautious.

"This is not fun out there," said National Transportation Safety Board vice chairman Robert Francis, who visited a recovery ship. "We're not going to endanger those folks going down doing this valuable work." Divers will use hand-held sonar devices that point them to the wreckage.

For four days, searchers have towed a sonar device through the water creating pictures of debris. The map became clearer on Tuesday, allowing investigators to focus on a ½-mile-by-1½-mile stretch about 10 miles offshore where most of the debris is located.

"The more we look at it, the more we think it may contain a high percentage of wreckage," Francis said. Key pieces of the plane that are still missing:

▶ The tail, where the flight data and cockpit voice recorders are located. The recorders will give investigators key facts about the final moments of the flight.

▶ The four engines, which would have been the target of a heat-seeking missile, one possible reason for the crash.

The engines also could have suffered mechanical failure, another possible crash cause.

While some investigators continued their work at sea, others pursued paper trails and tips on shore.

Kallstrom said more than 1,300 interviews have been conducted including sessions with "everybody who touched that plane" before it took off.

Air accident investigators pored over flight records ranging from the plane's maintenance records to tracking down the people who sent packages on the plane.

The cargo manifest will tell investigators if there was anything hazardous in the cargo areas. Improperly packaged and labeled oxygen generators are suspected of causing a fire that brought down a ValuJet plane in Florida on May 11, killing all 110 on board.

And FBI agents are chasing terrorism tips from around the world.

"We have hundreds of tips," Kallstrom said. "All the way from people in outer space."

▶ More crash news, 1A, 4A

TWA holds on to number 800

TWA Flight 800 still flies between New York and Paris, contrary to airline custom after a fatal accident.

Airlines traditionally retire a flight number, usually the day after a crash, because many travelers are uneasy about taking a flight that's been involved in an accident.

A week after Flight 800 crashed on its way to Paris, killing all 230 people aboard, TWA officials say they have not talked about retiring it. "Right now our concern is with the families and the investigation," TWA spokesman Jonathan Clarke says. Flight 800 has been a popular and profitable route for TWA for decades. "It has historical value for the airline," says Northwest spokesman Jim Faulkner, who worked for TWA in the '80s.

Pan Am Flight 103 was changed to Flight 11 after a 747 exploded over Scotland, killing 259 and 11 on the ground.

To retire a flight number, airlines simply change the number listed in computer reservation systems.

By Rhonda Richards

THE WALL STREET JOURNAL
WEDNESDAY, JULY 24, 1996

Senate Approves Welfare-Overhaul Bill

Bipartisan Support Boosts Chances Some Version Will Soon Become Law

By CHRISTOPHER GEORGES
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – The Senate overwhelmingly approved a welfare overhaul by a 74-24 vote, with broad bipartisan support, significantly boosting chances that some form of historic measure will become law.

The overhaul, which emphasizes work and eliminates the federal government's guarantee of cash welfare benefits to those in need, must now be squared with the House's more-restrictive measure which passed along party lines last week.

President Clinton, who has refused to commit himself to signing either of the GOP's welfare bills, sounded an optimistic note yesterday. "If we can keep this progress up, if we make it bipartisan, then we can have real welfare reform," he said during a campaign stop in Sacramento, Calif.

Top administration aides have generally favored signing a measure, even one that falls slightly short of White House demands. Yesterday's Senate action helped move the debate in the president's direction on a number of fronts. For example, senators voted to ensure Medicaid eligibility for the poor and rejected an effort to cap the amount the government would spend annually on Food Stamps.

"We've won on both key amendments," said White House Chief of Staff Leon Panetta, who was traveling with Mr. Clinton. "We're very pleased with the results we're getting so far."

Though some Democrats have voiced strong objections, saying the measure would push more than 1.5 million children into poverty by 2002, signing the popular measure would let the president make good on his longstanding pledge to "end welfare as we know it." With the election approaching, Mr. Clinton appears eager to claim some credit for enacting the most sweeping overhaul of welfare in the program's 70-year history.

Even so, administration officials have continued to raise objections to a handful of provisions, such as a virtual cut-off in aid to legal immigrants and strict restrictions on aid to most welfare beneficiaries after five years.

Yesterday, the Senate added a provision, over Democrats' objections, to deny federal welfare and other income-related benefits to anyone convicted of using, selling or possessing illegal drugs. The impact would go beyond welfare recipients, said the amendment's sponsor, Sen. Phil Gramm of Texas. For example, college students who are convicted of such a crime could lose federal financial aid.

GOP presidential candidate Robert Dole, who as Senate majority leader last year played a key role in assembling the GOP's original welfare bill, chided Mr. Clinton for withholding support. "Under pressure from his party's liberal wing, the president has refused to offer his support for this common-sense and bipartisan approach," he said.

The debate now moves to a House-Senate conference, where negotiators from both houses will attempt to reconcile differences in the two versions. The House measure, for example, cuts more deeply into Food Stamp funding and aid to legal immigrants. The Senate measure's $5 billion reduction in the Earned Income Tax Credit, a tax break for the working poor, is nearly three times the level of reductions proposed by the House.

But both bills are similar in most respects. Both seek to save about $60 billion over the next six years and would do so largely by reducing future projected spending on aid to noncitizens and for Food Stamps, while relatively smaller reductions would come from cash aid to

Please Turn to Page A10, Column 1

Overhaul In Progress

Projected impact of major provisions of Senate welfare bill

WELFARE:	Reduce the number of recipients of Aid to Families with Dependent Children by as much as 40% after 2004
DISABLED CHILDREN:	Some 22% of disabled children receiving benefits would become ineligible
WORK PROGRAMS:	For states to receive full federal block grants, 1.7 million families would have to be enrolled in work programs in 2002—compared with about 450,000 in current welfare-work programs
CHILD-SUPPORT ENFORCEMENT:	Tougher enforcement regulations would save $138 million in 2002
NONCITIZENS:	Most of the nearly 800,000 noncitizen beneficiaries would be ineligible for most welfare benefits
CHILD CARE:	Federal aid for child care for welfare recipients would increase $3.5 billion over current levels between 1997 and 2002

Source: Congressional Budget Office

Continued From Page A3

children. Both essentially turn over to the states responsibility for running cash welfare programs, limit lifetime welfare assistance to five years per family and require most recipients to work after two years.

The president's decision to sign the welfare overhaul measure will turn on decisions by the House and Senate conferees. While the administration prefers the Senate's less restrictive provisions, House conservatives said yesterday they adamantly oppose any moderation in the House bill. Also, House GOP leaders have refused to say they would compromise with the administration on key issues. But GOP Senate leaders, especially Majority Leader Trent Lott of Mississippi, have stated they would be eager to work with the White House. In addition, pressure from Senate Republican moderates is likely to help preserve some of the Senate modifications.

Indeed, Sen. Lott said yesterday that passage of a GOP welfare is a no-lose proposition for the Republicans no matter what Clinton does. "If he signs it, the country will be the beneficiary," he said. "If he doesn't, he'll have to explain why."

Republicans Embrace Theme of Tax Cuts To Foster Growth

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON – Republican congressional leaders called for deep tax cuts followed by a rewrite of the tax code, in anticipation that Robert Dole will make such a two-step process part of his economic plan.

The Republicans didn't specify what taxes they would cut, or how they might offset a loss of revenue that could exceed $100 billion a year. Instead, their comments were part of a public forum yesterday intended to unite the party around the vague theme of tax cuts for economic growth. The party has been fractious and demoralized lately by lagging public support for Mr. Dole and GOP congressional candidates.

Mr. Dole is considering a range of options for immediate tax cuts, including an across-the-board reduction in income taxes or a repeal of the various tax increases passed in the 1990 and 1993 deficit-reduction packages, most of which hit wealthy individuals and corporations. The tax cuts would be a prelude to a new code, aides suggest.

House Speaker Newt Gingrich, who endorsed "a two-step process," said his preference would be first to immediately "roll back the Clinton tax increases" of 1993. And Chairman William Roth, of the tax-writing Senate Finance Committee, said: "A two-step approach makes some real sense."

The forum brought together former Dole rival Jack Kemp and a top Dole adviser, Donald Rumsfeld. "Sure we need tax relief," Mr. Rumsfeld said. "We need tax reform as well."

Meanwhile, Mr. Dole, visiting his hometown of Russell, Kan., said, "It's going to be a number of things – not just tax cuts." He said the plan also would include regulatory changes, and expressed hope that the mix would be completed by the end of the month.

THE WALL STREET JOURNAL
WEDNESDAY, JULY 24, 1996

Pesticide Overhaul Passes the House In Unanimous Vote

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON – The House unanimously passed a bill to overhaul pesticide regulation that would eliminate a 38-year-old ban on carcinogens in processed foods.

The bill now proceeds to the Senate Agriculture Committee, which is expected to approve it this morning.

The pesticide measure, a compromise between environmentalists and industry, has been endorsed by the Clinton administration. The bill would eliminate the Delaney Clause, a 1958 law that outlaws even minute amounts of cancer-causing substances in processed foods. Passed at a time when scientists lacked the ability to measure infinitesimal health risks, the Delaney Clause has long been deemed impractical by scientists.

In exchange for repealing the Delaney Clause, the bill would toughen pesticide standards for raw foods. It also would add new protections for children and infants. Instead of a strict ban on carcinogens above a certain concentration level, the new law would allow pesticides only if they pose "reasonable certainty of no harm." Environmentalists, relying on report language accompanying the bill, interpret this to mean that the pesticide may not cause more than one death for every million people exposed, though industry maintains that no precise numerical standard has been set.

The compromise modified provisions in an earlier version of the bill that restricted states' ability to regulate pesticides more rigorously than the federal government. States could still ban a pesticide outright and could require warning labels on pesticides they deem dangerous. But if they wanted to impose regulations of any other kind on a pesticide, they would first have to petition the Environmental Protection Agency for permission to do so.

Energy Department Must Take Nuclear Waste in 1998

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON – A federal appeals court ordered the Energy Department to begin accepting nuclear waste from power plants starting in 1998.

The action provides a boost to Senate efforts to force the Clinton administration to create a temporary repository for civilian nuclear waste at the Nevada Nuclear Test Site. The Energy Department plans to store the waste nearby at Yucca Mountain, but a permanent depository there isn't likely to be ready for many years.

Yesterday's decision by the federal appeals court here said the 1982 Nuclear Waste Policy Act requires the Energy Department to start accepting nuclear waste on Jan. 31, 1998. Judges Stephen Williams, Douglas Ginsburg and David Sentelle, all of whom were appointed by President Reagan, rejected the Energy Department's argument that the law doesn't require the department to begin accepting the waste in 1998 if no depository is ready to accept the waste by then. The Energy Department has been collecting fees from utilities for nuclear-waste storage it is not yet providing.

Railroad Union Agrees to Contract With Freight Lines

By DANIEL MACHALABA
Staff Reporter of THE WALL STREET JOURNAL

The Transportation Communications Union reached a new contract agreement with major freight railroads, averting a national rail strike.

The agreement was reached last night, just a few hours before a "cooling-off" period in the labor talks expired at 12:01 a.m. today. If an agreement hadn't been reached by that time, the union would have been free to strike the nation's rail carriers.

The Transportation Communications Union, which represents about 31,000 clerical workers and car men, was the last major rail union to reach a pact with the railroads. The agreement covers wages, health and welfare benefits and work-rule issues. A spokeswoman for a group bargaining for the freight railroads declined last night to discuss details of the agreement, which is subject to ratification by union members.

The freight railroads previously reached agreements with rail unions representing shopcrafts, operating personnel and signalmen. The Brotherhood of Maintenance of Way Employees, which represents track workers, reached a contract settlement on Monday but said the pact was subject to resolution of a labor-protection issue with Conrail Inc., Philadelphia. But the union pledged yesterday to hold back from any strike action as long as talks to resolve the issue continued.

GM Labor Pact at Unit May Sway UAW Talks

By a WALL STREET JOURNAL *Staff Reporter*

DETROIT – General Motors Corp. has reached a labor accord with the International Union of Electrical Workers in Ohio that might help the No. 1 auto maker secure wage concessions and work-force reductions this fall from the United Auto Workers.

Under the agreement reached last week between GM's Delphi Harrison Thermal Systems unit and the Moraine, Ohio, chapter of the IUE, GM's huge parts-making unit won leeway to replace senior hourly employees with new hires who will be paid half of the plant's current hourly wage of roughly $19. In return, representatives of IUE Local 801 have been assured that no more than half of their work force of 3,000 will be cut through the year 2011.

The unusual 15-year guarantee – longer than any offered at an automotive plant represented by the UAW – illustrates the terms that some GM parts plants are willing to accept just to save jobs the auto maker otherwise would farm out to suppliers offering cheaper labor costs. Indeed, workers accepting retirement offers at the Moraine, Ohio, plant will receive little more than a $15,000 cash payout and health cover[illegible] for departing early.

"All the News That's Fit to Print"

The New York Times

New York: Today, sunny, warmer. High 83. Tonight, isolated early thunder. Low 71. Tomorrow, partly sunny, thundershowers. High 86. Yesterday, high 70, low 64. Details, page C16.

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U.S. JUDGE UPSETS RULES TO CONTROL HOW JAILS ARE RUN

MOVE SOUGHT BY GIULIANI

Decrees Governing Conditions Go Back Nearly 2 Decades — Mayor Hails Savings

By STEVEN LEE MYERS

Responding to a plea from the administration of Mayor Rudolph W. Giuliani, a Federal judge yesterday struck down a series of legally binding agreements that have governed living conditions in New York City's jails for nearly two decades.

The decrees address myriad aspects of prison life — from access to telephones to the number of bunks in a cell — and stem from a series of lawsuits brought on behalf of inmates complaining of overcrowded, unsafe and unsanitary conditions at Rikers Island and other jails.

Since taking office, Mr. Giuliani has asserted that the decrees have outlived their usefulness since the city has vastly improved conditions at the jails and that the rules now amount to micromanagement of the city's Correction Department by the Federal courts. The city administration made its latest appeal to remove the restrictions after Congress passed and President Clinton signed the Prison Litigation Reform Act this spring, which sought to curb litigation over jail conditions.

Mr. Giuliani hailed yesterday's ruling, saying it would save the city millions of dollars by easing restrictions that the court-supervised decrees have imposed on the management of the jails.

"This opinion is a significant victory for the city because it basically says that the city can now manage the Correction Department based on city priorities, rather than with mandates and consent decrees, many of which are outdated," the Mayor said at City Hall yesterday evening.

However, the city's Correction Commissioner, Michael P. Jacobson, said the removal of the consent decrees would not mean a return to practices that led to the original lawsuits, like as the double bunking of inmates in small cells. He said the changes would affect such things as access to libraries and requirements that the city wash jail windows four times a year.

John Boston, the project director for the Prisoners' Rights Project of the Legal Aid Society, which tried to keep the mandates in force, said the organization would appeal the ruling. He said that the decrees had improved the standards for detainees awaiting trial and that their removal would take away "a substantial amount of their legal protections."

Yesterday's ruling was made by Judge Harold Baer Jr. of Federal District Court in Manhattan. Earlier this year, Judge Baer became a target of fierce criticism by the Mayor, Gov. George E. Pataki and other

Continued on Page B2, Column 1

Foreigners Investing In Libya or in Iran Face U.S. Sanctions

By JERRY GRAY

WASHINGTON, July 23 — Setting up another conflict with United States trading partners, Congress today approved legislation that would require the President to impose sanctions on foreign companies that invest heavily in Iran or Libya.

Despite threats of retaliation by nations that do business in those countries, the House of Representatives, without dissent, approved a tougher Senate version of the bill, the Iran and Libya Sanctions Act of 1996. The bill now goes to the White House where President Clinton, despite some initial doubts, has said he will sign it.

American companies already face such sanctions.

The new conflict comes on the heels of a dispute over trade with Cuba that has set the Administration at odds with Canada, Mexico and the European Union.

Last week President Clinton said he would allow the most sweeping provisions of the Helms-Burton bill — which penalizes foreign businesses that invest in property that the Castro Government confiscated from current American citizens — to

Continued on Page A12, Column 1

Reuters

Getting Carried Away by a Historic Gold Medal

Kerri Strug of the United States being carried by her coach, Bela Karolyi, after the American women captured the gold medal in team gymnastics for the first time ever. Strug helped secure the victory with a near-perfect final vault, but injured her ankle and had to be helped to the victory stand. SportsWednesday, page B7.

A STRAIGHT SHOOTER Kim Rhode of California, barely 17, won the double trap shooting event. Page B7.

SUPERHEAVYWEIGHT BATTLE Unbeaten Aleksandr Karelin outwrestled American Matt Ghaffari. Page B9.

Crash Inquiry Fails to Find Evidence of Explosive

By MATTHEW PURDY

Investigators examining the small amount of wreckage recovered so far from the crash of Trans World Airlines Flight 800 said yesterday that they had not yet found any concrete evidence that the plane was destroyed by an explosive device.

Speaking to reporters yesterday evening, President Clinton said investigators were making progress, but he also said: "The important thing I want to emphasize at this moment is that we must not draw conclusions until we're sure the conclusion is supported by the facts. And I cannot say that I've learned anything today which enables me to give you a definite conclusion about the cause of the accident."

Law enforcement officials on Long Island continued to maintain that circumstantial evidence strongly suggested that the 747 jetliner crashed because of an act of either political terrorism or sabotage. And they said they expected to have a clearer sense of what caused the plane to explode when they begin recovering large sections of the wreckage as early as today.

Gov. George E. Pataki said the

Clinton Warns Against False Conclusion — More Dead Found

first priority was to recover the "dozens and dozens" of bodies that divers found Monday trapped in large sections of the fuselage resting on the bottom of the ocean. He estimated that the divers had found 60 to 100 bodies, which could account for virtually all 122 bodies that have not been recovered.

So far, 108 bodies of the 230 people on board the New York to Paris flight have been recovered, and 77 of those have been identified.

At the crash site off the coast of Suffolk County on Long Island, recovery workers brought up three more bodies yesterday and continued sonar mapping of the debris field in preparation for the huge task of disentangling the remaining bodies from the wreckage, bringing them to the surface and then raising the pieces of the airplane.

"Raising the remains, identifying the bodies is a top priority," the Governor said. "We believe there will be dozens and dozens of bodies that will be identified and returned to their families."

Mr. Pataki said the second task would be to recover the large pieces of the plane, which he said would help solve the mystery of what made the airplane explode at an altitude of 13,700 feet last Wednesday night shortly after it took off from Kennedy International Airport for Paris.

Law enforcement officials, who from the beginning suspected that the plane had been destroyed by an explosive device, said yesterday that further tests for traces of explosives from a piece of the airplane's wing had not yet produced any evidence of such traces. On Monday, when law enforcement agents on Long Island tested a residue found on the underside of the wing segment, they first found traces of an explosive, but in a later test, no traces were detected.

Yesterday, when the residue was tested with more sophisticated equipment at the Federal Bureau of Investigation laboratory in Quantico, Va., once again no explosive traces were found on this or any other piece

Continued on Page B4, Column 1

Doctor's Cancer 'Cure' Attacked by F.D.A.

By GINA KOLATA

HOUSTON — Ryan Smith, a 17-year-old from Waycross, Ga., has been told by his doctors that he is dying of a brain tumor. They say the standard treatments of surgery, chemotherapy and radiation cannot save him. And so he sits, slouched on a soft leather sofa here in the waiting room of Dr. Stanislaw R. Burzynski, his mother at his side, hoping for a miracle.

That miracle, he and his mother believe, is a cure that Dr. Burzynski says he has discovered: chemicals that the doctor calls antineoplastons. Dr. Burzynski says these chemicals are found in blood and urine and when taken intravenously, through a catheter in the chest, can cure cancer and many other illnesses.

But the Food and Drug Administration has never approved of Dr. Burzynski's remedy. Established authorities in science and medicine say there is no evidence that it works. And last November the doctor was charged in a 75-count Federal indictment with introducing an unapproved drug into interstate commerce and using the mails to mislead insurance companies to pay for the treatment. He will go on trial on Oct. 15.

ALTERNATIVE MEDICINE

Doctor of Last Resort

Dr. Burzynski's career is a prism through which to examine one of the fastest growing challenges to modern medicine: the rise of alternative therapies that have not been scientifically proved to work.

The medical establishment is arrayed against Dr. Burzynski, and laws against the use of unapproved drugs would seem to be barriers to his practice. But for nearly two decades he has eluded prosecution by both state and Federal authorities, because of the slowness of the legal system, his persistent and determined use of apparent loopholes in Texas law and the pressure exerted by his many supporters.

Dr. Burzynski has argued that his treatment is not alternative medicine at all. But it is considered so by mainstream groups, like the American Medical Association and the American Cancer Society, and he is included in leading guides to alternative medicine. He was also a featured speaker at the First International Congress on Alternative and Complementary Medicine held last year in Arlington, Va.

He is certainly successful financially. The indictment claims that his gross income from 1988 to 1994 was $40 million, and that he took

Sam C. Pierson for The New York Times

To many desperate patients, Dr. Stanislaw Burzynski is a hero.

Continued on Page A18, Column 1

SENATE APPROVES SWEEPING CHANGE IN WELFARE POLICY

BIG ROLE TO STATES

President Welcomes Bill but Still Sees Room for Improvements

By ROBERT PEAR

WASHINGTON, July 23 — The Senate approved a comprehensive welfare bill today that would end the longstanding Federal guarantee of cash assistance for the nation's poorest children and give states vast new power to run their own welfare and work programs with lump sums of Federal money.

The vote was 74 to 24. Democrats split, with 23 voting for the bill and 23 opposed. Fifty-one Republicans voted for it. The measure calls for the most sweeping welfare changes since the New Deal and is similar to the House bill passed last week.

The Senate approved only two of the four amendments most ardently sought by President Clinton, who said he would insist on further "improvements" as a condition of signing the legislation.

Campaigning in California, Mr. Clinton welcomed changes by the Senate but said more were needed.

"You can put wings on a pig, but you don't make it an eagle," the President said. "We want real welfare reform. Today the Senate took some major steps to improve the bill going through Congress." And he said, "If we can keep this progress up, if we can make it bipartisan, then we can have a real welfare reform bill that honors work and protects children."

On the other hand, Senator Pete V. Domenici, Republican of New Mexico, said: "History will praise this day. A system that has failed in every aspect will now be thrown away. We'll start over with a new system that has a chance of giving people an opportunity instead of a handout."

But Senator Carol Moseley-Braun, Democrat of Illinois, said: "I believe that the Senate will rue the day that we passed this legislation. This day, in the name of reform, the Senate will do actual violence to poor children, putting millions of them into poverty who were not in poverty before," she declared, adding, "This bill is election-year politics and rhetoric raised to the level of policy."

Democratic support for the bill eroded today as the Senate rejected several Democratic amendments, generally on party lines. The Senate Democratic leader, Tom Daschle of South Dakota, voted against the bill after hinting last week that he might vote for it. The Senate measure, like

Continued on Page A22, Column 3

G.O.P. Leaders Seek Tax Cuts Wide in Scope

By RICHARD W. STEVENSON

WASHINGTON, July 23 — With Presidential politics and Congressional races both clearly in mind, the Republican leadership on Capitol Hill called today for a program of broad tax cuts, raising the pressure on Bob Dole to follow suit as he formulates his own economic platform.

Speaker Newt Gingrich, the majority leaders of the Senate and the House, and the chairmen of the tax-writing committees all generally endorsed short-term tax cuts followed by a sweeping overhaul of the tax code as the key to improving the nation's growth rate and giving Republicans a powerful campaign issue.

Mr. Gingrich said he would like to see a rollback of the 1993 tax increases and possibly an across-the-board reduction in income tax rates during the first month or so of a Dole administration.

"I would love to see us jump-start with President Dole, in the first 30 or 40 days of his administration, an immediate tax package with immediate pro-growth consequences and immediate tax relief before the April 15 deadline next year," Mr. Gingrich said. "Then, in a more orderly way, over a five- or six-month period, have the Senate Finance Committee and the House Ways and Means Committee really dramatically get the Internal Revenue Service out of the lives of working Americans."

Mr. Dole is widely expected to make a tax cut the centerpiece of his economic strategy; he said in a television interview this month that a "tax cut will be a part of it" and that he thought that tax rates should be "flatter and fairer." But he has not

Continued on Page A20, Column 4

A Plan to Deepen New York Harbor

The Clinton Administration has devised a plan for disposing of toxic-contaminated sediments dredged from the bottom of New York Harbor. Administration officials said that the arrangement should resolve disputes that had paralyzed dredging operations because of concerns over where to put the sediments. The impasse had threatened the future of the harbor and thousands of jobs in New York and New Jersey as the harbor choked on rising shoals of silt.

Article, page B1.

Political Memo

Clinton's Use of Incumbency Puts Little Things to Big Use

By TODD S. PURDUM

SACRAMENTO, Calif., July 23 — As President Clinton barnstorms the country these days — ahead in the polls but running like an underdog — his campaign proposals do not so much constitute a platform as a portable, flag-decked front porch planked with row after row of small but worthy ideas.

In the last few months, the President has come out in support of curfews for teen-agers, uniforms in schools, a national registry of sex offenders and a crackdown on deadbeat dads. He has come out against truancy, violence on television, teenage smoking and teen-age sex. He hardly ever proposes spending Federal money or passing a new law or imposing an ironclad new rule.

Instead, Mr. Clinton asks cities, states and the private sector to join him, making it sound like an irresistible crusade, to "go racing into the 21st century united and strong," as he put it in an address to high school students outside Los Angeles on Monday. And in doing so, even his opponents concede, this President has refined the time-tested technique of taking credit for the sunrise into a high political art.

"They may be small, but they do something for somebody and in that sense, they're real news," Marlin Fitzwater, who was press secretary for both Presidents Ronald Reagan and George Bush, said of Mr. Clinton's patchwork of proposals. "Under normal circumstances, you'd just let a cabinet officer take credit for things like this. Some people will scoff at it, but nevertheless it's effective. I think it's working; he's doing a good job."

Today, Mr. Clinton's topic was domestic violence and, as the son of an abused mother, he's against it. But speaking at a women's crisis center here, he floated a fresh idea to help combat the problem: freeing up the chronically overburdened 911 operators so they can handle more serious calls, like domestic abuse, by establishing a new, nationwide telephone number for nonemergency calls. "We need a new, national community policing number that's just as simple and easy to remember as 911, so that if you have a tip for the police,

Continued on Page A21, Column 1

INSIDE

New Jersey Justice Dies

Robert N. Wilentz, who as Chief Justice of New Jersey's Supreme Court tried to streamline state courts, make them more accessible and use them to promote social progress and equality, is dead at 69. Page D20.

Jessica Mitford Is Dead

Jessica Mitford, the British-born author of witty exposés on American undertakers, doctors and prisons, died at her home in Oakland, Calif. She was 78. Page D21.

Mending Ties With Arafat

Israel's new Foreign Minister, David Levy, in a step that marked the crossing of a major threshold for the new Government, met with the Palestinian leader, Yasir Arafat, and they emerged smiling. Page A12.

Nuclear Test Ban Progress

The United States and Russia, ending a stalemate over some provisions, agreed to move ahead to seek ratification of the comprehensive nuclear test ban treaty. Page A6.

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SENATE APPROVES SWEEPING CHANGE IN WELFARE POLICY

BIG ROLE TO STATES

President Welcomes Bill but Still Sees Room for Improvements

A1

By ROBERT PEAR

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Campaigning in California, Mr. Clinton welcomed changes by the Senate but said more were needed.

"You can put wings on a pig, but you don't make it an eagle," the President said. "We want real welfare reform. Today the Senate took some major steps to improve the bill going through Congress." And he said, "If we can keep this progress up, if we can make it bipartisan, then we can have a real welfare reform bill that honors work and protects children."

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Continued on Page A22, Column 3

Continued From Page A1

the one passed last week by the House, would impose a five-year lifetime limit on cash assistance payments to any family, and states would be allowed to set stricter time limits.

In a surprise today, the Senate narrowly rejected one of the four amendments sought by Mr. Clinton, a proposal that would have allowed states to provide vouchers or other forms of non-cash assistance to families denied cash benefits because of the time limits. The vouchers could have been used to obtain diapers, cribs, clothing, medicine or school supplies for children.

The House version of the bill does not allow the use of Federal money for such vouchers, and Republicans twisted arms in full view on the Senate floor today to make sure that vouchers would not be permitted under the Senate measure, either.

Democrats failed to win approval for another of the four amendments, the one that would have allowed public assistance and social services for legal immigrants, who are denied aid under the Republican bill.

But Democrats prevailed on two other amendments for which the White House has lobbied. One would guarantee Medicaid coverage for people who might otherwise lose health insurance because of new restrictions on eligibility for welfare. The other would retain the Federal guarantee of food stamps for the poor, denying states the opportunity to set eligibility criteria and benefit levels for food assistance financed by the Federal Government.

Moments before the final vote, the Senate Republican leader, Trent Lott of Mississippi, said: "If you really want welfare reform, this is it. This may be the last opportunity."

Welfare has become a major issue in this year's elections. Mr. Clinton has said repeatedly that he wants to sign a welfare bill, but he has sent mixed signals on the latest version.

Mr. Lott said Republicans would win, regardless of whether Mr. Clinton accepted the bill. "If he signs it, the country will be the beneficiary," Mr. Lott said today. "If he doesn't, he'll have to explain why."

One of the Democrats backing the measure, Senator John B. Breaux of Louisiana, said: "This bill is not perfect, but it is a major step in the right direction. It is a major improvement over the current system."

Senator William V. Roth Jr., Republican of Delaware, summarized the case for the bill this way: "Welfare was never meant to be a way of life. It was meant as a temporary helping hand, a safety net to be used for a few months."

But Senator Daniel Patrick Moynihan of New York, a longtime student of social welfare policy who led opposition to the bill, said, "Senators such as I cannot conceive that the party of Social Security and of civil rights could support this legislation, which commences to repeal, to undermine, both." Mr. Moynihan and five other Democratic Senators said Mr. Clinton should veto the bill.

In September, the Senate passed a somewhat similar welfare bill, 87 to 12. Mr. Clinton signaled support for that measure but vetoed the final version later, saying it would impoverish more than one million children.

The new bill goes now to a conference committee composed of negotiators from the House and the Senate, who will try to resolve differences between the chambers. Republicans said they wanted to complete work on the bill by the end of next week so they could send it to Mr. Clinton.

Several Democrats who voted for the bill said they had done so mainly to move it to the next stage of the legislative process, and they said they might change their votes if protections for children were dropped in negotiations with the House. They said President Clinton should not hesitate to veto the bill if it moves sharply to the right in bargaining between the House and the Senate.

Senator John Kerry, Democrat of Massachusetts, said it would be easier for the President to defend a veto now than in December and January, when he vetoed the earlier bills.

"I don't think the President will sign a bad bill," Mr. Kerry said. "He can veto it and make the arguments as to why he rejected it. The climate now is better for him to make those arguments because people understand the Republican agenda. They understand how children and families have been put at risk."

Representative Dick Armey of Texas, the House Republican leader, said the more conservative House would prevail on many issues where there is disagreement between the two chambers. That would please some Administration officials, who describe the bill as a potentially devastating blow to children.

"I hope Armey can push this bill to the right in conference" so it will become unacceptable to President Clinton, one Administration official, speaking on the condition of anonymity, said tonight. But the President's political advisers say they hope he will get a bill he can sign.

The Senate Democratic whip, Wendell H. Ford of Kentucky, said: "We are essentially providing a road map for the future, the futures of hundreds of thousands of children in this country. Make no mistake about it. Five, 10 or 15 years from now, when these children have become young adults, you and I must take some responsibility for their successes or failures. I have never seen and heard people being against poor children as I have heard for the last several days."

These were the major actions today:

¶By a vote of 51 to 48, the Senate refused to let states use Federal money to provide vouchers to families who reach the five-year limit on cash assistance.

¶On a voice vote, the Senate agreed to guarantee Medicaid for people cut from the welfare rolls. The House bill has a similar provision, but it provides slightly less protection for poor people.

¶By a vote of 53 to 45, the Senate eliminated part of the bill that would have allowed states to receive their food stamp money as a lump sum, or block grant. The House bill permits such block grants. President Clinton strongly opposes this option, saying it would cripple the Government's ability to meet the increased demand for food assistance in the face of recessions or natural disasters.

¶By a vote of 52 to 46, the Senate upheld provisions of the bill that would ban food stamps and many other forms of public assistance for legal immigrants who have not become citizens. The Senate rejected a Democratic proposal to continue such benefits for legal immigrants already in the United States.

Senator John H. Chafee [illegible] can of Rhode Island, said t[illegible] aid amendment told states, i[illegible] "Go ahead if you wish, redu[illegible] bility levels for welfare. But [illegible] aid eligibility levels should r[illegible] as they are today."

The Congressional Budget Off[illegible] estimated that the bill would sav[illegible] $60 billion over six years, mostly by cutting food stamps and benefits to legal immigrants. Senator Dianne Feinstein, Democrat of California, said that her state alone would lose $17 billion over six years.

Ms. Feinstein said the bill would affect more than one million California residents. "They are aged," she said. "They are blind. They are disabled. They are children. This bill would immediately throw them off whatever assistance they have with no other recourse."

But Senator Rick Santorum, Republican of Pennsylvania, said: "People who come to this country sign a document that says they will not become wards of the state, and what's happening? Millions of people are coming to this country. They're bringing moms and dads over. Mom and dad qualify for Supplemental Security Income benefits. You and the taxpayers of this country are picking up the tab as we become the retirement home for the rest of the world."

The amendment to preserve the Federal guarantee of food stamps for the poor was offered by Senator Kent Conrad, Democrat of North Dakota. It won support from six moderate Republican Senators.

The Senate also approved an amendment offered by Senator Phil Gramm, Republican of Texas, that would deny welfare and Medicaid benefits to people convicted of drug crimes. Senator Edward M. Kennedy, Democrat of Massachusetts, criticized the proposal, saying it would prevent Medicaid from paying for drug treatment and prenatal health care in many cases.

Senator Roth denounced Mr. Clinton's proposal for vouchers, saying they "would seriously undermine the five-year time limit." Under the bill, Mr. Roth said, poor families could still receive food stamps, Medicaid, housing assistance and other aid after reaching the five-year limit on cash benefits.

"Over five years," Mr. Roth said, "a typical welfare family receives more than $50,000 in tax-free benefits. Five years is enough time to finish a high school degree or learn a skill through vocational training."

Senator Alfonse M. D'Amato, Republican of New York, invoked Franklin D. Roosevelt as his authority for saying: "If people stay on welfare for prolonged periods of time, it administers a narcotic to the spirit. This dependence on welfare undermines, their humanity and makes them wards of the state."

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THURSDAY, JULY 25, 1996

Welfare as We Know It

By Joseph I. Lieberman

WASHINGTON

Opponents of the welfare reform bill passed by the Senate on Tuesday have painted a nightmarish vision of a world where millions of children are in poverty, with their parents leading lives of desperation and hopelessness.

That sounds to me like an apt description of welfare "as we know it" today.

Millions of children and their families are mired in poverty, thanks in large measure to government programs that do little to help or to encourage them to find work. Welfare makes it feasible for a man to father a child without worrying about being a parent. It makes it possible for a young woman (too often a teen-age girl) to have a child, move away from home, get an apartment and survive — without working. It makes it easier for millions of families to get by, but virtually impossible for them to get ahead.

Joseph I. Lieberman is a Democratic Senator from Connecticut.

The Senate bill provides hope for poor Americans, and for taxpayers who want a Government that spends their money wisely and better reflects American values of work, family and responsibility. I hope it will not be our final effort at reform, but it gets us moving in the right direction. The bill will now go to a House-Senate conference panel, and, if it emerges intact, President Clinton should sign it.

Most important, it would put an end to the policy of something for nothing, of penalizing work and marriage, and isolating the poor from the economic and cultural mainstream. Those on welfare would be eligible for aid only if they are working or receiving job training or education. They will know that cash assistance is temporary: the clock is ticking from the moment the aid begins. And welfare providers will learn to measure success not by getting checks out on time but by getting those who receive them into jobs.

President Clinton should sign the Senate bill.

Critics of welfare reform make emotional pleas that it would punish children, but they seldom stop to realize that one reason so many children are in distress today is because of welfare. The number of children on public assistance has gone up by nearly 300 percent in the past 30 years. Children born into families on welfare are three times more likely than their peers to be on it when they reach adulthood.

The Senate reform bill recognizes the awful link between teen pregnancy and poverty and would work to break it by requiring unmarried teen-age mothers to live at home or under adult supervision in order to receive assistance. They would also have to stay in school or receive job training.

Moreover, the plan would insure that at least 25 percent of communities have teen pregnancy prevention programs in place by 1997. There are amendments to reward states for cracking down on statutory rape (a problem directly tied to unwed teen pregnancy), and would set aside Federal money for programs that discourage unwed parenthood.

The bill would also set aside $13.8 billion in spending for child care over the next six years. It would allow women with children under 6 to work part time and those with children under the age of 1 to stay at home without jeopardizing their assistance.

The Senate bill would "end welfare as we know it," which is what President Clinton and many Democrats and Republicans promised to do. It does so without touching the safety nets of medical care and housing that millions of families depend on.

President Clinton is rightly disturbed that the bill would not allow states to give non-cash vouchers to families whose welfare eligibility had passed, so they could buy essentials for their children. Unfortunately, the bill would also ban food stamps, Medicaid and other assistance for legal immigrants who now are sick or elderly and in need.

But no piece of legislation can include everything that every member of Congress wants. The question is: Is the bill better for the American people — especially for the 13 million people on welfare — than the status quo? On Tuesday, 74 senators of both parties answered "yes." □

Liberties

MAUREEN DOWD

President Pothole

SACRAMENTO, Calif.

The big story on President Clinton's Western swing this week was that Newsweek sent Anna Deavere Smith as its White House correspondent.

Let's put aside the absurdity of Newsweek assigning the writer and actress, who played a White House press secretary in the movie "The American President" and is now working on a book and a play about political reporters, to cover a news story.

The White House was philosophical. "She writes plays and Joe Klein writes novels," said a top Clinton aide, slyly. "Newsweek has a precedent."

And certainly, if Ms. Smith was looking to document the fecklessness of the press, what better evidence than her own instant and bizarre accreditation?

Honey, we shrunk the Presidency.

Besides, the news magazine's editors were busy fitting Joe Klein for a hair shirt, wallowing in ethical angst and insisting that the author once known as Anonymous endure a short season in purgatory. The managing editor, Rick Smith, said Mr. Klein had to subject himself to "the full force" of the feelings of his hurt and jealous colleagues, allowing them to vent "individually or in small groups." (A 12-step program for pseudonymous authors.)

The real issue in sending the talented Ms. Smith on the campaign trip is whether it was unfair to give the President such tough competition in performance art.

Bill Clinton, after all, is a metamorphosis artist, performing the roles of New Democrat, Old Democrat, radical liberal and conservative all in his first term. He has gone from being a President with sweeping plans about changing the way government works to a President who wants to change people's lives "inch by inch," as his press secretary put it here on Tuesday.

Instead of the Great Society, Mr. Clinton now brings us the Itsy-Bitsy Society. Instead of a rendezvous with destiny, he has an appointment with detail. From grand, epic-making schemes of social engineering, he has come around to suggestions that we cross a few t's and dot a couple of i's.

What bold new visions will the President come up with next?

Will he ask Health and Human Services to make doctors stop putting really old magazines in their waiting rooms? Will he ask the Department of Transportation to take action on rumble strips?

Bob Dole's campaign may be so clueless — he's 27 points behind in California, a state he still thinks is in play — that some in the party are faxing each other ideas about how to persuade him to step down.

But at least Republicans can take comfort that their 1994 revolution lives on at the White House, where Dick Morris, the protean consultant for the protean President, churns out teensy-weensy pronouncements on truancy, school uniforms, curfews and deadbeat dads that give Mr. Clinton the aura of principal, if not principle.

In Sacramento, the President took a firm stand against busy signals on 911. He bemoaned "the stunning fact that the 911 emergency number system today is completely overburdened," and said there should be another national number for non-emergency calls.

George Stephanopoulos puts the best gloss on the President's voluntary simplification, saying he's getting small because he's "already taken care of all the big things like the economy and inflation and unemployment."

But maybe the President who rode out of the West, Ronald Reagan, was the end of the era of big themes and big issues, fighting the Commies and getting government off people's backs. Maybe when Bill and Hillary Clinton's big ideas backfired in 1993, and when Newt Gingrich's big ideas backfired in 1995, Americans decided they preferred little stuff that speaks to their real lives, lives shaped by the end of the cold war and yuppie narcissism.

We seem to have decided that if we can't have a straight-talking President who articulates a consistent vision, we'd at least like someone who can get us some cellular phones for our neighborhood crime watch groups.

So it's come down to this: Bill Clinton is running for re-election on the promise that he will make himself useful. If he's not going to be a leader, we want him to be a fixer. □

THE NEW YORK TIMES

THURSDAY, JULY 25, 1996

As for Welfare, Where Have the Liberals Gone?

To the Editor:

No one expects sane policy from Congress in an election year, but the so-called welfare reform bill just approved by the Senate (front page, July 24) takes the cake. More aptly, it requires poor and low-income families to bake the cake the rich will eat. What else could we get from a Congress run by and for conservative millionaires?

As this travesty unfolds, where are the liberals? Complicit like President Clinton, whose opportunism knows no bounds. Where are the progressives? Arguing in obscurity or longing for the good old days of the 1960's.

The only hope for genuine political change lies with people in their teens and 20's. The rest of us have obviously lost our hearts and our minds. URVASHI VAID

New York, July 24, 1996

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Connecticut Model

To the Editor:

David T. Ellwood, in "Welfare Reform in Name Only" (Op-Ed, July 22), could easily have been referring to the Clinton Administration's own welfare proposal.

The President's 1994 "reform" bill, which Mr. Ellwood largely developed as an assistant secretary of Health and Human Services, would have increased welfare expenditures by $11 billion over the next decade. Yet a mere 6 percent of welfare parents were projected to be employed under full implementation of the legislation. Some reform.

Meanwhile, state welfare reform experiments continue to show great promise. Since Gov. John G. Rowland's reform package began a year ago, we have reduced welfare caseloads by 7 percent while nearly doubling (from 6,900 to 13,300) the number of welfare recipients who are employed in Connecticut. Child-care financing has also been increased from $28 million to $61 million.

In returning to academia, Mr. Ellwood will have ample time to reflect on why President Clinton never seriously tried to fulfill his campaign promise to "end welfare as we know it." JAMES T. FLEMING

Majority Leader, Connecticut Senate

Hartford, July 22, 1996

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Punishing Women

To the Editor:

There is a time and place for gender-neutral language, but discussions of welfare programs cutbacks are not one of them (editorial, July 18). More than 90 percent of recipients of Aid to Families with Dependent Children are single mothers and their children. This fact has not eluded a single elected official sounding the drumbeat for welfare cuts.

The campaign to cut welfare is a sexist demand that women who are mothers but not married — for whatever reason — must be punished.

Gender-neutral language is supposed to be a more accurate use of language, not used to obscure bias. Your editorial uses the word "families," as in "families that search for but cannot find work." Families don't look for work. Single parents do. RITA HENLEY JENSEN

New York, July 18, 1996

Stop Carping About 'Primary Colors' Episode

To the Editor:

I find the calumny being shoveled onto Joe Klein and his editor for "lying" about the authorship of the novel "Primary Colors" incomprehensible. Maureen Dowd (column, July 21) and other fellow journalists are behaving as if Mr. Klein deliberately deprived the public of important truth and sullied the reputation of the Fourth Estate.

Mr. Klein wrote the book not as a journalist but as an entertainer. The public knows that. And here in Washington, people had fun with it. Going along with the game, Mr. Klein's editor prolonged the enjoyment.

Mr. Klein spoke his line, "I am not Anonymous," as an actor in a farce. May his colleagues recover their sense of humor and have the grace to spit out the sour grapes before they choke. PATRICIA CLARK

Washington, July 23, 1996

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To the Editor:

I chuckled from start to finish at Joyce Carol Oates's skewering of literary pretension by elevating a commercial scam to the status of high art (Op-Ed, July 22).

Her placement of Joe (Anonymous) Klein in the rarefied company of Voltaire and her rationale for deception were brilliantly conceived and executed.... It was satire, wasn't it? GILBERT CRANBERG

Des Moines, July 23, 1996

Extra Pay for School Custodians Is a Waste

To the Editor:

A July 20 news article about the privatization of the custodial service in 71 New York City schools states that private contractors keep the schools open for public use from 6 P.M. to 10 P.M. whereas the school system custodians keep the school open without charge until 6 P.M.

In fact, the public can use most schools without paying fees because the Board of Education agreed in 1985 to pay $5,650 to each custodian in exchange for a waiver of "custodial fees" from 3 to 6 P.M., including those in schools where there are no after-school activities. This represents an extra $6 million a year. Even in schools with programs, most custodians perform no extra service and still leave at their normal departure times.

When I wrote a report about this system in 1988 for the City Council President, Andrew Stein, he called it "legalized extortion." It is part of a $30 million waste of taxpayers' money that should be used to pay for programs for children but instead goes into the pockets of the custodians. JOHN C. FAGER

New York, July 22, 1996

The writer is executive director of the Parents Coalition for Education.

The Times welcomes letters from readers. Letters must include the writer's name, address and telephone number. Those selected may be shortened for space reasons. Fax letters to (212) 556-3622 or send by electronic mail to letters@nytimes.com, or by regular mail to Letters to the Editor, The New York Times, 229 West 43d Street, New York, N.Y. 10036-3959.

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'Wither' and Medicare

To the Editor:

Speaker Newt Gingrich says (letter, July 19) that his "we believe it is going to wither on the vine" comment was directed at the Health Care Financing Administration, the Federal agency responsible for administrating the Medicare program, and not at the program itself as claimed in a recent A.F.L.-C.I.O. commercial. As evidence, Mr. Gingrich offers the text of his speech including, "But we believe it is going to wither on the vine because we think people are voluntarily going to leave it — voluntarily."

To leave something, one has to be "in" it. The only people "in" the Health Care Financing Administration are its public servants.

Medicare was enacted to address the needs of the poor and chronically ill elderly. With more people living longer and with marvelous yet costly advances in medical technology, the program certainly needs reform. But to allow it to wither would be catastrophic for both the current elderly and those of us who aspire to become elderly. HOWARD N. NEWMAN

New York, July 19, 1996

The writer, a former administrator of H.C.F.A., is a professor on health policy at New York University.

THE NEW YORK TIMES

THURSDAY, JULY 25, 1996

The New York Times

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Mr. Clinton's Duty on Welfare

President Clinton says he might sign welfare legislation if Congressional negotiators improve the House- and Senate-passed bills in a conference committee. He should stop shadow-boxing. The House's bill is odious. The Senate's is only slightly less so. The conferees will produce a compromise somewhere in between. That is not a place a Democratic President should stand.

The conferees will hand the President a bill that, like the bills they will work from, will hurl more than a million children into poverty. It will slice food stamps by an average of $600 for families earning less than $6,300 a year. It will strip *legal* immigrants, including some elderly, of health insurance. It will, for the first time ever, tell workers who lose their jobs after years of steady work that they cannot collect food stamps for their children. President Clinton will find no honorable reason, in his own promises of welfare reform or the history of his party, to sign such a bill.

The President is right that the Senate softened some of the worst provisions of the House bill. The House bill would allow states to take over the food stamp program, thereby wiping out the Federal guarantees and benefit levels. The Senate bill would not. The House bill would set a limit of 90 days for food stamps for workers under the age of 50. That provision would deny food stamps to a worker who collected the stamps for three months in his 20's, worked steadily for the next 25 years and was then laid off. The Senate would limit food stamps to four months in any year. The House bill would strip Medicaid coverage from current and future legal immigrants. The Senate would cover many current immigrants.

Though better, the Senate's bill is offensive in other ways. It imposes a five-year time limit on benefits and some tight limits on food stamps, throwing millions into poverty who run out the string before they can find work. The Senate tells states to put recipients to work, but provides little money — for job training and day care — to make that mandate a reality. The Senate makes no effort to provide clothes, medicine or other necessities for children whose parents are cut off welfare. It also allows states to make huge cuts in their welfare spending without penalty. Nor does the Senate bill provide much money to handle swollen welfare rolls during recessions.

To find serious fault with the House and Senate bills is not to deny the need for reform. The welfare system discourages work, encourages dependence and can foster family breakdown. But Congress's arrogance in reshaping 61-year-old institutions is shocking. No one knows how time limits and many other provisions will work out in practice. Critics say they will pummel children and many innocent parents. The G.O.P. says that time limits will force recipients to take responsibility for finding work.

Maybe so. But there is no evidence that time limits will work as promised. If they do not, it is the children who will suffer most. If Congress were serious about reform, and not waging ideological vendettas, then it would watch what happens when states experiment with time limits and other reforms. Wisconsin has asked Washington for permission to impose time limits on welfare benefits and guaranteed work opportunities. Before Congress sets up an untested system nationwide, it might at least see whether such limits work in Wisconsin, which benefits from a flush economy and competent state government.

The Republicans think they have cornered Mr. Clinton. Either he will alienate his liberal constituents by signing their bill, they think, or he will alienate a huge chunk of the middle class by vetoing it. Mr. Clinton vetoed two previous G.O.P. measures, contending that they would hurt children.

With November looming, Mr. Clinton is wavering. He stopped his staff from producing a new estimate of the Congressional proposal's impact on children — an estimate that would surely have shown that the new legislation is only marginally different from the bills he vetoed. Even without those official estimates, he knows very well what the consequences will be. He should also know he will be harming children and blemishing his record of compassion if he signs the Congressional bill.

THE NEW YORK TIMES

THURSDAY, JULY 25, 1996

Jewish Studies: Part of the Canon

By Jonathan Mahler

The quarrel at Queens College over the selection of a non-Jewish professor to lead the school's Jewish studies program provides a lesson in the dangers of combining academic disciplines with identity politics.

Thomas Bird, a professor of Yiddish at Queens and a Roman Catholic, resigned last week, just two weeks into his appointment, after protests from several Jewish colleagues. Professor Bird's most outspoken critic, Samuel Heilman, a former director of the program, argued that the head of it should be a "role model," implying that religious as well as academic credentials should be a criterion.

That argument is troublesome, for bringing religion into the equation of qualifications demeans the discipline. But Professor Heilman's critics are being disingenuous when they pretend that Jewish studies doesn't function in a symbolic fashion, too. What makes this controversy so important is that it reveals a paradox that is only likely to grow more pronounced in the multicultural academy.

Nowhere is this paradox more apparent than in the case of Jewish studies. Geoffrey Hartman, a professor of literature at Yale University who was instrumental in creating its Jewish studies program, makes the case that Jewish studies belongs in the Western canon as much as, say, classics or the study of the Renaissance. "It should be argued that Judaism is one of the pillars of Western civilization, but that it was neglected for a long time because of certain religious polemics," he said.

Jonathan Mahler is managing editor of The Forward, a weekly newspaper.

A paradox of multiculturalism.

Though Professor Hartman is undoubtedly correct — Yale itself once had a Hebrew-language requirement — the reality is that Jewish studies re-entered the university through the same door as women's and African-American studies programs. And given that in the 18th century readers of Hebrew — but not Jews — were admitted to Yale, it's not surprising that defining and defending Jewish identity has crept into the new discipline called Jewish studies.

Adding to all this is the crisis in Jewish continuity that has seen intermarriage rates soar and emphasis on Jewish education plummet. Programs like that at Queens often serve as a last chance for Jewish students seeking to recover their heritage.

Professor Heilman, in his campaign to preserve the Jewish character of his department, pointed out that at Queens College an Ethiopian heads the black and African studies program, an Italian-American runs the Italian studies program and a woman is in charge of women's studies.

The picture that Professor Heilman paints is no doubt accurate. His critics should be as vocal in their support of the next qualified man who seeks to head a women's studies program as they were in standing up for Professor Bird. Professor Heilman is also correct in sensing that other cultural studies programs will seek to preserve the nonacademic elements that often give these programs their character.

But if they are indeed worthy of support, they too should draw their members from a larger pool. As Shaia Cohen, a professor of Judaic studies at Brown University, puts it, the appointment of qualified non-Jews is "a testimony to the field of achieving some sort of normalcy."

The presence of non-Jewish students, and non-Jewish teachers represents a triumph for the field. Three thousand years of history and culture, intimately intertwined with the other strands of Western civilization, is too important to be consigned to an academic ghetto. □

I Earned This Divorce

By Kathy Duggan

The woman who once stood with me before an altar, promising to share her life with me, is now holding my computer hostage until I give her the VCR. Though the Defense of Marriage Act, passed last week by the House, bars Federal recognition of gay marriages, I find myself wishing our marriage was legal for a reason I never anticipated. I want a divorce.

I don't just mean I want to end my marriage. I did that two years ago. I'm single now, having learned how to cook for one and attend weddings alone.

What I want is a forum where I can act out all the anger, frustration and disappointment of a failed relationship. One where I can hand responsibility for the haggling over our possessions to a professional — a lawyer who can be ruthless on my behalf when I'm likely to just dissolve into tears and say, "No, really, you take the flatware." I want a ritual that takes apart our relationship as deliberately as we put it together.

Mary and I were the perfect couple. Unfortunately, together we made lousy individuals. From the start, people often got us confused. We chalked it up to being the same height and having similar coloring, but the truth is our identities were slowly merging into one.

Oblivious to the consequences of our fused identities, in September 1991 we gathered family and friends at a ceremony in my girlhood church, had a backyard reception and then left for a honeymoon in Provincetown, Mass.

Though we knew we were just as married as any husband and wife, we chose not to use the language of heterosexual marriages. We believed that to use such words as wedding, marriage and wife would trivialize that there was no legal or religious recognition.

So we decided on life partner and labeled the relationship a domestic partnership. (I'm still stunned by how many people thought we had opened a small business together.) We struggled over a suitable alternative to the word wedding. For lack of anything better, we finally just called our ritual exchange of vows "the ceremony."

From a gay marriage to a semantic void.

Taking sacred vows did not help our individuality problems. After two and a half years, I left Mary and found myself in a semantic void. I could call her my ex-lover, but I rarely called her my lover when we were together — the illicit undertones the word carries were the last thing I wanted. "Former life partner" sounds like something Shirley MacLaine would say.

When a relationship that was only marginally recognized comes to an end, it is almost as though it never existed. When filling out forms, I can no more check the box labeled "divorced" than I could have once checked "married." Invisible as we may have been as a couple, Mary and I at least had each other to affirm our relationship.

Some gay men and lesbians have come up with ceremonies of dissolution to mark the radical changes in their lives, but I couldn't imagine planning such an event. For heterosexual couples, the legal process of filing for divorce can serve that function. Oh, sure, Mary and I attended to a few legal matters. But telling coworkers, "Well, we shredded the health-care proxies last night" just doesn't carry the same weight as saying, "Well, I signed the divorce papers last night."

I sometimes jokingly refer to Mary as my first wife. I hope to marry again and I hope that by the time I do, my partner and I will be able to do it legally. Right now though, I want a divorce. □

Kathy Duggan is a former New York City social worker.

THE WASHINGTON POST
THURSDAY, JULY 25, 1996

The Washington Post

AN INDEPENDENT NEWSPAPER

A Children's Veto

"I JUST don't want to do anything that hurts kids," President Clinton said as the Senate passed its supposed reform of welfare the other day. Why did the sentence strike us as yet another cynical manipulation of the welfare issue for political purposes? Because if Mr. Clinton were determined not to hurt children, he would have indicated days ago that he intended to veto this legislation or any bill remotely like it.

Instead, he, the Senate's Democrats and moderate Republicans continued to try to prettify the bill around the edges. A couple of the amendments that they succeeded in making were consequential, and they may yet make more in conference. But mainly these are marginal and cosmetic changes. They are sops to conscience meant to justify a regressive vote that for political reasons these politicians are afraid not to cast. They are determined to vote in this election year in favor of a bill that bears the label "welfare reform"; it doesn't matter that the label is not deserved.

The president and his followers are the prisoners of four years of sloganeering on the subject that he himself set off. It was he who, in an effort to preempt the welfare issue and show himself to be a different kind of Democrat, famously promised in the 1992 campaign to end the system as we know it. He set off a process that he could not control, in part because he has been unwilling to take the tough and unpopular positions necessary to control it.

No one—or very few, anyway—would argue that the current welfare system is a good one. Mr. Clinton was and remains right to try to change it. But his original position also was right—that the change should involve equal amounts of added pressure on welfare mothers to go to work and additional resources to help them make the move successfully. The current bills fail to provide the resources; they walk away from the second half of the strategy. They would dismantle the federal welfare program, limit future federal aid and shift to the states a financial burden that many states will find hard to meet. An eighth of the children in the country now are on welfare. No one can know for sure how many would be affected adversely by the legislation, but the best guess seems to be that at least a million more children would end up living below the poverty line. A fifth of the children in the country already are there.

The bills would disestablish or greatly weaken the food stamp program as well, while basically cutting off federal benefits to legal immigrants—people who are legitimately here and theoretically welcome but have not become U. S. citizens. Technically, this is budget-balancing legislation, a reconciliation bill. The noble-sounding budget-balancing process of a year ago has come down to a bill that would cut only programs for the poor, and programs on which people who are black and brown particularly depend.

This legislation can't be fixed. Senate Minority Leader Tom Daschle, who opposed it the other day, said that even though there were only 24 votes against, he was sure that a veto, if it were cast, would be sustained. We have no doubt that's so. It is another way of saying that if only the president would take the lead and provide the political cover, instead of joining in stripping it away, he could prevail on the issue. It's a position he could—and should—defend to the voters. If instead he signs the bill, he no doubt will claim it as a triumph, but in moral and policy terms it will be the low point of his presidency.

THE WASHINGTON POST
THURSDAY, JULY 25, 1996

Jeff Greenwald

Burma: No Place for Tourists

Lacking the mythical panache of Tibet, Burma (renamed Myanmar by the military government that seized power in 1988) remains one of Asia's most obscure and oppressed nations. The history of the country called the "Golden Land" by Western adventurers who visited five centuries ago has been tarnished by corruption, ethnic "cleansing" and the slaughter of peaceful demonstrators—including students and Buddhist monks.

There is a growing trend in favor of disengagement from Burma, an echo of the strategy used against South Africa during apartheid. On June 25, Massachusetts became the first state to enact legislation barring state or local companies from dealing with the country. Corporations like Pepsi, Unocal and Arco, which have struck deals with Burma's notorious State Law and Order Restoration Council (SLORC), are under fire from universities and human rights groups nationwide.

Ignoring these developments, Burma's ruling junta is promoting 1996 as "Visit Myanmar" year, with a goal of half a million tourists. Roads are being resurfaced, railroads are being improved, and new hotels are springing up all over Yangon (Rangoon) and Mandalay.

This glitzy tourist infrastructure—as the Burmese activist and 1991 Nobel Peace Prize laureate Aung San Suu Kyi has noted—is being built at enormous human cost. The clearing of the moat around Mandalay Palace, a potentially huge tourist attraction, required more than 20,000 forced laborers. Railway construction has enslaved more than 100,000 villagers, in rotating shifts, since 1993. SLORC is confiscating family farmland to make room for golf courses and beach resorts, and bulldozing entire neighborhoods to clear space for foreign-financed hotels. Uprooted residents are being moved to "New Towns," located in inhospitable areas; others are being relocated to "human zoos," where tourists can photograph them more conveniently.

"Every dime spent on visa fees and foreign exchange fattens the coffers of a murderous, exploitive regime."

Yet tour operators like Mountain Travel continue to sell Burma as an upbeat, exotic destination. Publishers like Passport Books continue to release up-to-date Burma guidebooks, whetting the appetites of travelers everywhere. And they do this in full awareness that every dime spent on visa fees and foreign exchange fattens the coffers of a murderous, exploitive regime.

Travel and tourism has become one of the world's largest industries, able to make or break some national economies. What would happen, one wonders, if we travelers recognized—and used—this power? What might be possible if the vast community of globe-trotters joined together, agreeing not to give our money to governments that torture and abuse their citizens? And suppose we began this overdue experiment with a complete boycott of travel to Burma?

Tourism is a drop in the bucket of Burma's foreign exchange, the lion's share coming from a thriving heroin trade and lucrative deals with American and French oil companies. The argument has been made (by guidebook publishers and expedition companies, mainly) that a travelers' boycott will have no impact on the SLORC leadership.

Not directly, perhaps; but a boycott of tourism to Burma might have secondary effects well worth the effort. It would demonstrate that world travelers constitute a unified force whose members value human rights above the transient pleasures of sightseeing. It would encourage opposition leader Aung San Suu Kyi, demonstrating widespread support for her democratic goals. It would send a signal to Congress, which is considering official sanctions against SLORC. Finally, a well-publicized tourist boycott would increase global awareness of the situation in Burma—casting the companies doing business with SLORC into the light and increasing the pressure for total divestment.

Burma is one of Asia's loveliest countries, and the appeal of its jungles, beaches and Buddhist pagodas is undeniably seductive. But it is unconscionable to visit those sights for pleasure when such travel supports a government notorious for political executions and drug trafficking. How many of us would have traveled to Germany in the 1930s, aware that our tourist dollars were supporting the Nazi regime?

"We are totally against the 'Visit Myanmar' campaign," said Aung San Suu Kyi during an interview with the Kyodo Japanese news agency on July 9. "This is tantamount to supporting authoritarianism in Burma." I suggest we honor Suu Kyi's wish. Let the luxury hotels lie empty and the tourist palaces collect dust. Let us turn our backs on Myanmar's greedy despots and demonstrate our support for Burma's struggling democracy movement by voting with our wings.

Jeff Greenwald is an Oakland-based travel and science writer.

For the Record

From a news briefing yesterday by White House spokesman Mike McCurry:

Q: There have been some very strong comments last night on CNN on Larry King. [Sen. Larry] Pressler [R-S.D.] was very critical of how the Clinton administration has been dealing not only with [the crash of TWA 800] but with security issues, previously. And he mentions two meetings . . . with security people, warnings, etc., of security lapses. What is the White House response?

Mr. McCurry: Well, he may not have had the opportunity to take advantage of some of the [Transportation Department] briefings they've tried to arrange for him. But the Transportation Department has addressed that and has indicated that the White House has been fully supportive of their efforts, and of the FAA's efforts to enhance safety and security. You might want to check further at Transportation.

Q: He also says that [Transportation Secretary Federico] Pena has been virtually invisible in the week since the TWA crash. Is that deliberate, as a result of what happened after the ValuJet? Has he been muzzled?

A: No, not at all. He's been very active. And certainly for those who are working very hard on the federal response to this incident, he has been quite visible, because he's been responsible for what the Transportation Department, the Coast Guard, the FAA and others have been doing. So he's been, I think in that sense, a very key part of the effort underway to determine what happened and to deal with the recovery, search and rescue effort.

Q: Well, why isn't he taking a more visible public position . . . ?

A: I—you should ask [that] of the Transportation Department. . . .

THE NEW YORK TIMES,

MONDAY, JULY 22, 1996

Welfare Reform in Name Only

By David T. Ellwood

BONDURANT, Wyo.

I have spent much of my professional life seeking to reform welfare. I have worked with Republican and Democratic governors. And until I returned to academia a year ago, I was fortunate to be a co-chairman of President Clinton's welfare reform effort. I deeply believe that the well-being of the nation's children depends on real reform. We must turn away from the failed system focused on determining eligibility and check writing and create a new one based on work and responsibility.

But the Republican bills in the House and Senate are far more about budget-cutting than work. Bathed in the rhetoric of reform, they are more dangerous than most people realize. No bill that is likely to push more than a million additional children into poverty — many in working families — is real reform.

Proponents claim the bills are about work, and the legislation does obligate states to require large numbers of recipients to work. Fair enough. Serious work requirements are crucial to meaningful change. But it's one thing to write work into legislation, and it's another to get recipients jobs.

Gov. Tommy Thompson of Wisconsin, a Republican, has emphasized that reform often involves spending more, not less, money on things like job training and child care. Instead, the Congressional bills would make major cuts in spending food stamps for the working poor, aid to disabled children and to legal immigrants who are not yet citizens. When the dust settles, there would not be much money for welfare reform at all.

States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare and cash assistance *combined* would amount to less than $15 per poor child per week in poor Southern states like Mississippi and Arkansas. Moving people from welfare to work is hard. On $15 a week — whom are we kidding?

Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier states like Wisconsin, California and New York as it does for many states with much higher levels of poverty. Even if they wanted to, there is no way poor states could carry out plans like Governor Thompson's.

States cannot and will not do the impossible. The legislation gives them an out. They may set time limits of any length and simply cut families off welfare regardless of their circumstances — and still get their full Federal block grants.

It won't matter if the people want to work. It won't matter if they would happily take workfare jobs so they could provide something for their families. It won't matter if there are no private jobs available.

States may want to offer workfare jobs, but limited Federal grants may preclude that. People who are willing to work but are unable to find a job should not be abandoned. If they are, what happens to their children?

What is dangerous about the Republican legislation is not that it gives states the lead or reduces Federal rules. States really are the source of most creative work on true reform. Witness the approximately 40 states for which some Federal regulations have been waived.

It is worrisome that this legislation places new and often mean-spirited demands on states while changing the social and financial rules of the game in a way that strongly encourages cutting support rather than getting people jobs.

What is particularly distressing about the pre-election rush to enact legislation is that significant reform is finally starting at the state level, with active support from the Clinton Administration. Some remarkably exciting ideas (as well as some alarming ones) are being tried. There is no evidence that a lack of Federal legislation has seriously slowed this momentum.

Indeed, President Clinton has talked about issuing an executive order requiring states to put people to work after two years — without new legislation and without any danger of sizable rises in child poverty or major benefit cuts. Passing the legislation now in Congress seems far more likely to slow reform than speed it — and it could result not in greater independence of poor families but in a spiral of ever-increasing desperation.

Welfare politics has turned ugly. Rhetoric has replace reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But members of Congress and President Clinton need to stand up for our children. These bills should not be passed. And if legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.□

In America

BOB HERBERT

The Mouths of Babes

There is something very creepy about the welfare debate.

The politicians have gotten together and decided it's a good idea to throw a million or so children into poverty. But they can't say that. The proponents of this so-called "reform" effort have gone out of their way to avoid being seen for what they are — men and women of extreme privilege who are taking food out of the mouths of infants and children, the poverty-stricken elderly, the disabled.

Welfare bills that let kids starve.

They seek camouflage in euphemisms. So here is Clay Shaw, a Florida Republican, as quoted on the front page of Friday's Washington Post:

"This is a most historic bill. I would hope the President would join us in our efforts to rescue millions of Americans out of a corrupt welfare system."

Ah, it's a rescue mission. Can't you picture it? Clay Shaw as hero. A brave Floridian protecting small children from all those breakfasts and dinners they might otherwise have to eat.

The welfare legislation currently before Congress is in no way a reform measure. It will help no one. It is a form of officially sanctioned brutality aimed at the usual suspects — the poor, the black and the brown, the very young, the uneducated, immigrants. Somebody has to be the scapegoat and they're it.

In a letter to a member of Congress last week, the Rev. Fred Kammer, president of Catholic Charities U.S.A., asserted, "The welfare reform before you reflects ignorance and prejudice far more than the experience of this nation's poorest working and welfare families." He described the legislative proposals before the House and the Senate as "largely a sham designed to appease the ignorant and to pander to our worst prejudices in an election year."

Expressions of dismay by Father Kammer and others have not had much effect. You have to wonder what has happened to the national conversation when, a half-century after Franklin Roosevelt, voices concerned about the plight of poor children can barely be heard. You would think, for example, that the potential dumping of a million children into poverty would be big news, but that aspect of the welfare story has drawn little attention.

When Senator Daniel Patrick Moynihan stood up to address the issue last Thursday, he looked slowly around and said: "The Senate floor is all but empty. I see four senators. The lobbies are empty. There is no outcry against what we are doing."

Senator Moynihan's concern, first and foremost, is with the proposed repeal of the Federal guarantee of assistance to the nation's poorest children. The states will be given block grants and if that money (plus a small contingency fund) runs out because of rising unemployment, a recession, mismanagement, whatever — well, that will be too bad.

"This will be the first time in history," the Senator said, "that we have repealed a core provision of the Social Security Act. Further, we are choosing to repeal the provision for children."

President Clinton opened the door to this potential disaster with his famous promise to "end welfare as we know it." Forgotten now are Mr. Clinton's elaborate (and expensive) proposals to assist welfare recipients in the difficult transition to work. The Republicans have seized the issue and their idea of reform is to lop recipients off the rolls.

Mr. Clinton has vetoed two welfare bills, but an election draws near. That is bad news for people who are already in bad shape. Congressional heroes like Clay Shaw are moving in for the kill.

The pending legislation would end benefits to well over a million *legal* immigrants, including many receiving Supplemental Security Income, which is assistance to low-income aged, blind and disabled persons. Senator Dianne Feinstein, a California Democrat, spoke poignantly on Friday about a "very elderly" woman that she encountered on San Francisco's Grant Avenue.

"She was so hunched over she could barely walk," Ms. Feinstein said. "She's on S.S.I. She's a legal immigrant to this country."

Under the current proposals, Ms. Feinstein noted, "She would be summarily thrown off of S.S.I."

Old women, small children, the disabled. A country that would single out such individuals for deliberate harm falls somewhere well short of greatness. □

Anthony Lewis is on vacation.

The Art Of Being No One

THE NEW YORK TIMES,

MONDAY, JULY 22, 1996

By Joyce Carol Oates

PRINCETON, N.J.

In an ideal world uncontaminated by ego and individual "identity," all works of art, if not entertainment, might well be attributed to "Anonymous." These works would then be judged solely on their intrinsic merit; the attachment of specific creators, whether for the enhancement of the works or their detriment, would be irrelevant. What freedom for creators and consumers alike: we would have no expectations, thus no disappointments; we would retain a childlike attitude to art, willing always to be surprised.

In past centuries, it was not uncommon for a work of fiction, for instance, to be by "Anonymous," or his slangier kin "Anon." "A Lady," perhaps, or "A Gentleman." The special intrigue of the roman à clef (and aren't all works by such authors romans à clef?) is further enhanced by the mystery, which begs public discussion, about the author's identity.

A novel by "Anonymous" is very different from a novel by X, a mere individual to whom a specific, inevitably delimiting and diminishing identity accrues. For "Anonymous" is at once no one and everyone; "Anonymous" is greater than the sum of any number of merely finite authors, suggesting, in a secular mode, Pascal's great definition of God — a circle whose center is everywhere and circumference nowhere.

"Anonymous" floats above the mass of mortal individuals, like a spy satellite; "Anonymous" is the very atmosphere out of which the work by "Anonymous" has been generated. "Anonymous" will always be the author of the corrosively funny political satire "Primary Colors," though the name and identity "Joe Klein, Newsweek columnist and CBS commentator" has now been rudely attached.

Motives for publishing anonymously and pseudonymously may be as varied as the authors themselves, and not all are for purposes of publicity and commercial gain. Creating a fictional world to exist exclusively in language, between the covers of a book and beneath a carefully chosen title, the writer also deliberately chooses the name of the writing self, though this is not a fact that seems to occur to most readers.

Yet how carefully chosen is the mellifluous "Lewis Carroll" (real name: Charles Dodgson), author of the ingenious "Alice" books; how shrewdly chosen, in the 19th-century English culture in which bias against "Authoresses" was widespread, the faery-names "Currer Bell," "Ellis Bell" and "Acton Bell" (Charlotte, Emily and Anne Brontë respectively).

The Pseudonyms and Nicknames Dictionary, more than 600 pages of small-print triple-columned pages, takes us from "A. A." (Anthony Armstrong Willis, Canadian author, 1897-1976) to "Z. Y. X." (Arthur Alkin Sykes, British author, 1861-?). In between are thousands of pseudonyms, many of them by genre writers and many by women presenting themselves as male or androgynous, like Amandine Aurore-Lucie Dupin, Baroness Dudevant ("George Sand"), Baroness Karen Blixen ("Isak Dinesen") and Marian Evans ("George Eliot").

The most famous self-naming American writer is Samuel Langhorne Clemens, creator of "Mark Twain" (the riverboat leadsman's cry); like other pseudonymous writers, Clemens/Twain seems to have suggested in this naming an essential split in his own identity.

The 18th century was our great age of political and social satire, and consequently an age of strategic "anonymous" and "pseudonymous" writings. While imprisoned in the Bastille for political imprudence, the young François Marie Arouet re-named himself "Voltaire" and embarked upon a career that would, in time, fill 99 volumes, changing the intellectual climate of Europe forever.

In England, the great Augustan ironists Jonathan Swift, Alexander Pope and John Gay joined with some others in creating a series of papers by one "Martin Scriblerus." Swift distinguished himself as a master of voices and personae of remarkable comic subtlety. Sometimes, as in the famous "Bickerstaff Papers," he chose a distinctive pseudonym ("Isaac Bickerstaff, Esq.," an ardent if cracked astrologer); at other times, as in his masterwork of 1729, "A Modest Proposal" (the proposal being that the children of poor folk be purchased for food by their betters), he used the enigmatic author-name "Dr. Swift," though the voice of his proposal is that of an idealist-lunatic, hardly that of the well-known Jonathan Swift, Dean of St. Patrick's Cathedral, Dublin.

More pointedly than most, Swift's satirical pieces raise the question of the distinction between satire and hoax, parody and outright deception.

A satire seems to be something we can enjoy at another's expense, while a hoax may be at our own.

No work by an "Anonymous" can be a hoax, though many works by "Anonymous" are satires. The term "Anonymous" suggests, perversely, a measure of honesty: the writer is not pretending to be anyone, but acknowledges he is "no one." The creator of a hoax always identifies himself, for his identity, his professional reputation in particular, is part of the hoax; the creator of a satire need not identify himself, for his identity is not usually an essential element in the satire.

When Alan Sokal, a physics professor at New York University, published his devastating (and wonderfully funny) critique of postmodernist social science theory, "Transgressing the Boundaries: Toward a Hermeneutics of Quantum Gravity," simultaneously in the journals Lingua Franca and Social Text, the identical essay was a satire in the former and a hoax in the latter. (Professor Sokal's satiric object was Swiftian in its doubleness: the physicist not only parodied incomprehensible postmodernist jargon but the very pretensions of Social Text's self-styled theorist-editors.)

Had he published his essay under a pseudonym, failing to identify himself as a professor of physics, it would still be satire, but would not be a hoax. Had he published it under the author-name "Anonymous" it could only be satire, not a hoax. And who would be content to create mere satire if by a manipulation of "author-identity" he could create a hoax? For a hoax is satire that has exploded and caused injury.

The author of "Primary Colors" would not have wished to limit the authority of his roman à clef by affixing his own name. For a Newsweek columnist, an individual in the political trade, so to speak, would not be granted the uncanny power of "Anonymous." All fiction writers create not simply their fictions but, as readers should be well aware, their very author-selves; to use a "real" name on the dust jacket, and a "real" photo, is to have made a choice as deliberate as the anonymous or pseudonymous writer. There is nothing in the slightest dishonest, insincere, deceptive or in any way unethical in publishing a book, roman à clef or otherwise, under the author-identity "Anonymous."

As for "Primary Colors" itself, what more appropriate authorship than "Anonymous" for an intimate picture of a recent Presidential campaign, privy to mildly shocking yet never surprising secrets? Our perception of national politics in an age of public opinion polls and mass-market advertising is that it is, in its essence, a phenomenon of smoke and mirrors, not substance. Politicians themselves are "Anonymous," or, if it would assure them success at the polls, how eagerly they would become so. □

Joyce Carol Oates, professor of humanities at Princeton University, is the author of several psychological-suspense novels written under the pseudonym Rosamond Smith.

THE NEW YORK TIMES,

MONDAY, JULY 22, 1996

Gore Says He Expects an Accord on Welfare

By ROBERT PEAR

WASHINGTON, July 21 — Vice President Al Gore said today that some features of a Republican welfare bill moving through Congress were unacceptable, but he said he believed that the final product would be acceptable to President Clinton.

While the bill passed last week by the House has "some real shortcomings," Mr. Gore said, "we believe that we can get a bill at the end of the process that the President can sign."

Mr. Gore did not explain the basis for his statements, which were somewhat more upbeat than those of other Administration officials. Mr. Gore seemed to be suggesting that the protections for children sought by Mr. Clinton, but rejected by the House and the Senate, would be inserted into the bill by a conference committee, which will reconcile the two versions of the legislation.

But as a rule, conference committees do not tamper with parts of a bill on which the two chambers agree.

Mr. Gore, appearing on the CBS News program "Face the Nation," said the President had no objection to one of the most significant parts of the welfare bill, which would end the 61-year-old Federal guarantee of cash assistance for poor children who meet eligibility standards.

"That particular feature of the current system has always been a little bit overstated in its importance," Mr. Gore said, referring to the Federal guarantee, or entitlement. The provision of the bill ending this entitlement "is not one that would lead to a veto," Mr. Gore added.

The Vice President said Mr. Clinton strenuously objected to other provisions of the bill that would deny a wide range of benefits to legal immigrants who have yet to become citizens. In addition, Mr. Gore said, the level of cuts in the food-stamp program "is something that we are concerned about."

The bill would impose a lifetime limit of five years on welfare payments to any family, and states could set stricter limits. Mr. Gore said the Administration wanted Congress to authorize the use of Federal welfare grants to provide vouchers for the children of families who would be removed from the rolls because of such limits. The vouchers could be redeemed for diapers, school supplies and other goods and services that children need.

The Senate is expected to vote on the welfare bill on Tuesday. It has already rejected Democratic proposals to encourage the use of vouchers and to preserve benefits for legal immigrants. But Administration officials said they hoped that the Senate would adopt other versions of those amendments.

An Administration strategy of ambiguity on a welfare bill.

Mr. Clinton ran for office in 1992 promising to "end welfare as we know it." In this year's campaign, Bob Dole, the likely Republican Presidential nominee, has repeatedly denounced Mr. Clinton for vetoing two welfare bills, which were radically different from the legislation proposed by Mr. Clinton in June 1994.

Mr. Gore was asked three times today whether the President would sign the latest welfare bill, and he avoided giving a direct answer each time.

"All of these questions are premature and, to some extent, hypothetical because we don't know what's going to be in the final bill," Mr. Gore said.

Journalists on "Face the Nation" tried but failed to pin down the Vice President, as illustrated in this exchange with Mr. Gore:

Question. Let me just make sure I understand one thing. The bill as now written, the President could not sign?

Answer. Well, the President hopes to get a bill he can sign, and it's——

Q. He can't sign this one?

A. Well, this one isn't a bill from the full Congress, so it's a moot question.

Administration officials said Mr. Gore had been deliberately ambiguous because if he had specified what would provoke a veto, some Republicans would want to include such items in the bill. Many Republicans reckon that a third veto would help them in this year's elections.

Senator Daniel Patrick Moynihan, Democrat of New York, and Marian Wright Edelman, president of the Children's Defense Fund, are trying to mobilize opposition to the latest version of the welfare bill, saying it would push hundreds of thousands of children into poverty.

When Mr. Gore was asked whether such critics would, in effect, have a veto over the President's decision, he said: "No one has a veto over what the President does. In our system, the President has the veto, nobody else."

Expelled in 1877, Indian Tribe Is Now Wanted as a Resource

By TIMOTHY EGAN A1

JOSEPH, Ore. — They saved Lewis and Clark from starvation, helped many an Oregon Trail straggler find the way west, and outfoxed the United States Army in battles that are studied by military historians to this day.

Yet for all their standing in the history books, the Nez Percé Indians have never been able to regain a foothold in the land they were forced from in 1877 — an exile that led to one of the last major Indian wars in North America.

But now, in a turn of history and uncommon fate, the people who live in the mountain valley that was taken from the Nez Percé want the Indians to return and are even assembling the financing to buy a large patch of real estate for them. They regard the return of the Nez Percé as a way to help replace the dying logging and ranching economy that was created as a justification for removing the Indians in the first place.

"They're opening the door for the trail home — I never thought I'd see the day," said Earl (Taz) Conner, one of about 4,000 Nez Percé in North America. Mr. Conner is a direct descendant of Old Chief Joseph, for whom this town is named and whose burial site is a prime tourist attraction here in the Wallowa Valley, in northeastern Oregon. "It is really ironic, asking us Indians to return after booting us out of there in 1877."

These days, the people in the valley see the tribe as a potent economic resource. They hope to set aside land for an interpretive center they believe will be a tourist magnet, as well as a year-round cultural and camping site for the Nez Percé.

A remote, mountainous area, four hours of hard driving from the nearest city of any size, Wallowa County has suffered economically in the last decade as timber mills have shut down and cattle prices have plunged. The Nez Percé have long since disappeared, leaving behind only a little cemetery at the foot of Wallowa Lake. Also known as the Sahaptin, they were given the name Nez Percé

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(meaning pierced nose) by the French because some of the Indians wore nose pendants.

Tourists from all over the world come to see it and the heart-stopping scenery. In Germany, where the fascination with American Indians knows few bounds, the Wallowa Valley may be as well known as Cooperstown is to American baseball fans.

Until now, among the ranchers and cowboys here, there has been ambivalence about the Indians who were driven out.

"I wouldn't call it guilt, but now that some of the old-timers here have fallen on hard times, they can appreciate a little better what happened to the Nez Percé," said Paul Henderson, the National Park Service coordinator for the Oregon end of the 1,100-mile Nez Percé National Historic Trail, which commemorates the 1877 war.

What has happened here has happened in other Western counties where Indian cultural events have become a big attraction. About 10 years ago, some Nez Percé Indians started to return for the annual rodeo here, setting up a powwow on nearby grounds. Before long, the powwows were attracting more people than the rodeo, which was named Chief Joseph Days.

In all the sorry history of American Indians, the Nez Percé story stands as a singular tale. This year, in Stephen E. Ambrose's best-selling book about Lewis and Clark — "Undaunted Courage: Meriwether Lewis, Thomas Jefferson, and the Opening of the Ameican West" (Simon & Schuster) — a new generation of Americans is learning about the tribe that saved the expedition known as the Corps of Discovery from starvation in 1805 and 1806.

For months, the explorers lived among the Nez Percé, marveling at their elaborate economy, their horse-breeding skills, their athleticism, their ability to prosper in the vast reaches of the Columbia River Plateau.

In part because of their longstanding good relations with the Federal Government dating to that expedition, in 1855 the Nez Percé were given official recognition of the land they lived on, about 13 million acres covering parts of what are now Oregon, Washington and Idaho. Included in that original treaty was the Wallowa Valley, where the Joseph band of the tribe had lived for centuries.

But trespassers inevitably came, as part of the gold rushes in the 1860's and 1870's; the treaty was broken; and by the 1870's, the Army ordered the Nez Percé out of the Wallowa region and onto a much smaller reservation in Idaho. Rather than be rounded up, the Wallowa band fled, led by Young Chief Joseph — son of the older chief.

Their 1,600-mile march, with the military in pursuit, over several months was page-one news around the world — with the Indians winning most of the battles.

"On our part, the war was in its origin and motive nothing short of a gigantic blunder and a crime," The New York Times wrote in 1877.

Finally, just short of the Canadian border in what is now Montana, where the tribe had hoped to be taken in by other Indians, the starving, freezing band of Nez Percé surrendered.

Some 250 Nez Percé warriors, joined by 500 women, children and old people, had fought with about 2,000 Army soldiers in 20 battles and skirmishes. Later, the Army estimated that a total of 151 Indians had been killed. It was, said Gen. William Tecumseh Sherman, "the most extraordinary of Indian wars."

Afterward, the Government scattered the Nez Percé all across the continent, from Canada to Oklahoma, but never allowed them to return to this valley. Young Joseph was buried in 1904 in the chalky volcanic soil of eastern Washington. He died, it was said, of a broken heart.

Though the Nez Percé made numerous appeals to the Government, and through the courts, to get their Wallowa Valley land back, they were rebuffed. The Government pointed to a revised treaty — signed by some Nez Percé leaders in Idaho, but never signed by Joseph or his band — as the legal basis for keeping the tribe out of Oregon.

Mr. Conner, whose great-grandfather Ollokot fought in the war, noticed a change in attitude a few years ago, as the Wallowa economy went into tailspin.

"I was working for the Forest Service, the only Indian walking around there, and I was approached by this economic development guy from the city of Wallowa," Mr. Conner recalled. "He said he thought the Indians could save this county. I had to laugh at that."

These days, tourists by the busload cannot get enough of the vanquished Joseph band, said Mr. Henderson, the Park Service coordinator.

"Joseph has become one of those transcendent figures in American history," he said. "There is just this huge interest. They come here, to the end of the road, and they see what Joseph was fighting for."

Down the road from Joseph, in the town of Wallowa, community leaders say the aura of the Nez Percé may be the No. 1 draw. Their visitor brochures now proclaim Wallowa as "Gateway to the Land of Chief Joseph," and the Nez Percé Powwow — which is separate from the gathering in Joseph — is now in its sixth year.

Seeing a chance for economic revitalization, the valley's community leaders have joined with the Indians to develop a big Nez Percé cultural and interpretive center. They obtained a $250,000 grant from an Oregon historical group, and plan to use the money to buy 160 acres atop a bluff not far from the river where the Nez Percé used to fish for salmon, just outside the town of Wallowa. They intend to begin a major fund-raising effort for the rest of the money, an amount yet to be determined, to build the center.

The Nez Percé, it turns out, have been something of a lost gem in this valley. "We're just a bunch of white folks — we didn't have a clue at first," said Terry Crenshaw, one of the leaders behind the effort to build a cultural and interpretive center.

But the recent developments have a different meaning for Nez Percé like Soy Redthunder, a descendant of Joseph who lives on the Colville Indian Reservation in Washington State, where Young Joseph is buried.

"The whites may look at it as an economic plus, but we look at it as homecoming," Mr. Redthunder said.

He said the tribe would have to be very careful, given that anti-Indian sentiment still lingers in the valley. "I don't think we want to rush in there and take over the county," he said. "But I see a serious effort to return the Nez Percé people to the Wallowa Valley."

Until a few years ago, Mr. Redthunder said, he had always felt shunned here. "At their cowboy festival, they were highly indifferent to native people — they considered us drunken Indians," he said.

Up in another part of this county, the Nez Percé are about to take possession of 10,000 acres along a creek where Young Joseph was born. This land is being purchased by the Bonneville Power Administration, which markets electricity from the string of Federal dams along the Columbia and Snake Rivers. Having destroyed the salmon runs on which the Indians used to depend, the dam operators are required by law to offer something in return.

In this case, they are buying Wallowa County land and turning it over to the Indians for management. No Indians will live there, but they will get hunting, fishing and management rights. It would be controlled by the band of Nez Percé living on the reservation in Idaho — a group that has been separate from the Joseph band since 1860.

Standing near the Wallowa River, where generations of Nez Percé have long fished for the big chinook salmon and steelhead trout that make their way into the Oregon interior, Mr. Conner could scarcely believe the changes that are under way.

A Navy veteran, he has always felt that people in other parts of the world appreciated the Nez Percé more than people in his home in the Pacific Northwest.

"I was in Spain once," Mr. Conner recalled, "and this guy said to me, 'You're Indian, right? What are you, Sioux?' I told him I was Nez Percé, and his face lit up. He said, 'Nez Percé! Chief Joseph.' "

The return of the Nez Percé here, "would be a tremendous happening for our people," Mr. Conner said, adding, "We're pretty close to being home."

THE NEW YORK TIMES, MONDAY, JULY 22, 1996

HOUSE APPROVES SHIFT ON WELFARE

Bill Would Give States Power — Vote Follows Party Lines

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By ROBERT PEAR

WASHINGTON, July 18 — The House today approved a bill that would reverse decades of social welfare policy, ending the Federal guarantee of cash assistance for poor children and instead giving states vast new authority to run their own welfare and work programs with lumps sums of Federal money.

The bill, which is very similar to one taken up today in the Senate, would make the biggest changes in welfare policy since the New Deal.

The Republican bill was approved 256 to 170, with members largely divided along party lines. A bipartisan alternative, championed today by Democrats and supported by President Clinton, was rejected, 258 to 168.

But even the bipartisan measure would have eliminated the welfare guarantee, or "entitlement," a sign of how far the welfare debate has shifted to the right since Republicans won control of Congress in 1994.

Michael D. McCurry, the White House press secretary, said that the bill passed today by the House was better than welfare legislation vetoed by Mr. Clinton in December and January.

"This bill is some improvement," Mr. McCurry said tonight. "It still is way short of what we need in order to be satisfied."

Mr. McCurry said he hoped the Senate would further improve the bill so Mr. Clinton could sign it. "The President remains optimistic that when it comes to welfare reform we're talking signature, not veto," he said.

House Republicans had revised

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their bill to address some of the President's concerns, but at the same time, they toughened the bill in other ways that make it less palatable to the President.

The bill would set a five-year limit on payment of welfare benefits to any family, and states could set shorter time limits.

The Democratic proposal rejected today would have allowed states to use Federal money for vouchers to provide goods and services to children after welfare was cut off. The alternative version would have saved somewhat less money than the Republican bill.

The Republican bill would save $60 billion over the next six years, while the bipartisan alternative would have saved $53 billion.

How to overhaul welfare has been a central issue in the Presidential campaign, and today's debate was full of election-year politics.

Republicans echoed Bob Dole's criticism of President Clinton as a duplicitous politician who vetoed two earlier welfare bills after promising in 1992 to "end welfare as we know it." For their part, Democrats denounced the Republican bill as an assault on poor people, legal immigrants and others with few resources to fight back. But overall the tone of the debate was softer today than last year, when one House Republican compared welfare recipients to alligators and another likened them to wolves.

The Senate is expected to pass its version of the welfare bill in the next few days. The White House has made no veto threats.

Mr. McCurry, said: "In recent days, we're not talking about veto, we're talking about signing. We're talking about finding ways to find things we can sign." But Mr. McCurry left plenty of wiggle room, saying, "The President cannot accept the unacceptable."

Republicans said they would win either way.

Representative Dick Armey of Texas, the House Republican leader, said: "In the end, the President is going to have to make a determination whether or not he's going to sign this bill and satisfy the American people while he alienates his left-wing political base, or if he's going to veto the bill in order to satisfy the left wing of the Democrat Party, and thereby alienate the American people. That's the choice."

Representative Charles B. Rangel, Democrat of Manhattan, said, "It may be good politics, but it's bad for the children of our nation."

Campaigning today in Milwaukee, Mr. Dole said: "With today's action, it appears that President Clinton will have one last chance to keep his promise on welfare reform. I urge him to heed the counsel of leaders of both parties in Congress who have helped pass the legislation and sign it when it reaches his desk."

Nearly nine million children subsist on the monthly cash benefits they receive from the program known as Aid to Families With Dependent Children. Representative Robert T. Matsui, Democrat of California, said the Republicans were endangering these children so they could put the President in a political box.

"That's what this bill is all about: politics to hurt America's children," Mr. Matsui said.

A 256-to-170 vote to make the biggest changes in welfare policy since the New Deal.

In the final House vote on the welfare bill today, 226 Republicans and only 30 Democrats supported the legislation. Four Republicans joined 165 Democrats and 1 independent in voting against the bill.

The measure approved today was more moderate than the welfare bill passed in March 1995, when House Republicans were at the height of their power. The vote then was 234 to 199. Only nine Democrats voted for that bill.

Today, only nine Republicans voted for the bipartisan alternative, devised by Representatives John Tanner, Democrat of Tennessee, and Michael N. Castle, Republican of Delaware.

Representative John R. Kasich, the Ohio Republican who is chairman of the Budget Committee, predicted that President Clinton would sign the bill, despite protests by liberal Democrats and many charitable and religious groups.

"The third time is always a charm," Mr. Kasich said. "The President has vetoed the bill twice. This is the third opportunity he'll have to sign it. I have a suspicion that he will sign it."

Mr. Kasich said the day's most significant development was that Democrats had themselves proposed ending welfare's status as an open-ended entitlement program, which automatically expands when the number of eligible families increases.

Republicans, he said, have caused a profound change in the nation's political landscape, even though they have not achieved all their legislative goals.

"You don't think for a second, do you, that if the Republicans had not taken control of the House of Representatives, we would have this kind of activity today?" Mr. Kasich asked. "Do you really think we would be ending welfare as an entitlement, establishing work requirements and sending power, money and influence back to the states?"

After the bill reached the House floor today, lawmakers toughened it by establishing strict new work requirements for people seeking food stamps. Able-bodied adults with no dependents could receive food stamps for no more than three months unless they were working at least 20 hours a week.

Democrats said that, under this provision, a person laid off after 10 continuous years of work would be ineligible for food stamps if he had received such benefits for three months in a prior recession.

Representative W. G. (Bill) Hefner, a North Carolina Democrat who has been in Congress for 22 years, said: "This is the most mean-spirited amendment I have ever seen on any bill. It's degrading."

But Representative Bill Archer, the Texas Republican who is chairman of the Ways and Means Committee, spoke for most of his party when he said: "We have lost the war on poverty. With today's vote, we recognize that the Great Society's welfare programs have not helped people. They have destroyed people."

Representative Xavier Becerra, Democrat of California, said that legal immigrants were an easy target because "they can't vote and they can't hurt the people who attack them."

Representative Martin Frost, Democrat of Texas, said "the Republican welfare bill will push over one million children into poverty."

But Senator Daniel Patrick Moynihan, Democrat of New York, complained that the White House had ignored requests for an official estimate of the number of children who would be impoverished. Administration officials said the White House was reluctant to produce such estimates because the President might eventually want to sign the bill and the poverty data would provide ammunition to liberal Democrats arguing that he should veto it.

Mr. Moynihan summarized the Administration's position this way: "We will not tell the Senate what it is doing. If it knew what it was doing, it wouldn't do it."

Mr. McCurry, the White House press secretary, said "the overall intangible values associated with welfare reform," including its emphasis on work, might partly offset the loss of income for people removed from the welfare rolls. But Mr. Moynihan said this was a fallacious argument because many people who would be impoverished by the loss of welfare were already working at low-wage jobs.

Representative Marge Roukema of New Jersey, one of the four Republicans who voted against the bill, said, "No children will go hungry and homeless on my watch if I can help it."

Solid Democratic opposition to the bill presumably makes a veto more likely. Representative Major R. Owens, Democrat of Brooklyn, spoke for most Democrats when he said: "Welfare reform is very much in order. But reform should not be driven by manufactured hysteria and scapegoating. It should not become the oppression and persecution of the poor."

THE NEW YORK TIMES

FRIDAY, JULY 19, 1996

Scouring an Imaginary Grid, Finding Specks of a Disaster

By DAN BARRY

EAST MORICHES, L.I., July 18 — Under a blazing sun and against otherwise peaceful waters, the United States Coast Guard laid an imaginary grid over 240 square miles of the Atlantic Ocean today to help in the meticulous recovery of the airplane shards, personal effects and bodies that rained from the sky Wednesday night when a Boeing 747 exploded off eastern Long Island.

Coast Guard officials said their mission was threefold: to search for survivors, to recover the remains of the dead and and to recover every piece of T.W.A. Flight 800, from passenger seats to the flight data recorder, so that investigators could reassemble the craft and learn the cause of the deadly blast.

The first of these tasks, however, seemed based more in hope than reality. Anyone who might have miraculously lived through the mid-air explosion, investigators said, could have survived eight hours at most in the 140-foot-deep water with an average temperature of 65 degrees Fahrenheit. But Coast Guard officials were still calling their mission a rescue operation 15 hours after the disaster occurred Wednesday night.

Investigators from several agencies, including the Federal Bureau of Investigation and the National Transportation Safety Board, set up operations at the Coast Guard station at Moriches Bay. Throughout the day, helicopters buzzed overhead, while Coast Guard cutters and swift boats called Hurricanes that resemble life rafts zipped back and forth to the crash site, about 10 miles offshore, some of them ferrying back eviden

A spokesman for the Coast Guard said last night that 120 bodies had been recovered. "It's the same count we've had for five or six hours," he said at 7 P.M. "It may stay that way until we go down" under water, he

Continued on Page B5, Column 1

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said.

At first a mix-and-match armada of Coast Guard ships, police vessels and recreational boats had made their way to the scene, where remnants of the accident bobbed about in mostly calm waters that reeked of jet fuel. But by mid-morning the Coast Guard had thanked freelancers and taken over the area, which, because the specter of terrorism had been raised as a possible cause of the blast, was being treated like an undulating crime scene.

In addition, late this afternoon the Navy announced that a team of divers was to begin searching the ocean floor tomorrow morning for the jet's flight data recorder and cockpit voice recorder.

Master Chief Petty Officer Norm Deragon of the Coast Guard said that Coast Guard officers in Boston had used a geographical positioning system, with information fed by satellite, to lay a computerized grid over the crash site, which measures 12 miles by 20 miles. Then, using nine cutters, four helicopters and one C-130 transport plane, recovery teams scoured every box in the grid.

"It's a zigzag search pattern," Mr. Deragon said. "They go up and down so that they can cover every piece of water on the grid so that they don't miss anything. We were initially looking for survivors. But so far, it's mostly bodies."

As winds and the tide moved the debris farther east, so too did the grid pattern move. But for all the sophisticated technology used in the recovery mission, Mr. Deragon said that searchers at times had no recourse other than to fish items from the sea with poles and, in some cases, their gloved hands.

As Wednesday night turned into dawn, and as morning gave way to a hot, muggy afternoon, the tally of recovered bodies increased. They were placed in body bags, which were returned to the Moriches Bay Coast Guard station by ship. A spokesman said tonight that a temporary morgue had been established at the Air National Guard post at Gabreski Airport in Westhampton, though some of the bodies were being taken to the Suffolk County Medical Examiner's office in Hauppauge.

The Medical Examiner, Dr. Charles Wetli, said that his office had completed autopsies on 20 of the bodies and had determined the cause of death to be "predominantly massive blunt force injuries" either from impact with objects inside the cabin or from deceleration.

'The vulnerability of the human body becomes very apparent.'

"The impact inside the cabin itself as the plane begins to break up causes people to begin to collide with things inside the cabin, causing massive injuries of bones as well as organs," Dr. Wetli said.

Although many of the bodies had been burned, Dr. Wetli said he did not believe the victims had been exposed to flames when they were alive, since "for all practical purposes it was an instantaneous death."

From the 20 examinations performed thus far Dr. Wetli said he had found no evidence of a bomb. He said the examiners had been looking through X-rays for "characteristics — missiles and projectiles — which could be trapped by the bodies and which are typical for an explosion. I'm no bomb expert, but I would imagine that if you were going to blow up a plane you would probably need five or six explosives probably away from the fuselage unless you had a bomb directly under your seat. So we are looking for things like that. So far we haven't seen anything like that."

One of the people who visited the Coast Guard station this morning was Rabbi Tuvia Teldon, the director of Lubavitch for Long Island, who came to say prayers over the dead and to comfort the workers who were the first to take the bodies coming in from the crash site.

"It's just the garage where they usually keep the boats," he said. "They have put up a few tables, a refrigerated truck. Everything that comes in, they tag.

"Some came in fully clothed, with just a broken leg and shoes on," he continued. "Some of the bodies are not in that good shape. The vulnerability of the human body becomes very apparent."

The crash site, as seen from a helicopter 6,000 feet in the air, looked as though scraps of white paper had been scattered over a blue-black background. In fact, those spots of white were pieces of the Boeing 747.

Covering every square inch of a drifting, undulating crime scene.

According to the Coast Guard, some pieces from the plane were ferried back to shore, where N.T.S.B. officials awaited: Other pieces, including a 30-foot section and at least one wing, were loaded by crane aboard the Juniper, a 225-foot cutter commissioned earlier this month.

Meanwhile, on shore, the disaster brought a surreal air to the soft, salty breezes around Moriches Bay. Along the station's wood-plank docks, investigators in white jumpsuits — apparently N.T.S.B. investigators — knelt over evidence handed up to them from people on police and Coast Guard boats. A tent had been set up on the station's lawn, and several refrigerated trucks came and left. All the while, the chopping of helicopters above cut the air.

Steve Kreuter, 18, whose family owns the Moriches Boat and Motor store in Moriches Bay, said that he had never seen such commotion come to the normally drowsy resort town. "I feel like I'm in Vietnam," he said.

There was some truth to that, ever since Wednesday night when Air National Guardsmen who were returning by air to Gabreski Airport after an evening of practice rescues saw the explosion in the dusky southeastern skies.

Craig Johnson, a "pararescuer" who had trained many hours for just such an occasion, rushed to put on his wet suit and fins.

Through the night, the Air National Guard and Coast Guard searched for signs of life in the inky water, but to no avail. Instead, they threw down glow-in-the-dark markers whenever they spotted a body. Mr. Johnson estimated he threw down as many as three dozen.

By mid-morning, the rescue and salvage operation was in full swing, with reports that photographs, children's gifts, plane parts and the occasional body could be seen bobbing in the calm sea.

"We saw everything from pieces of the plane to luggage floating in the water," said Gov. George E. Pataki, who visited the site.

So many boaters were dra[illegible] the scene, from reporters and [illegible]era crews to the merely curious, th[illegible] the Suffolk County Executive, Robert J. Gaffney, expressed concern about civilian craft picking up bodies or parts of the wreckage.

"Don't touch it," he implored. "Don't pick it up. Leave it where it is and call the Suffolk County police."

By late afternoon, investigators had declared the area surrounding the crash scene off limits, and a Suffolk County police vessel dogged any boat that dallied in Hart Cove, whose waters lapped against the docks of the Coast Guard station and command post.

That left the onlookers who had gathered across the bay, in the parking lot of Larry's Crab House, with only one option: to use binoculars to study those people in the white jumpsuits who were collecting evidence of an international disaster, and to wonder from a distance how they do it.

THE NEW YORK TIMES

FRIDAY, JULY 19, 1996

THE NEW YORK TIMES,
TUESDAY, JULY 16, 1996

Budget Agency Says Welfare Bill Would Cut Rolls by Millions

By ROBERT PEAR

WASHINGTON, July 15 — The Congressional Budget Office said today that a new Republican welfare bill moving quickly through both houses of Congress could eventually cut the Federal welfare rolls by 30 percent to 40 percent.

In addition, it said, most states could not satisfy the bill's requirements for putting welfare recipients to work. Republicans have cited the work requirements as one of the most important features of the bill. States that fail to comply would receive slightly less Federal money for their welfare programs.

Last week, when Republicans agreed to consider welfare and Medicaid changes separately, President Clinton hailed the action as "a bipartisan breakthrough" that could produce a bill acceptable to him.

But today, Congressional Republicans said they still had substantial differences with Mr. Clinton. In a letter to the President, Speaker Newt Gingrich said, "Welfare reform must include a general ban on welfare benefits for noncitizens." The Administration opposes such a ban, preferring instead to enforce the commitments of friends and relatives who promise to provide financial support to legal immigrants.

The House is expected to take up the welfare bill this week and the Senate next week. Republican leaders want to complete work on it before adjourning for the national political conventions in August.

About 12.8 million people now receive cash benefits through Aid to Families With Dependent Children. The Congressional Budget Office said that one provision of the Republican bill, which sets a five-year limit on welfare for any family, "could reduce cash assistance rolls by 30 percent to 40 percent."

Under the bill, states could set more stringent time limits. Some have already passed laws to halt benefits after two years. If states enforce time limits shorter than five years, the welfare rolls could be cut significantly more than 30 percent.

Republicans say such cuts would show the success of their plan to move people from welfare to work. Representative J. C. Watts, Republican of Oklahoma, said: "We can no longer measure compassion by how many people are on welfare. We need to measure compassion by how many people are not on welfare because we've helped them climb the ladder of success."

President Clinton supports a five-year limit. But at the end of five years, he would require states to provide for the needs of children by issuing vouchers for clothing, diapers and other goods and services. Mr. Gingrich opposes such vouchers, saying they would circumvent the time limits and let families get welfare indefinitely under a new name.

About two-thirds of welfare recipients are children. Senators Daniel Patrick Moynihan of New York and Carol Moseley-Braun of Illinois, both Democrats, said most of those affected by the time limits would be black or Hispanic.

In its report on the legislation, the Congressional Budget Office made these points:

¶More than one-third of the projected savings — $18.6 billion of the expected $53 billion over six years — are achieved by denying food stamps and other benefits to legal immigrants.

¶About 300,000 disabled children would lose cash benefits because of stricter eligibility standards for Supplemental Security Income.

¶About 500,000 legal immigrants who have not become citizens would be cut from Supplemental Security Income, a program for low-income aged and disabled people.

The Congressional Budget Office said the bill would require 1.7 million recipients to work, nearly four times the number now employed. But the budget office said the work requirements were well beyond the ability of most states to carry out. So, it said, most states will simply accept modest financial penalties for noncompliance, losing an average of one-half of 1 percent of their welfare money.

Under the bill, each family on welfare would be expected to work within two years of receiving benefits, and the proportion of families required to work in each state would rise steadily, to 50 percent in 2002.

THE NEW YORK TIMES,
TUESDAY, JULY 16, 1996

21 at White House Had Extra Drug Tests, Spokeswoman Says

By TIM WEINER

WASHINGTON, July 15 — The Secret Service stepped up drug testing on 21 White House staff members two years ago after they revealed they had experiences far more extensive than an experimental puff of marijuana in college, a White House spokeswoman said today.

In answers to questionnaires needed to obtain permanent White House passes, the staff members disclosed that they had smoked marijuana or taken stronger drugs at least once within the past year — or more frequently in years past.

The Bush Administration imposed a random drug-testing policy at the White House in 1991, a policy that continues today. But the Secret Service asked the 21 employees of the Clinton White House to submit to at least two tests a year, said the spokeswoman, Mary Ellen Glynn.

Nine employees, none at a senior level, are undergoing a minimum of two random drug tests a year, she said. Twelve people of the 21 originally ordered to submit to the tests have left the White House for other jobs over the past three years, she said.

Disclosures of heavy or recent use of illegal drugs.

None failed a drug test, and no member of the Clinton White House ever has tested positive for drug use in the random-testing program still in place, she said.

About 1,700 people work at the White House, from cooks and clerks to Mr. Clinton's top aides. None of those aides — 24 assistants to the President, 30 deputy assistants and 75 special assistants — were involved in the stepped-up drug tests, Ms. Glynn said.

The Associated Press first reported today the increased drug testing imposed by the Secret Service. The White House revealed the existence of the drug testing program last year, but no one seems to have taken much note. That disclosure came in written answers to questions posed by Congressional Republicans and printed in the Congressional Record.

Those answers disclosed that the mandatory twice-a-year tests had been instituted for White House workers with "extensive and/or recent drug use found in their backgrounds." Their identities are protected by privacy laws.

Those backgrounds came to the attention of the Secret Service in 1993 and early 1994, as part of the fouled-up process that led to White House aides obtaining hundreds of F.B.I. files that they had no right to see.

The new White House staff that came to Washington with Mr. Clinton in 1993 included people in their 20's and 30's who had, like many of their generation, at least a passing acquaintance with illegal drugs. To obtain permanent White House passes from the Secret Service, the new staff had to fill out detailed questionnaires about their pasts and submit them to the Federal Bureau of Investigation.

At least 21 people among them admitted to having either taken drugs within the past year or having engaged in "a pattern of use" when they were younger, Ms. Glynn said; a former Clinton Administration official said those patterns included at least a few instances of relatively heavy drug use. In addition, some of the White House staff were slow to fill out the forms, fearful of revealing their pasts.

Both these problems led to a growing backlog of people working at the White House without permanent passes. In August 1993, Craig Livingstone, the 34-year-old White House personnel security director, brought in Anthony Marceca, an Army security officer, to help clear the backlog.

Instead, they created a deep political embarrassment that only came to light in recent weeks.

Using an outdated Secret Service list of people with access to the White House, Mr. Marceca obtained hundreds of F.B.I. files on people who had no connection to the Clinton Administration, including prominent Republicans. The incident has led to Congressional hearings and Mr. Livingstone's resignation.

en men and said they had narrowly averted a series of A bomb attacks in the southeast of England. They said he men had enough components to make 36 bombs.

``I believe we were only a few hours away from grave loss of life in London and the southeast," police commander John Grieve said at a news conference. ``The number of devices suggests there was to be a whole series of attacks over a prolonged period."

He said some of the arrested men were from Northern Ireland.

The latest surge of violence came just five weeks after authorities had inaugurated so-called all-party talks on a peace settlement. Sinn Fein, the political wing of the IRA, was barred from the talks because of the IRA's refusal to reinstate its ceasefire.

Last week the mainly Catholic Social Democratic and Labor Party announced it was withdrawing from a forum set up to oversee the negotiations.

The talks, which have made no progress, were scheduled to resume Tuesday. The SDLP will attend but is under pressure to withdraw from them as well, and some politicians are saying that the talks process is dead and merely awaiting burial.

While the meeting is under way, Sir Patrick Mayhew, Britain's Northern Ireland secretary, and Irish Foreign Minister Dick Spring will hold crisis talks in Belfast.

(EDITORS: NEXT 4 GRAFS OPTIONAL TRIM)

British officials said Prime Minister John Major was ``incandescent with rage" over Bruton's criticisms of the way the Orange Order march had been handled. But the Enniskillen bombing appeared to have concentrated minds in London and Dublin on the need to end recriminations and find a way out of the impasse.

Mayhew told Parliament on Monday that the renewed violence was ``the worst setback for many years, a return toward what so many people in Northern Ireland, and far beyond, had prayed was over for good."

But he gave the government's ``whole support" to Annesley's decision last week to allow the Orange Order march.

Adams said Mayhew's remarks were ``inadequate and pathetic."

``There needs to be a total review of this entire process because it's dead and it needs to be rebuilt," the Sinn Fein leader said.

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In Londonderry, grieving Catholics on Monday buried convicted bomber Dermot McShane, the second person killed in the latest outbreak of violence. McShane, 35, was struck by an army armored vehicle in Catholic riots Friday.

Thousands followed McShane's coffin to his grave, but there was no violence, and police kept a discreet distance.

Palestinians increasingly disappointed in Netanyahu By Stephen Franklin Chicago Tribune(KRT)

JERUSALEM Palestinian hopes for dealing with Israeli Prime Minister Benjamin Netanyahu, never very high, have fallen to new lows since his visit to the United States last week.

``We are not only concerned, we are seriously alarmed," Hanan Ashrawi, Palestinian higher education minister and a former peace negotiator with the Israelis, said over the weekend.

After Netanyahu's election last month, some Palestinians had expected the American-educated Israeli leader to show more moderation. They were counting on him to make some hopeful gestures during his U.S. visit.

But his failure to lay out for American leaders any immediate changes in dealing with the Palestinians fed Arab predictions that the peace process will stall.

Palestinian officials were hoping for a lifting of the four-month-long closure that has devastated their economy, a date for troop withdrawals from Hebron and less talk about expanding settlements in the occupied areas.

On all these points, the Palestinians were disappointed.

Netanyahu repeated for his American audiences his oft-stated position that he will link any progress in dealing with the Palestinians to their ability to rein in terrorists. And this condition, he said, has not been met.

Many Palestinians are still counting on the Americans to exert pressure on the right-wing prime minister after U.S. elections this fall. Despite rumblings from the French about Israel's commitment to the peace process, the United States is considered the only nation with real clout in Israel.

At the same time, the Palestinians are counting on Egypt and Jordan, which Netanyahu will soon be visiting, to use their power as Israel's peace partners to persuade the prime minister to soften his ``peace with security" line.

They are also hoping that the two countries, in addition to other Arab nations that have begun to establish trade ties with Israel, will be willing to freeze the process as a warning to Israel.

Netanyahu goes to Alexandria, Egypt on Thursday to meet with Egyptian President Hosni Mubarak. He will visit Jordan a few days later, according to Israeli officials.

The Egyptians, who have taken an increasingly tougher view of Netanyahu, have clearly signaled that the traditional Arab welcome for his visit may not extend beyond a handshake and cup of coffee.

A front-page editorial last week in the government newspaper al Akhbar called Netanyahu's remarks provocative and arrogant. It said he could not frighten the Arab world into submission.

If their diplomatic tactics fail to produce any changes in policies of the Likud-led government, the Palestinians say they may resort again to the conflict tactics of the five-year-long intifadah, or uprising.

``The will to resist is still there, and it can be provoked. We are not a docile people who will take whatever Israel will dish out," Ashrawi said.

While Israeli newspapers have carried foreboding stories lately about a ``silence before the storm" among Palestinians in the West Bank and Gaza, not all Palestinians including even some Islamic activists see a return to open conflict.

``I am not optimistic that this route (confrontation) will succeed," said Ghassan Khatib, an editor in Jerusalem and a lecturer at Bir Zeit University.

To be sure, Palestinians talk of a widespread sense of frustration and defeat and a lack of faith in public action. Likewise, they say the vast security apparatus set up by Palestinian officials is quite effective in silencing anyone who dissents from Palestinian leader Yasser Arafat.

And Arafat, despite his bitter responses to Netanyahu's statements, has not signaled any determination to abandon the peace process.

GOP governors lobbying House to change welfare reform bill By William Hershey and Vanessa Gallman Knight-Ridder Newspapers(KRT)

FAJARDO, Puerto Rico With a House vote on a welfare overhaul likely this week, Republican governors are increasingly worried about the legislation, and some are saying they'd rather do without it.

Republican governors have been instrumental in fashioning a welfare revision that would end the federal program and give states block grants, with the states determining who qualifies for help.

But in recent months, the governors have been frustrated as some of their goals have been surrendered by congressional leaders in order to satisfy conservatives who want to curb destructive behavior of recipients and Democrats who want to ensure states will do the right thing.

As a result, the Republican governors fear they will have less money and less flexibility than in the current system, which allows them to apply for federal waivers to experiment with new programs.

``The devil you know is better than the devil you don't

know," said Ohio Gov. George Voinovich. Under the current system, the Clinton administration has allowed 40 states to experiment with welfare programs, but governors have complained that the waiver process is too long and complicated.

To try to beat back the changes being considered, the governors took time from a conference here to compile a two-page list of objections. They then dispatched Michigan Gov. John Engler to press their case with Republican congressional leaders.

Gov. Terry Branstad of Iowa, a former chairman of the National Governors' Association, said separate bills in the House and Senate contained numerous differences from the bipartisan consensus that governors reached last winter.

That agreement helped restart stalled negotiations between Congress and the White House. The changes made since then, mostly by Republican lawmakers, would take away flexibility from the states on how to spend welfare money and help recipients, said Branstad.

Republican governors fully support the basis of the welfare plan: Give states control, require recipients to work, and set time limits on benefits. But they said they objected to any restrictions on exactly how they do that either from liberals or conservatives.

GOP presidential candidate Bob Dole has been a strong supporter of state control over welfare. President Clinton has been willing to go along with it, if states provide some vouchers for food and other services to families that are not working by the time they reach the deadline. Governors do not want to be required to spend state money on vouchers.

Dole is scheduled to address the National Governors' Association meeting here by satellite Tuesday, and Voinovich said he hoped Dole would support the governors' position in what has become a standoff between them and congressional leaders.

``We want to make sure Bob Dole stands up for us and basically says he will not go along with watered-down welfare reform," said Voinovich, who is expected to be elected vice chairman of the governors' group Tuesday.

The governors are getting more anxious about the welfare bill because it seems likely to pass. Last week, GOP leaders agreed to consider welfare overhaul without insisting that states also get control of Medicaid, the joint state-federal health care system for the poor.

Clinton had said he would veto a welfare bill that was attached to such a Medicaid plan. Praising the GOP decision to drop the idea, Clinton said he and Congress had reached ``a turning point" in negotiations and that a welfare bill was likely within a month.

(EDITORS: STORY CAN TRIM HERE)

Wisconsin Gov. Tommy Thompson, a leading Republican on welfare issues, welcomed the news. But proposals in both the House and Senate imposed too many restrictions on the states, he said. ``I want as much flexibility as I can get," said Thompson, outgoing chairman of the governors association.

Wisconsin has proposed a plan to eliminate welfare programs, replacing them with work requirements and job training. The Clinton administration said Monday it was slowing the approval process for the Wisconsin plan while the welfare bill was being considered.

Thompson specifically criticized a provision in the Senate Finance Committee bill that would limit the states' ability to shift money among separate block grants for child welfare, child care and social services.

Thompson, Voinovich and other governors also objected to proposals in both bills to increase the number of hours recipients must work before they are counted toward the states' work participation rate.

In addition, the Senate Finance Committee version increased the penalty levied by withholding funds that would be imposed on states that didn't meet the increased work requirement.

The Republican governors, whose criticisms were shared by many Democrats here, also objected to a requirement in both bills that would force states to spend up to 80 percent of what they're now spending on welfare. The governors said they thought agreement had been reached to keep this requirement at 75 percent.

GOP Rep. Hoekstra pushes reforms despite opposition within his own party By Lori Montgomery Knight-Ridder Newspapers(KRT)

WASHINGTON There is no sign in Rep. Pete Hoekstra's cramped Capitol Hill office that says, ``Warning: Idealistic Goofball." You'd almost expect to see one, given Hoekstra's recent profile in the national press.

Last week, conservative columnist George Will chided the ``high-spirited Hoekstra" for suggesting that voters be able to choose ``None of the Above" in federal elections.

And last month, the liberal New Republic magazine called Hoekstra a ``political reform ... zealot" whose nerdy notions about congressional integrity prompted a Republican aide to dub him the ``super hall monitor" of Congress.

The attention stems from the Michigan Republican's role as chairman of a House task force appointed to help end business as usual in Washington.

The task force produced a package of reforms ranging from cutting contributions from political action committees to docking the pay of lawmakers who miss votes that had been scheduled to come before the House this week.

But now, the promised ``Reform Week" agenda appears to be falling far short of already diminished goals.

As Hoekstra ponders his next move, the idealistic reformer definitely does not have his head in the clouds.

That is steam. Coming out of his ears.

``These are common-sense reforms. These are home runs," he sputtered, throwing up his hands in an interview last week. ``For leadership not to act on these reforms after they built up Reform Week, at this point, to me, is rather uh, let's see. Let's say I'm rather confused."

(EDITORS: NEXT 8 GRAFS OPTIONAL TRIM)

Upon his election in 1992, Hoekstra seemed the very model of the modern Republican: A successful executive with furniture-maker Herman Miller, he saved up vacation time, toured his western Michigan district by bicycle, accepted no PAC money and won election by promising to be a citizen lawmaker who would come home to Holland, Mich., after 12 years.

Back then, GOP leaders loved Hoekstra's vow to take on the entrenched (read: Democrat) special interests. But now Republicans are in charge. And they seem far less enamored of his lofty plans to strip incumbents of power and perks at a time when they're hoping to use that advantage to maintain control of Congress.

``There are a lot of people who thought the '94 elections were all about cleaning up Congress," said Gary Ruskin, director of the Congressional Accountability Project, a watchdog group associated with Ralph Nader's Public Citizen. ``It's funny how these sorts of reforms meet predictable and untimely deaths no matter who's in charge."

Hoekstra nonetheless perseveres.

He spent his first term promoting a ``citizens' conference on spending cuts" that annoyed Democratic leaders by inviting the public to offer suggestions for cutting the federal budget.

In 1995, after the Republican Revolution, he began calling for a national referendum on term limits, a balanced-budget amendment and the flat tax so the American people could ``help set the agenda in Washington."

Under assignment from newly installed House Speaker Newt Gingrich, R-Ga., Hoekstra also cleared the way for C-SPAN cameras to pan the chambers, revealing that most members' stirring speeches are delivered to an empty room.

Thirty outraged Republicans complained. But Gingrich backed Hoekstra, who was quickly becoming one of his chief lieutenants on matters of image and vision.

(END OPTIONAL TRIM)

Last October, House leaders turned to Hoekstra, a

Panetta pushes Democrats to deal on welfare reform

Daschle warns Clinton still may veto

By Laurie Kellman
THE WASHINGTON TIMES

White House Chief of Staff Leon E. Panetta yesterday lobbied congressional Democrats to support President Clinton's efforts to reach an agreement with the GOP on welfare reform.

Mr. Panetta met with House Minority Leader Richard A. Gephardt of Missouri and Senate Minority Leader Tom Daschle of South Dakota.

"He was up there trying to stoke up the fires of bipartisanship that will blaze forward and lead to passage of a welfare-reform act," said White House spokesman Michael McCurry. "In recent days we're not talking about veto; we're talking about signing."

After the meeting, Mr. Daschle warned that the president will not sign an unacceptable bill just to stop GOP presidential candidate Bob Dole from using welfare reform as a political battering ram.

"The president was much more resolute than I expected him to be about vetoing a bad bill," Mr. Daschle said. "He has no reservations about vetoing a bad bill."

On the campaign trail, Mr. Dole has made the issue his top criticism of Mr. Clinton, accusing the president of duplicity. For four years Mr. Clinton has said he wants to reform the welfare system, but he vetoed two Republican bills that would have done that.

The president said those bills would have unfairly punished children, and many Democrats used the issue to paint themselves as protectors of the disadvantaged.

The House continues debate on the issue today, and House and Senate Democratic leaders meet this morning to discuss negotiations.

Mr. Clinton on Tuesday praised Republicans for separating welfare reform from a measure he called a "poison pill." He said Democrats and Republicans are poised for a breakthrough on welfare.

But the White House yesterday sent a letter to Republicans, laying out a list of changes Mr. Clinton wants, including eliminating a provision that would allow states to take control of food stamps.

Mr. Clinton wants changes in portions of the bill that would deny most social services to legal immigrants. Another demand is that the bill be altered so states can use federal money for vouchers that would provide goods and services to the children of people who lose cash benefits.

Rep. E. Clay Shaw Jr., Florida Republican, said Republicans will resist major changes to the bill.

The Washington Times
★ THURSDAY, JULY 18, 1996

Congress poised to pass slimmer welfare reform

By Cheryl Wetzstein
THE WASHINGTON TIMES

The House and the Senate are preparing to move forward today on welfare-reform bills that jettison some of the core reforms Republicans fought for last year.

Both bills are part of the 1997 budget. The House plans to vote on its measure today; the Senate is expected to begin its debate today but not finish until tomorrow.

Experts in both chambers agree the two bills are quite close and that reconciliation of the two bills will be "much easier" than last year's, Rep. E. Clay Shaw Jr., Florida Republican, said yesterday.

"We are committed to getting a welfare bill on the president's desk before the August recess," Mr. Shaw said.

Yesterday the House Rules Committee voted to permit as a possible substitute a welfare-reform bill offered by Reps. Michael N. Castle, Delaware Republican, and John Tanner, Tennessee Democrat.

The Castle-Tanner bill has 39 cosponsors and strong Democratic support, but many Republicans view its policy reforms as too incremental and savings too light. The House welfare-reform bill is expected to save $61 billion over six years; Castle-Tanner saves about $53 billion.

Besides the child-support enforcement provisions in the bills, core GOP welfare reforms include the repeal of major federal cash-welfare and job-training programs — and their tens of thousands of federal rules — and the creation of budgeted block-grant program for the states.

States are asked to use the block-grant funds to design and run their own programs to support needy families and move them into the workplace.

States will still have to meet certain federal rules such as:

- Getting half their welfare caseloads into work-related activities within six years.
- Requiring adults to do a work-related activity within two years of joining the rolls.
- Ending federal cash benefits to adults after five years.

The GOP welfare bill also boosts funding for child care to $21 billion over six years, rewards and penalizes states that do not reduce their welfare caseloads, and penalizes welfare recipients who do not follow the rules. Teen-age parents would have to live under supervision, stay in school and comply with paternity establishment and child-support rules to get benefits.

The House reform keeps core GOP changes in the Supplemental Security Income (SSI) program for disabled children and adults, the child-welfare system and the food-stamp program. It also continues the GOP plan to end most federal welfare benefits to immigrants.

But GOP hopes of wholesale change in the school-lunch program, child-nutrition programs, the child-welfare system, SSI — not to mention Medicaid, the health-insurance program for the poor, the disabled and the elderly — have all been reserved for another day.

The Washington Times
★ THURSDAY, JULY 18, 1996

White House aide questioned about '94 Whitewater actions

By Jerry Seper
THE WASHINGTON TIMES

LITTLE ROCK, Ark. — Prosecutors in the second Whitewater trial yesterday focused on White House aide Bruce Lindsey, questioning him about what he did in 1994 to get information on the probe of a bank that financed Gov. Bill Clinton's 1990 re-election.

Mr. Lindsey, in his second day of cross-examination by deputy independent counsel W. Hickman Ewing Jr., is an unindicted co-conspirator in the fraud and conspiracy trial of bankers Herbert Branscum Jr. and Robert M. Hill.

In 1994, Mr. Lindsey — President Clinton's closest adviser — also was the focus of the government's probe of accusations that Mr. Branscum and Mr. Hill, who owned the Perry County Bank in Perryville, Ark., conspired with him to conceal $52,500 in cash withdrawals to the 1990 Clinton gubernatorial campaign.

Mr. Lindsey acknowledged receiving a letter from an attorney for the bank five days after Whitewater investigators questioned Mr. Branscum and Mr. Hill, offering to make Mr. Lindsey's attorney "aware of some developments" in the probe, but denied he did anything improper with that information.

Under questioning by Mr. Ewing, he also said his attorney, Allen Snyder, talked with attorneys for Mr. Branscum and Mr. Hill about the inquiry, and that he had personally discussed the case with White House Counsel Abner Mikva. He also acknowledged setting up an interview for bank officials with a New York Times reporter looking at the Perry County Bank.

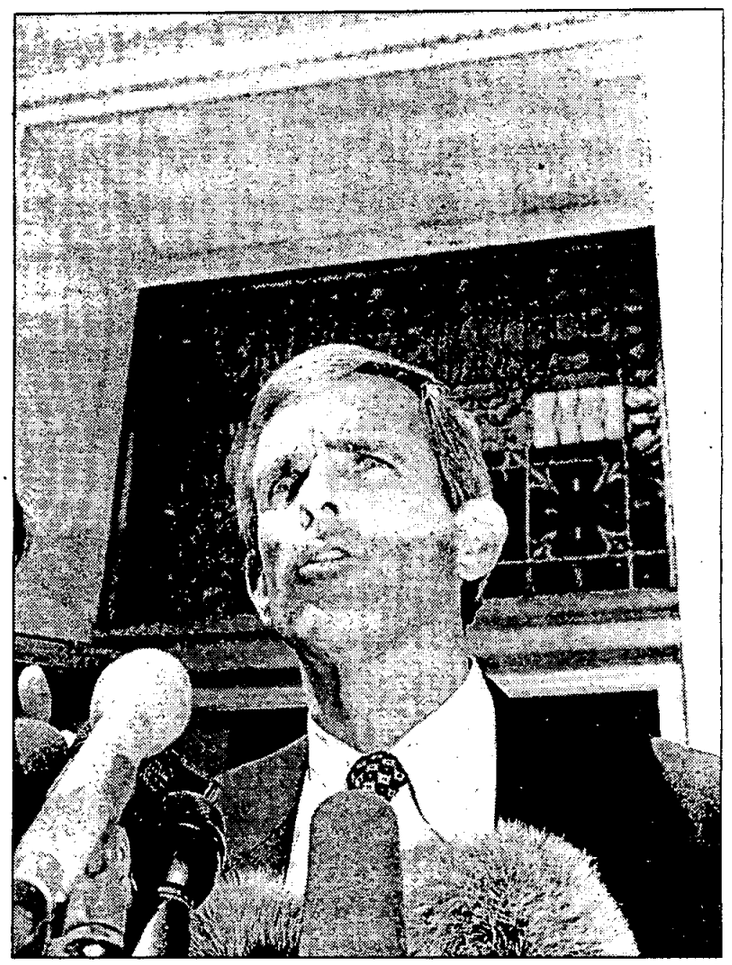
"Did your attorney monitor the Perry County Bank investigation?" Mr. Ewing asked.

"I assume he did," Mr. Lindsey replied.

"Do you assume that he talked with you about that investigation?" Mr. Ewing asked.

"Yes," Mr. Lindsey said, but he added that he did not know with whom his attorney "interacted with" in the case, "although I assume he did with the attorneys for Mr. Branscum and Mr. Hill."

It was not clear whether Mr. Lindsey remains a focus of the Whitewater investigation. Mr. Ewing's sometimes testy cross-examination, however, seemed to center on a possible obstruction of justice by the witness, a deputy White House counsel.



AP

White House aide Bruce Lindsey talks to reporters yesterday at the Little Rock federal courthouse after testifying in the second Whitewater trial.

Dan Guthrie, Mr. Branscum's attorney, would not comment on the government's concerns but said prosecutors have been targeting Mr. Lindsey and the 1990 Clinton campaign since the trial began June 17.

On Tuesday, Mr. Lindsey withdrew earlier claims that the 1990 cash withdrawals had been "fully disclosed." He acknowledged that Clinton campaign reports filed after the 1990 Arkansas elections did not list separate cash withdrawals from the Perry County Bank of $30,000 and $22,500.

The cash was withdrawn to pay for get-out-the-vote efforts in eastern Arkansas but was never specifically indentified in campaign reports — a claim echoed by the White House for several months.

Mr. Branscum and Mr. Hill are accused of concealing the withdrawals at Mr. Lindsey's request in an effort to hide them from federal regulators and illegally reimbursing themselves with bank funds for $13,200 in campaign contributions, mostly to Mr. Clinton.

The government says they sought to "ingratiate themselves" with Mr. Clinton. In an attempt to establish motive, Mr. Ewing got Mr. Lindsey to acknowledge that the Perryville bank did everything the Clinton campaign asked in 1990 and even allowed Mr. Clinton to delay paying back a $100,000 debt for two years.

Welfare bill debate to exclude Medicaid

Dole originally sought combined bill

By Nancy E. Roman
THE WASHINGTON TIMES

A1

The House will debate a stand-alone welfare-reform bill today, thanks to persistent House Republicans who prevailed in a tug of war with GOP presidential candidate Bob Dole.

Mr. Dole had hoped the House would keep reforms for welfare and Medicaid together, thereby forcing President Clinton to veto the bill a third time and expose him to criticism for failing to "end welfare as we know it."

"All that's standing between you and welfare reform is a Democrat president" is the line Mr. Dole has used repeatedly on the campaign trail.

It's been a potent issue for Mr. Dole and one he hoped to keep throughout the year. But starting in June, congressional Republicans began to consider another approach.

To counteract criticism that the 104th had been a "do-nothing" Congress, rank-and-file Republicans began pressuring their leaders to send the president a welfare

see WELFARE, *page A8*

WELFARE

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bill he might sign.

They decided that it was more important for their strategy of holding on to control of the House and Senate to see welfare overhauled than to give Mr. Dole an issue to use against Mr. Clinton.

The decision is among the most important of this campaign year and illustrates the widening gap between congressional Republicans and the Dole campaign. Further evidence of this split can be found in the economic agenda House Speaker Newt Gingrich and Senate Majority Leader Trent Lott intend to unveil next week — with or without Mr. Dole's blessing.

The pivotal meeting that led to the Republicans' decision to split Medicaid and welfare reforms occurred on July 11 in Mr. Lott's conference room.

The key players were Mr. Gingrich and Mr. Lott, House Majority Leader Dick Armey, Senate Budget Committee Chairman Pete V. Domenici, Senate Finance Committee Chairman William V. Roth Jr., and House Ways and Means Committee Chairman Bill Archer.

After weeks of agonizing debate among themselves about how to proceed, these Republican leaders agreed to separate the Medicaid and welfare bills — regardless of Mr. Dole's opposition.

The process began in early June when the Ways and Means Committee marked up the welfare-Medicaid bill and Republicans were disturbed to see so few reporters covering the story. Rep. E. Clay Shaw of Florida, author of much of the bill, asked Ari Fleischer, a press specialist for the committee, why this was so.

Mr. Fleischer said reporters knew Mr. Clinton would veto a welfare-Medicaid bill and, therefore, that the whole story was bound to proceed in a stale and ritualistic fashion.

Days later, Mr. Archer invited Mr. Armey to hear the case for separating welfare and Medicaid.

Rep. Jimmy Hayes of Louisiana, a former Democrat who switched parties last year, made a persuasive argument that a lone welfare bill would wreak havoc among Democrats and the White House.

He said Mr. Clinton would have two choices, neither particularly inviting: He could sign it and alienate liberals appalled that the bill would end the federal entitlement for poor children. Or he could veto it and alienate the vast majority of voters demanding welfare reform.

It was then that Mr. Armey became a believer.

He invited Mr. Hayes to repeat his analysis before a special meeting on June 12 attended by Mr. Gingrich, Mr. Shaw and other members of the leadership.

Mr. Gingrich opened by declaring he thought Mr. Clinton would sign a stand-alone welfare reform bill but veto a welfare-Medicaid bill. The speaker also said the Dole campaign had made it clear it wanted Medicaid and welfare reforms to stay together.

Mr. Gingrich also said Mr. Dole's staff was worried about seeing Mr. Clinton sign the GOP welfare bill and claim credit for fundamentally changing the welfare system.

But Mr. Hayes argued that blocking welfare would even hurt Mr. Dole. He said the White House would, with some justification, accuse him of stalling progress on welfare for cynical political reasons.

"Since they are the ones saying it, how could they deny it?" Mr. Hayes said, referring to the Dole campaign's request for a veto-bait strategy on welfare.

Mr. Shaw argued that the best thing Republicans could do for Mr. Dole was to pass welfare reform and prove they could govern.

Majority Whip Tom Delay, Texas Republican, was dubious about splitting the two bills, and other GOP leaders knew they had to persuade him to make the strategy work.

Mr. DeLay came around after a meeting with House Republican vote counters who were also eager to see welfare proceed on its own. It was there that Rep. Jim Bunning of Kentucky and Rep. W.J. "Billy" Tauzin of Louisiana, another Democrat-turned-Republican, enthusiastically echoed Mr. Hayes arguments.

By this point Republican Reps. John Ensign of Nevada and Dave Camp of Michigan had begun circulating a letter to Mr. Gingrich and Mr. Lott seeking action on a welfare bill without the Medicaid provisions.

Their letter began making the rounds on June 26, and it wasn't long before more than 100 Republicans had endorsed the concept. It was then that Mr. DeLay and Rep. Dennis Hastert of Illinois knew there was no other choice but to separate the two bills.

The leadership met one last time to discuss the strategy on July 9 and set up a conference call with Republican Govs. Tommy G. Thompson of Wisconsin, John Engler of Michigan, and Michael O. Leavitt of Utah. The governors said they disliked the Medicaid bill and endorsed a stand-alone welfare strategy.

The Washington Times
★ *THURSDAY, JULY 18, 1996*

The Washington Times
★ THURSDAY, JULY 18, 1996

Lebed pal named defense minister

Rodionov seen as tough general

By Martin Sieff
THE WASHINGTON TIMES

New Russian military strongman Alexander Lebed yesterday won his most crucial battle to gain control of the armed forces, getting a close friend and ruthless general appointed defense minister.

The move comes while Gen. Lebed is dramatically expanding his political base in an effort to succeed ailing President Boris Yeltsin by winning the support of Russia's new rich and the mighty military-industrial complex.

The defense minister holds the key to power in the Russian government after the president.

The new defense chief, Col. Gen. Igor Rodionov, immediately served notice that he may use increased ruthlessness against Chechens and Tajiks fighting the Russian army.

"We must sort out the situation in Chechnya, Tajikistan and Bosnia in order to take the necessary decisions there," said Gen. Rodionov, 59, quoted by the Itar-Tass news agency. "I will try to define the basic tasks and declare honestly that a Russian general's honor is selfless service of the motherland, of the people."

Gen. Rodionov told Tass he is working out plans to tackle conflicts in hot spots "where our people are dying."

The general won notoriety as commander of the Caucasus mili-

see GENERAL, page A10

GENERAL

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tary district in 1988 and 1989. He crushed a peaceful 1989 independence demonstration in Tbilisi, the capital of Georgia, by sending in elite troops who used shovels, clubs and poisonous chemicals against protesters.

At least 20 died. Georgians believe the real death toll was around 100.

The bloodshed was widely condemned in the Soviet Union and abroad. Soviet leader Mikhail Gorbachev called it "unjustified."

Previously, Gen. Rodionov commanded the Soviet 40th Army in Afghanistan. In his latest post, he led the Academy of the General Staff, where he forged close relations with a whole generation of promising army officers.

Gen. Lebed, who as a lieutenant general wears two stars to Gen. Rodionov's three, was delighted at his friend's appointment.

"A professional of a high standard, an elite general who combines practical and theoretical skills ... has been appointed defense minister," he said. "I think the president has acted very wisely, and all Russia will gain from this appointment."

Previously, Gen. Lebed said of Gen. Rodionov: "My personal opinion is that he ... is an outstanding and worthy general and a worthy and glorious man."

"Rodionov is a protege of General Lebed, and this increases Lebed's weight to some extent, although you still cannot say that he fully controls the power system," Alexander Konovalov, an independent military expert, told Reuters news agency.

Gen. Rodionov's appointment won praise from Communist hardliners. Gennady Seleznyov, the speaker of the State Duma, the lower house of parliament, said the general is a widely respected professional who accepted criticism over the Tbilisi killings courageously and without complaint.

The power held by Russia's defense minister was illustrated during the attempted hard-line coups of August 1991 and October 1993. Both failed not because of popular anger, but because key army commanders, including Gen. Lebed in 1991, either came to Mr. Yeltsin's aid or refused to join the forces against him.

Gen. Rodionov's predecessor, Gen. Pavel Grachev, was unquestioningly loyal to Mr. Yeltsin but was widely distrusted and suspected of selling army equipment worth scores of millions of dollars to benefit himself and his cronies.

Gen. Rodionov's personal loyalties appear to be directed to Gen. Lebed, his longtime comrade in arms, rather than to Mr. Yeltsin, who has been secluded, apparently with serious health problems, since June 26.

Gen. Lebed, since his appointment as national security adviser and secretary of Russia's National Security Council in June, has moved to secure widespread political support.

He has abandoned his expressed admiration for free-market economics and published a "national security plan" that calls for a crackdown on imports and for heavy state regulation.

Political sources in Moscow said Gen. Lebed has won the support of the military-industrial complex, which opposes the pro-Western, free-market policies of Prime Minister Viktor Chernomyrdin.

These forces had the support of First Deputy Prime Minister Oleg Soskovets, who was sacked last month at Gen. Lebed's insistence.

Los Angeles Times first-edition Page 1 for Thursday, July 18, 1996:

Top of page:

Col 1: Providing the strongest argument yet for widespread storage of frozen blood from umbilical cords and placentas, a study of terminally ill people, most of them children, has found that about half were saved by treatment involving a transfusion of so-called cord blood, even though it did not come from a family member. (BLOOD-TIMES, moved).

Cols 2-4: Walt Disney Co. takes the wraps off its long-awaited second theme park next to Disneyland, a $1.4 billion amusement dubbed Disney's California Adventure that will celebrate all that is wild, wacky and wonderful about the Golden State. (with art). (DISNEY, moved).

Cols 5-6: After a nine-month marathon review of antitrust concerns, the Federal Trade Commission has preliminarily agreed to allow Time Warner Inc. to merge with Turner Broadcasting System Corp. to create the world's largest entertainment company. (TIMEWARNER-TIMES, moved).

Above fold:

Cols 2-3: Feature on a new anti-smog plan for Southern California.

Col 6: Continuing a wave of broadcast station acquisitions sweeping the industry, Rupert Murdoch's News Corp. has agreed to acquire New World Communications for an estimated $2.5 billion, creating the largest group of television stations owned by a single entity. (NEWSCORP, moved).

Below fold:

Col 3: Scientists have taken their first-ever look at our planet's innermost core, a glimpse they say should give them insight into the previously invisible inner workings of the planet. (CORE-TIMES, moved).

Cols 5-6: They were lured by a promise of a little job security, an opportunity to get medical benefits, and a chance to make a better life for themselves and their families; what was being given away in Los Angeles was the first of thousands of applications for about 100 entry-level janitorial and maintenance worker positions. (JOBS, moved).

Bottom of page:

Cols 1-2: CBS officials debate whether to fire political commentator Joe Klein after discovering that he had lied about writing ``Primary Colors," the best-selling spoof of the 1992 Clinton campaign. (COLORS-TIMES, moved).

Cols 4-6: The only thing missing is the midway; as the construction barricades come down and the road crews start to load up their trucks, downtown Atlanta has taken on a carnival atmosphere. (with art) (OLY-CARNIVAL, moved).

House Begins Debate on Welfare Refor Legislation (Washn)By Elizabeth Shogr 1996, Los Angeles Times=

WASHINGTON The House opened debate Wed comprehensive welfare reform legislation that would place the most substantial change in domestic policy w by the Clinton administration and the Republican Congr

The measure, which appears bound for passage in both the House and Senate, represents the culmination of an intense, 3&1/2-year political struggle over a new social welfare compact designed to connect poor parents to the work force rather than providing them with a constant source of subsistence-level cash support.

Clinton vetoed the GOP Congress' first version of welfare reform last year, and congressional effort to revisit the issue this year seemed destined for another veto as recently as a week ago.

But the prospect of enactment has been enhanced recently. Congressional Republicans, who realized they needed a major accomplishment to run on this fall, pressed their leaders to strike the portion of the bill Clinton found most objectionable an overhaul of the Medicaid health program for the poor.

Although Clinton still opposes some parts of the package, congressional leaders and senior administration officials say he is almost sure to sign what Congress produces.

Rep. John Kasich, R-Ohio, chairman of the budget committee, opened the House debate Wednesday evening saying that the reform plan is based on the Judeo-Christian ethic that people should help those in need but should not make them dependent on that help.

``It's a sin to continue to help people who need to learn to help themselves," Kasich said.

But some Democrats countered that the measure may help the political prospects of some members of Congress, but will do so at the expense of poor children and legal immigrants.

``What you're going to have is more desperate families out there," said Rep. Maxine Waters, D-Calif. ``This is not welfare reform; this is welfare bashing. Welfare reform has become the political football in this election year."

After making encouraging sounds for days, the White House hardened its position somewhat Wednesday, warning that the president would veto a bill that fell short of his expectations.

``We have already vetoed two welfare bills, and if the past is any indication, we will veto this bill if it doesn't measure up," said Rahm Emanuel, a senior White House aide with responsibility for welfare.

In a letter from the White House Office of Management and Budget, the administration specifically called on Congress to modify provisions that cut the food stamp program, deny most federal benefits to most legal immigrants and prohibit states from using federal money to provide vouchers for in-kind benefits, like diapers, to families who are cut off welfare after five years but have no income.

But other senior administration officials stressed that the White House has drawn no lines in the sand and will likely sign the bill, indicating the the heightened rhetoric primarily is intended to improve the administration's bargaining position as it attempts to soften the Republican measure.

Under the GOP congressional packages, which are expected to face votes in the House Thursday and the Senate as early as Friday, the 60-year federal guarantee of cash assistance to poor families with children would be canceled. States would be given the authority to design their own programs for nudging welfare recipients into jobs.

(Optional add end)

At a minimum, recipients would be required to take jobs within two years of applying for welfare and be limited to five years of cash benefits in a lifetime.

The package would save about $60 billion over six years

USA TODAY
THURSDAY, JULY 18, 1996

The deficit downturn

"Our economy is now the soundest it's been in a generation," crowed President Clinton, unveiling new projections Tuesday that show the federal deficit falling to $116 billion this year.

That's like "the rooster taking credit for the sunrise," grumped Senate Budget Chairman Pete Domenici, R-N.M., in response.

Any deficit reduction is good news, and Clinton is prominent among those who deserve credit. But perhaps not as much as he'd like. The real picture comes in three parts:

Forecasting the deficit

Latest deficit/surplus projections from the White House (in billions):

1996	-$116.8
1997	-125.7
1998	-125.7
1999	-94.1
2000	-54.9
2001	+25.8
2002	+60.9

Good work: Most Americans a generation ago would have been aghast at a $116 billion deficit, but this year's deficit is down from $290 billion when Clinton took office and stands to be the lowest since 1982. Over the ensuing 14 years the nation has run up $4 trillion in debt — $16,000 for every person in the country. It's still growing, but Clinton tackled deficit reduction in his first year, including unpopular tax hikes. He's getting hammered for those tax hikes now without getting much credit for the deficit reduction they've brought. All the same, he couldn't have done it without . . .

Good luck: Most notably, Federal Reserve Chairman Alan Greenspan's deft jiggling of interest rates to sustain growth, increase jobs and yet check inflation. A growing, low-inflationary economy is the best deficit cure. The end of the Cold War also has helped, allowing military spending cuts equal to a third of the deficit's decline. But even with all of that helping, what you're seeing is mostly . . .

Artful illusion: The deficit this year, last year and every year is much larger than either party would have you believe. Surplus revenues for programs like Social Security and military and civil service retirement are used to cover another $100 billion in overspending. Worse, the government should be putting aside hundreds of billions more to meet the future liabilities of those programs. Barring major changes neither party is proposing now, those liabilities will pile up until they begin coming due abruptly when 76 million baby boomers start retiring around 2010.

What's it all mean? That everybody had better get their crowing and grousing out of the way now. The next president and Congress have much more deficit cutting to do.

Voices: Should the penny be taken out of circulation?

No one is suggesting — yet — that we should stop making pennies, but this week a congressional hearing titled "Future of the Penny" was held to talk about our smallest hard currency. Critics argue that most pennies are hoarded and not used. Supporters say getting rid of the penny would raise prices. USA TODAY asked readers for their views.

Stephen Bilock, 77
Retired banker
Nesquehoning, Pa.

They should keep it in circulation because of certain prices, such as gasoline and items that are priced at 99 cents. My wife saves pennies, and when the grandchildren come over they put their hand in the jar and take as many as will fit in their fist.

Mandy Newman, 19
Student
Center, Texas

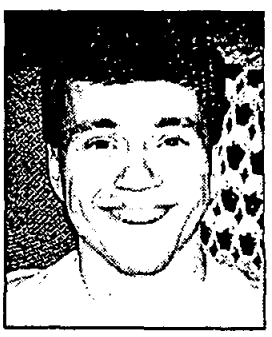
It shouldn't be taken out of circulation because it would lead to problems. They'd probably round up prices instead of rounding them down, so it would increase prices. I save pennies and roll them up and spend them.

Charles Stoll, 41
Financial planner
Boca Raton, Fla.

It should be left in circulation. Taking it out would increase prices. And raising the denomination would make it harder for small children who save pennies, a good habit for their future. It's harder for a child to save a nickel than a penny.

Marisha Gabrysiak, 14
Student
Hercules, Calif.

Lots of people have lots of pennies, but pennies aren't used for much. Still, they should keep making them for sentimental value. I like to keep the ones with my birth date on them and from each new year.



Andy Ohler, 29
Audit manager
Hilliard, Ohio

I hate pennies. They're heavy. I end up leaving them in the "give a penny/take a penny" cups. They just take up space on dressers. By all means, take them out of circulation.

USA TODAY · THURSDAY, JULY 18, 1996

House tries again at welfare reform

White House lists 11 objections to bill

By Richard Wolf
USA TODAY

The fight over President Clinton's long-stated desire to "end welfare as we know it" has reached the end game.

For the third time in two years, House Republicans vote today on a plan they say would do just that: end the 61-year-old federal guarantee of cash assistance for the poor.

Since Clinton vetoed an earlier version in two forms — on its own and as part of the GOP's balanced-budget plan — the two sides have edged closer to a compromise. But key differences remain over time limits, food stamp reductions and the treatment of legal immigrants, making a deal elusive.

While reforming the nation's welfare system would be heralded as one of Congress' crowning achievements this year, the Congressional Budget Office says it just won't work: States are unlikely to meet the standards for moving welfare recipients into the workforce.

The welfare-reform debate increasingly is viewed by both parties through the lens of politics. Ironically, Republicans pushing the plan may benefit more from a Clinton veto, which they would use to challenge his sincerity. Clinton, seeking changes in the legislation, may benefit more by signing it and improving his credentials as a "new" Democrat.

For the next few weeks, the battle will be over the policy. "You can debate who's up and who's down on this forever," says Rep. Dave Camp, R-Mich. "Ultimately, the public wins if there's welfare reform."

But despite Republicans' capitulation in dropping more sweeping Medicaid reforms opposed by Clinton, the White House Wednesday listed 11 major objections to the welfare-reform plan. Key disputes:

▶ Money. The Republican plan saves $59 billion over six years. That's down from $86 billion in the first GOP plan; Clinton wants $40 billion.

▶ Time limits. Republicans put a five-year lifetime limit on welfare, calling it essential to provide incentives for work. Clinton wants to let states offer vouchers for goods and services to children whose parents reach the time limit.

▶ Food stamps. Republicans have proposed $28.4 billion in savings while allowing states to run their own programs. The White House opposes both the size of the savings and the block-grant option, which it says could undermine the federal safety net for the poor.

▶ Legal immigrants. The GOP plan would ban welfare benefits for most noncitizens, at least for the first five years in the U.S., to reduce incentives for immigration. The White House calls the ban "excessively harsh" and seeks instead to strengthen requirements on legal immigrants' sponsors.

For Republicans who have made welfare reform one of their three top priorities, along with balancing the federal budget and cutting taxes, Clinton's moving target has proved frustrating.

While Clinton has talked about ending "welfare as we know it" since his 1992 campaign and has endorsed Wisconsin's bid to dismantle its welfare program, he has continued to voice reservations.

By dropping changes in the Medicaid health insurance program for the poor, "We've done what the president asked us to do," says House Speaker Newt Gingrich, R-Ga. House Ways and Means Committee Chairman Bill Archer, R-Texas, adds, "It's time to either put up or stop the rhetoric."

Clinton told the National Governors' Association Tuesday that he would require work after two years of welfare by executive order if a legislative compromise cannot be reached. That would confound Republicans even more: The president could claim total credit for the change.

"He has no reservations about vetoing a bad bill," says Senate Minority Leader Tom Daschle, D-S.D.

As the rhetoric rises on both sides, the nonpartisan Congressional Budget Office has estimated the plan would cut welfare rolls 30% to 40% over time but leave states $9 billion short of the money needed to meet work requirements.

The welfare roll reduction worries liberals. Sen. Daniel Patrick Moynihan, D-N.Y., says nearly 5 million children would be dropped by 2005. He calls it the "most brutal act of social policy we have known since Reconstruction."

But in a letter to Clinton this week, Gingrich and other GOP leaders defended their plan as "a return to the values of work, personal responsibility and a temporary helping hand."

The bill that emerges from the House today is likely to move in Clinton's direction in the Senate, where moderate Republicans frequently side with Democrats on social issues. Then the two versions must be reconciled, passed again and sent to Clinton — possibly before next month's presidential conventions.

GOP plan, objections

These are the main provisions of House Republicans' welfare-reform plan. Senate Republicans will vote on similar legislation next week. President Clinton's objections are in italics.

Cost savings: $59 billion over seven years.

State flexibility: States get lump-sum payments, or block grants, to run welfare and work programs.

Time limits: Five-year lifetime limit on benefits; states can impose stricter limits. Hardship exemptions for up to 20% of families. *Clinton wants states to provide vouchers for goods and services to children after parents hit the limit.*

Work requirements: Heads of families must find work within two years or risk losing benefits. By 2002, 50% of welfare families in each state must find work.

Food stamps: Cuts $28.4 billion over six years. *Clinton opposes size of cuts and letting states run programs.*

Legal immigrants: Makes future legal immigrants ineligible for most welfare benefits for five years after entering U.S., saving $18.6 billion. *Clinton opposes ban, wants new requirements on sponsors.*

Child care: Adds $4.5 billion to help recipients work.

Disabled children: Eliminates payments to about 300,000 children through stricter eligibility standards.

Teen pregnancies: States can halt payments to unmarried teen mothers, unless they attend school and live with an adult.

Family cap: States can deny benefits to children born to mothers on welfare.

NATIONLINE

Schiavo contests Pena's account of ValuJet report

Former Transportation Department inspector general Mary Schiavo disputed Wednesday Secretary Federico Pena's account of what he knew about ValuJet problems.

AP

Schiavo: Resigned this month

Pena, visiting the Florida site after the May 11 crash that killed 110, insisted ValuJet was safe. He told a Senate panel Wednesay the statement was based on "the best knowledge and judgment the FAA gave me." But Schiavo told the panel Pena knew FAA oversight of Valujet was being probed. "That's what kicked me over the line," she said, explaining why she quit this month after five years. "ValuJet was handled so differently from anything I'd ever seen before that I didn't know whose desk to pound on." Pena spokesman Steven Akey said Schiavo's "use of selective memory laced with innuendo is revisionist history."

PORN RING: A San Jose, Calif., federal grand jury indicted 16 men in an interstate ring of pedophiles who chatted over a computer link as two members molested a 10-year-old girl, authorities said. Two California members of the "Orchid Club" — Melton Lee Myers, 55, of Santa Rosa, and Ronald Rivak, 38, of Monterey County — arranged for photos of the girl in explicit poses suggested by members over an Internet "chat link," the indictment says. It says the poses then were sent to the others via computer link. Thirteen of the men — from California, Illinois, Kansas, Massachusetts, Michigan, Minnesota, Mississippi, Oklahoma and Washington — have been arrested in recent weeks. Suspects are being sought in Australia, Canada and Finland.

OFFICERS ARRESTED: In what authorities call a bottom-line greed problem, 15 New York City police officers have been charged with federal income tax evasion through schemes such as claiming to have 98 dependents or arguing that New York isn't part of the USA. The officers are accused of avoiding $450,000 in taxes on $1.6 million in income since 1992. Upward of 600 city employees could be implicated in the schemes, officials said.

BOY JAILED: A 9-year-old Florida boy was jailed at a juvenile facility on charges of aggravated battery and domestic violence after threatening to kill his mother and three children if he didn't get the toy he wanted at a Burger King in Orange County, authorities said. Police say the boy held a pocket knife to his mother's throat and said he'd kill her unless she drove back for a different prize.

OUTLAW SQUIRREL: A sneaky squirrel who bites people and chases children has eluded police in Westerville, Ohio, for three weeks. Traps and special patrols haven't worked. The squirrel appears friendly as it inches closer to its victim, then "just zooms up your leg like it was a tree," says Vicki Albright, whose daughter, 13, was bitten. The rodent has attacked eight people. No one was seriously hurt.

CORRECTION: An item Wednesday about North Carolina church fires should have said 11 white men and eight black men have been arrested in connection with those fires.

ROADSIDE ZOO: Romulus Scalf says the puppies he feeds to his 15-foot snakes aren't "improperly euthanized" as federal authorities assert. Indeed, he says, the puppies aren't euthanized at all — they're alive when given to the boa constrictors and pythons at his Steel City Zoo in Florida. Scalf says he's just following nature's way. U.S. Agriculture officials are looking into reported filth, rotting animal carcasses and inadequate barriers between the public and animals at the zoo.

By Tracy Wilcox, AP

Live bait: Romulus Scalf feeds live puppies to his snakes.

ALSO WEDNESDAY . . .

▶ **BLUE ANGELS:** Cmdr. George Dom of Greensburg, Pa., was named to command the Navy's troubled Blue Angels precision flying team. Cmdr. Donnie Cochran quit May 28, citing a loss of flying proficiency.

▶ **EXECUTIONS:** Former Boy Scout leader John Joubert, 33, died in Nebraska's electric chair for the 1983 murder of two Bellevue boys, ages 12 and 13. Joseph Savino III, 37, was to die late Wednesday by injection in Virginia for the 1988 bludgeoning murder of his male lover, Thos McWaters, 64, at their Bedford County farm.

▶ **PARENTS CLEARED:** In the first test of a Wausau, Wis., ordinance that holds parents liable for their child's misdeeds, a judge has found parents innocent of failing to properly supervise their daughter, 14. She was cited for drinking and disorderly conduct during school hours.

▶ **RAPE RECORDS:** Rape crisis center records usually are not admissible in criminal trials, Massachusetts' highest court said in sparing Worcester rape crisis center director Nassrine Farhoody from a jail sentence for contempt. She had refused to turn over a client's records sought by a lawyer for rape defendant David Fuller.

▶ **JUDGE REMOVED:** Judge Alan Haber won't hear the wrongful death case against O.J. Simpson, who believes Haber wouldn't be fair. In California, each side can reject a judge. Simpson was acquitted in October of the 1994 slayings of his ex-wife, Nicole Brown Simpson, and her

Another arrested in DEA slaying

Agence France-Presse

Camerena: 8 convicted of his death

U.S. marshals nabbed a drug smuggler wanted in the 1985 torture-killing of DEA agent Enrique Camarena Salazar. Ezequiel Godinez Cervantes, 54, was arrested at a trailer park outside of McAllen, Texas, on Mexico border. Officials said he's part of a Guadalajara, Mexico, smuggling organization accused of kidnapping and killing Camarena. Godinez, one of 16 people indicted, is not charged with killing the agent, even though he's suspected of taking part in the torture, officials said. Instead, he's charged with killing two Americans slain just days before C[illegible]rena. At least eight people have been convicted in Camarena's murder.

Written by Paul Leavitt. Contributing: Adam Weintraub, Shannon Tangonan, Angela Townsend, Carrie Dowling and Steve Marshall

USA TODAY · THURSDAY, JULY 18, 1996

President Says Cuts Are Too Deep in Republican Welfare Plan

By ROBERT PEAR

WASHINGTON, July 17 — On the eve of a House vote, President Clinton today raised a dozen objections to a major Republican welfare bill and urged Congress to send him a bipartisan substitute that makes more modest cuts in future welfare spending.

After suggesting last week that he might support the Republican bill, Mr. Clinton complained today that it would not insure health insurance for people forced off welfare rolls. Moreover, he said, "the bill makes deep cuts in the food stamp program," far exceeding the cuts he proposed, and provisions denying benefits to legal immigrants are "excessively harsh and uncompromising."

Mr. Clinton's objections, set forth in a letter to Congress, were the latest steps in an elaborate political dance that has been going on for months and could have immense practical significance. White House officials said the President's decision to sign or veto the bill would depend on how far Republicans were willing to go to accommodate his concerns.

But Mr. Clinton did not threaten a veto, and given the consistently unpredictable course of his welfare policy during the last three years, it is unclear whether he will sign a measure with the Republican proposals if it reaches his desk.

Some Republicans, including many moderates, said they were willing to make small changes in their bill in hopes of winning Mr. Clinton's support. Others, eager to exploit the issue in this year's elections, said they would not mind if he rejected their bill. He vetoed two earlier versions of the legislation.

The United States Catholic Conference, the social action arm of the Roman Catholic Church, today expressed many concerns similar to Mr. Clinton's. Catholic bishops said that if the bill was not changed, legislators should vote against it and the President should veto it.

Mr. Clinton today urged lawmakers to back a welfare bill devised by Representatives Michael N. Castle, Republican of Delaware, and John Tanner, Democrat of Tennessee.

Their measure, like the Republican bill, would end the 60-year-old Federal guarantee of cash aid for poor children and would give each state a lump sum of money to operate its own program of assistance for the poor. After widespread initial resistance, most Democrats are willing to accept such block grants.

The Castle-Tanner bill would save $53 billion over six years, compared with $60 billion under the Republican bill. The Republicans would save $27.7 billion by curtailing benefits for legal immigrants who are not yet citizens. The Castle-Tanner measure would save $17.5 billion with such restrictions. The food stamp cuts are also smaller in the Castle-Tanner bill: $20 billion against $23 billion.

People who now get benefits in the main Federal-state welfare program, Aid to Families With Dependent Children, are automatically eligible for Medicaid, the health program for the poor. The Congressional Budget Office says that under the Republican bill, 30 percent to 40 percent of the 12.8 million people who get welfare would be removed from the rolls, because of time limits or other restrictions. Many of these people would also lose their Medicaid.

Mr. Clinton's goal is to insure that no one loses Medicaid because of changes in welfare, said Chris Jennings, an aide who coordinates health policy for the President.

The Republican bill would set a lifetime limit of five years on welfare payments to families, and states could set stricter limits. The bill would also discourage states from raising payments when mothers on welfare have more children.

Jacob J. Lew, the acting director of the White House Office of Management and Budget, said the President was "deeply concerned" about the Republican bill for these reasons:

¶300,000 immigrant children would be denied food stamps and other benefits. The bill would impose new administrative burdens on the state and local authorities, requiring them to verify the citizenship status of people applying for benefits including school-lunch subsidies.

¶States could reduce their own spending on welfare and social services without suffering a loss of Federal aid.

¶States could not use Federal money to provide vouchers to children whose parents reach the time limit.

Mr. Clinton wants to provide vouchers to subsidize the purchase of clothing, diapers and other goods and services for such children.

THE NEW YORK TIMES
THURSDAY, JULY 18, 1996

THE NEW YORK TIMES

THURSDAY, JULY 18, 1996

Neighborhood-Patrol Groups To Get High-Technology Help

By TODD S. PURDUM

WASHINGTON, July 17 — In yet another White House ceremony designed to showcase his support for programs against crime, President Clinton announced today that the cellular telephone industry would contribute 50,000 cellular telephones and free air time to citizen patrols and block-watch groups around the country — and has promised to keep providing phones as long as new patrols keep forming.

But they will not be able to phone home — only 911 or another local emergency number.

"When drug dealers wear pagers and gang members have cell phones, I think it's time we put high technology on the side of law and order," Mr. Clinton said, surrounded by representatives of citizen patrol groups. "This will help our citizens to have stronger links with law enforcement as they work to take back our streets."

Citizen patrols augment police and fire department efforts in about 20,000 locales nationwide, and the Cellular Telecommunications Industry Association, a trade group, will provide the phones to organized groups certified by the Community Policing Consortium, an amalgam of several major law-enforcement groups and the Justice Department's office of community policing.

The phones will be programmed to dial only local law enforcement or emergency numbers selected by the local groups.

A group's application to the consortium for phones must be endorsed by the local police chief or sheriff. When a group is certified, the consortium will notify the cellular association, which will tell the local wireless carrier. Then, the local carrier will provide the phones and air time.

For months now, Mr. Clinton has refused to let the Republicans get a leg up on the crime issue, supporting curbs on death-row appeals and a constitutional amendment to guarantee crime victims' rights, and endorsing measures against juvenile crime ranging from school uniforms to teen-age curfews.

Bob Dole's campaign praised the cellular telephone industry for its effort, but Mr. Dole's spokeswoman Christina Martin said: "Bill Clinton's answer to crime is uniforms, curfews and cell phones. Bob Dole's policy is tougher laws, tougher sentences and tough but fair judges."

As with several other recent public-private partnerships announced by Mr. Clinton, no Federal money will be spent on the phone patrols, but the White House said Vice President Al Gore had urged the cellular industry to contribute last month. In a commencement speech at Pennsylvania State University in May, Mr. Clinton called for a million new citizen volunteers to join existing neighborhood watch programs or form new ones.

'No' to a Chelsea Speech

WASHINGTON, July 17 (Reuters) — President Clinton's 16-year-old daughter, Chelsea, will not address the Democratic National Convention in August, the White House said today.

"That's not going to happen," Mike McCurry, the White House spokesman, said. "It was not seriously entertained by the President."

Mr. McCurry said that a speaking role for Chelsea at the convention was "never an idea that was under consideration by the First Family."

People close to the President said Chelsea, who has proved to be a forceful speaker at private gatherings like Renaissance Weekend in Hilton Head, S.C., had pressed for a role.

Clinton issues welfare option

Won't be needed if Congress acts

The Washington Times
WEDNESDAY, JULY 17, 1996

By Paul Bedard
THE WASHINGTON TIMES

President Clinton yesterday challenged Congress to either join him in getting tough on welfare or lose election-year credit for moving people from welfare to work.

In his latest effort to make good on his 1992 promise to reform welfare, Mr. Clinton said he is giving states new authority to withhold benefits from welfare recipients who refuse to work.

The president directed the Health and Human Services Department to impose on the states the requirement that a minimum of 15 percent of welfare recipients take a job. If the states take full advantage of Mr. Clinton's move, it could eventually affect 60 percent of all welfare participants.

The announcement affects only participants in the Jobs Opportunities and Basic Skills (JOBS) training program.

Mr. Clinton said his move will not be necessary if Congress enacts a national reform of the welfare system. The House is expected to take up such legislation this week and the president urged prompt passage.

Speaking via satellite to the nation's governors meeting in Puerto Rico, Mr. Clinton said he'd prefer that Congress adopt the work provision but added that he's ready to act on his own — and take full credit for the popular idea.

"I far prefer a bill passed by Congress," said Mr. Clinton. "So let's agree: One way or another we will make work and responsibility the law of the land, but we want a good welfare reform bill."

Mr. Clinton's announcement was his first concrete move designed to force many of the nation's 4.5 million welfare recipients to find employment.

Aides said they hope Congress takes the bait and moves this summer to approve welfare reform legislation.

"This will be a real test of action. There's a little window here," said White House Press Secretary Michael McCurry.

The White House feels that Republican and Democratic supporters of welfare reform are close to agreeing on a package that the president can approve.

"We are on the verge of an historic shift in the way we think of income maintenance for the poor," Mr. McCurry said.

But the president, who wants to get some credit for welfare reform, doesn't trust Congress to act before the election and yesterday he tried to force its hand, said White House officials.

"We must not let this opportunity slip from our grasp as it has too many times before. Let's put politics aside," said Mr. Clinton, who has vetoed welfare reform measures twice.

Mr. Clinton's proposal came just an hour after GOP presidential candidate Bob Dole spoke via satellite to the same group.

In his speech, Mr. Dole hit the president for failing to approve GOP-passed welfare reforms and said the president hasn't kept his promise to quickly approve federal waivers for state welfare reform experiments.

"We need a federal government that embraces the diversity of your reforms," Mr. Dole told the National Governors' Association. "We need a federal government that trusts your compassion and your competence."

The White House, however, rejected the charges and noted that Mr. Clinton has approved 67 welfare waivers in 40 states. Mr. Clinton took credit for moving 1.3 million people off welfare.

Wisconsin's Republican Gov. Tommy G. Thompson, who has initiated a much-praised welfare reform, complained that Mr. Clinton's statement "is not very sincere. He could have done it four years ago."

Compromise on school prayer prepared

House panel to take up 'marriage' of proposed constitutional amendments

By Brian Blomquist
THE WASHINGTON TIMES

A proposed constitutional amendment allowing voluntary prayer in public schools has been revived in the House, but Senate leaders said yesterday they have no plans to bring up the issue this year.

The House Judiciary subcommittee on the Constitution plans to hold a hearing Tuesday on a new school-prayer amendment — a "marriage" of two proposals that differ in strength.

But last night the author of the stronger school-prayer amendment said he isn't satisfied with the compromise version.

"It is not explicit," said Rep. Ernest Istook Jr., Oklahoma Republican. "It moves us closer, but unless you give clear, explicit permission for prayer in schools, it take us no further in the courts."

Mr. Istook's original measure says the Constitution shall not "prohibit student-sponsored prayer in public schools," and it adds that government shall not compose official prayers or compel participation.

The weaker school-prayer amendment was offered by Rep. Henry J. Hyde, Illinois Republican and chairman of the House Judiciary Committee.

The Hyde amendment generally seeks to guarantee religious liberty. It says government may not deny benefits to or discriminate against people or groups based on their "religious expression, belief or identity."

Though a Judiciary Committee aide said the new school-prayer amendment is a "marriage" of the Hyde and Istook proposals, the aide added, "A measure that would permit official, coerced prayer is not on the table."

The House has time to act on the school-prayer amendment this year. But Senate Majority Leader Trent Lott, Mississippi Republican, said "nothing is cooking" in the Senate.

"I haven't heard a thing about a school-prayer amendment over here," said Sen. Alan K. Simpson, Wyoming Republican and member of the Judiciary Committee.

The New York Times reported yesterday that congressional Republicans were reviving the school-prayer amendment in part to help Bob Dole's campaign.

Several House Republican leaders said the amendment's legislative track has not picked up any speed. They said the leadership recently has not paid extra attention to the proposed amendment or interfered to help the Dole campaign.

"It's been months since we have even discussed this, and I've been at all the meetings where this issue has been discussed," said Rep. John A. Boehner of Ohio, chairman of the House Republican Conference.

Mr. Boehner said it is "a figment of someone's imagination" that the schedule was put on a fast track to hit the House floor in time to boost the Dole campaign.

NGA to create entity for education

Would help set academic goals

By Carol Innerst
THE WASHINGTON TIMES

The National Governors' Association, meeting in Puerto Rico, approved the creation of a new, privately funded, nongovernmental "entity" yesterday that would help state and local school systems develop rigorous academic standards and assessments.

"We said we would set up a new service that will really allow us to follow through on the work we started at the National Education Summit, and now we have done it," said NGA Chairman Gov. Tommy G. Thompson of Wisconsin.

Conservatives fear that despite good intentions, the governors' creation could lead to national standards, curriculum and tests. Conservatives also worry about the addition of another layer of bureaucracy.

"If governors are doing it, how nongovernmental will it be?" asked Judi Hahn of Cincinnati, a former mathematics teacher and member of the Ohio Board of Education. She said the entity would duplicate the work of the federal Educational Resources Information Center.

"I don't see a need for any national entity," said Cheri Pierson Yecke, a member of the Virginia Board of Education. "Virginia is already sharing with other states. We don't need to establish a new entity to get this sharing to occur. It is happening."

"Our standards are on the Internet," observed Michelle Easton, president of the Virginia state board.

The policy statement creating the agency, at the request of Virginia Gov. George Allen, makes it clear "the entity will not endorse, develop, or financially support the development of national education standards" and will not "certify or approve" what jurisdictions do.

Distancing itself from the measurement of attitudes and feelings associated with outcomes-based education, the policy statement specifies that the entity will deal with "academic" standards.

It will not disseminate the results of any benchmarking-analysis to the public, but will encourage a "voluntary national, internationally benchmarked assessment" that will help states and business leaders make comparisons about academic standards and student performance.

The entity could tread on some toes and slow down the process of getting assistance to states seeking it, said Christopher Cross, president of the Council for Basic Education (CBE) and the Maryland State Board of Education.

"CBE recently reviewed the draft standards for the state of Illinois," he said. "Is there any value added if they have to go to a third party if they want us?"

"What I'm not sure is compelling is for the entity to be the center of the universe on issues around providing technical assistance, benchmarking and a clearinghouse," Mr. Cross said.

It presents a potential conflict with the NGA's own Center on Best Practices, which relies on foundation support.

The timetable calls for the new agency to be operating by September.

"It will need an executive director, and the staff structure is still undecided," said Patty Sullivan, director of education legislation for NGA. "We don't have funding yet. We've talked to Pew, Annenberg, Carnegie — and also to the CEOs on the Planning Committee."

The 31 governors attending the meeting thrashed the policy statement on the entity in a 2½-hour meeting Sunday. They agreed that the agency would provide service to states — and local districts.

The agency will need start-up funds of about $2 million and be governed by a board that initially includes the six governors and six business leaders who planned the National Education Summit.

The Washington Times
WEDNESDAY, JULY 17, 1996

the News
's Fit to Print"

The New York Times

New York. Today, sunny and sultry. High 91. Tonight, partly cloudy. Low 73. Tomorrow, partly sunny, humid, afternoon thunder. High 90. Yesterday, high 85, low 70. Details, page D22.

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Stocks on Roller Coaster, But Finish Little Changed

Dow Gains 9 in the Busiest Trading Day Ever

By LESLIE WAYNE

The stock market rode out the busiest day in its 204-year history yesterday, and the wildest day since the 1987 market plunge, to end basically unchanged.

As the closing bell sounded at 4 P.M., the Dow Jones industrial average reported a gain of 9.25 points — that is less than 1 percent — to close at 5,358.76. This came after stocks dropped sharply on Monday, scaring investors and causing the market to open uneasily yesterday on fears that the plunge would snowball.

But it did not. Still, investors were treated to a roller coaster ride in which the Dow, after rising briefly, plunged by 212 points and then climbed 219 before stabilizing in the heaviest trading day ever. These swings occurred for no clear reason — the wrenching midday plunge was followed by an equally stunning rise as bargain-hunters stepped in to push prices up again.

And technology stocks, which had soared in the first half of the year, continued to face heavy battering, although many began to rise at day's end as news leaked out that the Intel Corporation, a bellwether semiconductor company, would report strong earnings after the market's close. The technology-heavy Nasdaq market, as measured by its composite index, fell by 6.89 points, or around 1 percent, to close at 1053.49 — about where it opened for the year.

Mutual fund companies began to report a modest level of redemptions as small investors began to leave the market. [Page D1.] As buyers and sellers flooded the markets with orders, volume records were broken on the New York Stock Exchange, where a historic 683 million shares changed hands, and on the Nasdaq market, where a record 877 million shares were traded. This frenzy was a reflection of genuine confusion in the marketplace as investors wondered where stocks would head next.

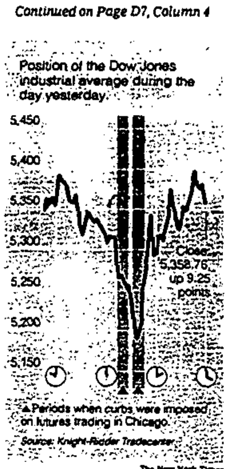
Even the experts were baffled. "The reason is ... who knows?" said Byron Wien, an investment strategist at Morgan Stanley & Company. "Some people say the economy is too strong, and others say it is slowing."

Prices in New York stood in sharp contrast to the dismal performance of shares on other world exchanges yesterday. Taking their cue from the Monday plunge in New York, stocks in Tokyo, London and everywhere in between suffered declines.

If Monday's market was dominated by concerns about falling corporate profits, yesterday's market had no clear force behind it. This, analysts say, reflects a belief that worries about falling corporate profits may be overblown and that investors are still uncertain about whether the market has switched to bearish.

"It has begun to sink in to invest-

Continued on Page D7, Column 4



Market Place

Trading Pause Saved the Day For Wall Street

By FLOYD NORRIS

The circuit broke, and the market was saved.

On a day when emotions ran wild, the effective closing of the stock-index futures market in Chicago for the second time within minutes seemed to give traders time to think, and perhaps persuaded some to buy. Futures contracts provide a way to bet on the movement of stock indexes, such as the Standard & Poor's 500. It was while futures were closed that stocks on Wall Street began rising, first slowly and then with exuberance.

The result was that after prices had gone into free fall for an hour, they turned around in the middle of the day and soared. It was the stock market's wildest single day since 1987, and it boosted the reputation of so-called circuit breakers, which were introduced after the 1987 stock market crash as a way to provide time for reflection by temporarily halting the action on hectic days.

"When you are at a limit, it does calm things down," said Robert Ray, who supervises stock-index futures trading for Dean Witter Reynolds at the Chicago Mercantile Exchange. "People came in and looked for the value."

Whether yesterday's wild lurch was the bottom of the current correction, or just a pause in the beginning of a bear market, may not be clear for some time. But few traders who experienced it will soon forget it.

It was the kind of day that makes believers in rational markets cringe. There was no major fundamental

Continued on Page D8, Column 3

Associated Press

After a Delay, Yeltsin Greets Gore

President Boris N. Yeltsin shook hands with Vice President Al Gore yesterday, a day after calling off their scheduled Moscow meeting. The cancellation intensified worries about Mr. Yeltsin's health, and his appearance yesterday, which witnesses described as wan and stiff, did little to ease them. Page A8.

CLINTON WILL LIMIT THOSE ON WELFARE TO 2 YEARS OF AID

TELLS GOVERNORS OF PLAN

Move Is in Accord With G.O.P. Bill — Dole Says President Has Moved Too Slowly

By ADAM CLYMER

FAJARDO, P.R., July 16 — President Clinton announced today that he was taking action to require welfare recipients to go to work within two years, and he said they would lose benefits if they did not.

Mr. Clinton made the commitment in a speech broadcast by satellite to the National Governors' Association, holding its 88th annual meeting here. He spoke minutes after Bob Dole, the apparent Republican Presidential nominee, addressed the group by satellite and attacked Mr. Clinton for moving too slowly on welfare. In Mr. Dole's speech, he said the President looked down on state governments, requiring them to "beg for approval from Washington."

The President said his directive embodied the central idea of the welfare measures pending before Congress, "that anyone who can work must do so." He added, "We'll say to welfare recipients: within two years, you will be expected to go to work and earn a paycheck, not draw a welfare check."

But Republicans at the meeting derided the move as an election year ploy.

The President said he would direct Donna E. Shalala, the Secretary of Health and Human Services, to issue regulations making the welfare change.

Mr. Clinton said the new requirement would be unnecessary if Congress passed a welfare bill he could sign. Legislation proposed by Congressional Republicans would allow states to impose such a requirement and would also give the states great freedom in administering welfare. The bill calls for using Federal welfare money to give the states lump-sum payments that they could use as they wished to help the poor.

The President said the bill was better than two measures proposed earlier by Republicans, which he had vetoed. But he asked Congress to "continue to improve" the bill. White House aides said they hoped that the

Continued on Page D21, Column 1

Repackaging the Convention

To try to make the Republican convention more exciting to television viewers, officials will use show business techniques — and will keep most speeches short. Page D21.

Clinton Grants, Then Suspends, Right to Sue Foreigners on Cuba

By DAVID E. SANGER

WASHINGTON, July 16 — Seeking to weave his way between conflicting domestic and foreign pressures, President Clinton today granted United States citizens the right to sue foreign companies that are using American plants seized by Cuba over 35 years ago, then immediately suspended those suits for at least six months.

Mr. Clinton's election-year compromise, his aides said, was an effort to demonstrate that he is eager to tighten the economic noose around Fidel Castro while defusing the criticism from Washington and the threats of retaliation from the European Union, Canada and Mexico.

These countries have accused the United States of using threats of legal judgments against foreign companies to force other Governments into helping isolate Mr. Castro. Those countries have vowed to impose equal penalties against American companies, especially after Mr. Clinton moved last week to deny visas to executives and major shareholders of the foreign companies.

By delaying the legal actions, Mr. Clinton puts off that conflict with America's closest allies until after the elections in November. Meanwhile, he can argue in Florida and New Jersey, two key states with large Cuban-American populations, that he is working to speed the collapse of Mr. Castro's Communist Government.

Administration officials conceded that Mr. Clinton's action today, taken hours before a midnight deadline set by the Helms-Burton law, was a muddled outcome to a highly charged issue.

"This was classic Clinton," one of his top aides said after the President sought recommendations from his Cabinet in a late-night meeting at the White House on Monday. "It's creative, but it runs the risk of looking like a waffle."

The move was immediately criticized as such by Bob Dole, the President's likely Republican opponent in November. "President Clinton's continued indecision until the last possible moment demonstrates, once again, that this President is rudder-

Continued on Page A4, Column 3

Office in Files Affair Got Little Oversight

The question of whether the Clinton White House misused confidential F.B.I. personnel files for political purposes may never be answered.

But the known evidence shows a lack of attention that the White House has paid to its office dealing with sensitive information on thousands of Americans.

The Administration entrusted the office to Craig Livingstone, who is now widely considered to have been unqualified, as a reward for his campaign work. As the director of personnel security in the White House, he has become the focus of questions about why the White House improperly acquired the F.B.I. files.

Administration officials asked few questions when Mr. Livingstone brought in a friend from political campaigns to help run the operation. And whatever lack of skill they brought to the job was apparently compounded by the fact that Secret Service lists they said that they used as guides in their work were frequently inaccurate.

Article, page A14.

Aimed at Terrorists, Law Hits Legal Immigrants

By LENA WILLIAMS

In the three months since a tougher new counterterrorism bill was signed into law, many immigrants who have been living legally in the United States for years have been placed in detention by the Immigration and Naturalization Service and are facing deportation.

Under provisions in the new law, any resident who is not a naturalized citizen and has been convicted of a crime in the United States, including most felonies and certain misdemeanors, can be detained without appeal and is not eligible for release on bond, according to I.N.S. officials. Many have been arrested as they tried to re-enter the country after trips abroad.

The new Anti-Terrorism and Effective Death Penalty Act, which was signed by President Clinton on April 24 on the one-year anniversary of the Oklahoma City bombing, was part of an omnibus crime package. The law was intended to make it easier to prosecute anyone charged with committing or planning a terrorist attack, and it limited the number of legal appeals for prisoners on death row.

But immigration officials say the law also requires them to detain and deport noncitizens because they have previously been convicted of a crime, no matter how long ago or how serious. Among those being detained are lawful permanent residents — those who have lived in the country for at least seven years, have married American citizens or have children who are citizens.

In addition, it eliminates the right to apply for a waiver of deportation. Under the previous law, such waivers were granted to "deserving individuals based on their length of residence in the U.S., evidence of rehabilitation and the hardship that their deportation would cause themselves and family members." Immigration officials say that the new law precludes them from issuing waivers and releasing those detained on bond.

The immigration agency says it has no figures on how many people have been detained or deported under the law. But several immigration lawyers say that based on their caseloads, hundreds of long-term legal residents have been arrested since the law was passed.

The detentions have touched off a heated debate over the Government's interpretation and enforcement of the law. At the time of the signing, President Clinton noted that "this bill also makes a number of major ill-advised changes in our immigration laws having nothing to do with fighting terrorism."

"These provisions eliminate most remedial relief for long-term legal residents," the President warned.

He said he would urge Congress to correct the provisions in legislation, which is now being drafted to ad-

Continued on Page B5, Column 1

Jose R. Lopez/The New York Times

Video games are a prime attraction at Atlanta's Olympic Village, a virtual city for 14,500 athletes and officials.

Everything but Medals at the Olympic Village

By JERE LONGMAN

ATLANTA, July 16 — Manuel Passarinho, the team doctor for Portugal's judo players, had a major problem with the Olympic Village. The food was too good. His athletes were putting on a few pounds, what with 150 items to choose from at each meal, and inviting choices to be made among 22 kinds of breads, 15 different cheeses and 18 varieties of fruit. Judo players fight in various weight classes, and they can't afford to lose the battle of the bulge.

"They must go on a diet," Dr. Passarinho said with a smile. "They are eating too much."

Just to show there were no hard feelings, Dr. Passarinho asked to have his picture taken with the head chef, Louis Ferretti, a not-so-frugal gourmet in charge of serving up 60,000 pounds of pasta, 15,000 pounds of asparagus and 30,000 pounds of lamb, all wrapped in 19 miles of aluminum foil, during the centennial Olympic Games, which begin Friday and run through Aug. 4.

"This is a problem we can live with," said Lewis Sprague, the Olympic food services manager, whose kitchen runs a mere 25,000 square feet to service a dining hall of 88,000 square feet. If Mr. Sprague runs low on ice cubes, he can run to the gargantuan freezer that has been converted from a parking garage.

Atlanta organizers have been criticized about everything from sterile architecture to technological snarls to tacky commercialism, but they are getting rave reviews concerning the $194 million Olympic Village that will house up to 10,000 athletes and 4,500 officials from 197 nations on the campus of Georgia Tech. Located on

Continued on Page B10, Column 3

INSIDE

A Bid to Halt Global Warming

Changing its stance, the United States will seek a binding international pact to reduce pollution that is causing climate change. Page A6.

Tougher Stance on Serbs

An American envoy plans to threaten new sanctions unless the Bosnian Serb leader is removed. Page A8.

Child Welfare Shakeup

As the Giuliani administration overhauled the management of the city's troubled child welfare agency, its former commissioner quit. Page B1.

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CLINTON WILL LIMIT THOSE ON WELFARE TO 2 YEARS OF AID

TELLS GOVERNORS OF PLAN

Move Is in Accord With G.O.P. Bill — Dole Says President Has Moved Too Slowly

A1

By ADAM CLYMER

FAJARDO, P.R., July 16 — President Clinton announced today that he was taking action to require welfare recipients to go to work within two years, and he said they would lose benefits if they did not.

Mr. Clinton made the commitment in a speech broadcast by satellite to the National Governors' Association, holding its 88th annual meeting here. He spoke minutes after Bob Dole, the apparent Republican Presidential nominee, addressed the group by satellite and attacked Mr. Clinton for moving too slowly on welfare. In Mr. Dole's speech, he said the President looked down on state governments, requiring them to "beg for approval from Washington."

The President said his directive embodied the central idea of the welfare measures pending before Congress, "that anyone who can work must do so." He added, "We'll say to welfare recipients: within two years, you will be expected to go to work and earn a paycheck, not draw a welfare check."

But Republicans at the meeting derided the move as an election year ploy.

The President said he would direct Donna E. Shalala, the Secretary of Health and Human Services, to issue regulations making the welfare change.

Mr. Clinton said the new requirement would be unnecessary if Congress passed a welfare bill he could sign. Legislation proposed by Congressional Republicans would allow states to impose such a requirement and would also give the states great freedom in administering welfare. The bill calls for using Federal welfare money to give the states lump-sum payments that they could use as they wished to help the poor.

The President said the bill was better than two measures proposed earlier by Republicans, which he had vetoed. But he asked Congress to "continue to improve" the bill. White House aides said they hoped that the

Continued on Page D21, Column 1

Continued From Page A1

order, which would impose new work requirements on about two million people, would give Mr. Clinton more leverage in bargaining with the Republicans in Congress over the bill.

The aides said that even if the legislation died, the President could go into the election saying he had imposed limits on welfare, while Congress could not say that.

Republican governors here scoffed at Mr. Clinton. Gov. Tommy G. Thompson of Wisconsin said: "He could have done it three years ago. He could have done it two years ago. He could have done it one year ago. It's now coming in at the eleventh hour, four months before the election. It is not very sincere."

Administration officials contended that the experience gained from experiments with time limits on welfare benefits in 14 states, most of them small, allowed the President to move forward now.

Mr. Thompson dismissed the idea that Mr. Clinton's move today gave him leverage with Congress. "He's going to sign whatever Congress sends him," the Governor said.

The Administration's chief concerns about the legislation, which Congress is expected to consider this week and next, are that it would allow states the option of using the lump-sum payments, or block grants, to replace guaranteed food stamp benefits and that it would bar benefits to legal immigrants, including children and the elderly.

The governors' group, in a resolution passed today, and the Clinton Administration say they are unhappy with the definitions of work in the legislation. They want the bill to require 25, not 35 hours a week, to count up to 12 weeks of looking for a job as work, and adjust the payment formulas to give states some credit for people who leave welfare for work.

Until Mr. Dole resigned from the Senate, he had sought to keep changes in welfare united in one bill with proposals to change Medicaid, the health care program for the poor. Today, he said he hoped that there would also be action on Medicaid.

But Mr. Dole focused on welfare, criticizing Mr. Clinton for breaking a promise he made last year to decide on waivers for state experiments in 30 days or less. He said: "I hope the Congress will pass a tough welfare bill, not just any welfare bill. And I challenge the President to finally sign a welfare bill."

Melissa T. Skolfield, a spokeswoman for the Department of Health and Human Services, said tonight that the details of the new policy would be set forth in rules issued by the department. She said she believed that children would be able to continue receiving cash benefits even if their parents were penalized for violating work requirements. In such cases, she said, the benefits would probably be issued to adults other than the parents, for use on behalf of the children. The rules are likely to be challenged in court.

Mr. Clinton is a past chairman of the governors' association, and aides said this governors' meeting might have been the first since 1981 that he did not attend personally. He and Mr. Dole both spoke from Washington.

Mr. Dole has also been a frequent guest of the governors. Over the 1,573-mile satellite link, he hailed them enthusiastically today: "America's governors are breaking the welfare cycle with time limits and work requirements. You are challenging educational mediocrity with school choice and achievement testing.

"You are bringing efficiency to Medicaid and returning sanity and compassion to the maze of child welfare programs, and you are finding innovative ways to preserve our water and air without counterproductive Federal meddling," he added.

Mr. Dole said the Federal Government should trust them: "Our states deserve freedom, not just waivers. You must be given power — power, not just permission. Our problems are too urgent for inertia."

With an official role to play in the legislation, which Mr. Dole now lacks, Mr. Clinton concentrated on welfare. He praised "the new leadership of the Senate," saying, "They have said they want to pass legislation I can sign."

He praised the governors for experimenting with welfare programs, boasting that his Administration had approved "more than twice as many waivers as the previous two Administrations combined."

He said the governors' group offered a model for how government should solve problems: "Be bipartisan, cooperative, look for results, not abstract rhetoric, not be ashamed to learn from each other and take our best ideas from each other, and putting our values to work."

Mr. Clinton told the governors that his order could take effect even before any legislation passes. But it will take two to three weeks to draft a regulation, an official at the Department of Health and Human Services said, and it could not take effect in less than 90 days after that.

THE NEW YORK TIMES
WEDNESDAY, JULY 17, 1996

nton Puts '96 Budget Deficit $30 Billion Below First Forecast

THE WALL STREET JOURNAL
WEDNESDAY, JULY 17, 1996

By HILARY STOUT
aff Reporter of THE WALL STREET JOURNAL

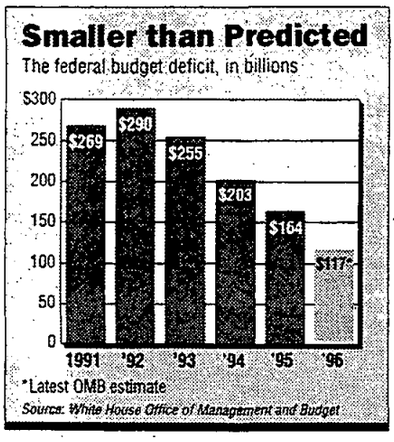
WASHINGTON – The Clinton administration predicted this fiscal year's budget deficit will be about $30 billion less than it initially estimated, a development the White House pounced on to extract maximum political mileage.

In its required semiannual report to Congress on the federal budget outlook, the White House budget office estimated that the deficit for fiscal 1996, which ends Sept. 30, will be $117 billion instead of $146 billion. That, administration officials hastened to point out, is less than half the size of the $290 billion deficit of 1992, the year before President Clinton took office.

While the estimate was made by the White House itself, economists generally believe it to be credible. Recently, officials from the nonpartisan Congressional Budget Office have said they, too, are reducing their 1996 deficit estimates, though probably not as sharply. CBO officials say they will revise their forecast to $130 billion or less, down at least $14 billion from their original prediction of $144 billion.

The improved deficit outlook is the result of a stronger economic forecast and higher-than-expected federal income-tax receipts. Economists believe the bigger tax payments this spring reflect larger tax bills for the wealthy, because of both higher capital gains realized during the stock market surge and the final stage of a three-year phase-in of the tax increases enacted in 1993.

White House officials sought to use the



improved deficit outlook as vindication for their entire economic program. "We've cut the deficit by 60% in four years, bringing it to its lowest level in dollar terms in 15 years," President Clinton boasted in a speech to the National Governors Association yesterday morning.

In a briefing for reporters by the president's top economic advisers, White House

Please Turn to Page A16, Column 5

Continued From Page A2

Chief of Staff Leon Panetta harked back to a scene of gloom and doom at the beginning of the Clinton administration: "We were looking at annual deficits that were basically leveling off at $300 billion, then rising to $400 billion, $500 billion, and by the early part of the next century going to as high as $600 billion a year," he said. And so, he continued, "today's announcement reflects an enormous achievement."

Republicans, however, sneered at the administration's bragging, saying that if the GOP hadn't blocked White House spending proposals this year, the deficit would have been higher. Moreover, they argued, most of the improved outlook comes from revised economic assumptions and technical adjustments.

"More than 60% of the deficit reduction that has occurred during the past two years has had nothing to do with action taken by the Congress or the president," said Senate Budget Committee Chairman Pete Domenici, a New Mexico Republican. He added: "The administration taking credit for it is like the rooster taking credit for the sunrise."

Despite their boasting, administration and Clinton campaign officials worry about profound uneasiness among average American workers, a sentiment Republican presidential candidate Patrick Buchanan seized on in the GOP primaries. The slide in the stock market over the past week could reinforce the economic apprehension.

But White House officials tried to shrug off the stock market volatility. "I think people recognize that markets move around a lot," said Laura Tyson, chairwoman of the National Economic Council. "I think that what we have tried to do is put the economy on a sound course of sustained growth. And I think that the economic numbers on employment, the unemployment rate, the inflation rate, home ownership, consumer confidence—there is a whole list of numbers, all of which tell the same story, a very sound economy, an economy on a solid foundation of growth."

A recent CBO report warns that the improved deficit outlook could be fleeting. If current tax policies and entitlement program spending don't change, and if appropriations for discretionary programs keep pace with inflation, the deficit will begin to balloon again early in the next century, it says. "The retirement of the baby boom population starting about 2010 will put severe pressure on the budget," a CBO report issued this spring says. "If spending and revenue policies are not changed, deficits and debt will soar to unprecedented levels in the following 20 years."

The administration's deficit projections, meanwhile, fail to account for a new government obligation, which the CBO and Republican budget plans incorporate. The government recently lost a lawsuit brought by the savings and loan industry over an accounting dispute. As a result, the federal government is expected to incur about $10 billion in costs between 1997 and 2002. But the administration still isn't incorporating this into its budget forecast for future years.

THE WALL STREET JOURNAL
WEDNESDAY, JULY 17, 1996

President Clinton, Dole Duel on Welfare; Congress Is Urged to Finish Reform Bill

By HILARY STOUT
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – President Clinton, anxious to follow through on his 1992 campaign pledge to "end welfare as we know it," stepped up pressure on Congress to finish a welfare bill and said that in the meantime, he will use his authority to push more welfare recipients into work.

Both Mr. Clinton and Republican presidential candidate Bob Dole tried to one-up each other on welfare in highly political speeches to the National Governors Association yesterday. Mr. Dole, the former Senate majority leader, questioned Mr. Clinton's commitment to welfare reform and accused the president of delaying approvals of states' requests to experiment with their welfare programs. "Give the states the power and authority to chart their own paths from dependence to hope," Mr. Dole said.

Mr. Clinton didn't attack Mr. Dole directly on the issue but said he will direct the Department of Health and Human Services to propose a federal regulation requiring all participants in a major federal-welfare program to sign a contract pledging to go to work within two years of first receiving assistance.

The program, the Job Opportunities and Basic Skills program, known as JOBS, provides employment training to people receiving cash assistance under the federal Aid to Families with Dependent Children program. "States can take away the benefits if they fail to live up to that commitment," Mr. Clinton said. He said his action would be rendered moot if Congress sends him a welfare-overhaul bill that he can sign.

After months of stalemate, it looks increasingly plausible that a broad welfare bill could be enacted this year. The House plans to take up a Republican bill this week and the Senate may try to do so as well. Yesterday, Speaker Newt Gingrich (R., Ga.) vowed to send a bill to the president before lawmakers leave for their August recess. "We're absolutely going to get this job done," Mr. Gingrich said.

Mr. Clinton twice vetoed Republican welfare plans last year, but in his speech to the governors, the president said he was "pleased that the congressional leadership has made several significant improvements that have made this a much better bill."

Specifically, he cited a $4 billion increase in funding for child-care programs over the previous legislation and the abolition of provisions that would have capped spending on food stamps and turned the federal school-lunch program into a nutrition block grant for states.

But he did not say the bill would be acceptable. "We have a chance to make history and make this bill even better," Mr. Clinton said. While the president's political advisers are eager to see him sign a welfare-overhaul bill, some other administration officials, especially some at the Department of Health and Human Services, are strongly opposed to the bill taking shape in Congress.

The White House has been in intense negotiation with the Republican leadership on welfare and recently won a huge concession: The GOP agreed to drop a measure turning the Medicaid health program for poor women and children into a block grant for states, opening the door to a possible agreement.

Any bill coming out of the Republican Congress will discontinue the federal guarantee that all people eligible for welfare benefits receive them. Such a prospect has upset many Democrats in Congress as well as some of the president's liberal constituents. But Mr. Clinton has indicated he will accept a dismantling of the so-called entitlement if he feels adequate child care and work measures are included.

WSJ **Journal Link:** For the full text of Clinton's and Dole's speeches to the National Governors Association, see The Wall Street Journal Interactive Edition at **http://wsj.com**

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By Randy Olson, USA TODAY
Faldo: Course demands accuracy off the tee. 10C

NICK FALDO LEAVING NO PUTT TO CHANCE 10C

BRITISH OPEN TITLE GOAL OF INTENSE PREPARATION
▶ MEMORABLE FINISHES, 1C

SAMMY SOSA HITS NL-LEADING 30th HOMER IN LOSS 1,4-7,9C

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NEWSLINE

A QUICK READ ON THE NEWS

WALL STREET: Dow Jones industrial average rises 9.25 points to 5358.76; Nasdaq index falls 6.72 to 1053.47; 30-year Treasury bond yield drops to 7.02%. 1A,1B,3B.

ATLANTA CRIME: Amid concerns about the city's crime rate and the safety of visitors and Olympic athletes, police chief says Atlanta is safe. 4A.

'Manhattan Project' is cyberspace model

The Clinton administration, using the World War II-era atomic bomb program "Manhattan Project" as a model, calls for a public and private effort to thwart attacks in cyberspace. 2A.

▶ CIA Director John Deutch, in a rare display of agency humor, uncovers the roots of "cyber." 2A.

CHICAGO TURF WAR: Rep. Bobby Rush, D-Ill., is calling for federal agents' help after three people are killed in gang battle at housing project. 3A.

GOP CONVENTION SPEAKER: Susan Molinari, R-N.Y., left, will be keynote speaker at August Republican National Convention; an abortion-rights supporter, she says she won't mention abortion in speech. 7A.

By James Kegley
Molinari: 'I thought I was totally iced'

BUDGET: Federal budget deficit should shrink to $116.8 billion this year, says Clinton administration. 6A.

REACHING OUT: President Clinton has plans to equip every one of the nation's 20,000 neighborhood watch programs with a cellular phone. 6A.

TARNISHED PENNY: Rep. Michael Castle, R-Del., calls a hearing questioning the future of the penny. 8A.

YELLOWSTONE CLOSING? National Park Service officials are threatening to shut down the famed national park later this year for lack of funds. 1D.

TODAY'S DEBATE: Air safety. In USA TODAY's opinion, "Federal Aviation Administration has decided to crack down on hazardous materials — years late." 12A.

▶ "Using aggressive inspections and enforcement, and a program of targeted education and outreach to shippers, we will make certain everyone knows what can and cannot be shipped, and if it can, how it must be shipped," says David Hinson of the FAA. 12A.

▶ Transportation Secretary Federico Peña appears today before Senate committee. 3A.

MONEY: Consumer prices up modestly in June, dampening some fears about inflation. 1B.

▶ Apple Computer, Microsoft discussing whether Apple will license Microsoft's Windows NT operating system. 4B.

SPORTS: Michael Irvin no-show for camp. NFL. 1,3C.

▶ Lakers regroup for a surprise Shaq attack. NBA. 1,8C.

LIFE: 20th Century Fox focusing on box office hits. 1D.

▶ End of July means high anxiety about law exams. 6D.

COMING TOMORROW

HEROIN: A morphine derivative. Hip, horrible and making headlines. The mixed messages found in fashion, film, theater, books and music.

By John O. Buckley

Inside USA TODAY 4 SECTIONS

Crossword	10D
Editorial/Opinion	12-13A
Lotteries	10D
Marketplace Today	9-11D
State-by-state	10A
Stocks	6-11B

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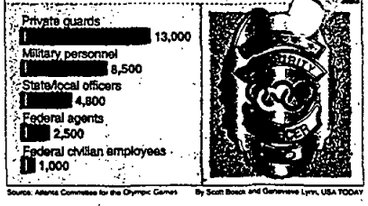
USA SNAPSHOTS®

A look at statistics that shape the nation

Securing the Olympics

The federal government, teaming with local and state agencies, will spend $227 million on security for the 1996 Games. Atlanta security personnel:



Source: Atlanta Committee for the Olympic Games By Scott Bosco and Genevieve Lynn, USA TODAY

USA TODAY SPECIAL REPORT

Cold pills into speed

Legal ingredient illegally converted to street drug, 1D

The Atlanta Games

Days to go: 2

U.S. WOMEN AIM FOR GLORY

▶ OLYMPIC INDEX: 1C

By Robert Deutsch, USA TODAY
Dominique Moceanu: Gymnast a petite powerhouse.

By Sam Morris, AP
Lisa Leslie: Helped team to 52-0 record in basketball tour.

U.S. soccer star Mia Hamm

By Peter Cosgrove, AP

Robert Hanashiro, USA TODAY
Janet Evans: Veteran.

1996: More women, more muscle and more medals

By Debbie Becker
USA TODAY

COVER STORY

ATLANTA — Baron Pierre de Coubertin, founder of the modern Olympics, once called the Games the "exaltation of male sport."

Not this summer.

For the U.S. team in particular, these Olympics, which open Friday, will celebrate the glory of its female athletes.

"We have the potential to make America sit up and take notice," says Jeanne Golay, a gold medal hope in cycling.

With medals projected in basketball, beach volleyball, cycling, diving, field hockey, gymnastics, rowing, soccer, softball, synchronized swimming, and track and field, the most remarkable story from the Games, which conclude Aug. 5, could be the dominance of American female athletes.

All this comes 100 years after the exclusion of women from the first modern Olympic Games in Athens, Greece. That ban didn't stop a Greek woman runner named Melpomene, who ran the marathon unofficially and finished ahead of many of the male competitors.

The Atlanta Games will include a record number of women: 3,779, including 280 on the U.S. team. Still, the women are outnumbered by the 6,582 male athletes, 381 of whom are from the USA.

For women who have been hindered by a lack of professional sports opportunities, the Olympics is the culmination of a lifetime of effort.

"The Olympics have always been the Super Bowl for women," says Donna de Varona, two-time Olympic swimming gold medalist. "What we're seeing now is the seeds that were planted 25 years ago."

Please see COVER STORY next page ▶

Sampras, Graf pull out of Olympics

By Karen Allen
USA TODAY

ATLANTA — The Olympics lost two top-ranked tennis players Tuesday when the USA's Pete Sampras and Germany's Steffi Graf pulled out of the Games because of injury.

Graf, who won a gold medal in Seoul in 1988 and a silver in Barcelona in 1992, has a sore left knee.

Sampras, who was favored for gold in Atlanta, has a sore right Achilles tendon.

"I was really looking forward to competing at the Olympics. After I lost at Wimbledon I was determined to make up for it by winning a gold medal," said Sampras. "I'm very disappointed."

Reuters
Pete Sampras

A replacement for Sampras was not named, and the draw is not until Friday.

Among the possibilities: Todd Martin or Richey Reneberg, who is already entered in the doubles competition.

The loss of Graf means almost a certain loss of gold for Germany. But it could result in a net gain for the USA because Monica Seles, playing for the United States, moves into the favorite's role, and Andre Agassi becomes one of the leading men's gold contenders.

Wall Street whiplash sets record

By David Henry
USA TODAY

NEW YORK — The stock market left Wall Street reeling Tuesday after a roller coaster ride that ended in the busiest day in its history.

"It was an incredible day," said a weary Brad Weekes, stock trading chief of Donaldson, Lufkin & Jenrette.

The see-saw effect:

▶ The Dow bounced back from Monday's 161-point plunge, rising 45 points in the first half hour.

▶ The rally fizzled as the Dow begin diving, falling a total 167 points by 1:15 p.m.

▶ It then climbed 219 points.

▶ But by day's end, the surge faded, and the Dow ended up just 9 points at 5359.

Wall Street set a trading volume record of 1.74 billion shares. The previous mark: 1.38 billion shares on May 8.

"There was some comfort in seeing the market come back," said Ernest Cecilia of PNC Equity Advisors. But analysts say the market could roll again.

Fueling the turmoil: worries over corporate earnings, interest rates and flows of money into mutual funds, plus fear that other investors will panic.

The epicenter of the market's tremors remains technology stocks. The tech-heavy Nasdaq index, after falling 43 points Monday, skidded another 51 points before recovering to close off 7 points at 1053.

Individual stocks had a similar day. Sun Microsystems, down 3⅞ early, closed up 2⅛ at 50 for a 6-point swing. Microsoft down 3⅛, closed up 4¾ at 115⅜, a 7⅞-point swing.

After the close Tuesday, computer chip leader Intel reported surprisingly strong earnings. That provided some hope tech stocks, and the broader market, will stabilize.

But doubts remain. Mutual fund companies said the stream of money from stock funds to ultrasafe money market funds increased Tuesday.

▶ Tech earnings, 1B
▶ What investors do, 3B

Trade war over Cuba bill on hold

By Micheline Maynard
USA TODAY

President Clinton ducked a trade war but caught political heat Tuesday by delaying part of a tough law aimed at Cuba.

Clinton ordered a six-month delay in allowing lawsuits by U.S. businesses against foreign companies operating on U.S. property confiscated after Fidel Castro took power in 1959.

The move defanged Title III of the Helms-Burton Act, which tightened the USA's 34-year embargo against Cuba.

Under Clinton's move:

▶ Title III still takes effect, but the date when U.S. businesses can begin filing suits against foreign companies is delayed from Nov. 1 to May 1.

▶ Clinton must decide by April 15 whether to extend the lawsuit delay six more months.

▶ Clinton will name a special envoy to meet with foreign governments to urge the restoration of democracy in Cuba.

"This uses Title III not as a sledgehammer but as a lever to promote democracy in Cuba," said deputy national security advisor Samuel Berger.

But Cuban Foreign Minister Roberto Robaina said Clinton had tried to "keep in with both God and the devil."

Title III covers about 800 claims worth $50,000 or more in 1961 dollars.

Clinton had to decide Tuesday whether Title III would take effect. His move risked angering Cuban-American voters in Florida and New Jersey.

Clinton's action infuriated the measure's co-sponsor, Sen. Jesse Helms, R-N.C.

"President Clinton has once again taken a firm stand on both sides of an issue," he said.

▶ Trade partners miffed, 2B

Clinton, Dole duel on welfare

By Richard Benedetto
USA TODAY

FAJARDO, Puerto Rico — President Clinton told governors Tuesday if Congress fails to pass a welfare-reform bill he can sign, he'll use an executive order to require recipients to work within two years.

Twenty-eight states have work requirements and benefit time limits. Clinton would expand that to all states.

"I far prefer a bill passed by Congress, and I know you do too," he said by TV link to the National Governors Association. "So let's agree ... we'll make work and responsibility the law of the land."

GOP presidential candidate Bob Dole, also addressing the governors by satellite, criticized Clinton for vetoing two reform bills and reneging on a promise to approve in 30 days state requests for experimental programs.

"Thirty-day approval has proven to be an empty pledge," Dole said, adding it takes an average 210 days for waivers.

The rhetoric came as House leaders scheduled a vote Thursday on a welfare-reform bill giving states broad authority over their programs while imposing work requirements and limiting benefits to five years.

Clinton said he wants Congress to "improve" the bill along the lines of a bipartisan measure providing safety nets for families.

Republican governors say that bill leaves the federal government too much power.

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USA TODAY
• WEDNESDAY, JULY 17, 1996

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A1

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Under Clinton's move:

▶ Title III still takes effect, but the date when U.S. businesses can begin filing suits against foreign companies is delayed from Nov. 1 to May 1.

▶ Clinton must decide by April 15 whether to extend the lawsuit delay six more months.

▶ Clinton will name a special envoy to meet with foreign governments to urge the restoration of democracy in Cuba.

"This uses Title III not as a sledgehammer but as a lever to promote democracy in Cuba," said deputy national security adviser Samuel Berger.

But Cuban Foreign Minister Roberto Robaina said Clinton had tried to "keep in with both God and the devil."

Title III covers about 800 claims worth $50,000 or more in 1961 dollars.

Clinton had to decide Tuesday whether Title III would take effect. His move risked angering Cuban-American voters in Florida and New Jersey.

Clinton's action infuriated the measure's co-sponsor, Sen. Jesse Helms, R-N.C.

"President Clinton has once again taken a firm stand on both sides of an issue," he said.

Clinton, Dole duel on welfare

By Richard Benedetto
USA TODAY

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FAJARDO, Puerto Rico — President Clinton told governors Tuesday if Congress fails to pass a welfare-reform bill he can sign, he'll use an executive order to require recipients to work within two years.

Twenty-eight states have work requirements and benefit time limits. Clinton would expand that to all states.

"I far prefer a bill passed by Congress, and I know you do too," he said by TV link to the National Governors Association. "So let's agree ... we'll make work and responsibility the law of the land."

GOP presidential candidate Bob Dole, also addressing the governors by satellite, criticized Clinton for vetoing two reform bills and reneging on a promise to approve in 30 days state requests for experimental programs.

"Thirty-day approval has proven to be an empty pledge," Dole said, adding it takes an average 210 days for waivers.

The rhetoric came as House leaders scheduled a vote Thursday on a welfare-reform bill giving states broad authority over their programs while imposing work requirements and limiting benefits to five-years.

Clinton said he wants Congress to "improve" the bill along the lines of a bipartisan measure providing safety nets for families.

Republican governors say that bill leaves the federal government too much power.

friendlier questions from defense attorneys.

Dan Guthrie, a Dallas attorney for Branscum, asked if Lindsey had ever discussed the CTRs with his client or Hill, and Lindsey replied that he had not.

He said he had never met Ainley until May 25, 1990, when he went to Perryville, Ark., to pick up the cash.

``I explained to Ainley that I brought four checks because I was concerned that someone who was processing the checks might notice the $30,000," Lindsey said. He said he knew that a member of a prominent Republican family the same person who was chairman of a GOP gubernatorial campaign owned a firm that processed checks for banks.

Lindsey said there was a chance that one of the firm's employees would notice a large check and report it to company officials, who might create a last-minute controversy.

Federal law requires that any cash transaction of more than $10,000 be reported to the IRS within 15 days. Lindsey said he was ``vaguely aware" of the law.

``I gave no thought whatsoever to the currency reports," he said. ``I was withdrawing $30,000, and everybody at the bank knew that I was withdrawing $30,000 in cash."

With regard to the November transaction, Lindsey said he called Ainley and told him that the campaign needed another $22,500 in cash and that a campaign worker would bring three $7,500 checks.

He said Ainley told him that checks would be unnecessary because they could make the withdrawal with a bank debit slip.

Ainley pleaded guilty earlier this year to a federal misdemeanor charge of not reporting the transactions, and was placed on two years probation.

Lindsey said he, once again, gave no thought to whether the bank would report the withdrawal to the IRS.

Under further contentious questioning by Ewing, Lindsey admitted he erred in the first transaction by listing the payee on the four checks in three different ways.

One check was written to the Committee to Re-elect Gov. Clinton, another to the Clinton for Governor Campaign Committee and two were written to the Clinton for Governor Committee.

``Was your head spinning around there, Lindsey?" Ewing asked. The implication is that by using different names on the checks, Lindsey tried to conceal that all the money was going to the same campaign at the same time.

But, Lindsey told Ewing, ``I wrote `committee' on the first check almost reflexively and then Clinton for Governor on the others," he said. ``The first check was just a mistake."

``I wasn't trying to get it under $10,000," he said. ``Seven thousand five hundred dollars seemed to be a number that wouldn't attract a lot of attention."

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Ewing also attacked Lindsey's contention that the withdrawals were reported on the campaign finance reports.

``You've said over and over that you made full disclosure," Ewing said, producing the campaign reports.

``Yes," Lindsey replied.

``You claim this is what you call full disclosure," Ewing charged, noting that the $30,000 from the primary withdrawal was lumped with other money used for rallies, booths, and contributions to other candidates and community service organizations.

``Yes," Lindsey answered, ``because anyone could look at that and ask for a breakdown."

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The questioning of Lindsey will continue Wednesday.

A videotaped deposition from President Clinton, who was called as a defense witness, will likely be shown Wednesday or Thursday.

Former aide who doesn't want to talk called to testify on FBI files By David Jackson Dallas Morning News(KRT)

WASHINGTON A Senate committee subpoenaed former White House aide Anthony Marceca on Tuesday over the improper acquisition of FBI files, even though Marceca is expected to invoke his Fifth Amendment privilege against self-incrimination.

Sen. Orrin Hatch, R-Utah, chairman of the Senate Judiciary Committee, said he would grant Marceca a closed-door hearing Thursday so that he would not have to claim publicly his Fifth Amendment right against self-incrimination.

But Hatch said he is reserving the right to seek a court order to compel Marceca's testimony, if he believes the claim is unjustified.

Marceca, one of two central figures in the dispute over how the White House obtained FBI files on prominent Republicans, did testify before a House committee June 26. He called the acquisitions a bureaucratic mistake.

But in front of the Senate Judiciary Committee two days later, the U.S. Army investigator and former Democratic campaign volunteer took the Fifth.

``That result is unacceptable," Hatch said Tuesday.

Marceca's lawyer has refused to comment on his reasons for taking the Fifth. House and Senate aides, however, said Marceca increasingly is concerned about his legal exposure, particularly over allegations that he used information from his own FBI file to file a defamation suit against two women in Texas.

Marceca told House investigators that his six-month detail in the White House ended because of the women's allegations that he was involved in organized crime.

Whitewater independent counsel Kenneth Starr is investigating the FBI files controversy.

By the time he left the White House in February 1994, Marceca had reviewed hundreds of FBI private files, even though many were of Republicans who worked in previous administrations.

Craig Livingstone, the former White House personnel security chief, has told congressional committees that Marceca was working on a project to update the White House pass list.

During the Senate Judiciary Committee meeting Tuesday, Sen. Arlen Specter, R-Pa., suggested that committee members consider granting Marceca legal immunity in exchange for his testimony. But Starr, in a letter to Hatch, had counseled against such a step at this early stage of his investigation.

Hatch said he would wait to see what happens Thursday, but immunity is ``still an open question."

Committee Democrats agreed with the subpoena for Marceca. Sen. Paul Simon, D-Ill., said that while the recent Whitewater investigation had partisan overtones, ``in the case of the FBI files, clearly there has been an abuse of power."

Most of country has no teen murder arrests, study shows By Holly E. Stepp Dallas Morning News(KRT)

WASHINGTON More than half the nation's juvenile murder arrests occur in six large states, but such arrests are ``virtually nonexistent" in much of the rest of the nation, according to a study released Tuesday.

``What we found is that the problem of juvenile violent crime is not as widespread as we tend to believe," said Eric Lotke, co-author of the report with Vincent Schiraldi. The study was released by the National Center on Institutions and Alternatives and the Center on Juvenile and Criminal Justice.

Texas, California, Illinois, New York, Florida and Michigan lead the nation in juvenile homicide arrests, with Texas averaging about 7.3 such arrests per 100,000 residents in 1993. Four U.S. cities Chicago, Los Angeles, New York and Detroit account for the nearly a third of the arrests but contain 5.3 percent of the nation's youth.

[redacted]nton orders tightening of welfare rules By [redacted]eorge Rodrigue Dallas Morning News(KRT)

WASHINGTON President Clinton on Tuesday ordered a somewhat symbolic toughening of federal welfare rules, ordering that beneficiaries take any job they are offered after two years in a federal training program.

Administration officials said that although federal law already requires welfare recipients to take jobs or risk losing their benefits, Clinton hopes to see the policy applied more vigorously nationwide. Meanwhile, presidential aides signaled that Clinton probably would sign into law a Republican welfare reform bill, which the House will begin considering Wednesday.

The White House sent those signals as Republican presidential contender Bob Dole accused Clinton of acting too slowly on states' requests for waivers of welfare rules the average wait being 210 days and blocking national welfare reform.

Waivers can permit states to operate their programs outside the normal rules laid down by the Department of Health and Human Services, which channels welfare funds to the states.

``Our states deserve freedom, not just waivers," Dole told the National Governors' Association. ``I hope the Congress will pass a tough welfare reform bill ... and make those waivers a thing of the past."

Clinton replied that he has led ``a quiet revolution" in welfare. He noted that he has approved more than twice as many state waivers as former Presidents Ronald Reagan and George Bush combined.

White House aides said past Republican welfare bills drew vetoes because Dole, then the Senate majority leader, insisted on packaging them with deep reductions in planned Medicaid spending.

Over the past few months, Clinton repeatedly has parried Republican criticisms by proposing small, symbolic initiatives.

He did it again Tuesday, ordering HHS Secretary Donna Shalala to issue regulations for parents in the federal welfare-to-work program, JOBS. It covers about 650,000 of the 4.5 million adults on welfare.

``After two years, any such JOBS participant who refuses to work, even though a job is available, will be sanctioned by the loss of her AFDC (Aid to Families with Dependent Children) benefits," Clinton wrote.

HHS spokesman Michael Kharfen said federal law already lets states reduce benefits for recipients who refuse to work. Clinton's order may set a firmer timetable, he said.

Federal law bans states from reducing benefits to children whose parents refuse to work, Kharfen said, so families would continue to receive all but the parents' share of welfare checks.

Clinton told the nation's governors he is determined to sign a welfare reform bill that virtually would end federal supervision of state programs.

A new national law would free Clinton from acting on a controversial welfare waiver being sought by Wisconsin Gov. Tommy Thompson, a Republican.

Clinton has praised aspects of that plan but never promised to fully approve it, and his failure to do so has drawn Republican charges of hypocrisy.

He has not endorsed publicly the pending Republican welfare bills, which many traditional Democrats say are too punitive toward the poor.

On Tuesday, however, he told the governors that the Republican proposals are ``much better" than the measures he vetoed.

Republican leaders have added money for child care, and backed away from major changes in food stamps, school lunches and support for disabled children, Clinton noted.

White House spokesman Mike McCurry later repeated that Clinton hopes Republicans will adopt parts of bipartisan welfare bills. But McCurry did not say the GOP bills needed to be rewritten; instead, he used the term ``fine-tune."

Reps. John Tanner, D-Tenn., and Michael Castle, R-Del., are sponsoring one of those bipartisan bills. They said presidential lobbyists on Capitol Hill have not threatened a veto of the GOP leadership's measures, causing them to believe Clinton would sign whatever Congress is likely to pass.

(EDITORS: STORY CAN TRIM HERE)

House Majority Leader Dick Armey, R-Texas, accused Clinton of election-year gymnastics. ``The president's done another axel, getting ready for the Winter Olympics," he told reporters. ``It's a complete turnaround."

Castle, however, said he believed some top Republicans were playing political games themselves, trying to force Clinton to choose between alienating liberal Democrats or independents.

Rep. Eddie Bernice Johnson, D-Dallas, said she doubted the tactic would succeed.

She said she could not vote for the Republican welfare bill, but believed voters would forgive Clinton for signing it into law.

``People know that he's had to make some really tough choices, because of the political situation that we have now," she said. ``They know the difference between Bill Clinton and Bob Dole. They're not stupid, and they've been watching this debate for a year."

Top presidential aide Bruce Lindsey denies charges at Whitewater trial By Thomas G. Watts Dallas Morning News(KRT)

LITTLE ROCK, Ark. Close presidential adviser Bruce Lindsey denied Tuesday that he ever discussed federal reports on currency transactions with Arkansas bank officials let alone conspired to conceal cash withdrawals for the 1990 Clinton gubernatorial campaign.

Lindsey rebutted contentions by Whitewater prosecutor W. Hickman Ewing Jr. that he had pressured Perry County Bank president Neal T. Ainley not to report a $30,000 cash withdrawal in May 1990 and another for $22,500 in November of that year.

The bank's owners, Herby Branscum and Robert M. Hill, are on trial for conspiracy to conceal the cash withdrawals, as well as misapplication of $13,000 in bank funds to reimbursing themselves and family members for political contributions.

Lindsey, the deputy White House counsel, has been named an unindicted co-conspirator by prosecutors, who have emphasized there are no suggestions of misdeeds by President Clinton.

``I wasn't concerned about the transactions; I was concerned about the checks," said Lindsey. He explained that he wrote four checks of $7,500 each in the May 1990 withdrawal to avoid a chance that one large check for cash could create a political controversy over what campaign officials might do with the cash in the waning days of the 1990 primary election.

``I never had a conversation with Neal Ainley about CTRs (currency transaction reports)," Lindsey testified Tuesday afternoon.

``We don't believe that," Ewing said later on the steps of the U.S. courthouse. ``We are developing the facts that establish the motive."

Ewing, however, could not say what that motive the might have been.

``I can't tell you," he said when asked why Lindsey would not want to file federal CTRs, but did report cash withdrawals on state campaign reports within days of the primary and general elections that year. ``We don't have to prove motive."

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But he added, ``They (Lindsey and the bankers) weren't just concerned about the 1990 election, but elections to come."

And Ewing said the chance that IRS agents could examine the CTRs and possibly leak them to future political opponents could be why Lindsey would want to avoid reporting the transactions.

``I'm just saying you wrack you mind to see why they did it, and that's one possibility," he told reporters.

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In the courtroom Tuesday morning, Lindsey faced

The Washington Times
WEDNESDAY, JULY 17, 1996

Last chance on welfare

The Republican congressional leadership's decision to de-link Medicaid reform from welfare reform, a move instigated by presumptive GOP presidential nominee Bob Dole, suddenly breathes new life into Congress' efforts to overhaul the dependence-based, counterproductive, failure-plagued federal welfare system. President Clinton — who has twice vetoed welfare reform, once in 1995 and again in 1996 — had earlier promised that he would veto welfare-reform legislation a third time if it also contained the Republicans' Medicaid proposals. Now that veto bait has been removed.

"Mr. President, we are calling your bluff," declared Rep. Bill Archer, the Texas Republican who chairs the Ways and Means Committee, where much of the House's welfare reform bill was crafted. "It's time to either put up or stop the rhetoric."

In vetoing Congress' earlier free-standing welfare bill (H.R. 4) in January — a veto, by the way, that the president conveniently chose to announce late at night in the middle of a snowstorm that had shut down the nation's capital — Mr. Clinton urged the Congress to "produce a bipartisan welfare reform agreement that is tough on work and responsibility." He repeated his "support [for] time limits, work requirements, the toughest child support enforcement, requiring minor mothers to live at home as a condition of assistance... [and] demand[ing] responsibility from young mothers and fathers."

Among the president's principal objections to H.R. 4 were its provision for child care funds (he wanted more money), its efforts to reform the school lunch program (Mr. Clinton shamelessly demagogued changes in a program that subsidizes school lunches for the children of billionaires), its revisions of the food stamp program and its treatment of foster-care children and legal immigrants. The new House bill (H.R. 3507) makes a genuine attempt to address many of these concerns. Concerning child care, for example, the new legislation authorizes $14 billion, nearly 30 percent more than H.R. 4 and fully $4.5 billion more than the federal government now spends. It doubles the contingency fund that H.R. 4 authorized to help states suffering recessions. Compared to 15 percent of a state's welfare caseload that H.R. 4 permitted states to exempt from its five-year lifetime limitation for collecting welfare benefits, H.R. 3507 expands the safety net to 20 percent. Interestingly, President Clinton's own welfare reform proposal, which he finally outlined in April, also limits lifetime benefits to five years.

The new version also provides for extending Medicaid health care benefits for one year to those who increase their incomes sufficiently to leave the welfare rolls. H.R. 3507, which is scheduled to go before the House later this week, also incorporates an amendment offered by liberal Democrat Sander Levin of Michigan that would guarantee Medicaid coverage for foster children. In the House Economic and Educational Opportunities Committee, five Democrats joined the panel's Republicans in a bipartisan 23-11 vote to approve welfare-to-work programs, child protection measures, child care and child nutrition programs. Having paid a stiff political price last year, Republicans declined to address the school lunch programs in this year's reform bill. And H.R. 3507, unlike H.R. 4, does not provide for an overall cap on food stamp spending.

Beyond these adjustments to address the administration's concerns, legislation working its way through Congress represents dramatic reform. Its strong work provisions would require adults to begin working within two years and states to place half of their caseloads in jobs by 2002. Single parents would work 20 hours per week, and two-parent families would be required to work 35 hours per week.

More than $50 billion would be saved through 2002. Food stamp savings would be achieved largely by requiring able-bodied recipients aged 18 to 50 without dependents to work for their benefits. The legislation would deny food stamps and Supplemental Security Income to legal immigrants until either they became citizens or had worked for 10 years. Immigrants arriving after the bill passes wouldn't qualify for low-income services for five years; they would have to rely instead on their sponsors.

Most important of all, welfare reform would end more than six decades of the federal government's indisputably disastrous micromanagement of welfare policies from Portland, Oregon, to Portland, Maine. No longer would the federal government be in the illegitimacy-encouragement business, subsidizing self-destructive behavior that frequently spanned one generation after another, ruining millions of lives under the guise of compassion. Now that the Medicaid "poison pill" has been removed, Mr. Clinton will be forced to decide whether he truly wants to "end welfare as we know it," as he promised in 1992, or whether he wants to promote more of the same, ensuring only that millions and millions more lives will be sacrificed at the altar of misguided liberal compassion.

Clinton boasts of lower deficit By Frank James Chicago Tribune(KRT)

WASHINGTON As part of its ongoing attempt to reap political gain from positive economic news, the Clinton administration said Tuesday the federal deficit for the current fiscal year will be billions of dollars less than previously forecast.

Officials said the deficit for fiscal 1996 would be about $117 billion, at least 10 percent lower than their earlier estimate. The White House had forecast earlier that this year's deficit would fall between $130 billion and $140 billion. The fiscal year ends Sept. 30.

Speaking by satellite TV to the National Governors' Association in Puerto Rico, President Clinton said: ``We've cut the deficit by 60 percent in four years, bringing it to its lowest level in dollar terms in 15 years. Our economy is now the soundest it has been in a generation."

Cheerful senior administration officials gathered in the White House briefing room to reinforce the point.

``Those of us who have been budget wonks for a long time, fighting on the battle of trying to reduce budget deficits, fight a lot of battles that we don't always win," said Leon Panetta, the White House chief of staff.

``But this is one battle that we did win, and it is a victory not only for the president ... but, more importantly, for the American people," Panetta said.

Besides giving the White House the chance to boast, the announcement was clearly an administration attempt to reassure roiling financial markets.

``I suspect that the market will enjoy the news that we're presenting today, along with the CPI," Panetta said.

He was referring to Tuesday's report from the Labor Department that the consumer price index, a key inflation measure, increased by 0.1 percent in June. That was the most contained retail inflation since last November, with a large increase in food prices offset by steep declines in energy costs.

Congressional Republicans, however, refused to credit Clinton with reducing federal red ink. ``More than 60 percent of the deficit reduction that has occurred during the past two years has had nothing to do with action taken by the Congress or the president," said Sen. Pete Domenici, R-N.M., Senate Budget Committee chairman.

The White House is like ``the rooster taking credit for the sunrise," Domenici said.

The deficit the difference between what the government collects in a year in tax revenues and what it spends will be smaller in part, Clinton officials said, because of the economy's strength. Good economic growth means the federal government collects more taxes.

The administration pointed to its 1993 deficit-reduction plan, which barely scraped through Congress, raising income taxes on affluent Americans and the gasoline tax.

But the Clinton administration benefited from intentionally conservative accounting, some experts said, a point the White House concedes. The administration, observers said, underestimated how much the economy would grow this year.

That would make the deficit shrink even more than the administration's public forecast, causing the White House to look even better in an election year, observers said.

The administration said the deficit would increase in fiscal 1997 to $125.7 billion. But that would be followed by annual declines, the White House said, until 2001, when it projects a surplus of $25.8 billion. That would be the first surplus since 1969.

Clinton says he will issue order cutting off welfare recipients after two years By Carol Jouzaitis Chicago Tribune(KRT)

WASHINGTON As the election nears, President Clinton haunted politically by his promise to ``end welfare as we kno it."

After vetoing two reform bills passed by the Republican-run Congress, he has yet to fulfill his 1992 campaign pledge to revamp the welfare system with a ``two years and you're off" rule.

But moving to dampen criticism that he's reneged, Clinton said Tuesday he was directing his administration to put such a rule in effect for some 650,000 aid recipients across the country.

White House officials said the time limit would apply only to recipients enrolled in the Job Opportunities and Basic Skills Training Program, known as JOBS. About one-fourth of the 4.6 million adults receiving Aid to Families with Dependent Children, the major sour of cash assistance to poor families, are enrolled in JOBS.

Such recipients would be required to sign personal responsibility contracts committing them to finding jobs. Those who don't could lose their welfare benefits.

``Within two years you'll be expected to go to work and earn a paycheck, not draw a welfare check," said Clinton, speaking by satellite to the National Governors Association meeting in Puerto Rico.

The directive appeared to be a last-ditch effort by the White House to implement welfare time limits if Congress and the White House fail to break their long stalemate over changing the welfare system.

The requirement wouldn't take effect if a comprehensive bill for national reform is enacted, Clinton said. That's because time limits affecting a much larger portion of recipients are contained in a GOP-sponsored welfare bill pending on Capitol Hill. The bill could be voted on by the House as soon as Thursday.

Clinton's remarks came moments after Bob Dole, the presumptive GOP presidential candidate, accused Clinton of breaking another promise regarding welfare reform. Dole reminded the governors that Clinton has vowed to take speedy action on reform experiments proposed by Wisconsin and other states.

Dole said it has taken states an average of 210 days to get action on their requests to get federal welfare rules waived, though Clinton said last year his administration would process such applications within a month.

``Thirty-day approval has proven to be an empty pledge," Dole said. ``These delays must end."

Administration officials said they postponed action on Wisconsin's much-publicized reform experiment while they concentrate on getting a more comprehensive, bipartisan reform bill through Congress this summer.

Clinton told the governors that he believed a compromise on welfare reform is within reach. A breakthough occurred last week when GOP leaders stopped insisting that legislation to overhaul AFDC and child welfare programs be linked to another controversial bill revamping Medicaid, which provides health care to the poor.

``We've now reached a new turning point," Clinton said. ``I'm determined that this will be the year that we finally transform welfare across America."

Clinton said that GOP leaders made several important concessions that would make welfare reform less tough on children.

Cuts in funding for foster care and aid to disabled children were eliminated, along with a proposed block grant for the school lunch program. he said. And the bill now includes additional money to finance child care for mothers who go to work and monetary bonuses for states that move recipients into jobs, two elements sought by Democrats.

But serious differences remain. Liberals oppose a provision in the bill that would cut off assistance to legal immigrants who don't become citizens.

And Clinton has pressed for vouchers to provide clothing and other necessities for children whose parents welfare benefits run out. House Speaker Newt Gingrich,