

## The Mummies' Draw ✓

**H**OPING TO offset warnings by militant Islamic groups of violence against tourists and foreigners, the Egyptian government this week put on display its treasure trove of ancient royal mummies. One of the most fascinating sets of artifacts to survive from remote antiquity, these mummies—11 kings and queens from as long as 3,900 years ago—have also been hidden from public view since 1980. The government of Anwar Sadat withdrew them out of concern for religious sensibilities. The decision to unveil them again is thus an indication of deeper than aesthetic concerns. It is a tacit official admission of the threat posed by the drastic drop in tourism and, by implication, of the success of the militants' campaign against the government.

The tourist industry is estimated to employ one in six Egyptians, many more in the rural areas of the "Upper" Nile, where threats have been most pronounced. The drop in revenues, estimated at 70 percent, has cut deeply into Egypt's main source of foreign currency. The militants, who seek to overturn the government and replace it with an Islamic fundamentalist regime, have unleashed highly visible campaigns first against tourists, then against the Coptic Christian minority, then against government security forces—culminating in a failed November assassination attempt against Prime Minister

Atef Sedki—and most recently against foreigners in general.

The Mubarak government, seeing the threat's seriousness, has responded with security crackdowns, arrests and hangings. It has argued that the fear damping down tourism is overblown, pointing out that in 18 months of warnings and attempted attacks, only three foreigners have been killed. Nor, the government argues, is anti-foreigner feeling widespread; ordinary Egyptians see the terrorists as destroying their livelihoods.

Multiplying voices, international and internal, worry that the government's rigid response to corruption and abuses by its own forces has left Islamic extremists as an attractive outlet for discontent. Others see the government as tough on security threats to itself but dangerously tolerant of other types of pressure on society from religious extremists—such as Islam-inspired censorship and murders of dissenters or secularists. The hope that suppressing these strains can make them go away is getting thinner. Militants keep upping the ante, as with the latest round of threats against all foreign visitors—not just tourists. Attracting people back to see the mummies, even if it works, won't muffle all these rising strains.

## Common Sense on Welfare ✓

**W**HEN POLITICIANS behave less than responsibly, they will often try to explain their behavior privately by pointing to the alleged ignorance of the voters and arguing that telling the whole truth is too costly. Occasionally, it's true, but often public attitudes are more nuanced and informed than the politicians think.

A consortium of advocacy groups for the poor thought that might be true even on the controversial subject of welfare reform. They commissioned a bipartisan group of pollsters to probe the issue. Polls commissioned by groups with a stake in the outcome should be treated gingerly. But in this case the results square with many other studies, and not all of the survey's findings are good news for its sponsors.

The poll leaves no doubt that the public doesn't like the existing welfare system and doesn't think much of welfare recipients. Americans are more likely to blame poverty on the failure of individuals to do enough for themselves than on circumstances beyond their control. They'd sooner blame the "values" of individuals than government policies for the problem of continuing poverty—though many blame both. Majorities say the government is spending too much on welfare and that half or more of recipients don't deserve the benefits.

Grim news for advocates of welfare reform

that is generous to the poor? Not really, given the rest of the poll. In fact, the public is sympathetic to major components of the serious welfare reform proposals now being considered. Majorities in the range of 80 percent to 90 percent favor subsidizing child care for welfare mothers who go to work, and guaranteeing that those who leave welfare do not lose their health insurance. Majorities favor a two-year limit on welfare benefits, and opinion is almost unanimous in favoring tougher measures to collect child support from absentee fathers. But Americans are also sympathetic to expanded education and job training benefits. A large majority favors creating public service jobs for welfare recipients who can't find work elsewhere. The public worries about the impact of time-limited welfare on children. Nearly two-thirds of Americans say the government spends *too little* on poor children.

As the pollsters said in their report, voters want welfare reform aimed at "promoting work and strengthening families." They will "support new programs and even some new spending toward these ends, provided they see personal responsibility and accountability being encouraged." The public is angry about the welfare system. But when it comes to finding solutions, its emphasis is on practicality and concern for poor children. Welfare reformers would do well to make the public's emphasis their own.

# Names & Faces

## Nirvana Singer in Coma

■ Kurt Cobain, lead vocalist for the rock group Nirvana, was in a coma in a Rome hospital late yesterday after suffering from what his publicist said was an overdose of painkillers and alcohol. Janet Billig said from New York that Cobain had "opened his eyes, responded to his name" earlier in the day while comatose. "His wife and daughter are with him," said Billig.

Cobain's management agency issued a statement saying he had been suffering from severe influenza and fatigue and had inadvertently overdosed on the medication. Cobain, 27, was staying in Rome for a few days between European tour dates. He underwent five hours of emergency treatment and had his stomach pumped.

Nirvana—comprising Cobain, bassist Krist Novoselic and drummer Dave Grohl—has enjoyed huge success in recent years and put home town Seattle on the music map. The group's 1991 album "Nevermind" sold more than 9 million copies worldwide, and last year's "In Utero" was nominated for a Grammy Award for best alternative album. The trio last performed Wednesday in Munich, and is scheduled to perform in Prague next Friday.

## Eastwood, Unforgiving

■ Actor Clint Eastwood is taking on the National Enquirer for publishing an interview he says never happened. Eastwood filed suit in federal court Thursday, seeking unspecified damages for what he described as a violation of his privacy and unauthorized use of his name.

The civil suit stems from an article published in the supermarket tabloid's Dec. 21 issue titled "Dirty Harry Lifts the Lid on His Private Life," purporting to be an



Nirvana's lead singer Kurt Cobain, center, is in a coma in Rome. Below right, a likeness of "The Scream" from a Political Americana button.

exclusive interview with Eastwood. "In fact," the suit alleges, "Eastwood gave no such interview to the Enquirer or to anyone else. The interview was fabricated." The suit accuses the Enquirer of making up quotes. The suit also says the Lantana, Fla.-based weekly used a photograph of his daughter without his permission.

## Unauthorized Harding

■ There's no respite for Tonya Harding's lawyers. A full-page ad in the current Village Voice and NY Press for two Tower Records outlets features a photo of Harding in the upper left corner with a cartoon balloon that suggests she is saying, "Unbeatable bargains that will bring you to your knees..." The ad continues to play on the Nancy Kerrigan attack with phrases

like "prices have been pounded into the ground," "find yourself knee-deep in loads of laser discs" and "the final blow." "Better leg it down to the Tower Clearance Outlet, or you'll be skating on thin ice," the ad concludes.

Harding hasn't authorized commercial use of her name or likeness. Her lawyer Dennis Rawlinson of Portland, Ore., said he and his partners "will consider aggressively prosecuting" anyone who used his client's name or likeness without permission.

## 'Scream' Held for Ransom?

■ In the latest twist in last month's theft of Edvard Munch's famous painting "The Scream,"

Norway's culture minister said Thursday that a man offered to arrange the return of the painting in exchange for more than \$1 million. Aase Kleveland told Reuter she was contacted by lawyer Tor Erling



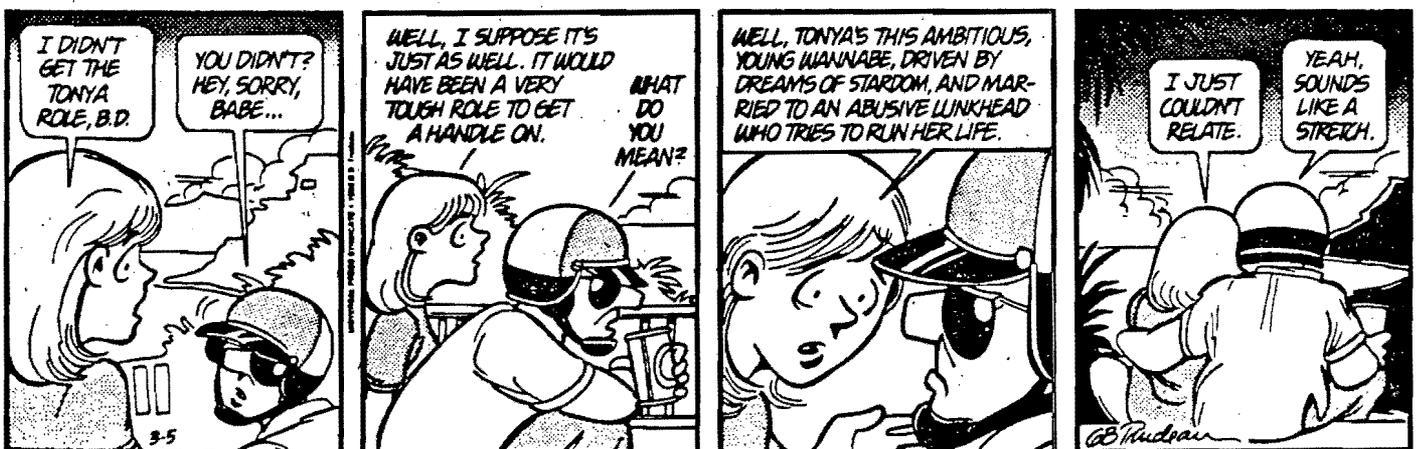
Staff, who said a client had requested the reward for obtaining the painting and returning it to the National Gallery in Oslo. "Staff says he has reason to believe... that his client is able to return the painting," Kleveland said.

Norway has offered a reward of \$27,000 for information leading to the return of the famous work.

Compiled from staff and wire reports by Marla Harper

By G.B. Trudeau

## DOONESBURY



# Clinton Welfare Task Force Proposes Time Limitations for Subsidized Jobs

By William Claiborne  
Washington Post Staff Writer

An administration task force on welfare reform has agreed on measures to prod former recipients to leave subsidized or community service jobs and get work in the private sector as soon as possible.

The task force proposes to cut off welfare benefits to young adults after two years and force them to work—and the overall proposal envisions subsidized jobs if no private positions are available.

The purpose of the newly proposed "disincentives" for remaining in the

subsidized jobs, administration officials said yesterday, would be to discourage extended participation in costly programs designed as temporary, last-resort solutions to unemployment for people coming off welfare.

From the beginning, the welfare reform group has said its purpose has been to wean people off welfare and into private-sector jobs, even if they are entry-level positions paying the minimum wage of \$4.25 an hour.

As it is, the task force has estimated that the vocational training and job placement portion of President Clinton's welfare reform proposal could

cost federal and state governments about \$7 billion.

The total cost of overhauling the 59-year-old Aid to Families With Dependent Children (AFDC) program is estimated at \$14.8 billion.

Maintaining large numbers of former welfare recipients in subsidized, community jobs for long periods of time could bankrupt the welfare system and jeopardize gains made in other areas of welfare reform, officials said.

Under the welfare reform plan, which President Clinton is expected to submit to Congress early next

See WELFARE, A13, Col. 1

## Private Jobs Favored for Ex-Welfare Recipients

WELFARE, From A12

month, recipients who are able to work would be limited to two years of cash assistance, during which they would receive vocational training, education and job placement services.

Recipients who fail to find jobs during the period, would be enrolled in a planned work program, which would refer them to private-sector jobs or, if none are available, place them in publicly funded community service jobs.

To make the jobs more attractive, the program would offer expanded earned income tax credits, child-care subsidies and health care benefits. During an initial phase-in period, the cut-off would apply only to parents receiving welfare who were born in 1972 or later. About 1.2 million par-

ents out of the 4.5 million recipients of AFDC would initially be affected.

Recommendations made to the Cabinet last weekend called for limiting the duration of state-subsidized jobs—12 months was suggested. After that the person would be expected to look for unsubsidized work in the private sector.

The problem of time-limiting subsidized jobs, senior task force members said, is what to do when individuals reach the limit. One strategy, according to a working paper presented to Cabinet members, would be to conduct evaluations of the former welfare recipients to determine if they should be sent back to job training.

The task force also recommended denying earned income tax credits for wages earned in subsidized jobs,

which officials said would provide a powerful incentive for participants to move from community service jobs into unsubsidized jobs. Under the administration's expanded tax credit program, the \$4.25 minimum-wage is equivalent to \$6.25 an hour.

The task force also agreed that refusal to accept a private sector job when one is available should result in termination of benefits under the planned "work for wages" part of welfare reform.

A final "disincentive" would gradually reduce the federal reimbursement to the states the longer people continued receiving benefits under the subsidized work program. This would encourage the states to move people into private sector employment, officials said.

THURSDAY, MARCH 10, 1994 THE WASHINGTON POST

## Altman Awash in Whitewater

Prospects for Treasury Official Now Are in Limbo

By Clay Chandler  
Washington Post Staff Writer

The heat generated by the furor over the White House's handling of the Whitewater matter has singed the wings of one of the Clinton administration's highest fliers: Deputy Treasury Secretary Roger C. Altman.

Until last week, Altman, a gung-ho former Wall Street investment banker who has known President Clinton since their days at Georgetown University, was revered—and feared—as one of the most formidable players on the Clinton team.

During the administration's first year Altman built up a tremendous store of goodwill with the president and Hillary Rodham Clinton as well as other core members of the president's team for championing key legislative proposals on budget policy, health reform and trade, and he was regarded as a cinch for future promotion.

But now Altman's prospects hang in limbo. The

special counsel charged with investigating the Whitewater case has slapped Altman and three current or former Treasury officials with subpoenas, Republican lawmakers are calling for his head and Wall Street swirls with rumors that his days at Treasury are numbered.

At a U.S. Chamber of Commerce breakfast yesterday, Sen. Don Nickles (R-Okla.) suggested that Altman resign.

"I see Mr. Nussbaum has resigned," Nickles said, a reference to White House counsel Bernard Nussbaum, who announced his departure from the administration this week following criticism over his meetings with Treasury officials, including Altman, in connection with the Whitewater case. "Well, what about Mr. Altman? . . . If there were somebody who was acting improperly, it's him. Why hasn't he gone?"

Altman has "no intention whatsoever of resigning."

See ALTMAN, B12, Col. 1

ing" and does not "foresee any circumstance under which that would occur," a senior Treasury official said last night. "There is no hint or smidgen that" Altman did anything wrong, the official said.

White House officials scoff at the notion that Altman has fallen from grace. "Nobody here is counting Roger out," said one senior official. "He's still very much a force."

The White House officially rallied to his defense yesterday. The president has full confidence in Mr. Altman," Press Secretary Dee Dee Myers told the Reuter news service. Clinton believes Altman "is carrying out his various duties exceptionally well." And Altman appeared in the Oval Office with Clinton, Vice President Gore and Treasury Secretary Lloyd Bentsen to promote a tax break for the working poor.

Altman's troubles began last month when he disclosed to the Senate Banking Committee that he gave Nussbaum and other White House advisers a "heads up" briefing spell-

ing out how the Resolution Trust Corp., which Altman then headed, might proceed with potential civil claims connected with Madison Guaranty Savings & Loan, a defunct Arkansas lender with ties to a real estate venture in which the Clintons had a stake.

At the time, one of the main potential claims involved Madison's legal representation by Hillary Clinton and her firm, the Rose Law Firm.

Altman has said he discussed procedures for civil fraud cases in a generic way at the meeting but did not discuss the details of the Madison investigation. He has acknowledged the meeting showed poor political judgment but has denied any wrongdoing.

The disclosure provoked criticism from Republican lawmakers, who assailed Altman for abusing his authority.

Altman was to have appeared before the grand jury today, but the date has been postponed, possibly to Tuesday, to allow officials to search for documents that might relate to the meetings, Treasury officials said.

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# In House, There's No Such Thing as a Free Vote on Balanced Budget Bill

By Eric Pianin

Washington Post Staff Writer

When the balanced budget amendment went down to defeat in the Senate in early March, many lawmakers assumed the issue was moot for the year and that House Democrats were free to vote for the measure without concern about displeasing the Democratic leadership or the White House.

But House Speaker Thomas S. Foley (D-Wash.) and other leaders have launched an all-out effort to try to defeat the amendment when it comes to the floor next week, or at least hold down the margin of victory. The leadership, taking the long view, fears proponents will be in a stronger position to pass the amendment next year if they score an overwhelming victory in the House this year.

"They're going to go after it hard," said Rep. Timothy J. Penny (D-Minn.), a supporter of the balanced budget amendment. "They know this year's vote drives next year's vote. They don't want it to pass because it locks people in and almost assures that it passes in a future Congress."

The amendment, designed to

force the government to balance its books except under dire circumstances, has been around for years but has gained support recently as deficit reduction has become a more salient political issue.

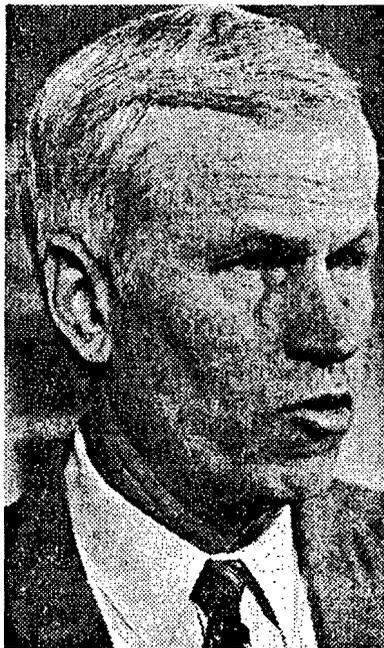
Congressional leaders, including Foley, Senate Majority Leader George J. Mitchell (D-Maine) and Sen. Robert C. Byrd (D-W.Va.), have stood as bulwarks against the amendment, arguing that it would put the government into a fiscal straitjacket and would undermine President Clinton's economic policies and health care proposals.

But with Mitchell retiring and elections looming that could alter the makeup of the Senate and the House, the climate next year could be far more hospitable to the measure.

Rep. John Lewis (D-Ga.), a deputy whip, acknowledged that proponents have the upper hand, but added, "We're working very hard on it."

"We don't want people to get into the habit of voting for it," Lewis said. "We shouldn't hide behind the Constitution. If we want to balance the budget we should have the courage to just do it."

The amendment, sponsored in the House by Rep. Charles W. Stenholm



REP. CHARLES W. STENHOLM

... sponsor says he has 275 backers

(D-Tex.), would ban deficits beginning in the year 2001, unless three-fifths of the House and Senate vote to lift the requirement.

A separate three-fifths vote would be needed to raise the limit on the total public debt, and a majority of the House and Senate would be required to raise taxes.



REP. TIMOTHY J. PENNY

... supporter sees tough opposition

Proponents argue that nothing short of a constitutional amendment would force the Congress and the president to face up to the deficit problem. They say that even with the recent decline in deficit projections and the improved economy, long-term projections indicate the

deficit will begin climbing again unless drastic steps are taken.

"It isn't a good solution or the best, but what we've done in the past certainly isn't working," said Rep. Pat Danner (Mo.), a member of a Democratic freshman fiscal caucus.

Stenholm said this week that he has "solid" commitments from 275 Democratic and Republican members and expects to be able to pick up the additional 15 votes needed to achieve the two-thirds majority required to approve an amendment to the Constitution.

In a bid to drain some support away from the amendment, Foley and House Majority Leader Richard A. Gephardt (D-Mo.) plan to back an alternative amendment containing a number of significant exemptions. Sen. Harry M. Reid (D-Nev.) used a similar tactic in helping to defeat the amendment in the Senate.

The Senate voted 63 to 37 in favor of the balanced budget amendment March 1, but that was four votes shy of the requisite two-thirds majority. Mitchell declared after the vote that under no circumstances would the Senate reconsider the measure this year, even if the House

were to approve it by an overwhelming majority.

Even with that assurance, however, House leaders are leaving nothing to chance in a potentially explosive election year.

"It's extremely dangerous taking this as a free vote and we're going to make that point to our people," a House leadership aide said.

The leadership is targeting wavering moderates and the 66-member freshman class of Democrats in hopes of finding converts.

Rep. David E. Price (D-N.C.), a prominent moderate who backed the balanced budget amendment the last time, has moved into the "undecided" column and is working on an alternative, according to a spokesman.

Freshman Rep. Jay Inslee, a Democrat from Foley's home state of Washington who campaigned promising to take a strong stand on the deficit, said this week he was "torn" over the wisdom of amending the Constitution.

"I don't think anyone's been flagellated [by the leadership] on the issue," he said. "But even though this one is considered a 'free' vote, it's free with a lot of psychic internal costs."

# Symbol of Rehabilitation, Place of Rest Arrangements

Nixon Library Shows Ex-President as He Would Like to Be Remembered

For Nixon

Taking Form

By William Hamilton  
Washington Post Staff Writer

YORBA LINDA, Calif., April 24—Nothing better symbolizes the success of Richard M. Nixon's long effort to rehabilitate himself than the place where he will be buried.

Opened in 1990 after years of controversy about whether and where to have a library, the Richard Nixon Library and Birthplace is a highly successful evocation of Nixon's world view—history as he would like it to be remembered. Unique among the presidential libraries in receiving no federal money, the Nixon library pushes the boundaries of hagiography beyond those established by libraries honoring other modern presidents such as John F. Kennedy and Ronald Reagan.

"It certainly makes the best case you could make for Mr. Nixon," said Stephen E. Ambrose, a Nixon biographer, today.

Amidst the exhibits on family gowns and the gift shop that does a healthy business selling a now-famous picture of Nixon with Elvis Presley is a presentation of Nixon's life the way he saw it. There is an extensive section on his years after he resigned the presidency and a section on Watergate that attempts to exonerate him, doing "the best it can with a hopeless case," as Ambrose wrote soon after the library was opened.

It is in this protective environment that Nixon will be buried. After a funeral Wednesday, he will be laid to rest near the grave of his wife, Pat, and in the shadow of the modest farmhouse where he was born in 1913.

The house, built by Nixon's father the year before his birth, has been incorporated into a nine-acre complex that includes a museum, archives and a garden. It is along a four-lane highway in a rapidly growing part of Orange County far different than the dusty Quaker settlement it was at Nixon's birth. The citrus groves have been replaced by condominiums and shopping centers.

"I'm glad he's being brought home," said Victoria Ross, who has lived across from the site since 1950. But Nixon decided to put his library in Yorba Linda only after many other sites did not work out, among them the University of Southern California campus in Los Angeles, Duke University, where he went to law school, nearby Whittier, where he grew up, and San Clemente, where he owned a house until 1979.

It was only after San Clemente fell through that Nixon considered his home town. Ken Khachigian, a former

White House speechwriter, remembers visiting the site with him. "I think the old man was just tickled. It was more meaningful to him," he recalls.

But in fact, Nixon always seemed to have ambivalent feelings about Orange County and his native state. By that time, he had moved back east, where he felt he would be closer to the opinion-makers he thought were necessary to help with his rehabilitation.

"On the one hand, this is where he came from and these are the people who stood by him," said Michael R. Beschloss, a presidential historian. "On the other hand, he felt he'd outgrown them."

Money—the lack of it—was another reason for waiting so long to build the library. But thanks to a group of wealthy backers, Nixon was able to raise the \$21 million it took to build the single-story Spanish-style building and equip it with state-of-the-art audiovisual exhibits. When the library was opened in July 1990, then-President George Bush and the three other living former presidents came to the dedication. Since then, it has led all presidential libraries in numbers of visitors.

"The fact that Nixon was able to raise the funds for this library and to see it built and dedicated and see historians take it seriously demonstrates the degree to which he came back," Beschloss said.

But the library has never escaped controversy. Shortly before it opened, Hugh Hewitt, then the director, was asked if the complex would welcome researchers deemed unfriendly to Nixon. "I don't think we'd ever open the doors to Bob Woodward," said Hewitt, referring to the Washington Post reporter who helped uncover the Watergate scandal. Hewitt later retracted the statement and a library spokesman said the archives, which were only opened last month and do not contain any of Nixon's presidential papers, are open to any qualified researcher.

Richard Norton Smith, director of the Ronald Reagan Library, said the historical interpretations offered by presidential libraries inevitably change with the passage of time.

"Presidential libraries are not built to the egos of presidents but to the egos of president's friends and particularly their wealthy friends," he joked.

"History is quicksilver," he added. "There is no final judgment. It's constantly evolving. I'll bet you if you go back to the Nixon library ten years from now, you'll find exhibits that have evolved that reflect" a change in perspective.

Army installations nationwide are firing their guns every half hour today from sunrise to sunset to honor former president Richard M. Nixon.

Nixon's family and friends were invited to pay their respects at a northern New Jersey funeral home, which staff members declined to name. His body is to be flown Tuesday morning from Stewart Air National Guard Base in Newburgh, N.Y., to El Toro Marine Air Station near Los Angeles, where a 21-gun salute will precede the motorcade to the Richard Nixon Library and Birthplace at Yorba Linda, Calif. The body will lie in state in the library lobby through the night until 11 a.m. PDT (2 p.m. EDT) Wednesday.

His funeral Wednesday (to be televised live on all major networks) will be the first for a U.S. president since Lyndon B. Johnson, 64, died in January 1973—during Nixon's presidency.

The White House sent officials to coordinate arrangements as library officials prepared for potentially thousands of mourners, including President Clinton and other world leaders, and at least a few Watergate figures. Gerald R. Ford, Jimmy Carter, Ronald Reagan and George Bush have confirmed plans to attend.

The Rev. Billy Graham will officiate at the service, set for 4 p.m. PDT. Clinton, Senate Minority Leader Robert J. Dole (R-Kan.), former secretary of state Henry A. Kissinger and California Gov. Pete Wilson (R) are to deliver eulogies. Afterward, in a private ceremony, Nixon is to be buried on the library grounds beside his wife, Pat, who died last June.

## 2-Year Welfare Limit Called Effective

But Study Has Cautions About Large-Scale, Clinton-Type Program

By Eric Pianin  
Washington Post Staff Writer

A Clinton administration proposal requiring welfare recipients to find a job within two years works effectively on a limited basis, according to a study of federal job training and placement of Aid to Families with Dependent Children (AFDC) recipients.

But the study said that the experiment could fail if tried on a much larger scale unless the government substantially upgrades program personnel and devotes more resources to tailoring job training to individual needs.

The report by the National Commission for Employment Policy, to be released today, stressed that no one program or strategy would be enough to end welfare dependency. What's more, the government must be prepared to offer a wide range of support services to those trying to get off the welfare rolls, including child care and transportation.

"There is no silver bullet to end welfare dependency," said Anthony Carnevale, chairman of the commission, which advises the administration and Congress on employment policy. "The good news is that established government-sponsored employment and training programs can move welfare recipients into the workplace and beyond poverty under a 'two years and out' plan."

A Clinton administration task force has recommended changes in the welfare system, including mak-

ing public assistance a two-year transitional benefit that would be followed by mandatory work.

The task force has prepared estimates suggesting that the program's costs would gradually increase from \$1 billion in 1996 to \$6 billion in 1999, or a five-year total of nearly \$15 billion. According to some estimates, a mandatory work program could cost up to \$6,000 per person, about half for education and job training and half for day care, transportation and other support services.

In an attempt to replicate one group likely to be affected by the "two years and out" policy, the commission study focused on a group of 6,467 women from 11 states, 22 years and older, who had not worked for at least a year before enrolling in employment and training services provided under the fed-

eral Job Training and Partnership Act.

About three-quarters of the AFDC recipients who took part in the intensive training were successfully placed in jobs, according to the study, and those who took part in the program were more likely to hold on to their jobs in the coming year or two than others who found work on their own.

The study also found that while AFDC recipients were able to pull themselves out of poverty by enrolling in the jobs program, in many cases it took them two or more years to do so. For example, 16 percent of those who were placed in jobs through the program had incomes that exceeded the poverty level one year after the program and 22 percent made it above the poverty level in the second year.

Of those women who sought work without the program, 2 percent had incomes that exceeded the poverty level in the first year and 8 percent exceeded the poverty level in the second year. The poverty level was considered \$9,885 per year for a family of three.

The study showed that while classroom work and on-the-job training are generally effective, some techniques work better with some individuals than with others. Among the black participants age 22 to 35, for example, school dropouts derived more benefit from on-the-job training, while graduates benefited more from classroom training.

### SUPREME COURT CALENDAR

The Supreme Court will hear oral argument today from 10 a.m. to noon in the following cases:

No. 93-744. Department of Labor v. Greenwich Collieries. Standard for determining whether injured coal miners are entitled to disability benefits under federal Black Lung Benefits Act. (One hour).

No. 93-5256. Williamson v. United States. Whether an out-of-court confession by an accomplice to a crime can be used against another accomplice. (One hour).

# Democratic Leaders Close to Agreement on Campaign Finance Bill

By Helen Dewar  
Washington Post Staff Writer

House and Senate Democratic leaders are nearing agreement on final details of the first comprehensive bill to tighten campaign finance rules since the post-Watergate reforms of 1974 and plan to push the long-delayed measure through Congress by the end of next month.

General outlines of the legislation are clear: It would set voluntary spending ceilings for congressional candidates, provide incentives for compliance and tighten controls over special-interest spending on federal campaigns.

Some narrower but important points have also been resolved. For example, there is language to shield EMILY's List, which has been highly successful in fund-raising for Democratic women, from a ban on "bundling" contributions by special interests that then forward them to candidates and reap the credit.

But critical details remain to be worked out. There is the possibility of a crash-landing in the Senate if the bill does not meet bottom-line demands of a half-dozen Republican moderates who hold the key to whether the GOP can mount a successful filibuster to block final passage.

Nearly a decade in the making, the legislation was blocked for several years in partisan deadlock. Congress finally passed a bill in 1992 but it was vetoed by President George Bush, and an attempt to override the veto failed.

While disappointed that the bill did not go further in curbing influence of lobbyists and other special interests, leaders of advocacy groups say they think the bill will help reduce campaign costs, flush out some "dirty" money and scale back the big advantages now enjoyed by incumbents.

"It won't be such a fundamental reform that it will clean up Congress, but it's clearly a decent step forward," said Gene Karpinski, executive director of the U.S. Public Interest Research Group. "We're at the point where, if people are reasonable and

want a bill, we have a chance of getting real reform," said Fred Wertheimer, president of Common Cause. "There's a real possibility there is going to be good and significant legislation," said Joan Claybrook, president of Public Citizen.

Among the key points still in dispute is how far to go in limiting fund-raising by political action committees created by corporations, unions and other groups to influence legislation through campaign contributions.

The Senate would ban contributions from PACs while the House would restrict them. If the Senate-proposed ban is dropped or struck down by the courts, the Senate would restrict PAC contributions more severely than the House proposes to do. In addition, the Senate, but not the House, would ban lawmakers from setting up "leadership PACs" to funnel money to their colleagues.

Another question is how to finance the publicly funded incentives—estimated at about \$200 million per two-year election cycle—that candidates will receive for compliance with voluntary spending limits.

With strong resistance to financing campaigns from general tax revenue, especially in the House, the leaders are looking at a registration fee for PACs and a voluntary contribution that taxpayers could include with their income tax payments. But they need additional sources of revenue to cover anticipated costs.

There is also the question of the extent to which rules can be applied equally to both houses. Spending limits will by nature be different. But other disparities are more political in nature, such as rules for PAC contributions. House members are more reluctant to shut off this source of money because they receive proportionately more from PACs than senators, who can raise money from a larger base.

But there is also pressure for as much uniformity as possible because of the need for help in getting the bill through the Senate from moderate Republicans.

The bill is so politically sensitive

that virtually all major decisions will probably be decided before a formal House-Senate conference by leaders of the two houses, working with the bills' sponsors, committee chairmen and the White House. Leaders often weigh in on key issues in conference, but rarely to this extent.

Staff-level discussions were under way in the House last week on financing provisions. Within a week or two, the leaders plan to work out the remaining issues and then convene the conference committee, according to leadership aides. The plan is to win final House and Senate approval before Congress leaves May 27 for its Memorial Day recess.

Senate moderates are watching with suspicion. "I'm getting concerned because we haven't been a party to any of the discussions. . . . It would be a mistake to just spring it on us," said Sen. James M. Jeffords (R-Vt.).

Jeffords acknowledged that filibustering a "reform" bill could cause trouble for his reelection campaign this fall but added that, unless the bill "helps challengers and treats the parties evenly," he will have no hesitancy to join a filibuster to block the bill's enactment.

# Welfare reform counteroffensive

Conservatives who feared that they might next see Jack Kemp on a milk carton got a pleasant surprise last week. He showed up to lead a crusade.

Mr. Kemp, Bill Bennett and Vin Weber sent a sizzling memorandum to House Republicans, urging their GOP pals to tear down the present welfare system. "This can only be done by sharpening policy differences [with the administration]," they warned, "not by blurring them with tepid legislative compromises."

Welfare reform has become a holy issue in Washington, mostly for bad reasons. When politicians discuss it, they have black recipients in mind, and their tough talk cloaks a threat: If you don't do what we demand, we will subject you to a financial caning.

The president has taken the logic of punishment a step further by proposing that Congress declare a state of emergency in the nation's housing projects. His plan to let police snatch property, conduct unprovoked searches and flex their muscle whenever they see fit would subject tenants to treatment previously reserved for restive South Africans, herding them into sequestered, cop-filled "homelands."

President Clinton's idea marks the latest coarsening of the public's attitude toward the poor. As a society, we approach people on public assistance the same way we handle bums at stoplights. From time to time, we hand over change, hoping they will smile — and go away.

But money won't help. Americans have spent \$5 trillion on Great Society social programs. We shell out more than \$300 billion a year for the "social safety net." The war on poverty has failed because the battle orders make no sense.

For example, the law lets welfare recipients do anything with their dole, so long as they don't use it wisely. Federal officials fined young Sandra Rosado \$9,324 in 1992. She committed the crime of working after school and saving \$4,900 for college. Uncle Sam also slammed Milwaukee welfare mother Grace Capetillo in 1990 because the notoriously thrifty woman saved \$3,000 by purchasing toys at Goodwill, looking for bargains and pinching every penny possible for the sake of her children. The judge in her case noted with disgust, "I don't know how much more powerfully we could say it to the poor in our society: Don't try to save."

Worse, the system has destroyed the foundation of civil society, the family. It punishes two-parent working households while supporting those headed by an unemployed single parent. And so we get matriarchal slums. The percentage of adult black women who are married has fallen from nearly 70 percent in 1960 to about 35 percent. The proportion of African-American children born out of wedlock has jumped from 35 percent to 70 percent — and could hit 80 percent by decade's end. Demographers predict that illegitimacy soon will surpass divorce as the main reason for single-parent households in black America.

Daniel Patrick Moynihan warned long ago that whoever condones fatherless homes "asks for and gets chaos," and he was right. In the 15 years between 1976 and 1991, the rate at which black teen males (aged 14 to 17) were murdered increased 271 percent, and the proportion of kids who killed rose 236 percent. Black teens are 7.75 times more likely to die violently than their white counterparts and kill 8.82 times more often.

Although sociologists have strained for explanations, welfare expert Charles Murray has a simple thesis: Boys get rowdy when they don't have dads. The difference between "street families" and "decent families" is that one group has full-time fathers and the other doesn't.

The government encourages dadless families when it treats out-of-wedlock motherhood as an unfortunate incident, like a scraped knee — and not as something stupid and wrong. A growing body of evidence indicates that the welfare system encourages illegitimacy and poverty — not just among minorities but also for a growing proportion of whites.

While Washington wonks bicker about how to save a buck here and there, Kemp and Co. want Americans to think about the victims of this vicious system. Their plan includes tough stuff, such as dramatic cuts in assistance for mothers who have children out of wedlock and mandatory child-support payments by wayward fathers. But it also abolishes policies that impose slavery-era impediments to marriage, property ownership, savings and educational choice. Mr. Bennett says, "We want to replace dependency with independence, indignity with dignity, irresponsibility with responsibility, and what fails with what works."

Tbday's welfare patchwork was designed to hand out money, not set people free. The Kemp-Bennett-Weber approach directly challenges that system and offers something better — a plan that treats the poor not as beasts, but as human beings.

*Tony Snow is a Washington-based editorial page columnist for the Detroit News and is nationally syndicated.*

President Clinton is not only becoming a good argument against the Democratic Party, he is becoming a good argument against democracy.

Appearing on MTV, President Clinton fielded questions from an audience of teen-agers. Toward the end, a 17-year-old girl asked, "The world is dying to know — is it boxers or briefs?"

"Usually briefs," replied the 42nd president of the United States, heir of the tradition of Washington, Jefferson and Lincoln. "I can't believe she did that," he said, shaking his head.

She? She is a 17-year-old child who ought to know better, to be sure. But he is an adult, nearing 50, who holds the most important public office in the world. Has he no dignity at all?

And have there not been sufficient (one would have thought too many) opportunities in the past 24 months — the Jennifer Flowers business, Troopergate, the Paula Corbin Jones story — for the American people to contemplate Mr. Clinton in his underwear?

Critics of democracy think the system itself guarantees that the culture and the tastes of the lowest common denominator will come to prevail. I recall attending a dinner in the first year of the Clinton administration, the White House Correspondents Dinner, in which the featured entertainment was a comedienne named Elayne Boosler. Her humor was so vulgar and so cheap that it should have been an embarrassment to the assembled company, which included the president of the United States, justices of the Supreme Court, numerous other dignitaries and practically every famous name in Washington journalism. But the sad truth is that her routine was greeted by most (no Justice Antonin Scalia) with great delight.

There was the same note of naughty enjoyment that Mr. Clinton displayed on MTV. "I can't be-

# Dignity yields to vulgarity

lieve she did that" was more or less the tone of the evening.

But the merely vulgar always tries to dress itself up as daring or avant-garde. Usually, it is neither, just trashy. Besides, it takes absolutely no courage to descend ever lower in taste in America. You will be amply rewarded for it, as Howard Stern, Madonna, Roseanne Arnold and most of the fare on Fox

***Bill Clinton is getting harder to take seriously as a world or national leader. He represents his generation all too well — immature, whiny and self-indulgent.***

television demonstrate. Was H.L. Mencken right that "No one ever went broke underestimating the intelligence (or taste) of the American people"?

Culture is paramount. It is not just a matter of aesthetics. It is more important to the health of a nation than politics, because culture shapes politics.

Historical analogies can be overwrought. And I, for one, have seen too many casual comparisons of the United States with Weimar and Nazi Germany. Still, it is difficult to read Barbara Tuchman's

description of pre-World War I Germany without discomfort.

"A restlessness fermenting under the superabundant materialism," she wrote in "The Proud Tower," "was producing in artists a desire to shock; to rip and slash the thick quilt of bourgeois comfort. ... 'Salome' matched a craving for the horrendous and found its place." Another great theater success of the time was "Die Buchse der Pandora," which took place "in a world of pimps, crooks, harlots, blackmailers, murderers and hangmen surrounding the heroine, Lulu, who represents sensuality incarnate both heterosexual and lesbian. Her adventures proceed through brothels and dives, seduction, abortion, sadism, necrophilia and nymphomania in what a contemporary critic called 'a torrent of sex foaming jagged rocks of insanity and crime.'"

That was from the 1890s. Culture matters.

Mr. Clinton would like to accomplish some very big things during his term — welfare reform, a reduction in teen violence, the overhaul of the health care system. Some of those goals are worthy; some are not. But for any to succeed will require serious leadership.

I am not arguing that Bill Clinton's vulgarity will bring on another world war. But he is getting harder and harder to take seriously as a world or national leader. He represents his generation all too well — immature, whiny, self-indulgent, arrogant and coarse.

Joking about the underwear question after the broadcast, President Clinton told MTV President Judy McGrath that "I should have said, 'I'm too old to answer that question.'"

The dawning truth that America must wake to is this: He isn't.

*Mona Charen is a nationally syndicated columnist.*

## DONALD LAMBRO

As Democratic leaders move to draft a health care bill that can win a majority in Congress, the debate seems to be coming down to one big question: How many jobs are they willing to sacrifice in the name of reform?

For Bill and Hillary Clinton, the cold, hard answer to that question is in the hundreds of thousands.

Laura Tyson, the chairman of the president's Council of Economic Advisers, has estimated that the Clintons' proposal to force all businesses to provide health insurance coverage could result in employers eliminating up to 600,000 jobs.

Other independent cost/benefit studies place job losses much higher than that — especially among low-income, entry-level jobs, which are already in short supply.

At a forum of Ameritech workers in Milwaukee last week, the president acknowledged that jobs will be lost under his reform plan. But he argued that ultimately "there will not be a net loss of jobs; there will be a shift of jobs."

Hillary Clinton, at a forum last year in Baltimore, conceded there would be major job losses in the health insurance industry but said this was "the price we must pay" for a needed social reform.

Mr. Clinton, who has never worked in the private sector in his

# Lurking behind the health care curtain

life, showed how far removed he was from the real world of meeting payrolls in a highly competitive marketplace, or getting by on a limited salary, when he suggested how small employers could deal with mandated health care costs:

Higher payroll costs "can either be passed along [to consumers in higher prices] or employees themselves will absorb it," he told Ameritech's workers.

This is not a very attractive option for small, endangered businesses that must keep their prices low if they are to survive. Neither is the idea of low-paid workers, struggling to get by on what they make, having their take-home pay reduced even more.

Mr. Clinton's admission that government health care mandates will force some businesses to cut their payrolls comes at a time when a raft of new studies are reaching similar conclusions.

One of the most sweeping studies was released last week by the American Legislative Exchange Council, an organization of state legislators, which found that more than 1 million jobs will be jettisoned under the Clinton plan.

In a state-by-state analysis of



the plan, conducted by Ohio University economists Richard Vedder and Lowell Gallaway, the ALEC study reached this conclusion:

"There will be severe adverse economic consequences for Americans if the administration's plan is adopted, that will result in unemployment, wage reductions and loss of revenue for state and local governments."

All of this comes at a time when the job market has shown some improvement but is still wobbly, weak and undernourished in many areas of the country.

Drowned out by the hullabaloo over the 456,000 jobs added to the employment rolls in March was the fact that the nation's 6.5 percent unemployment rate remained unchanged.

The big reason: The economy is

still not producing the job levels needed to absorb the flood of new entrants into the labor force, along with those who are already out there looking for work.

Other troublesome factors were obscured in this month's news reports on the jobs picture:

A huge chunk of the new jobs were only part time. Half a million more nonfarm workers said they were forced to take part-time work in March because they could not get full-time employment. One reason: Many businesses do not want to boost their full-time payroll because they fear huge health care cost increases if anything resembling the Clinton bill is enacted.

Many other workers are locked into stagnant wage levels and cannot afford higher benefit costs taken out of their paychecks. Labor Department data for last year showed that average hourly earnings of production or nonsupervisory workers in the private sector was virtually unchanged from 1992 levels.

With interest rates and taxes going up, exports declining, and consumer confidence in the economy softening, the specter of the Democratic Congress trying to

figure out how to raise business costs even more is daunting news indeed.

Now is the time for the Republicans to come forth with a package of simple, market-based reforms that provide tax incentives for a variety of plans to make health insurance more affordable for everyone: Antitrust exemptions to let businesses form their own low-cost insurance purchasing alliances, tax exemptions for medical savings accounts, and dollar-for-dollar tax cuts for employee premiums.

Throughout the health care debate, Mr. Clinton and his allies in Congress have opposed any kind of testing to see what impact their plan would have on the economy and jobs. And he points to Germany as the model he wants to emulate.

The unemployment rate in Germany, where social welfare business mandates have suffocated new business formation and job creation, is now nearly 12 percent. The Clinton plan has been tested by the Germans and found wanting. Let's not make the same mistake here.

Donald Lambro, chief political correspondent of *The Washington Times*, is a nationally syndicated columnist.

# A nation embarking (once again) on welfare reform

By Leslie Lenkowsky

Indianapolis Business Journal, January 10-16, 1994

Since 1961, the United States has had eight presidents. Their priorities and views have differed widely, but on one issue, all of them have agreed: Our welfare program is a disgrace and needs to be replaced. Each of President Clinton's predecessors made a major effort to do so; none succeeded. To the contrary: The number of families now receiving Aid to Families with Dependent Children (AFDC) exceeds 5 million, an all-time high.

Next year, President Clinton will take his turn. So, too, will Indiana Gov. Evan Bayh and Indianapolis Mayor Steve Goldsmith. What have we learned in the last three decades that might help them fashion a program that will lower the number of public assistance recipients? Not as much as we should have, but three important conclusions are clear:

First, only work works. The primary approach of welfare reformers in the past 30 years has been to rely on social services, education and training to get welfare recipients into the labor force. Unfortunately, while some efforts have claimed to be successful, the evidence that this strategy will make much of a dent in the welfare rolls is not persuasive.

This is partly because such services are costly and time-consuming, and depend on having many more skilled caseworkers and trainers than we currently have. As a result, they are hard to provide on a large scale.

In addition, these kinds of programs require participants who are strongly motivated to get off welfare, a group not always in large supply. Finally, even with additional education and training, many welfare recipients are unable to qualify for jobs that pay much more than their combined welfare, housing, food and other benefits.

The initial evidence, particularly from California and Wisconsin, suggests that this strategy is more successful than one relying more heavily on social services. Likewise, America Works, a for-profit firm that operates as an employment agency for welfare recipients, claims a high rate of job placement and retention. (It has just opened a branch in Indianapolis.) President Clinton's endorsement of limiting welfare recipients to two years on AFDC indicates he accepts a work-oriented approach and may include a version of it in his proposal.

To be sure, finding jobs for people on welfare may not be easy or inexpensive (especially if the public sector becomes the employer of last resort). Nor will these jobs pay high wages, at least initially. But if what welfare recipients need most are incentives and opportunities to enter the labor

force at any level, the direct route may be the best.

Second, welfare is a family affair. When AFDC was established in 1935, the typical recipients were expected to be coal-miners' widows, who had not yet qualified for Social Security survivors' benefits. Now, the welfare rolls consist overwhelmingly of women (with children) who have been divorced or deserted by their husbands, or who were never married to the fathers of the children at all.

Indeed, because AFDC eligibility depends chiefly on the absence of a husband from the home, many experts believe the program actually contributes to the breakup of families.

Whether or not this is the case, the growth in illegitimate births in the United States has clearly fueled the increase in the welfare rolls. In Indiana, for example, 15.6 percent of all births occurred to unwed mothers in 1980; in 1991, this figure was 28.3 percent. (The comparable numbers for Marion County are 26 percent and 38.3 percent.) A large proportion of these women and children wind up on welfare and tend to stay there for long periods of time.

With family planning and other kinds of social services seemingly having little impact in lowering the number of single-parent households, policymakers have increasingly turned toward attempts to promote greater parental responsibility for children. The most notable of these (especially in Indianapolis, where then-county Prosecutor Goldsmith was at its forefront) has been a much-strengthened effort to collect child support payments from absent fathers.

In addition, as evidenced by the growing number of youngsters in foster care, the courts have become increasingly inclined to take custody of children whose parents have been unwilling or unable to provide proper supervision.

While such measures send the important message that two people should not start a family until ready to do so, they are more

reactive than preemptive. If we really want to reduce the number of single-parent families (and thereby, the size of the welfare rolls), we need to look for ways to favor marriage, such as by giving married couples larger children's tax deductions or tightening divorce laws.

And our leaders—especially in government, the media and religious bodies—should be constantly underscoring the importance of the two-parent family, while avoiding the kind

of trendy relativism (seen, for example, in the recent hit movie, "Mrs. Doubtfire") that sees no kind of family as generally better than any other.

Finally, communities count. Holding a job or raising a family is hard enough under the best of circumstances. In neighborhoods where crime and violence are prevalent, schools are wastelands, and jobs have disappeared, the difficulties are much greater. And reforming welfare is much harder as well, not least of all because social resources (like models or worthwhile community groups) are hard-pressed or in short supply.

To deal with neighborhood problems, a variety of efforts is now under way, ranging from better policing to "enterprise zones" to far-reaching plans for school

reform. They share a desire to "empower" local residents to take control of their own communities, rather than depend upon new government programs to "renew" them.

As a result, they complement efforts at welfare reform, and their success will, in turn, contribute to the latter's. Policymakers would do well to build on this connection.

Whether they will remain to be seen. The history of welfare reform attempts is replete with grand designs that have amounted to nothing. Will the effort we are about to begin be different? It could be, if we heed the lessons about welfare policy that 30 years of trying have taught us.

*Leslie Lenkowsky is president of Hudson Institute and a member of IBJ's Blue Ribbon Panel.*

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*If we want to reduce the number of single-parent families (and thereby, the size of the welfare rolls), we need to look for ways to favor marriage, such as by giving married couples larger children's tax deductions or tightening divorce laws. And our leaders should be constantly underscoring the importance of the two-parent family, while avoiding the trendy relativism that sees no family as better than any other.*

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# Balladur's politics of nostalgia tries to hold center in France

continued from page 2

the "Balladur bond" was a tremendous success, selling almost three times its original target of \$7.3 billion.

He also gave in to organized labor in similar fashion. Despite Air France losses totalling almost \$1 billion a year, he scrapped a plan to phase out 4,000 positions at the airline when a two-week strike threatened to escalate. To appease farmers before heading into the final round of GATT talks, Balladur offered them an additional \$275 million in subsidies.

While moving to the left on "social" issues, Balladur has moved to the right elsewhere. He has let Interior Minister Charles Pasqua run amok. Pasqua, the hard-line interior minister in Chirac's 1986-1988 government and leader in the fight against Maastricht, appeals to voters of Jean-Marie Le Pen's National Front. On immigration, Balladur has largely let Pasqua have his way. Under Pasqua's guidance, the government has tightened immigration and naturalization laws. The constitution has been amended so that asylum is now a prerogative of the state, not an individual right. This change enables France to deny entry to asylum-seekers refused entry elsewhere in the European Union. Moreover, while resident

foreigners born in France used to automatically become citizens unless they expressed their desire not to do so, they must now declare allegiance to the republic to obtain citizenship. Even more significant have been Pasqua's measures to battle illegal immigration—including allowing mayors to nullify fraudulent marriages undertaken for immigration purposes—which have raised fears among France's half-million illegal immigrants.

Balladur also chose firmness in the GATT negotiations, while understanding and admitting that the agreement in many ways was a "trap": whereas opposing an agreement would have brought international isolation, giving in to international pressures for an unmodified GATT would have created a domestic crisis. Going into the GATT negotiations, Balladur needed to secure concessions while at the same time ensuring that an agreement was reached. He managed to get the United States to agree that the E.U. can reduce export subsidies more slowly, though still within the next six-year period. Moreover, Balladur has received assurances that the E.U. will indemnify farmers for land that will lay fallow as a result of GATT.

For the moment, Balladur has refused to

talk presidential politics, saying he needs to stay focused on the economic crisis. And in fact, the recession remains his gravest threat. The government's own estimates show that unemployment will rise again next year, perhaps by as much as 240,000. And Balladur has not yet shown the courage to take all the difficult measures necessary to restore French competitiveness. But even if the slump intensifies, the polls suggest French voters are highly unlikely to return to Balladur's competitors on the discredited left: former Prime Minister Michel Rocard or Jacques Delors, president of the European Commission. In the last resort, the major reason many moderate French voters have placed their hopes on Balladur is because if his politics fails, there may be no alternative to a descent into something far worse. Pasqua—and what he stands for—is waiting in the wings. And nostalgia is for now a more palatable option than reaction.

*Kenneth R. Weinstein is a research fellow at Hudson Institute in Indianapolis.*

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# White House retreats on idea of U.N. army

By Bill Gertz  
THE WASHINGTON TIMES

A revised draft of a presidential order on U.S. participation in international peacekeeping rejects the concept of a standing U.N. army, which President Clinton earlier supported.

The National Security Council staff has almost finished work on the executive order.

The draft executive order is known as Presidential Decision Directive-13, or PDD-13.

Senate staff aides were briefed yesterday by administration officials, including Edward L. Warner III, assistant defense secretary for strategy, Rear Adm. Frank Bowman, a political-military affairs specialist, and Susan Rice, the NSC official in charge of peacekeeping.

Members of Congress severely criticized a draft of the order presented last year because it gave too much authority to the United Nations in directing U.S. forces in peacekeeping operations.

The latest draft tightens the conditions for placing U.S. forces under operational control of U.N. commanders in peace operations, according to Senate aides who took part in the briefing yesterday.

"They've made improvements," said one aide who sat in on the briefing. "But there are big problems and the administration realizes they've got an albatross around their neck with this."

Administration officials told the Senate aides that the new executive order "rejects" a permanent international military force controlled by U.N. Secretary-General Boutros Boutros-Ghali, one aide said.

"They stressed that the order does not support a standing U.N. army," another aide said.

In 1992, presidential candidate Bill Clinton said he supported creating a U.N. "rapid-deployment force" for deterring aggression and protecting humanitarian operations.

Robert Gaskin, vice president of Business Executives for National Security, said the latest draft of PDD-13 puts peacekeeping "in the basement" of administration priorities.

"It represents a significant step back from Clinton campaign position where he backed Boutros-Ghali's rather grand call

for a U.N. force," he said, and diminishes the Clinton foreign policy team's interest in "multilateralism."

The directive is aimed at improving how the United States would assess and handle any peacekeeping role, and sets guidelines for involvement, Senate sources said.

The order also attempts to make clear that the president will never give up the authority to deploy U.S. troops and maintain the chain of command responsible for such activities as disciplining American forces.

But on a "case-by-case" basis, the executive order will permit the president to give up operational control of U.S. forces to foreign commanders in certain U.N. operations.

U.S. participation in U.N. operations would be based on specific criteria such as how long the operation would continue, how U.S. forces would disengage and whether U.S. participation is critical to its success, the sources said.

The draft order would make the State Department the lead agency for U.N. peacekeeping operation where no U.S. forces are involved.

For peacekeeping operations with U.S. forces and "peace enforcement" operations — where combat is likely — the Pentagon would be the lead agency under the proposed executive order.

Defense Secretary William Perry said during a confirmation hearing earlier this year that the threshold for allowing U.N. commanders to exert operational control of U.S. forces is a battalion, or about 900 people.

U.S. forces would remain under direct command of the Pentagon and U.S. field commanders when forces larger than a battalion take part in peacekeeping operations.

Senate aides said the executive order will allow the president to withdraw his authority for U.S. participation in peacekeeping at any time.

Administration officials said the U.S. military "has no problems" with the new directive.

The executive order is its final stages but will require implementing legislation related to funding peacekeeping operations.

The legislation is expected to place stricter restrictions on the U.S. role in peacekeeping.

## Kassebaum says states should regulate welfare

By Cheryl Wetzstein  
THE WASHINGTON TIMES

The federal government should give all control of welfare programs to the states but take on a bigger role in administering Medicaid, Sen. Nancy Landon Kassebaum said yesterday in introducing a welfare reform bill.

The current welfare system is a "constant push-and-pull between state and federal bureaucracies," said Mrs. Kassebaum, Kansas Republican. "This may suit the needs of government bureaucracy. It clearly is not meeting the needs of children in poverty."

The bill would unshackle states from federal restrictions, giving them the freedom to design welfare programs that work for them.

It could affect welfare reform experiments now under way in the country. For example, there is a legal battle in New Jersey over that state's new policy of not increasing grants to families already on welfare, even if they have a baby.

Part of the legal battle over that program concerns whether the federal government should have granted the waiver that allowed New Jersey to change the rules.

If the states were to completely control welfare programs, waiver issues might be moot, said William "Chip" Mellor III, president and general counsel of the Institute for Justice, which is defending the New

Jersey welfare program.

Mrs. Kassebaum's bill would allow states and the federal government to "swap" responsibilities — state agencies would administer cash and noncash assistance programs, while federal agencies would administer basic health care services for low-income individuals and families. This would either be Medicaid or its equivalent under a national health care plan.

The bill was co-sponsored by Republican Sens. Hank Brown of Colorado, John Danforth of Missouri, Robert F. Bennett of Utah and Larry Craig of Idaho.

Under the proposed swap, within five years the states would assume full responsibility for Aid to Families With Dependent Children, food stamps and nutritional assistance for Women, Infants and Children programs.

During the phase-in, state and federal governments would be required to maintain current levels of funding for welfare programs, and the federal government would pick up more state costs of Medicaid.

Mrs. Kassebaum said her plan wasn't intended to reduce the federal deficit.

"This isn't designed as a cost savings. It's designed to make it work better," she said. She also acknowledged the Democrats that control Congress probably won't support her proposal.

• This article is based in part on wire service reports.

# Clinton may OK U.N. in Georgia

By Frank J. Murray  
THE WASHINGTON TIMES

President Clinton said yesterday he is "inclined to support" a U.N. peacekeeping mission in the former Soviet republic of Georgia but will not commit U.S. troops in the dispute over its breakaway province of Abkhazia.

Both he and Georgian Chairman Eduard Shevardnadze said their real concerns lay in Russia's economic reforms and Boris Yeltsin's ability to stave off forces that might be less inclined to keep peace with its neighbors.

"I'm hopeful that the parties to that conflict can achieve success in their negotiations and maintain an effective cease-fire," Mr. Clinton said of the Abkhazia crisis, which preoccupied the Georgian press traveling with Mr. Shevardnadze.

As he had Friday, when hosting Ukrainian President Leonid Kravchuk, Mr. Clinton found the American press demanding on White-water-related issues instead of the nuclear and global questions he wanted to discuss. He was preoccupied enough to refer twice to the Georgian visitors as Ukrainians.

Mr. Shevardnadze, now Georgia's head of state, was last officially at the White House as foreign minister of the Soviet Union in June 1990, a few months before resigning with prescient warnings of impending dictatorship. He visited President Bush as a private citizen in 1991.

"He's a statesman whose vision and diplomacy have played an immeasurably important role in bringing a peaceful end to the Cold War," Mr. Clinton said, moments before the two were confronted with questions about whether it had ended permanently.

There is "a danger ... a great threat" if rightist forces come to

## Aid agencies in Somalia fear for their safety after GIs leave

By Shu-Ching Jean Chen  
THE WASHINGTON TIMES

The uncertainty of the security situation in Somalia after American military forces leave this month is giving relief workers there the jitters.

Since the end of last year, when the American exit became irreversible, there have been bombings and kidnappings against foreign aid agencies. One agency, World Vision International, was on the receiving end of a bomb attack in February that injured one of its international staff.

"I don't know how we can control the program," said Andrew S. Natsios, World Vision's vice president. "I think all the NGOs [nongovernmental organizations] are getting nervous as to what the conditions will be after March 31."

After March 31, both the U.S. government and the United Nations will play only a supporting role in the effort by Somalis to put their country back together.

Mr. Natsios said only local Somalis or the United Nations could assure security. But neither group, he said, had yet extended security assurances.

Security and more funding are the two major concerns of aid groups in Somalia, said David Neff, CARE International's director of operations there.

"One of the things we worry about constantly is security, and

that is very much outside of our control," Mr. Neff said in a telephone interview.

Somalia descended into near-anarchy in 1991 with the ouster of military dictator Mohamed Siad Barre.

The United States supplied large ground forces as part of a U.N.-directed relief operation in 1992. Although successful in bringing relief and ending mass deaths, the mission eventually cost American lives when efforts were launched to disarm the rival warlords.

"It should not be up to the U.N. to provide security for NGOs," said Dick Mccall, chief of staff of the U.S. Agency for International Assistance. "Ultimately security has to come from Somalis themselves."

Meanwhile, the U.N. Operation in Somalia is shifting its military focus back to protecting humanitarian efforts.

One of the new efforts, according to Michael Stopford, director of the U.N. Information Center in Washington, is to set up an 8,000-man police force in Somalia.

"We have a priority to protect humanitarian relief personnel, both of U.N. and NGOs. But that will depend on whether we have enough forces all around the country," he said.

"The future in Somalia depends on whether the Somalis work with each other," said Mr. Stopford.

power in Moscow, "not only for Russia, but also for the whole planet at large," Mr. Shevardnadze said.

"It's very important to be very tactful — maximally tactful — here, and let the Russians themselves figure out what they want to do in the processes in their own country," he said.

Mr. Clinton was far more optimistic about relations with Russia.

"You never can say never, but I think it is unlikely," he told the Georgian questioner.

"We agreed that both our nations have a tremendous stake in the success of reform in Russia, that a democratic and market-oriented Russia at peace with its neighbors is in the interests of

Georgia and the United States," Mr. Clinton said.

Mr. Shevardnadze attended an honors ceremony at the Pentagon yesterday and met with Defense Secretary William Perry to sign a statement on defense and military relations.

Before going to the White House, Mr. Shevardnadze appealed for more private investment by Americans in his country in a speech at the Overseas Private Investment Corp (OPIC).

"We're a country of great potential. ... The road to democracy and a free-market economy is irreversible," he told the investors.

OPIC is reviewing 12 potential projects for Georgia worth an estimated half-billion dollars in potential private investment.

Today Mr. Shevardnadze is scheduled to have breakfast with CIA Director James Woolsey; meet with World Bank officials, congressional leaders and International Monetary Fund officials; and give a dinner address to the National Press Club.

Tomorrow he will give his views on Abkhazia before the U.N. Security Council.

The two leaders bantered a bit when talking about Mr. Shevardnadze's visit today to Congress.

"He might be able to get more money out of them than I can," Mr. Clinton said.

"Maybe I'll convince them to give me some money for other purposes, too," Mr. Shevardnadze said.

## Welfare Reform: States First, Then Congress

Priority billing for health care and huge disagreements within and between the two political parties undoubtedly will block passage of comprehensive welfare reform this year.

But instead of doing nothing in 1994, Congress ought to free the states to experiment.

Already, interesting trials of different welfare theories are under way in Massachusetts, Wisconsin, Iowa, New Jersey, and other states.

No one knows which, if any, will work. Congress ought to find out before it sets up a whole new national system.

But on Capitol Hill, would-be welfare reformers are working on three different models. The Clinton Administration and House Republicans have rival proposals to help welfare recipients with child care and training for two years, then require them to work as a condition of further help.

To Clinton's left, liberal Democrats oppose work requirements and cutoff dates and favor enhanced public spending on job training and job creation. Liberals don't have the power to push an alternative reform package through Congress, but will try to make the Clinton approach more generous.

Meantime, having beaten President Clinton to the punch in introducing a work requirement bill, House Republicans are thinking about yet another plan — certain to cause the party political trouble — to

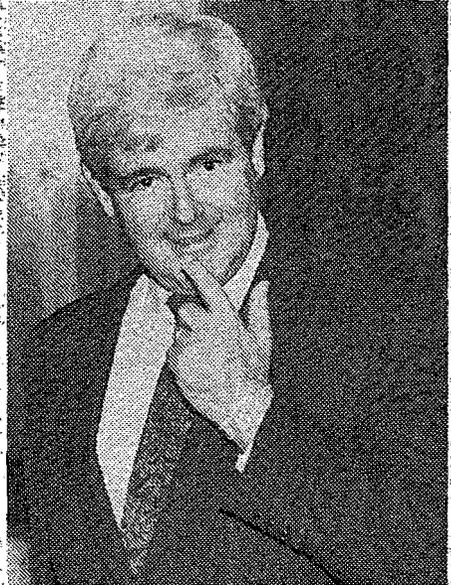


Photo by Maureen Keating

**Rep. Newt Gingrich is on the House GOP task force that is wrangling over the welfare changes. Republicans don't want Clinton to get credit for reform.**

combat illegitimacy by cutting women off welfare if they have an out-of-wedlock child.

A powerful group of conservative intellectuals, led by Charles Murray of the American Enterprise Institute, former Education Secretary Bill Bennett, former Dan Quayle aide Bill Kristol, the Heritage Foundation's Robert Rector, and UCLA professor James Q. Wilson, is arguing for the idea as the most effective welfare reform.

So influential is this group that the House Republican task force that produced the work requirement package last year — including GOP Whip Newt Gingrich and

# Pennsylvania Avenue

By Morton M. Kondracke

Reps. Tom DeLay (Texas), Rick Santorum (Pa), and Clay Shaw (Fla) — now is thinking about a second package to cut back on benefits to mothers of illegitimate children.

The "workfare" package already contains a controversial provision — deemed too punitive by some — to cut off cash AFDC benefits to minors who have out-of-wedlock children. The theory behind the move is that it would create an incentive for welfare mothers to urge their daughters not to get pregnant.

Murray and others argue that such a provision does not go far enough and want to set a deadline after which no benefits would be paid to mothers of illegitimate children. The theory is that, facing such a cutoff, women would avoid getting pregnant.

Murray is the author of a widely read Wall Street Journal article asserting that illegitimacy already accounts for 66 percent of all black births in America and 20 percent of white births, and will produce a "white underclass" or permanent welfare culture even larger than the black underclass.

Gingrich and other Republicans are attracted to the Murray argument partly because they respect him and his colleagues, partly because they are afraid that Clinton will get credit if Congress enacts work requirements, and partly because "workfare" costs money — \$7 billion to \$9 billion in added education, food stamp, training, and job-subsidy costs.

But if the GOP abandons "workfare" and decides to punish illegitimacy, the party is certain to be attacked for being cruel and even racist, harmful though welfare dependency may be to the poor.

Paralleling the intellectual and political

quarrel among Republicans, there is disagreement among Democrats as well.

Senate Finance Chairman Daniel Patrick Moynihan (D-NY) wants welfare reform to be enacted this year, but is critical of Clinton's costly plan to give public service jobs to welfare recipients if they can't find private-sector work. Moynihan, however, has yet to unveil his own plan.

In the House, the Congressional Black Caucus and other liberal groups will try to soften Clinton's bill on the theory — which

*House Republicans started the ball rolling with a 'workfare' proposal, but now they're considering a second package to combat illegitimacy.*

also has considerable academic support — that underclass poverty is ultimately caused by the fact that no jobs exist for unskilled workers, male or female.

Since there is so much disagreement on what to do — and no time in which to do it anyway, because health care reform will be this year's big issue — Congress ought to punt the problem down to the state level, financing and encouraging experiments on any theory a governor and legislature is willing to adopt.

Wisconsin Gov. Tommy Thompson (R) is famous for instituting a work require-

Continued on page 23

RESERVATION PHOTOGRAPHY

# Kondracke: Allow States To Reform Welfare First

Continued from page 6

ment, but it only applies to about 2,000 recipients in two counties blessed with low unemployment. Massachusetts, under Republican Gov. William Weld, has a more ambitious plan under way involving 500,000 recipients who must take public service jobs after 90 days on welfare.

New Jersey has enacted a cut-off of welfare for any new children a recipient may have out of wedlock and early results indicate it may have succeeded in reducing illegitimate births.

Another plausible (but, controversial) anti-illegitimacy proposal — "interracial" where as yet — would require a Norplant

contraceptive implant as a condition of welfare for unmarried women.

Meanwhile, in a low unemployment area, recipients are required to sign a contract with the state to pursue a course of job training over a set period. Failure to comply leads to reduction or cutoff of benefits.

No state probably can afford a full-blown liberal job-creation experiment, but some partial tests surely could be invented.

President Clinton and Congressional Republicans both want credit for "doing something" about the welfare mess. Before they get into bruising fights over what to do, they ought to find out what really works.

*Douglas MacKinnon*

# Welfare: Good, Bad And Personal

During the seven years I spent in Washington serving in two Republican administrations, I found myself in the middle of more than a few discussions concerning our nation's poor and what should be done to help them. More often than not, I also found myself biting my tongue as I listened to various friends and co-workers pontificate on the plight of the poor and how they must be helped and dealt with. It wasn't necessarily out of anger at the ideas they were expounding—some were sensible enough—but rather because of my feeling that something important was missing from the discussions: any personal sense of what it means to be poor.

Most of my friends and co-workers in the Reagan and Bush administrations came from middle-class or upper-middle-class backgrounds. I did not. I came from deep in the heart of what might today be called the "underclass." While I mostly had two parents, I grew up in a world of abject poverty in various inner cities, saw our family homeless on a few occasions, living on public assistance (AFDC) at times and frequently evicted. I know what it's like to go without food and new clothes and to have others torment you because of your poverty. I guess that's really the point I'm trying to make here. I know.

That old feeling of anger returned awhile back, when I read a Wall Street Journal essay by Charles Murray on the growing problem of illegitimate births and welfare dependency. In that much-discussed article, Murray prescribes this drastic remedy:

"Restoring economic penalties translates into the first and central policy prescription: to end all economic support for single mothers. The AFDC payment goes to zero. Single mothers are not eligible for subsidized housing or for food stamps. An assortment of other subsidies and in-kind benefits disappear."

"How does a poor young mother survive without government support?" Murray asks. "The same way she has since time immemorial. If she wants to keep a child, she must enlist support from her parents, boyfriend, siblings, neighbors, church or philanthropies."

That answer is so laughable as to be embarrassing. Let's just analyze it for a second using Mr. Murray's own numbers. He says the illegitimacy rate for blacks in the inner city is typically in excess of 80 percent. How many parents in the inner city will have the resources to support their daughters, given these huge numbers, or for that matter how many boyfriends, brothers or sisters? They're more likely to have problems of their own. Churches? Not a lot of money at an inner-city black church, I'm afraid. Philanthropies? Call the Rockefeller Foundation, and see what it will do for a single mother.

And what happens if single mothers don't follow Charles Murray's blueprint for success? Or, as he puts it, "What about women who can find no support but keep the baby anyway?" Well, he says, "There are laws already on the books about the right of the State to take a child away from a neglectful parent."

That's strange. I didn't know that keeping one's baby was necessarily a form of neglect. But suppose the child is taken away from its mother—what then? Is it Mr. Murray's intention to put it into some kind of future Orwellian orphanage, where all things are possible?

My advice to Mr. Murray and some of the other welfare theorizers is to get their noses out of the books, studies and position papers, and get on down to the inner city, where they can talk with and observe some real, live poor people.

There truly is something to be said about knowing your subject personally. For example—and as a Republican it pains me to say this—what I've seen of Bill Clinton's welfare reform seems to have successfully jump-started the debate. It's not just that it would shake things up and discomfort those in the left wing of his own party who think the welfare status quo is fine except that there isn't enough of it. It's more that I think Clinton is temperamentally suited for the effort of getting through a workable plan because he's been there himself; he went through some hard and uncertain times as a kid—not abject welfare dependency but periods when no one was quite sure where the rent and food money was coming from.

Clinton brings something useful to the table. I only hope he also brings the courage of his convictions and does not cave in to those whom the conservative humorist P. J. O'Rourke once called "poverty pests"—the professional welfare-dispensing class.

As one who grew up on welfare, I believe very strongly that it does do some good. Even with the help of family and friends, we sometimes fell through the cracks and needed a helping hand from the government. But I also believe that welfare is an evil that should be offered for no more than two years and should cover no new births. For whatever good welfare does, it also robs people of their self-respect and dignity. Two years is about all a human being should take of it.

Somewhere between what Mr. Murray wants and what the "poverty pests" advocate, there is an answer that deals with this problem with logic and compassion. We're most likely to find it if the people making the legislation take the trouble to learn something, on the personal level, about the people and the situation they're dealing with.

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*The writer was a White House aide under Presidents Reagan and Bush and later a special assistant in the Defense Department.*

MARY McGRORY

## War of Nerves on Health Reform

**O**n Jeff Eller's computer, the motto goes round and round: "Honor all threats." It's the perfect message for the boss of the White House Health Care War Room, where the threats to the president's ambitious blueprint come in thick and fast.

The war room, scene of Clintonian triumphs on the budget and NAFTA, is on the first floor of the Executive Office Building, and if its title sounds belligerent, as does rhetoric about the bill, Eller says it is only because the situation warrants it.

Eller, who served on congressional and senatorial campaign committees before he joined up with Bill Clinton and managed his Florida campaign in the primaries, says the martial terms employed in the struggle to get all Americans on the high road to good care and good health are entirely appropriate.

Last week in New Jersey, the president was exhorting senior citizens to join the fray. If they want the gold promised in his bill—coverage of long-term care and prescription drugs—they will have to fight for it. You might think that with such inducements, the elders could figure out for themselves where their interests lay, and the American Association of Retired Persons, which has said nice things about the bill, in comparison with others being offered, would endorse it forthwith.

But a general skittishness is in the air and the young people who man the war room seven days a week, and record every heartbeat and shock, have been deeply instructed on the elderly fiasco of the '80s: the passage of the catastrophic illness bill, which was followed a year later by its repeal.

Few in the large, high-ceilinged war room with its television sets going in four corners are old enough to remember the 1988-89 ruckus, but they have absorbed its legacy, which is that you don't let the other side get away with a syllable of disinformation.

What happened was a civil war among the seniors. When the bill first passed, most of them were ecstatic at the thought of laying down the crushing financial burdens of old-age sickness. But the group, Preserve Social Security and Medicare, led by Franklin D. Roosevelt's son James, rose up when it was discovered that the more affluent Medicare recipients would be expected to make a contribution—possibly as high as \$1,000 per year. They shouted down the bill. It could have been a first

step in the long road to the universal health care proposed by President Clinton; instead it was a historic pothole.

Sen. Byron Dorgan (D-N.D.), a House member at the time, who voted against the repeal, says, "The senior citizens had the daylight scared out of them by people who told them they would have to pay \$1,000 apiece for the new benefits. That would have applied to only the more affluent, maybe 25 percent of people on Medicare. Even so, it would have been a wonderful bargain for seniors."

Eller thinks that the health care drive slowed down after the First Couple went to Capitol Hill and wowed the members with their joint presentation in September. But the president went to Moscow and the holidays intervened, things cooled down and people began to complain about the fierce complexities of the 1,300-plus pages of the bill. Insurance company 30-second spots bombed Clinton positions with talk of bureaucrats and loss of one's own doctor. Other big threats intervened in like the recently silenced artillery around Sarajevo.

The Business Roundtable, which was supposed to be for it, because Big Business would benefit from the promised reduced cost of employee insurance, gave Clinton a kick in the teeth by endorsing a rival bill submitted by Rep. Jim Cooper (D-Tenn.), who wants voluntary, not mandated insurance. Next came Congressional Budget Office Director Robert D. Reischauer, announcing that the Clinton plan would cost billions more than projected. And now comes Rep. Fortney "Pete" Stark (D-Calif.), who predicts that the gigantic alliances that are supposed to keep costs down are about to breathe their last.

The 20 or so young people who man computers in the war room pass on all this adverse information to their operatives on Capitol Hill, issue statements saying these developments are Inside the Beltway froth. Mainly they wait for Congress to start sorting and dealing.

The White House warriors are sustained by the letters they get from individual Americans who want change. A million pieces have come in and while some have expressed the apprehension of the week, the vast majority come from people who recount the catastrophes that have overtaken them when grave illness has taken all their savings and their hopes for golden years.

# Virginia Jumps at Chance to Shake Up Welfare

By Peter Baker  
Washington Post Staff Writer

RICHMOND—Virginia plans to begin radically overhauling its welfare program this year by forcing recipients to take jobs and by refusing to increase the benefits of women who have additional babies.

The measures, praised as daring by some and condemned as heartless by others, would move Virginia beyond what any other state has done to reshape welfare.

Under the proposed revisions, which have passed both houses of the General Assembly in slightly different forms, welfare recipients would have to find work within a year of going on the rolls or take a public service job. After another year, they would be forced off the rolls altogether, whether or not they had a permanent job.

Women receiving public assistance would no longer receive additional money if they had more children after entering the program.

The new restrictions would affect about 10,000 people during the next two to three years, with the rest of the state's 74,000 recipients of Aid to Families With Dependent Children being phased into the plan after that.

"This will fundamentally change the way that welfare works," said Democratic Lt. Gov. Donald S. Beyer Jr., a leading force behind the plan. "There has to be an end to government support at some time, and there has to be a shift of responsibility from the government to the individual."

But some advocates for the poor said they find the proposal punitive and inhuman.

"We do not approve of folks getting lopped off when they're in need," said David Rubinstein, executive director of the non-profit Virginia Poverty Law Center. "The family cap provision is just mean. I don't see the need for it."

The plan, which cruised through the House and Senate with nearly unanimous, bipartisan support last week, incorporates many of the "tough love" measures that are being debated in Washington and state capitals across the country.

According to the National Conference of State Legislatures, five states—Colorado, Florida, Iowa, Vermont and Wisconsin—have received federal waivers, all within the last year, to cut off state-federal AFDC benefits after a set period. One state, New Jersey, has been granted permission to impose a "family cap," which is being challenged in court.

If Republican Gov. George Allen signs the bill and the Clinton administration grants the waivers, as expected, Virginia would be the first to try both ideas in combination. Moreover, the initial group of

## WELFARE, From B1

about 10,000 recipients would be larger than in most of the other states.

"They are in the forefront of welfare reform and testing out new ideas," said Sheri Steisel, who monitors human service issues for the conference of state legislatures.

Maryland Gov. William Donald Schaefer has proposed a similar plan, although he may have a tougher time winning approval from his state's legislature. His proposal would deny increased benefits to women who have more children and halt welfare payments to recipients

who do not get jobs or begin community service after 18 months.

The plan represents a turnaround for Schaefer, a Democrat whose administration opposed a family cap only a year ago.

But the political climate is changing rapidly, and Democrats who once resisted are now rushing to embrace such approaches to welfare reform.

In Richmond, a commission formed by Beyer has been studying welfare for two years, but the near unanimity in the State Capitol on the final proposals can be attributed in part to Allen's landslide victory after promising such changes.

"The election of George Allen in November changed the debate, changed the weight of the equation," said Sen. Mark L. Earley (R-Chesapeake), who served on Beyer's commission. "The Democrats are left in the position of not wanting to be out there on the liberal left, and so they're saying, 'Me too.'"

That political reality troubles some advocates of the poor, who believe that their usual allies in the Democratic Party are too eager to approve welfare reform so they can show up Allen before he gets the chance to introduce his own plan.

"It is very clear that this bill is being rushed through the session for one-upmanship games for partisan gain," said E. Martin Jewell, head of the Richmond Crusade for Voters, a group concerned with inner-city issues.

Allen has not said whether he will sign the welfare plan, but he has endorsed it in concept. The administration has expressed concern that the program would be phased in over several years, instead of right away. If the final version worked out by a House-Senate conference committee is not acceptable to him, Allen can send it back with his own amendments.

The major difference between the House and Senate versions concerns how fast the program would be enacted. The House plan would enroll 3,000 participants for each of the next three fiscal years, beginning July 1; the Senate bill would start with 5,000 in each of the next two years.

The program includes job training, child care, transportation assistance and medical coverage designed to encourage welfare recipients to take jobs. For instance, a family would continue to receive medical coverage for three years after a working parent went off welfare if coverage was not provided by the new employer.

Beyer has estimated the welfare overhaul's annual cost to the state at \$6 million.

After a year on welfare, recipients who had not found jobs would be put to work in local government, doing clerical, maintenance or computer processing jobs, for example, and be paid by the state a wage

equivalent to the AFDC benefit plus food stamps. After another year, they would no longer be eligible for welfare, except in certain hardship cases.

The family cap would apply to all women in the pilot group, except for single mothers who are in the third trimester of pregnancy or have a child younger than 18 months.

Currently, about two-thirds of Virginia's welfare recipients get off the rolls within two years, and an average of 224 babies a month are

born to women on welfare. Welfare payments in Virginia are among the lowest in the nation. The average payment to a mother with two children is \$285 a month, not including food stamps. She receives \$61 more for each additional child up to five.

The family cap was the most hotly disputed proposal in the plan.

Sen. Yvonne B. Miller (D-Norfolk) said it was inhuman for the state to eliminate additional payments to welfare mothers as it considers providing a large, taxpayer-financed subsidy for a Walt Disney Co. theme park.

"For a state that's about to give away \$61,000 per job to a big institution to say you can't give \$61 [a month] to a new child, there's something crazy about that," she said. "We're ceasing to be human beings. This is awful. I mean, I'm for welfare reform, but I'm not for punishing children."

Beyer said he is not especially enthusiastic about that element of the plan but figures it ought to be tested. In the end, he said, it's crucial to impose limits and responsibility, even if there are some people who will "fall through the cracks."

"The downside is [that] occasionally there's going to be somebody who's done everything to the best of their ability and still can't find a job," he said. "Is that an acceptable cost? I don't think there's a perfect answer."

THE WASHINGTON POST TUESDAY, FEBRUARY 22, 1994

# Tokyo Banks on Prime Minister to Avert Trade War With U.S.

By Paul Blustein  
Washington Post Foreign Service

TOKYO—Japan, in the aftermath of the failed summit Feb. 11 between Prime Minister Morihiro Hosokawa and President Clinton, is banking on its urbane, telegenic leader to avert a serious rupture in transpacific trade ties.

Tokyo's strategy is to persuade Washington that the Hosokawa administration is serious about freeing up the heavily regulated economy and improving market access for foreign goods—even if his actions have not been successful so far.

But as Japan stakes its position on Hosokawa's image as a crusading reformer, Washington's opinion of the Japanese leader is undergoing a significant shift. Many in the Clinton administration have concluded in recent weeks that on economic matters at least, the prime minister appears to differ little from his predecessors.

Although Clinton praised Hosokawa's reform platform, the depth of the administration's disillusionment became clear Friday when Walter F. Mondale, the U.S. ambassador to Japan, delivered an extensive critique of the premier's record.

"In the political reform area, in our opinion he gets very high

grades, but in the economic reform area, we have not seen much by way of deregulation and market opening by this government," said Mondale, who until recently was one of Hosokawa's most enthusiastic boosters within the U.S. administration. In the economic sphere, he said, "I do not think they have been effective."

This U.S.-Japanese gap in evaluating Hosokawa adds an important new difficulty to the task of bridging the transpacific dispute, which threatens to spark a trade war between the world's two biggest economies.

The nature of the Japanese strategy emerged last week, when Hosokawa declared that despite the summit debacle, Tokyo would voluntarily take the steps it deems appropriate to reduce trade barriers.

On Thursday, he ordered government ministries to prepare a major new initiative aimed at wiping out burdensome regulations, stepping up antitrust enforcement against cartels and making it easier for foreign firms to bid on government contracts.

The move was clearly aimed at staving off harsh U.S. measures by evoking the heady atmosphere of change that prevailed last August.



WALTER MONDALE  
... sharply criticizes Hosokawa

when Hosokawa took office as the first prime minister in four decades from outside the Liberal Democratic Party. At that time, he vowed to improve the lot of ordinary Japanese by attacking entrenched interests and the powerful bureaucracy.

Japanese officials also invoked

Hosokawa's reformist agenda as their basis for adopting an uncompromising line against U.S. demands to establish numerical targets for Japanese purchases of foreign goods.

In the past, they noted, Japan had occasionally accepted such targets but only with great reluctance because Washington treated Tokyo's "voluntary goals" as virtual guarantees. Now such targets have become unthinkable, officials said last week, because they would increase bureaucratic interference in the economy at the very time that Hosokawa is determined to reduce it.

A senior government official shook his head vigorously when asked whether Japan would accept numerical targets under any circumstances. "The U.S. government does not recognize the difference between former administrations and the current administration," he said.

But Clinton's team has started arguing exactly the opposite—that Hosokawa, like his Liberal Democratic Party predecessors, has proven susceptible to manipulation by bureaucrats, and has not been forceful in pursuing his own goals of eliminating regulations and giving Japan's hard-pressed consumers a better break.

Mondale ticked off a list of recent

decisions by Hosokawa's government that have disappointed him. He noted that a blue-ribbon panel appointed by Hosokawa to recommend sweeping economic reforms had considered the creation of a body independent of the bureaucracy to promote deregulation, but "this government intervened, and urged them not to do so, so they came out with a commission report that was largely toothless."

And shortly after Hosokawa took power, Mondale recalled, "they announced 94 deregulation measures that they themselves said were modest. They've done none of them."

Perhaps most important, he said, "When we urged this government to stimulate the economy, to do something to bring down the [trade] imbalance, essentially the Ministry of Finance—with the support of the prime minister's office—opposed it."

The stimulus package that the government ended up proposing shortly before the Clinton-Hosokawa summit, he said, would boost consumer demand by such a modest amount that the impact on Japanese purchases of foreign goods would be insufficient to shrink the \$130 billion worldwide trade surplus by more than a few billion dollars.

Mondale gave Hosokawa no credit for ending Japan's ban on rice imports, presumably because the prime minister did what any of his predecessors would have done—waited to act until foreign pressure became unbearable hours before the Dec. 15, 1993, deadline for the global trade agreement known as the Uruguay Round.

The ambassador also neglected to mention Japan's recent moves to make its construction market more accessible to foreign firms by introducing open bidding. That omission was surprising, because Mondale played a major role in persuading Tokyo to adopt the measures.

Mondale, however, was careful to praise Hosokawa for winning approval of legislation to reform the scandal-plagued electoral system. Many experts believe that in the next few years, these reforms could encourage the creation of a major political party that would fight for the interests of urban consumers and, by implication, enhanced access for foreign products.

But the Clinton administration is effectively refusing to wait for political change to translate into increased sales of foreign goods, insisting that for now Tokyo must produce results rather than mere promises of a more open market.

bc-welfare - a1723

(ATTN: National editors) (Includes optional trims)  
Administration Welfare Reform Aimed At Young Recipients (Washn)  
By Ronald Brownstein= (c) 1994, Los Angeles Times=

WASHINGTON A Clinton administration task force is likely to recommend initially imposing the president's proposed two-year limit on welfare benefits exclusively on young recipients, while leaving millions of older people to collect public assistance as usual, senior officials said.

Officials argue that phasing in the plan in this manner would be more effective and less costly at the outset, and would send a clear message of changed expectations to the next generation of welfare recipients.

But the proposal also risks attack from critics who maintain such a gradual approach fails to fulfill Clinton's campaign promise to "end welfare as we know it."

Under the plan, which is emerging as the clear preference of a task force preparing the administration's welfare reform recommendations, only new applicants and current welfare recipients born in 1970 or later would be required to work after two years on the rolls. Recipients who could not find jobs in the private sector would be given government jobs.

(Begin optional trim)

If the plan went into effect in 1995, the two-year limit would apply initially to all recipients 25 years old or younger. Each year, the time limit would automatically extend to new applicants one year older. By the year 2000, anyone 30 or younger would face the requirement to work after two years on the rolls.

"I think the proper thing to do is to see how well the system has performed," said a senior administration official. "Then in a few years time you say what additional resources are we going to need to (expand the requirement) and do it then."

Administration officials maintain that focusing resources on a relatively narrow group at first would increase the likelihood they could find jobs in the private sector, holding down the potentially enormous costs of creating public jobs for them.

(End optional trim)

Administration officials argue that they are more likely to change the "welfare culture" and diminish dependency over the long run by targeting limited resources at one clearly delineated group, rather than diffusing their efforts across the 5 million families now receiving public assistance.

But Rep. Rick Santorum, R-Pennsylvania, head of the House GOP task force on welfare reform, said in an interview that a work requirement limited to younger recipients doesn't send a strong enough signal.

"It doesn't get at the long-term dependent population at all," he said.

Senior officials say the welfare-reform plan could cost from \$4 billion to \$7 billion after five years, with an age-based approach likely to be nearer the \$4-billion figure, sources said.

Preliminary estimates show that by 1999, about 2 million of the 4.7 million families expected to be on welfare at that time would have been phased into the work requirement.

However, many of those younger recipients would not have been on the rolls for two years by then, and exemptions would be offered to those with very young children or disabilities. As a result, by 1999 the plan would require the government to find private or public jobs for some 300,000 welfare recipients.

The plan would place the younger recipients at the front of the line for job training, education, and child care, officials said.

The debate among political scientists about the problem of Washington gridlock has an underlying theme: If the country is to solve its politico-economic dilemmas, gridlock must somehow be broken. It is my view that gridlock is a good thing. Let's not tamper with something the Founding Fathers intended.

There is, however, a growing sentiment among political scientists, especially those who were empaneled at a Hoover Institution conference on congressional accountability that "gridlock," hitherto regarded as a "boo" word may now be defined as a "halo" word.

One can make out a cogent argument on behalf of gridlock as something the Founding Fathers sought when they wrote the U.S. Constitution more than two centuries ago. The Constitution was deliberately designed to prevent a power monopoly by any single institution of government. The institutions (or "departments," as James Madison called them) of government, while separated, were to share powers, a scheme that Madison said was "essential to the preservation of liberty." In other words, neither Congress, the president nor the Supreme Court — and the states — would ever be in a position to institute a dictatorship.

How was that accomplished? By setting up one institution as the rival of others. As our government is now constituted, we have the following built-in constitutional rivalries:

- (1) The president vs. Congress.
  - (2) The president vs. the Supreme Court.
  - (3) The House of Representatives vs. the Senate.
  - (4) The Supreme Court vs. the Congress and the president.
  - (5) The states vs. Congress.
- There was one institution that

## Putting a halo on gridlock

seems to have ultimate power, Congress, because it can impeach and remove federal judges and the president but nobody can "impeach" a member of Congress except, of course, Congress itself. On the other hand, the only "depart-

*Let's not tamper with something the Founders intended.*

ment" of government that can claim a national constituency and mandate is the chief executive.

There were other rivalries that have been altered over time by constitutional amendment, such as the 17th that gave the voters, instead of the state legislatures, the power to elect the U.S. Senate. Or else the rivalries were altered by custom — what has become the direct election of the president instead of the intended selection by the Electoral College.

Madison, as did the other Founding Fathers, insisted in No. 51 of the Federalist Papers that "the great security against a gradual concentration of the several powers in the same department, consists in giving those who administer each department, the necessary constitutional means, and personal motives, to resist encroachments of the others." And then in a famous passage Madison

explained why what today we call "gridlock" was essential for the preservation of liberty: "It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself but the greatest of all reflections on human nature? If men were angels, no government would be necessary. . . . In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed and in the next place, oblige it to control itself."

Thomas Mann, the Director of Governmental Studies, Brookings Institution, says that the built-in gridlock means that "the government can't ride roughshod over the constitutional system, but must build consensus. Of course, it slows down the process of governing and it sometimes is difficult to act decisively. But this gridlock ensures deliberation before acting."

There is another point about the usefulness of gridlock. The House of Representatives has been under the control of a Democratic majority since 1952 — Rep. David Dreier, California Republican, pointed out, longer than any other party in the world except for Mexico's PRI since 1928 and South Africa's Nationalist Party since 1948. When there is what seems to be a permanent House Democratic majority, the Constitution-created gridlock seems like a useful device to ensure that, as Madison saw it, the objective of government and civil society — justice — is not perverted by a monopolization of political power.

*Arnold Beichman, a research fellow at the Hoover Institution, is a columnist for The Washington Times.*

## Politicizing professional responsibility at Justice

It looks like the already fuzzy ethical sensibilities of the Clinton administration are about to get even fuzzier, with the nomination of Michael Bromwich as inspector general of the Justice Department.

Mr. Bromwich, a 40-year-old Harvard lawyer, former U.S. attorney in New York, and Clinton campaign volunteer, is best known for his service on Independent Counsel Lawrence Walsh's Iran-Contra staff. In his four years there, from 1987 to 1990, he earned a not very pleasant reputation; the terms that come to the minds of those who dealt with him than are "mean," "acerbic" and "nasty." He also earned a charge of prosecutorial misconduct from Oliver North's attorney, Brendan Sullivan. During the North trial, Mr. Sullivan accused Mr. Bromwich of deliberately withholding from Col. North's defense team the information that some classified documents had been leaked to the radically pro-Sandinista, anti-Reagan administration Christie Institute, and of "incredibly, insist[ing] that the court and the defense treat these already-public documents as classified." The charge didn't stick; Judge Gerhard Gesell bought Mr. Bromwich's argument that he'd simply forgotten to mention the leakage to the defense. But though he didn't find Mr. Bromwich guilty of misconduct, the judge did chastise him for letting the matter "slip his mind."

Now, such convenient absentmindedness aside, a mean, nasty and acerbic guy like Mr. Bromwich might seem the ideal candidate for an inspector generalship. The trouble is, Attorney General Janet Reno intends to give the IG's office under Mr. Bromwich more power than it's ever had in its five-year existence. The plan is to consolidate the Office of the Inspector General and the Office of Profes-

sional Responsibility (OPR). OPR is responsible for investigating department attorneys and criminal investigators, while the IG handles other personnel and audits department programs. Since the IG was instituted in 1988, there have been numerous jurisdictional disputes between the two offices; so some "streamlining" as Justice officials have described it, may well be in order.

The question is, why give the IG control over OPR, rather than the other way around? OPR, after all, has traditionally been run by a career employee; in fact, the current one, Michael E. Shaheen Jr., has been in charge for the past 18 years. Is it wise, is it ethical, to hand over all internal investigative powers to a political appointee — who serves at the pleasure of, and frequently focuses on the interests of, the president?

It certainly seems neither wise nor ethical, given the current state of affairs at Justice. The fact is that the department figures prominently in many of the ethical lapses that have been bedeviling this administration. From Travelgate to Whitewatergate to Fostergate, the actions of Justice Department personnel (most notably Associate Attorney General and Hillary law partner Webster Hubbell) need some serious looking into. Can Michael Bromwich be trusted to do that job?

The Senate Judiciary Committee, which will be vetting Mr. Bromwich's nomination in the near future, ought not, of course, object in principle to the president giving a political appointee the political slot of inspector general; that is his privilege. But as to giving that appointee power over every internal investigation of every Justice Department employee, the committee should have some very serious qualms.

In contrast to the administration plan, a House Republican proposal would impose a two-year time limit on all new welfare recipients who enter the system after the legislation is passed. The work requirement would be extended in 1999 to all welfare recipients who entered the system before the law went into effect. As a result, by 2001 anyone who had received welfare for at least two years would be required to work.

The House GOP approach wouldn't come cheap: The Congressional Budget Office calculated that by 1999 the GOP bill would cost the federal government \$7.3 billion and state governments an additional \$4.2 billion. Estimates were not available for the cost to states of the administration task force's proposal.

Alternative welfare-reform legislation introduced by a group of Senate Republicans would immediately impose a community work requirement on all welfare recipients deemed capable of work, a group the sponsors estimate at about 2.5 million. Most analysts consider it impractical to move such a vast number of people immediately into public service work.

Many liberals remain opposed to the entire notion of a time limit on welfare. But even many critics concede that with Clinton so strongly supporting the idea, any reform plan passed by Congress almost certainly will include a time limit.

The administration task force is expected to recommend that the work requirement be carried out by providing states with block grants to either subsidize private-sector jobs or to create public-sector employment for welfare recipients.

(Optional add end)

Cost is the most immediate problem. Because the government must provide day care, transportation and additional administrative oversight, requiring welfare recipients to work costs more than allowing them to remain at home.

Finding budget cuts to finance the plan has been difficult. The task force has been examining proposals for capping grants to provide emergency assistance to welfare recipients facing eviction or cut-off of utilities, increasing efforts to root out fraud in the Earned Income Tax Credit for the working poor, limiting Social Security disability payments to drug addicts and alcoholics, and denying future legal immigrants access to Supplemental Security Income, welfare and food stamps until after they become citizens.

The task force has dropped a proposal to tax welfare benefits and food stamps the same way unemployment insurance is taxed. Currently, people who work part of the year and receive unemployment benefits are taxed on those benefits if their total income exceeds the income tax threshold. The task force considered treating welfare and food stamp benefits the same way, removing the existing tax exemption.

\*\*\*\* filed by:LAWP(-- ) on 02/20/94 at 02:29EST \*\*\*\*  
\*\*\*\* printed by:WHPR(162) on 02/21/94 at 03:30EST \*\*\*\*

bc-economy - a1703

(ATTN: National, Financial editors) (Includes optional trims)

Economists See Rosy Scenario Ahead for U.S.

By Jonathan Peterson= (c) 1994, Los Angeles Times=

Imagine a utopia of next-to-no inflation, a fantasy land of declining deficits, a dreamscape of rising job prospects and new opportunities.

Sound like an economist's mad ravings? In fact, these visions are now held by various authorities on the U.S. economy, who describe underlying conditions and future prospects as the healthiest in 30 years.

"We're back to 1964," said Rudiger Dornbusch, an economics professor at the Massachusetts Institute of Technology, referring to the time before rampant inflation, oil shocks, exploding debt and relentless federal budget deficits. "The challenge is to give better answers than we did back then."

"I see rebirth, revival and renewal," said Allen Sinai, chief economist at Lehman Brothers Inc., a financial services firm in New York. "The economy is the healthiest I've seen since the early 1960s."

The rave reviews may sound crazy to the millions of Americans scraping by with low wages or none at all. Jittery investors can point to rising interest rates as reason for doubt. In recession-weary states, the soaring optimism may seem downright bizarre.

Yet for all the skeptics, an unusual array of evidence seems to make the case that the U.S. economy is on a roll.

Inflation is at bay. The deficit is declining. Factories are churning. Productivity is rallying.

American companies are winning battles in the global marketplace after years of getting whacked, while Japan and Germany struggle with a morass of financial woes.

On top of that, the 1980s legacy of debt-ravaged companies, households and banks is fading.

It all could mean that a period of prolonged prosperity is approaching, goes the cheerful view, a new chapter unhindered by debt and other hobgoblins that have weighed down the economy for years.

"I don't recall as good an underlying base for the long-term outlook ... in the last two or three decades," Federal Reserve Board Chairman Alan Greenspan told members of Congress recently. An "extraordinary achievement" is how he described the state of affairs.

The achievement hasn't been cost-free. Nor does it belong to any one administration, economists agree, although many credit President Clinton's deficit-cutting plan last year as a helpful contribution.

The U.S. economy, it seems, has answered its detractors with an unexpected burst of resilience since the trouble-plagued 1970s and 1980s.

From automobiles to computers, entertainment to finance, U.S. industries are powerful players once again, reflecting what Dornbusch calls "a quantum jump" in the nation's competitiveness.

Earlier this month, for example, the government reported that worker productivity increased at a solid 4.2 percent rate in late 1993, and that labor costs actually fell. In the 1990s so far, productivity has been growing about double the pace of the past two decades, fueled largely by manufacturing, the Labor Department says.

Japan, in contrast, has registered practically no advances in productivity since 1992, while Germany's labor costs have rocketed up at almost twice the U.S. rate, according to the WEFA Group in Bala Cynwyd, Pa.

"Our competitive position is probably better than it has been at any point since the early 1960s," said Steven S. Roach, a senior economist at the Morgan Stanley Group Inc., an investment banking firm in New York.

Yet if these are the good times, millions of workers might wonder why they don't feel better.

In graphic contrast to past recoveries, U.S. companies have enhanced their ability to compete in the world by slashing payrolls, loading up on

# Mass. Senate backs time limit on welfare

By Don Aucoin  
 GLOBE STAFF

Breaking sharply with the status quo, the Massachusetts Senate yesterday overwhelmingly approved a measure that would force most welfare recipients off public assistance after two years.

The measure, which would make Massachusetts the first state to impose time limits on welfare benefits statewide, was adopted as part of a sweeping welfare reform package approved by the Senate that also includes incentives for private employers to hire welfare recipients.

The overall package places the Senate between the more hard-line approach favored by Gov. Weld and a liberal alternative circulating in the House of Representatives. Sponsors say the package has a strong chance of winning approval of the full Legislature.

The time-limits measure surfaced amid heated public debate over the social consequences of chronic welfare dependency in Massachusetts. Although advocates contend that most recipients get off welfare in two years, the state Welfare Department said yesterday that two-thirds of the state's welfare recipients are on for more than two years.

"This sends a message that welfare ought to be a form of transitional assistance, not a lifelong system of dependency," said the Senate Ways and Means chairman, Thomas Birmingham (D-Chelsea).

Sen. Michael Barrett (D-Cambridge), a gubernatorial candidate, called the measure a "breakthrough" recognition, along the lines of a proposal floated by the Clinton administration in Washington, that welfare should be "a pit stop rather than a last stop."

Though the time-limits measure is certain to be contentious in the more liberal House of Representatives, where the welfare reform bill now heads, it clearly has the support of conservative lawmakers of both parties in that chamber.

"This will be attractive to a number of members of the House," predicted Sen. Therese Murray (D-Flynn), who chaired a panel that included many House members that drafted the welfare legislation.

The time-limits measure was bitterly denounced by human services advocates, who said it ignores the fact that some recipients have more difficulty finding work than others, while many are enrolled in two-year programs at community colleges.

"Lives don't line up by arbitrary deadlines like that," said Betsy Wright of the Massachusetts Human Services Coalition. "If it takes 30 months to get the training for a job, it makes no sense to say 24 months and you're gone."

Republicans also scoffed at the measure, but for different reasons. Senate Republican Leader Brian Lees (R-East Longmeadow) said the measure is riddled with "loopholes." "It gives you all kinds of ways to get out of it," said Lees. State welfare officials also reacted warily to the plan.

Whether the vote ultimately proves substantive or symbolic, in approving the time-limits measure, introduced by Sen. John O'Brien (D-Andover), the Senate is thrusting Massachusetts squarely into a national debate on welfare policy.

The Clinton administration is reportedly considering a two-year limit on welfare benefits, but has not formally introduced such a proposal. The state of Wisconsin has gained approval for a pilot program in two counties, beginning in January, that would limit welfare benefits to two years. Several other states, including Colorado, Florida, and California, also are considering some form of time limits.

It was unclear yesterday how many recipients would be affected by the two-year time limit. There are currently 112,000 families receiving Aid to Families with Dependent Children in Massachusetts.

Certain recipients would be exempt from the two-year limit, including those who are disabled, those caring for disabled relatives, and women in their third trimester of pregnancy or who have a child under four months of age.

Another provision, whose scope was disputed by lawmakers yesterday, provides an exemption for "hardship," defined as "an inability to find employment despite good faith efforts to secure employment." The language of the measure does not require the state to grant such exemptions, only to consider them.

However, Barrett and Birmingham emphasized that the goal is not to throw recipients off welfare, but to get them into the workplace by providing education, job training, child care, health care, and incentives to private employers to hire recipients.

"No one is going to be left starving," insisted Barrett. "There isn't a single child who will be left without adequate support. The key signal, nevertheless, is that expectations are changing: You are expected to transition off welfare."

The Senate also approved an amendment designed to crack down on fraud by digitally scanning recipients' fingerprints.

The welfare reform bill was approved yesterday in the Senate by a vote of 26 to 5, with Sen. Diane

Wilkerson (D-Boston) the only Democrat voting against it. Wilkerson could not be reached for comment yesterday. The time-limits measure was approved 25-1, with Sen. David Magnani (D-Frammingham) opposed. "It doesn't address the real world, that some people need less than two years and some people need more," said Magnani.

Wilkerson, Sen. Lois Pines (D-Newton), and Sen. Stanley Rosenberg (D-Amherst) also opposed the measure, but their votes were not counted in the roll call because they "paired" their votes with absent members who voted the other way.

Under the Democratic welfare reform package, which has an estimated price tag of \$40 million, day care and other support services would be greatly expanded to welfare recipients.

Recipients would be required to either work, enroll in a job training program or educational program, perform community service, also called "workfare," or take part in a "full employment program." Under that program, the state would convert welfare grants into paychecks by subsidizing private employers who hire welfare recipients.

During the three-day debate on the bill, the Senate rejected an amendment that would have denied parents on welfare an increase in their cash grant if they have children while on welfare.

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BOSTON GLOBE

FAX NO. 6179293192

P. 05/10

# Insurer are called illogical

Some patients get treatments  
others are refused, study says

By Richard A. Knox  
GLOBE STAFF

US health insurers often deny payment for breast cancer patients seeking bone marrow transplants as their one hope of survival, while granting coverage to other women whose medical condition is indistinguishable, according to an unusual analysis published today.

In a review of 533 such cases, Duke University researchers found no pattern by which some candidates got the green light and others were turned down. Even though insurers routinely approved three of four cases, they illogically told the other one-fourth that they would not pay because the therapy is unproven.

"Of two requests to the same insurer by similar patients," Drs. William F. Peters and Mark C. Rogers report in the *New England Journal of Medicine*, "one request might well be approved and the other denied."

Of the 121 Duke University patients whose appeal for bone marrow transplant coverage was denied, half, or 62 women, got the treatment anyway, and 89 of these were able to get the insurer to reverse its decision - but often only after threatening to sue.

The outcome of bone marrow transplant was similar among both those who won routine approval and those initially denied. Forty-two percent of those who got routine approvals had complete remission of the disease, compared with 35 percent of those who faced denials. The researchers interpreted this as another sign that the insurers had no sound basis for the denials.

The effectiveness of transplants for advanced breast cancer is unclear, and studies are being done to compare the procedure to conventional treatments.

The study is the first to document a pattern previously glimpsed only through anecdotes of patients. The national crazy quilt of health insurance decisions on expensive medical treatments, observers say, involves not only \$150,000 bone

marrow transplants for cancer but also such things as long-shot infant heart transplants, new livers for alcoholics or experimental AIDS treatments.

Commentators said the study illustrates why the current capricious system of coverage decisions should be part of the national debate on health care reform.

"American physicians have increasingly felt the effects of competition" among insurers "to minimize the risks they cover and the claims they pay," Donald W. Light of the University of Medicine and Dentistry of New Jersey wrote in an editorial accompanying the new study. "However, the criteria for decisions by insurance companies have gone largely unexamined."

The situation is leading Massachusetts and other states to enact laws compelling coverage of transplants for women with advanced breast cancer.

Even insurance industry insiders say current practice is irrational, although they blame doctors for leading patients to conclude prematurely that they must have an avant-garde therapy.

The *New England Journal* includes a new, long essay by one such insurance company doctor, Stephen D. Boren of the Chicago-based CNA Insurance Co., on seven decisions he made in one day.

Boren wrote about his confusion and angst in making coverage decisions about bone marrow transplants for three breast cancer patients, a liver transplant for one patient with alcohol-induced liver disease, a heart transplant for an infant with a defective heart, and kidney transplants for two patients. He approved all but one of the breast cancer operations and one of the kidney transplants, but did not explain why.

"I do not have the answers," he wrote. "All I know is that I had a tough day today, Hillary."

Cova, the Health Insurance Association consultant, said he personally believes Congress should establish a national board to determine "what should be covered and under what circumstances." But he despaired of that possibility.

## STEFAN HALPER

Russia today is a wake-up call for the "mega-thinkers" laboring late into the night on the State Department's seventh floor, including Mr. Strobe Talbott, soon to be the deputy secretary of state. The debacle unfolding in Moscow tells us that while engineering projects, like the reconstruction of a nation, can be an object of our diplomacy, they cannot be the measure of its success. Today's complexities exceed those in 1947, for example, when Europe, supine and eager for the Marshall Plan, was spoon-fed its future by the Allied High Command.

The Russian failure, if we can call it that, is salutary. It invites us to look again at what is practical, what is doable and in our interest as the world's most powerful, but not only powerful, nation. It directs us to Lord Salisbury, the remarkable British foreign secretary who, at the turn of the century, told us the secret of the 100-year British imperium: "British foreign policy is to drift lazily downstream throwing out the occasional boat hook to avoid collision."

Today's world of regional powers and global organizations replaces both the balance of power politics of the century's first half, and the bipolar competition of the Cold War. And it is the effective use of the authority and resources of the multilateral institutions — the United Nations, the International Monetary Fund, NATO, the European Union — in support of our policy objectives that should be the prime measure of success. That is not to suggest that we avoid committing our prestige or resources to support our interests — economic, political etc. We must. But we must define our goals narrowly and clearly — erring, if necessary, on the side of too little rather than too much.

Stunned by the slow motion train wreck in Moscow, some now say maybe Russia was never ours to begin with. Indeed, Russia — 11 time zones, 100 million people, countless

## Moscow's unfolding debacle ✓

dialects, ethnic groups and factions — is not now nor ever has been ours to lose.

How did we come to think otherwise?

In its first year the Clinton administration, with loose and shifting objectives, managed to cashier our prestige through nation building adventures that were oversold for political gain. Haiti and Somalia come to mind, but Russia has been more damaging. Mr. Clinton's cheer leading and election-style campaigning on the streets of Moscow did little but caricature America's commitment to market-democracy. This display, together with the administration's pushy diplomacy and its effort to pass a multibillion-dollar Russian aid bill, somehow caused us to believe that Russia's trial was a test of our strength as an enlightened democracy. In that sense, losing Russia meant losing something of ourselves — an artificial predicament constructed by an administration that smoothly mixes ideals with objectives, and possibilities with necessities.

What to do. There are two main sets of policy objectives in the U.S.-Russia relationship. The first is to encourage Russian internal democratic and market reform. The second is to limit Russian imperialist tendencies — particularly

encroachment on Europe. (Our concerns on Russia's Central Asian and southern borders run principally to ensuring stability). The first issue is best addressed by the IMF and the World Bank, who have, together, disbursed \$1.8 billion of the \$4.1 billion promised for short-term currency stabilization. The rest will be released when Russia meets lower inflation targets previously agreed to. The Group of Seven Industrial Democracies (G-7) have also helped by providing \$6.2 billion in export credits that allows the purchase of goods and technical assistance on credit to revamp the economy. U.S. financial help, when it arrives, will support the growth of small businesses, provide training to those transitioning from the public to the private sector, and facilitate defense conversion — and, though not decisive, that is all to the good.

The second objective is best met by a NATO invitation to interested Eastern European nations to join, and a clear statement by Washington on the absolute requirement that Russia withdraw all remaining troops from Europe and the Baltics. The projection of military power by Moscow on Russia's eastern and southern borders will soon be a factor in the region's diplomacy. There is little Washington can do about it, or should so long as stability is maintained.

Meanwhile, we might consider the notion that if the Russian boat runs aground, we "throw out the occasional boat hook" but not wrap our destiny in Russia's future..

*Stefan Halper is a former White House and State Department official and a nationally syndicated columnist.*

## MONA CHAREN

# Sketching real welfare reform ✓

Charles Murray proposes the following "thought experiment": Suppose you knew that tomorrow your children would become orphans. You have the option of placing them with one of two families. The first is very poor. Your children will be poorly clothed and will even sometimes be hungry. On the other hand, the poor couple have worked hard all their lives, will make sure your children go to school and study, and will teach your children that independence is a primary value.

The other couple has never worked and is incapable of overseeing your children's education. Still, they have good clothes and plenty to eat — all provided by others.

Which couple would you choose? Most people would unhesitatingly choose the first couple — a fact that sheds interesting light on debates about reforming the welfare system. Far too much condescension has infected welfare policies to date — too much belief that some people should receive handouts because (a) they, unlike us, are incapable of making their way in the world on their own; and (b) they deserve a free ride after all of the abuse their ancestors suffered.

As Mr. Murray has pointed out in a recent Wall Street Journal piece, the rate of white illegitimacy is now rising so fast that we will soon see the emergence of a white underclass. As frightening as this is for the health of the republic, it does provide a fresh opportunity to talk honestly about welfare reform.

Surely, when we set about revising the welfare system, our aim should be to do as much for the poor as we would do for our own hypothetically orphaned children.

Mr. Murray has made a persuasive case for abolishing the entire federal

*Unless we do something to discourage people from getting on welfare in the first place, we will do little to reverse the social calamity that welfare has spawned.*

welfare system for able-bodied, working-age people. He would eliminate Aid to Families with Dependent Children, Medicaid, food stamps, unemployment insurance, worker's compensation, subsidized housing, disability insurance and the rest.

What would people do without the hammock that the social safety net has become? Well, some, probably a great many, would find jobs. Others, Mr. Murray argues, would revert back to traditional sources of help. Pregnant women would turn to their families and churches for help. Those institutions would then put pressure on young males to either marry and support their children or refrain from premarital sex. Faced with the economic consequences of sexual license, America would undergo a "desexualization" of adolescence.

It is also quite possible that the first result of such a reform would be a surge in the number of abortions. "People often conclude," Mr. Murray says, "that what is economically necessary is also morally right." Alas, such rationalization could lead not to the "desexualization" Mr. Murray hopes for but rather to an even more robust enthusiasm for abortion.

Is the point of welfare reform to force recipients to work? Mr. Murray is skeptical. Unless we do something to discourage people from getting on welfare in the first place, we will do little to reverse the social calamity that welfare has spawned.

Mr. Murray is suitably cautious about his own proposal. Understanding the law of unintended consequences better than most, he would like to see a single state experiment with such a reform before the rest of the nation adopted it. To its credit, the Clinton administration has approved each state request for waivers to experiment with welfare reform.

Pending the Murray millennium, achievable welfare reform would include ending the housing subsidy for unwed mothers. Today, having a baby is a way to get your own apartment. This is folly squared. Unwed mothers should know they will be required to live in group homes, with chores, rigid curfews, roommates and child-care classes. If a mother declines to live in such a setting but will not support herself and her child, her parental rights should be terminated. If she becomes pregnant while on welfare, her stipend should not increase.

Unwed fathers should be identified and forced to pay child support. If unemployed, they should be required to perform community service.

True welfare reform must impose real consequences for the anti-social behavior of bearing illegitimate children. Work requirements, medical coverage and job training have been tried. They failed. It's time for more stick and less carrot.

*Mona Charen is a nationally syndicated columnist.*

# RICO the White House?

PAUL CRAIG ROBERTS

## Whitewater travail

In recent days the White House must have thought it was sitting on top of the San Andreas Fault. On Jan. 27, the New York Post reported that the ambulance driver and paramedics who picked up Deputy White House Counsel Vincent Foster's body doubt that it was suicide, and their bafflement has been echoed by various law enforcement officials.

The aftershocks were even more severe. On Feb. 3, the New York Post reported that recently ousted FBI Director William Sessions charged that the investigation of Mr. Foster's death was compromised from the beginning by political operatives in the White House and Justice Department. Unidentified FBI agents have told the press that they were called in for cover but were not permitted to really investigate.

On Feb. 4, the New York Times reported that the U.S. Park Police are critical of the White House for impeding their investigation of Mr. Foster's death.

And on Feb. 9, The Washington Times reported that employees of the Rose Law Firm have said Whitewater documents were shredded by the law firm during the first week of February. A spokesperson for the law firm denies the story.

Whatever the Clintons hoped to achieve by withholding from the public the Whitewater documents and the police report on Mr. Foster's death, the result has been growing suspicions, fueled by damaging leaks and speculations, that they have much to hide.

Not even Richard Nixon dared to destroy the incriminating tapes in his possession. If special prosecutor Robert Fiske fails to thoroughly investigate the report of shredding, he will confirm New York Times columnist William Safire's surmise that he was chosen as special prosecutor for his "political malleability."

The following is a summary of the Clintons' legal problems and their maneuvers to control the law enforcement arms of the government.

It is obstruction of justice — a felony — to destroy documents relating to an investigation. If documents have been shredded as reported, a single telephone call to the Rose Law Firm from the White House or Webster Hubbell is sufficient to link the Clintons and/or the associate attorney



general to a conspiracy to destroy evidence.

Similar obstruction of justice charges could arise from the revelation that Clinton political operatives removed files from Mr. Foster's office, which should have been sealed following his death, and withheld them from investigators.

Mr. Clinton could be implicated in S&L fraud. Republican investigators for the House Banking Committee claim to have established that Madison S&L funds were diverted through the Whitewater Development Corp. to pay off a Clinton loan. This is more problematic for Mr. Clinton than instances of Madison directly diverting its funds to pay his campaign debts, because as a partner in Whitewater he cannot reasonably plead ignorance of the transaction.

Mr. Clinton could also be implicated in Small Business Administration loan fraud. David Hale, who has been indicted, says Mr. Clinton pressured him to make a \$300,000 loan to Mrs. James McDougal, a business partner of the Clintons who was not qualified for the loan. Part of this money showed up in the Whitewater account.

Various tax experts who have examined the Clintons' tax returns have concluded that deductions were taken for interest payments on loans that were paid by Whitewater Development Corp., their joint ven-

ture with the McDougals.

Mrs. Clinton has additional legal problems because of conflicts of interest while a lawyer at the Rose Law Firm. In the Madison S&L case, she represented herself and her husband's business partner, James McDougal, before a state regulatory board appointed by her husband. In an Illinois S&L case, she represented regulators in a suit against her husband's political ally and contributor, Dan Lasater.

These conflicts of interest are a legal problem for Mrs. Clinton, because it is an omission of a material fact — and, therefore, a violation of the criminal code — not to disclose such conflicts of interest to federal regulators. If she has twice omitted material facts, she also could be subject to prosecution under the RICO racketeering statute.

But don't hold your breath. The law enforcement arms of the government are being politicized in a way that would never be permitted for a Republican administration about which there were so many grounds for doubts.

Congressional Democrats refuse to conduct hearings.

Deputy Attorney General Philip Heymann, who took exception to the White House's handling of the Foster investigation, has been abruptly terminated. Speculation is that he will be replaced with Jamie Gorelick, who has close ties to the embattled lawyers in the White House.

The Resolution Trust Corp., suppos-

edly an independent federal agency empowered to make law enforcement decisions concerning the Clintons' entanglement in the Madison S&L scandal, has been without a director for a year. A Clinton executive branch appointee to the Treasury Department has been running the independent agency on an acting basis.

To complete his control over the investigative arms of the government, Mr. Clinton is pushing Ricki Tigert, his nominee to head the FDIC, through Senate confirmation, along with a plan to concentrate regulatory powers over financial institutions in her hands.

While the Whitewatergate coverup advances apace, little people are being hauled off to jail under obscure fraud and false statement provisions of the federal criminal code. People who borrowed money from family or friends to make downpayments on homes, and failed to report the loans on their mortgage applications, are being sent to prison for five years. So are real estate agents, if they had knowledge of the informal loans that facilitated home ownership.

God help America when there is one law for the strong and one law for the weak.

Paul Craig Roberts, a distinguished fellow of the Cato Institute and a former assistant secretary of the U.S. Treasury, is a columnist for The Washington Times and is nationally syndicated.

# The votes and the will to reform the welfare system

By David Caprara

Residents and Congresses have been talking about reforming welfare for over a quarter-century, without actually changing a system that has crushed the spirits and extinguished the hopes of generations of Americans. President Clinton, though, has a unique opportunity to be the first president in generations to achieve results that match his rhetoric. That is, if he pays attention to and supports a growing bipartisan grassroots movement to wipe out the dependency culture.

When Sen. Daniel P. Moynihan said our nation doesn't have a health care crisis, but rather a welfare crisis, he was echoing the thoughts of individuals throughout this country who know firsthand the devastating social effects of welfare dependency. No one wants welfare reform more than the people whose communities and neighborhoods have been blighted with decline and despair. They are

David Caprara is president of the Empowerment Network Foundation, which is based in Alexandria.

demanding change, and politicians of both parties are beginning to listen.

The pieces are in place to assemble a NAFTA-style bipartisan coalition to change the welfare system. Empowerment of welfare-dependent individuals is a goal that crosses party and ideological lines. That point was illustrated recently when Democratic and Republican members of the Congressional Empowerment Caucus, The Empowerment Network, the Progressive Policy Institute and leading grass-roots organizations held a briefing and press conference to discuss an emerging coalition to achieve meaningful welfare reform.

The White House and Congress would do well to listen to some of the ideas that have brought this coalition together. Today's welfare-dependent citizens will be empowered to take control of their own destinies if our national decision makers embrace the following ingredients in this bipartisan prescription:

■ Restore the bedrock of two-parent families. No empowerment initiative will have its intended effect if it doesn't have as its primary focus the restoration of intact, nurturing families. The federal government

should follow the lead of private citizens like Charles A. Bellard, who founded the National Institute for Responsible Fatherhood and Family Development. Using education, intervention and one-on-one counseling, the organization has been successful in helping hundreds of unwed fathers become more involved in the lives of their children as positive role models.

In advocating welfare reform, our leaders can't be afraid to talk about underpinning values. The president must use his bully pulpit to aggressively, passionately affirm the importance of two-parent families and to promote reform that strengthens family structures.

Irene Johnson, president of a Chicago public housing, resident-managed corporation, defined the essence of welfare reform best when she said, "Money is not the issue. Instead a vanishing national moral fiber and absent fatherhood is at the heart of the problem." Welfare reform must begin with repairing our moral fiber.

■ Build up assets to build better lives. Agriculture Secretary Mike Espy, who administers the nation's food stamp program, has been an enthusiastic champion of Washington Univer-

sity Prof. Miles Sherraden's precepts in his groundbreaking work, "Assets and the Poor." Mr. Sherraden argues correctly that the focus of welfare reform should be shifted from income and consumption to savings, investment and asset accumulation. Poor people, he says, will gain economically, socially and psychologically by accumulating a stake in the system.

Measures that should be adopted include, for example, substantially raising the asset and savings limits for AFDC and Food Stamp recipients to enable these individuals to save money for education, first-time home-ownership and business formation.

The concept works. Ask Bill Tate, an Alexandria resident who got off the AFDC rolls by using the Empowerment Network Foundation's Center for Economic Enterprise business incubator program to help generate assets to start her own family-based child-care business. The Clinton administration and Congress have started to embrace this very American idea that brighter futures can best be built on a strong foundation of assets and savings.

■ Fan the flames of revolution in the states. The best empowerment ideas are coming from America's states and communities, and the best decision the Clinton administration can make is to encourage these grassroots initiatives by rapidly expediting and expanding federal welfare authority for state and local reform programs. President Clinton will make his worst mistake if he listens to those in his own administration who believe effective welfare reform consists of higher spending and new bureaucracies.

States should be given great latitude by USDA, HHS and other federal agencies in finding more effective uses for Food Stamps, AFDC funds and other monies. Oregon has created a model with its Full Employment Program (FEP) that is being replicated by other states. Under FEP, with funds that would normally be used for AFDC and Food Stamps benefits, the state supplements wages for welfare recipients hired by private firms. This is even better than the popular "two years and out" reform approach, because it enables welfare recipients to immediately replace their disappearing dependency with a fulfilling working life.

Oregon's plan is part of a revolution

that is being waged outside of Washington. Other states, including Michigan, Iowa, Florida, Wisconsin, New Jersey, Virginia and Massachusetts, are moving forward with their own reform plans. Allowing states this latitude is essential. As Texas governor Ann Richards said recently, "until they [the federal government] get their boot off the neck of the states, not much is going to happen. But if they free us up to create systems within the states, we can solve this welfare problem."

Welfare reform is a whole different ball game today than it has been for the past quarter century. As Bob Woodson of the National Center for Neighborhood Enterprise put it, "a moral and spiritual St. Helens" is erupting from inner-city neighborhoods striving to reclaim their streets and their futures.

If President Clinton arranges his priorities accordingly and puts this state-based welfare reform revolution on the front burner, he can succeed where his predecessors did not in breaking welfare's devastating hold on millions of Americans and in leaving his mark on history and in neighborhoods and communities throughout this nation.

Most American citizens thought 1993 would be the "year of reform" in Congress. To drive the message home, voters sent 114 new faces to the House of Representatives to improve the way Congress conducts its business. But 1993 yielded little reform.

Now, early in 1994, those reform-minded freshmen have the opportunity to fish or cut bait on reform. As early as March, the House will take up the pallid recommendations of the temporary reform panel, known as the Joint Committee on the Organization of Congress.

This committee, which was formed over a year ago amidst House bank and post office scandals, was charged with seeking improvements in the operation of the House and Senate. Unlike most committees in Congress, it was comprised with complete fairness in mind. It was bicameral — with 14 members from the House and 14 from the Senate — and composed equally of Democrat and Republican members.

Over the course of the year, the committee heard hours of testimony

## Auspicious chance for Hill's freshmen

from hundreds of current and former members of Congress, journalists, and other congressional scholars on what bold and sweeping changes were needed to improve how Congress conducts its business. Many reform-minded freshmen, both Democrat and Republican, have already supported various bold proposals to get at the obvious problems that plague the Congress. For instance:

- The present committee structure is an inefficient, ineffective tangle. The House and Senate do not have coordinated structures. In each, jurisdiction over legislation is shared by so many committees competing for political "turf," that issues of national priority can become bogged in gridlock.
- The chaotic scheduling system

now forces members of Congress to race back and forth from one hearing to another, often interrupted to go to the floor for votes, then back to committee hearings or meetings with constituents. Using "proxy" votes, members don't even have to be present when major decisions are made in committee.

- One result of the helter skelter on Capitol Hill is that Congress frequently fails to adequately follow up on, or oversee, effects of legislation. A painful example was the savings-and-loan debacle.

- There should be more turnover among committee chairman. At present, chairmen exercise far too much power over the shaping of legislation. Committee staff, unelected and entrenched, hold too much power, as well.

- (The committee discovered that more than 80 committee staff members received salaries above \$110,000 a year. That's more than Gen. Colin Powell made as chairman of the Joint Chiefs of Staff.)

- Too many public-policy decisions are made behind closed doors. (House Resolution 237, The "Sunshine bill," would force virtually all committee action decisions to be made in open session.)

- For democracy to work effectively, there's need for more thoughtful deliberation of issues and for the voice of the minority to be heard.

Congress has become a place where debate is often stifled by rules that endow the majority party with overwhelming power. Minority Republicans and reform-minded Democrats are often prevented from offering amendments or alternative ideas.

That unnecessarily inflames and raises the level of rancor in the House.

In late November came the moment for the Joint Committee's decisions. In a series of party-line

votes, House Democrats thwarted significant reforms. Primarily cosmetic changes were recommended.

- There was no bold reform of the committee system, no change in the overlapping jurisdictions of committees that contribute to gridlock. (As one example, more than 40 committees and subcommittees will continue to claim jurisdiction over surface transportation.)

- There was refusal to require computerized scheduling, to avoid conflicts of meetings. There was refusal to have the House adopt the Senate schedule — three weeks of work per month, with a full week to spend with citizens in the home district.

- There was broad committee agreement on a two-year budget-appropriations cycle, rather than the present one-year cycle. That can afford better oversight of programs.

The final report of the Joint Committee, drawing public criticism for the mostly pale, pastel changes it recommends, is on the action agenda now that the House has reconvened.

Clearly, powerful committee chairmen, and other senior members of the majority party have a stake in preserving the status quo and will continue to attempt to thwart any effort to bring real change to our legislative process. Republicans (especially the freshmen among them) have led the reform charge since they owe no fealty either to the White House or Democratic committee chairmen.

This leaves only one hope for reform: the Democratic freshmen.

Stuck between the rock of their campaign promises and the hard position presented by leaders of their party who prefer the status quo, Democratic freshmen will be on the spot. But there is evidence that many of them will rise to the occasion. Many of them privately express great frustration with the lack of reform in 1993. Many have assured me that they will support open meetings, bans on proxy voting and other bold reforms anathema to senior Democrats.

Should the Democratic freshmen take up the cause and join with their Republican counterparts as they did when the veil of secrecy was lifted from the discharge petition, we may yet achieve the significant improvements in the operations of Congress largely disdained by their senior colleagues. Then, regardless of which party controls the House, Congress will be the better for our efforts.

*Jennifer Dunn is a Republican member of the House from Washington.*

# Governors Pledge Consensus on Welfare

## *Some Republicans Worry That Clinton's Plan Will Force States to Fund Public Works Jobs*

By William Claiborne and Dan Baiz  
Washington Post Staff Writers

The nation's governors yesterday vowed to reach a bipartisan consensus among themselves on welfare reform and to work closely with the Clinton administration in drafting a bill. But some of them voiced concern about the cost of providing jobs to welfare recipients forced off public assistance after a transitional period.

California Gov. Pete Wilson (R), expressing a viewpoint held by a number of Republican governors, said he is worried that President Clinton's proposal for a two-year time limit on welfare payments could result in "enormous cost to us and to taxpayers" because thousands of community service jobs would have to be created for recipients.

Estimating that such costs would reach \$432 million in his state in 1997 and nearly double that the following fiscal year, Wilson told a meeting of the National Governors' Association's human resources committee. "That is not a welcome development."

Similarly, Michigan Gov. John Engler (R) said in an interview a number of governors are fearful that the costs of public sector job creation under a welfare reform plan would be shifted to the states as another "unfunded mandate."

"I don't see us going back to a massive public works program," Engler said, referring to programs created in the 1960s and 1970s.

Ohio Gov. George V. Voinovich (R) also expressed reservations about large public works costs, saying, "The whole concept is not going to work unless you get a strong

commitment from the private sector that they are going to help us provide jobs."

Responding for the administration, Mary Jo Bane, assistant secretary of health and human services, said a White House task force

on welfare reform is drafting a proposal on the basis of "deficit neutrality," meaning that it would be financed with savings from other programs.

Bane, who is co-chairman of the White House task force, said time-limited welfare would be phased in to "accommodate cost constraints." The administration does not want to "face the prospect none of us wants to face, which is a large number of public sector jobs," she said.

The governors also called on Washington to relieve them of the growing financial burden of illegal immigration, saying they are being forced to deny aid to U.S. citizens so they can assist undocumented workers.

In separate actions taken at the winter meeting of the association, the governors urged the federal government to pick up the full costs of education, health care and incarceration for undocumented workers and their children.

California's Wilson, asserting that illegal immigration is costing his state \$2.3 billion a year, said, "It is causing the denial of services to legal residents. That is not only wrong but unfair."

The NGA executive committee unanimously approved a resolution calling on Clinton and Congress "to recognize the federal government's sole responsibility in immigration policy by repealing all current federal mandates that require that state and local funds be used to provide health care and other public services to undocumented individuals." A separate committee urged similar action for education and prison costs associated with illegal immigration.

Wilson said he and a delegation of governors from several states, including Florida, New York, Texas, Illinois, New Jersey and Arizona, will meet with Office of Management and Budget Director Leon E. Panetta this week to plead their case for reimbursement.

The governors also broadened their objections to unfunded federal

mandates that include environmental rules. They tentatively agreed to call on Washington to provide federal funds for new environmental requirements on the states and cities. They said when the federal government cannot supply the money, states should be given flexibility to carry out the regulations as they see fit.

MORE . . .

# Governors Pledge

CONTINUED...

They also called for federal cost-benefit analysis to help set priorities on environmental regulations.

"We can't do it all and all at once," said Nevada Gov. Robert J. Miller (D). "If there is no money, let the states carry out the policies based on our own priorities."

There were reports that behind the scenes administration officials had opposed the resolution, but a White House official denied that.

Idaho Gov. Cecil D. Andrus (D) said governors are concerned that "the internal bureaucrats at the Environmental Protection Agency" would resist the new policy statement, but he said the administration did not formally oppose it.

Sen. Max Baucus (D-Mont.), chairman of the Senate Environment and Public Works Committee, said the governors' message is beginning to get through on Capitol Hill.

He said legislation mandating environmental cleanups is a legacy of the 1980s, when Congress believed the Reagan administration in particular paid too little attention to environmental issues. But he added, "Let's not swing too far back" in the other direction of using risk-assessment and cost-benefit analyses to avoid action.

Utah Gov. Mike Leavitt (R) warned, however, that among the business community, governors and local officials, there is a measure of resentment so powerful that "it's like a dry field ready to be set off." He said despite some indications that the Senate is growing more receptive to the governors' concerns, the House remains a problem.

# Ending cycle of welfare hangs on the bottom line ✓

By William M. Welch  
USA TODAY

Reforming welfare is a popular idea — one that has even more public support than overhauling the health-care system, in some polls.

But will support remain high once a price tag is put on President Clinton's proposal?

That's the big question about welfare reform — and the main reason why, for all his speeches about the idea, Clinton hasn't unveiled a plan or even mentioned it in the new budget.

White House officials hope to put together a plan that would cost \$5 billion to \$7 billion a year, with the promise of savings down the road.

But others say the cost of providing jobs and other support could be two to three times larger. And they warn eventual savings are unlikely.

"Everyone, even its proponents, agrees that welfare reform will cost taxpayers a lot, in its initial stages," says Doug Besharov of the conservative American Enterprise Institute. "The debate is over whether it will save money in the long term."

The heart of Clinton's proposal is to make welfare a transition rather than a way of life. Benefits would be limited to two years.

If recipients don't find a private-sector job in that time, the government would provide some sort of community-service work — even if only to earn their welfare benefits at minimum wage.

In return, the government would have to pay for education, training, child care, transportation and other costly services.

"Creating a system that provides needed education and training services, and then requires work, will cost much more than the existing welfare system," says Mark Greenberg of the Center for Law and Social Policy, a liberal research group.

House Republicans have their own reform bill, which adopts the two-year time limit and imposes tough penalties for those who won't work.

They acknowledge the high cost, estimating their bill at \$5.5 billion a year by 1996, \$20 billion over five years. They propose to pay for it by cutting other aid to the poor

“  
Everyone, even its proponents, agrees that welfare reform will cost taxpayers a lot, in its initial stages. The debate is over whether it will save money in the long term.  
”

— Doug Besharov, analyst at the American Enterprise Institute

and halting welfare benefits to legal non-citizens.

The non-partisan Congressional Budget Office, in preliminary estimates, says the GOP plan could cost \$11.5 billion a year by 1999 — and costs would continue to grow after the year 2000.

A precise cost estimate on Clinton's plan can't be made without specifics. Besharov says it could be between \$10 billion and \$20 billion a year.

Administration officials say their proposal will pay for itself with cuts in other programs for the poor. They too are eyeing a cut-off of benefits for immigrants.

Two key factors determine the cost of welfare reform:

▶ How many people will be unable to find a job after two years on welfare.

▶ The cost of placing each in subsidized work.

The administration hopes only 600,000 people will need government-provided work. Others say 1 million is a modest estimate. Greenberg says 1.5 million.

The White House is fighting suggestions that the number could be even higher. A Health and Human Services Department internal estimate put the number at 2.3 million.

That is a staggering figure that would require a jobs program on the scale not seen since the Great Depression.

Nearly 5 million families are on welfare, most headed by single mothers. The administration expects many will be exempt from work requirements, maybe 1.2 million, because they have young children.

It hopes even more will find jobs on their own, be scared away by the requirement of work, or get off welfare voluntarily once health-reform assures continued medical coverage.

The CBO estimates it will

cost at least \$6,300 a person to place a welfare recipient in a government-subsidized job.

More than half of that, \$3,300, is administrative — finding, creating and supervising the jobs, and providing transportation. The other \$3,000 is for child care.

That total doesn't even cover the cost of the welfare payments, which approach \$5,000. If the recipients are put in community jobs, those payments would continue.

"So your unit (family) costs go to \$11,300, and you haven't gotten her off welfare," says Besharov.

If recipients are given jobs that permit them to earn more than their welfare benefits, the difference in benefits and wages would be

added cost.

And that doesn't even take into account other government expenses not counted in the welfare bill — food stamps, health care, child nutrition, housing subsidies and heating assistance, for instance. Nor does it account for any subsidies to employers to hire welfare recipients.

There's still another potential cost: An intensive job-training program and other benefits could have the perverse effect of making welfare more attractive and adding to the rolls.

For all that, public dislike for the welfare system may be so intense people will pay to see change.

A CBS News-New York Times poll in January found a clear majority, 61%, said they would be willing to pay higher taxes to provide training and public service jobs to get people off welfare.

"The issue is not so much a money issue as a values issue," says Democratic pollster Mark Mellman. "When people talk about reform, they want a system that rewards work and encourages work, rather than one that encourages not working."

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# Injection of cash prescribed for 'epidemic of crime'

By Sam Vincent Meddis  
USA TODAY

From local police to drug specialists, early reviews of the Clinton administration's plan to boost federal anti-crime spending are positive.

A wait-and-see attitude remains about how much money will filter down to local officials, and whether they or the federal government will decide how it's spent.

But there's little doubt that the plan — which would increase the Justice Department's budget by a hefty 24% — will help step up the attack on "the epidemic of crime in America," says Louisville Mayor Jerry Abramson.

In the 1995 spending plan unveiled Monday, the Justice Department's budget would soar to \$13.6 billion, and the nation's anti-drug budget would rise 9%, to \$13.2 billion.

Abramson, president of the U.S. Conference of Mayors,

says both plans reflect Clinton's promise when he met with mayors in December.

Eugene Cromartie of the International Association of Chiefs of Police says state and local control of some anti-crime programs might be significantly reduced by the budget's call to eliminate a \$375-million project for law enforcement aid to localities.

The loss of that program — which pays for victim assistance services, school anti-drug activities and special police task forces — could be offset by a \$2.4 billion crime control fund in the Justice budget.

So far, however, it's unclear how much control the federal government would retain, says Cromartie.

Other reaction to the 1995 anti-crime budget:

► **Drugs:** A request for \$355 million to provide treatment services for hard-core addicts is "wonderful news," says Michael Gimbel, Baltimore Coun-

ty drug abuse director.

But much of the funding might be wasted on administrative expenses "which is what's happened in the past," Gimbel says. "We haven't seen an extra penny in years."

► **Schools:** A plan to spend \$660 million to help create safe and drug-free schools is welcomed, but there's no guarantee crime will be cut unless the money is spent wisely, says Peter Blauvelt of the National Association of School Safety and Law Enforcement Officers.

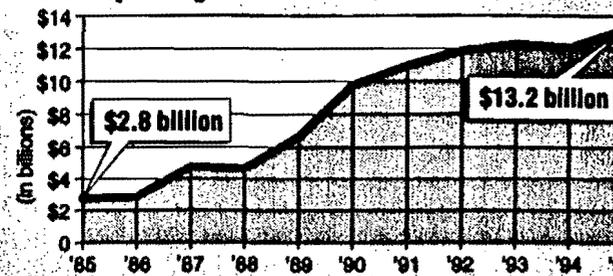
► **Police:** A \$1.7 billion fund to help state and local governments hire 50,000 police and expand community policing programs is part of what law enforcement authorities have been calling for "all along," says Trenton, N.J., Police Chief Ernest Williams.

"With the number of police we have, we definitely can't control the factors that lead to crime," he says. "We're at the bottom now ... just strapped."

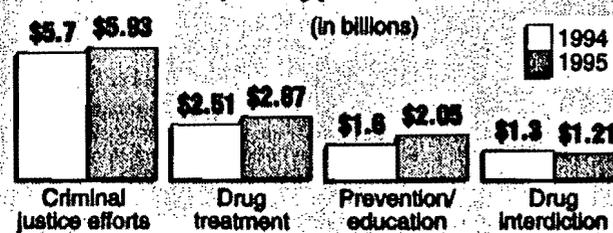
## Boost sought in drug war

After a cut this year, the Clinton administration is proposing an 8.6% increase in efforts to control illegal drugs in 1995.

### Annual spending



### Shifts in various spending priorities



Source: Justice Department

By Stephen Conley, USA TODAY

# Democrats ready for GOP budget assault

By William M. Welch  
USA TODAY

Congressional Republicans found President Clinton's budget proposal a frustrating target for attack Tuesday as administration officials began selling the plan on Capitol Hill.

Senate Republicans produced an overnight analysis that calls the fiscal 1995 budget unveiled Monday "a masterful but beguiling document."

Their chief argument: that Clinton's budget cuts don't bite as much as he claims.

"It is purposefully designed to portray a fiscally frugal administration, while at the same time hiding an expansive government," the Republican staff of the Senate Budget Committee concluded.

But Clinton's top financial and economic officials went before House

and Senate budget committees loaded for a firefight with GOP critics.

In the House, Treasury Secretary Lloyd Bentsen took on his chief Republican questioner, Rep. John Kasich of Ohio, by reading Kasich's words at a similar hearing last year. Kasich, the ranking Republican on the panel, had predicted the Clinton administration's tax increases last year would lead to a higher deficit.

"That's what you said, and Mr. Kasich, you were just wrong," Bentsen said, pointing to projections the deficit in 1995 will decline for a third straight year, to \$176 billion.

Democrats in the Senate had similar responses ready.

They pointed to a comment last summer by Sen. Larry Pressler, R-S.D., about the Clinton tax plan: "This plan would not reduce our annual deficit below \$200 billion."

Kasich acknowledged his projection had been off the mark. But he said the Clinton administration had benefited from lower interest rates. "You try to take credit for lower rates," Kasich said.

Other Republicans also voiced frustration at the Clinton administration's ability to point to declining deficits and generally good economic news. Some questioned just how much credit Clinton can rightfully claim.

"I listen to what you say and it sounds like 'Morning in America' again," said Rep. Jim Kolbe, R-Ariz., recalling Ronald Reagan's good-times re-election theme of 1984.

"You must be economic Superman and Superwoman," Kolbe said, indicating Bentsen and deputy budget director Alice Rivlin, seated beside him.

Bentsen reflected Clinton's claim that the budget makes difficult choices and sets long-needed priorities. "This is a tough budget. There's a lot of pain in it. There's going to be some blood on the floor" when it goes before Congress, Bentsen said.

Rivlin called the plan "unique" because domestic spending exclusive of entitlements does not rise.

Bentsen also tried to disarm critics by pointing out Clinton's budget incorporates two-thirds of the cuts proposed last year by Kasich in a futile bid for more reductions.

Kasich pointed out that Bentsen and Clinton had opposed him then. "I think you're going to have a lot of trouble pushing these cuts because your own party is going to fight you on this," Kasich said.

► Budget illusion, 11A

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# CETA memories color the debate

By William M. Welch  
USA TODAY

Rep. Fred Grandy, R-Iowa, was an actor on television's *The Love Boat* when he first saw the federal government's big jobs program of the 1970s.

"It was a great scam for out-of-work actors," says Grandy, recalling how unemployed friends found work through the Comprehensive Employment Training Act.

CETA, as it is remembered not so fondly, was abolished in the early 1980s after weaving a trail of fraud, mismanagement, political abuse and make-work waste.

It is cited today in the debate over welfare reform, as Congress faces the prospect of creating hundreds of

thousands of low-paying government jobs for people who can't find private work after the two-year benefit limit President Clinton proposes.

Critics, like Grandy, say CETA is a model for "all the things not to replicate" in a jobs program.

But there are big differences between what Clinton envisions and CETA.

The program was run by the Labor Department to provide jobs for the unemployed. CETA employed more than 750,000 at its peak, at a cost of \$4 billion. Many were wel-



GRANDY: 'Sour reaction' to a huge jobs program

comed by city governments; only in its latter stages did CETA's focus shift to the poor on welfare.

But the comparison is inevitable. Clinton's welfare plan may require at least a half-million government jobs. Some say 1 million to 2.3 million will be needed.

"That is hugely expensive — more than twice as big as CETA," says Richard Nathan of the Rockefeller Institute of Government in Albany, N.Y.

Yet CETA has its boosters, a decade after its demise. "CETA did, in fact, work," says Rep. Harold Ford, D-Tenn., head of the House subcommittee that will handle welfare reform. "I'd like to revisit CETA."

Ford wants a more ambitious jobs program paying twice the minimum wage — far more costly than anything Clinton is considering.

Gary Burtless of the Brookings Institution was a Labor Department economist during the Carter administration. He says CETA's reputation isn't deserved.

"I think it is unfair," he says. "The CETA program did appear to improve the later job-market success of the people who passed through it."

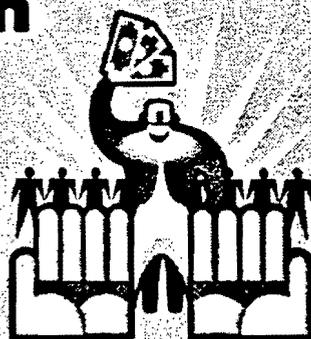
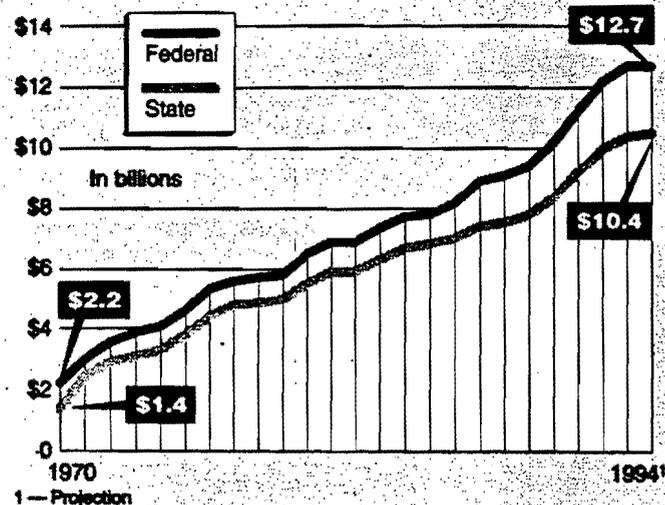
But others such as Grandy say welfare-reform plans should concentrate on encouraging and subsidizing private-sector jobs. "I have a sour reaction to an enormous public works project," Grandy says.

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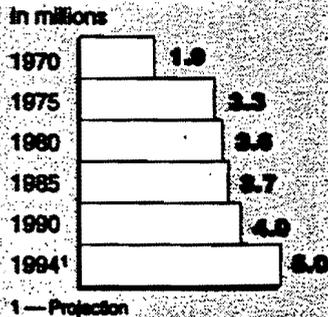
## How welfare has grown

President Clinton, in his State of the Union address, pushed Congress to reform the nation's welfare system. The cost and growth of the nation's main assistance program, Aid to Families with Dependent Children, which is funded partly by states and partly by the federal government:

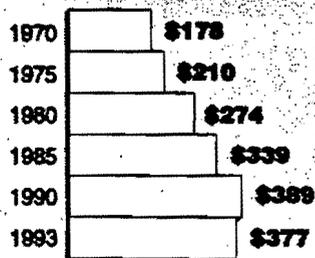
### Federal/state spending on AFDC benefits



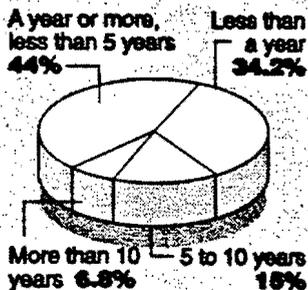
### Families on AFDC



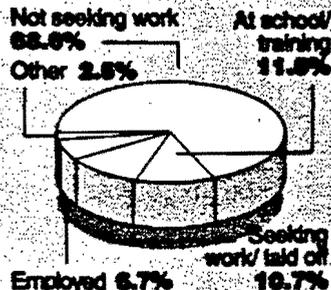
### Average monthly family benefits



### Most families on AFDC for less than five years



### Most AFDC household heads not seeking work



Source: Department of Health and Human Services; Congressional Research Service

By Marty Baumann, USA TODAY

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# Combat troops to stay in Somalia until 'very last'

By Steve Komarow  
USA TODAY

The chairman of the Joint Chiefs of Staff said Tuesday a large number of U.S. troops will be kept in Somalia until just before their March 31 exit deadline to ensure their own safety.

"We are experiencing a continuing high level of lawlessness" in the capital of Mogadishu, Gen. John Shalikashvili told the Senate Armed Services Committee. "We have to be particularly watchful that this doesn't get out of hand as we get closer and closer to withdrawing."



AP  
**SHALIKASHVILI:**  
'Have to be watchful'

Shalikashvili also alluded to the threat posed by anti-aircraft weapons believed to be in the hands of the warring Somalia militias, although he didn't explicitly say what they might be.

"We have directed that all major troop transports out of Mogadishu from now on go by ship instead of plane so we don't have to face the tragedy of an airplane full of our soldiers being shot down," he said.

"But," he said, "my main concern is to see that ... Mogadishu itself doesn't disintegrate into chaos, because that would make the withdrawal that much more difficult."



By Sayyid Azim, AP

**TAKING POSITION:** A Somali National Alliance gunman walks a Mogadishu street Tuesday. Lawlessness still plagues the war-torn capital.

The problems in Somalia, and especially the prospects of U.S. involvement in the war in the former Yugoslavia, nearly overshadowed the purpose of Tuesday's hearing: President Clinton's new military budget.

Sen. Robert Byrd, D-W.Va., chairman of the Senate Appropriations Committee, expressed his growing impatience with U.S. troops and dollars going toward what he called U.N. "adventurism."

"Are we going to be continually presented with emergency (budget) requests to finance foreign military actions under the auspices of the United Nations?" he asked Defense Secretary William Perry.

Perry said there were two other options: saying "no" when the world community calls for U.S. participation, or having the U.S. military carry out such operations on its own.

"And that would cost even more," he said.

# House likely to OK special counsel bill

By Leslie Phillips  
USA TODAY

The House today is expected to approve a bill requiring court-appointed, independent counsels to investigate wrongdoing among high government officials.

The measure would revive a 1978 law passed in response to the Watergate scandal.

The law expired last year and was not in place when questions arose about President and Mrs. Clinton's Arkansas real estate deals.

Under political pressure, Attorney General Janet Reno appointed special counsel Robert Fiske to investigate.

Fiske's integrity is unchallenged. But he's account-

able to the attorney general. Some have argued his findings, no matter what they are, will be subject to conflict of interest charges.

"People have more confidence in the result" of an independent counsel investigation, says Rep. Henry Hyde, R-Ill., because the counsel is accountable only to the courts.

The Clintons' problems have lent momentum to the bill, especially among some of the 84 Republicans who voted against

the last reauthorization in 1987 and then blocked renewal in 1992.

The GOP was livid over the Iran-contra investigation conducted by Lawrence Walsh.

Republicans said, during the course of his seven-year, \$37 million probe, Walsh lived extravagantly at the Watergate Hotel and leased expensive offices instead of less costly government space. And they took



AP  
**WALSH:** Iran-contra probe took 7 years

particular umbrage at the indictment of former secretary of Defense Casper Weinberger.

Independent counsels have been appointed for 13 separate investigations, at a total cost of about \$55 million to U.S. taxpayers.

GOP objections to the bill were based on "intrusion on executive power, when it was their president," says Wake Forest University politics professor Katy Harriger. "They're singing another tune now."

The new proposal, however, contains controls such as requiring quarterly financial statements and annual audits.

Hyde will offer a proposal requiring the counsel to seek funding every two years. And Rep. George Gekas, R-Pa., wants Congress to be covered.

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# Welfare As We Need It

By Theda Skocpol  
and William Julius Wilson

**P**resident Clinton has eloquently renewed his promise to "end welfare as we know it." Now, as his aides hammer out legislation to keep that promise, he needs to insist on policies that truly further the widely shared values he laid out in his State of the Union Message: work and parental responsibility.

What it will take is clear. Jobs must be available to all adults who can work, and they must have wages, benefits and protections that are suitable for families. Policies must require and enable parents to devote time and money to the care of children. These things can be done without huge amounts of new public resources.

The Administration wants states to turn welfare offices into "transitional" centers for training and job placement. Since most poor men and women want to work, they will welcome this change. We urge the President to make the commitment to work ironclad by helping local governments create public jobs when private-sector jobs are lacking.

But in making the shift toward work rather than welfare, the Administration needs to make two fundamental breaks with past policies.

First, work should be defined to include parental time spent with children. The President's call for responsible parenthood cannot be realized with the policies his planners are

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Jobs for all, but  
flexible ones.  
And a payroll tax  
for child support.

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contemplating, because they are based on an unrealistic and unfair premise — that impoverished single mothers should be required to do full-time wage-work rather than to combine part-time employment with care for children, as many more privileged American mothers still do.

Second, it would be a mistake to leave in place the unwieldy and inefficient state-by-state system of collecting child support from absent parents (mostly divorced or unwed fathers). "Deadbeat dads" owe \$34 billion a year in uncollected child support. If this money were efficiently collected and delivered to custodial parents, the economic security of America's children would be vastly improved.

This is not a welfare issue so much as a matter of preventing poverty in the first place. One in two children will grow up at least part of the time in a single-parent family, and such families are likely to fall into poverty.

What we need is a national system of child support assurance that works

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*Theda Skocpol, professor of sociology at Harvard, is author, most recently, of "Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States." William Julius Wilson, professor of sociology and public policy at the University of Chicago, is author of a forthcoming book on race and the new urban poverty.*

automatically, and without the stigma attached to the current system. Both parents must be identified by their Social Security numbers at the birth of each child. Later, if a divorce occurs or if a parent is otherwise absent, then he (or more rarely, she) would be liable for a tax, depending on the number of children involved.

Child support would be collected like Social Security and other payroll taxes. If the noncustodial parent's income goes up, he automatically pays more; if it goes down, he pays less. No parent could move out of state to avoid such a national tax. Efficient child support enforcement would make it unattractive for men to father and abandon multiple families, so this system might well encourage stable marriages.

As with Social Security, there would be a minimum child support benefit if the absent parent's tax payment went down too far. It could be set at about the level of a half-time minimum-wage job.

This would be very different from welfare. A divorced or unwed mother could not live on the minimum benefit; she would have to work at least half time. If she chose to work more, she and her child would get ahead, because the minimum benefit would not be taken away.

But suppose the mother decided to spend part of each day with her children. This could be vital for a poor family in a tough neighborhood. After all, it is exactly such single mothers who most need time to visit school, meet with other parents in voluntary organizations or be at home when the child returns from school. Poor families and neighborhoods need both the discipline of work and the time to build social networks and cohesion.

Since its inception, the terrible flaw in the U.S. welfare system has been its failure to support efforts to combine employment and child-rearing. Back in the 1910's, "mothers' pensions" sought to keep impoverished mothers out of the wage labor force and entirely at home with their children (although they were never given enough money actually to live that way). It would be a shame, in the 1990's, to go in an equally unrealistic way to the opposite extreme, forcing poor mothers into full-time low-wage jobs. This is not the right ideal for public policy to uphold.

Part-time jobs combined with child support would also be less costly than finding full-time jobs for millions of current welfare recipients.

**T**o be sure, the Administration is promoting measures to help poor families. A big step was taken last summer with the expansion of the earned-income tax credit. Wisely, the Administration now wants to pay this wage supplement throughout the year, so families can count on it as regular income. It also wants to expand child-care subsidies for working parents.

Health insurance is equally crucial. As a Chicago welfare mother who wants to "go out there and get a job" put it: "I don't like being on public aid right now. But without a medical card, what do I do when my kids get sick?" If the Clinton forces lose in Congress to proponents of the upper-middle-class-oriented Cooper plan, then many low-wage workers will be left uninsured and it will be hard for parents to move off welfare. For the sake of welfare reform as well as economic efficiency, the President's promise to veto any bill that falls short of universal coverage is wise.

Let's use this round of policy

changes to say to all American fathers and mothers: "You must support your children through a combination of work and time spent with them." Government will help working families. If marriages fail, public policies will enforce and sustain responsibility for both parents — without pretending that single mothers can be expected to carry the burdens of two parents at once. □

THE NEW YORK TIMES, WEDNESDAY, FEBRUARY 9, 1994

# Haitian Business Leaders Pressing Army to Yield

By HOWARD W. FRENCH  
Special to The New York Times

PORT-AU-PRINCE, Haiti, Feb. 8 — Under mounting pressure from an international embargo on oil supplies, Haitian business leaders have begun drafting demands for the country's military leaders to step down and for the exiled President, the Rev. Jean-Bertrand Aristide, to form a new government.

The Chamber of Commerce, one of Haiti's most conservative business groups, this week began debating a resolution calling for army leaders to make way for a political transition or

face a campaign of civil disobedience. Two other business associations are putting the finishing touches on calls for the actors in Haiti's long-running political crisis to take immediate steps to end a diplomatic impasse that has devastated the country's economy and helped spread malnutrition in the countryside. Banks are unable to supply cash to even their best clients and many businesses face collapse.

One of the groups, the Association of Haitian Industrialists, said that it would call for Father Aristide to name a new, broadly based government and support passage of an amnesty law. The group said that Haiti's military

leaders would be asked to accept the nomination of a new commander and to support internationally backed army reforms.

Haiti's divided Parliament would be asked to vote a law separating the police from the army, ratify a new Prime Minister and approve an amnesty covering soldiers and officers involved in the coup against Father Aristide in September 1991.

## 'At the End of the Line'

Economic sanctions were reimposed on Haiti in October. Asked why the business groups had chosen to act now, after months of silence, Georges Leger,

a lawyer and former diplomat who has served as a consultant to the Chamber of Commerce, said: "They are at the end of the line. Whether they close now or in two weeks they have decided to go out with some panache."

The deliberations by the business groups reflect the further isolation of military leaders, who are widely perceived here to be profiteering from the crisis through contraband while the country collapses around them.

There have been increasing reports of divisions among army leaders over the strategy to be adopted in seeking to end the political crisis. Diplomats say that one possible reflection of rising anxiety among the military is a recent campaign of terror that has killed many presumed youthful supporters of Father Aristide in the capital's slums.

Referring to the army, a member of

the Haitian industrialist group said that by making a strong statement now, his group was "hoping that if President Aristide does what he is asked to do, it will place the pressure squarely on the shoulders of sectors that are holding out here."

## Consultations in Washington

Father Aristide is now consulting in Washington with Haitian political leaders, including some who in the past have strongly opposed his return. Many of those who traveled to Washington to meet with him are hopeful he will name a new Prime Minister and signal his clear support for an amnesty, thus restarting diplomatic efforts to reach a political settlement that would bring about his return to office.

While Haiti's business leaders seem in agreement over the need for the

military to withdraw from politics and accept the first steps of a negotiated settlement reached between Father Aristide and the army commander, Lieut. Gen. Raoul Cédras, in New York last July, it is not clear that all of the associations would go so far as to support the President's actual return.

"We want to do whatever we have to do to get the sanctions lifted, with the assumption that nobody, including the Administration in Washington, wants Aristide back," said a participant in the Chamber of Commerce debate.

But a member of the industrialists' group said that more and more business leaders were abandoning "dream" solutions. "It is clear what we have to do to get out of this crisis," the businessman said. "Aristide will have to come back, and the army is going to have to change."

# U.S. Calls Japanese Economic Stimulus Insufficient

By THOMAS L. FRIEDMAN

The Clinton Administration gave a cool reception yesterday to the Japanese Government's economic stimulus program, saying it was probably too short in duration to produce the increase in Japanese purchases of American goods needed to shrink Japan's huge trade surplus with the United States.

The downbeat American response to the Japanese tax cuts, coupled with the lack of progress in the negotiations between Japan and the Clinton Administration for opening certain Japanese markets, is making it increasingly likely that the summit meeting on Friday in Washington between President Clinton and the Japanese Prime Minister, Morihiro Hosokawa, is going to be confrontational.

American officials are still hoping for a last-minute compromise by Japan, but so far there is no sign of that, as Mr. Hosokawa's Government is engulfed in political turmoil.

## Trying to Placate Washington

It was partly in an effort to have something to take to Washington to placate the Americans that Mr. Hosokawa put together a \$140 billion package of temporary tax cuts and public works programs, intended to lift Japan out of its two-year-old recession and help shrink its huge trade surplus by stimulating Japanese consumer purchases.

To get the package through his Parliament, Mr. Hosokawa had to make concessions to opponents of the tax cuts by agreeing that the 20 percent income tax reduction at the heart of his

plan would be for only one year.

"I am concerned that it is only for one year," Treasury Secretary Lloyd Bentsen said in a telephone interview. Because it is only for one year, he added, it leaves the prospect for a long-term stimulus "indefinite."

Mr. Bentsen said the American experience had been that "when people see a short-term stimulus they usually save rather than spend," and that therefore there was no long-term change in buying habits or real, sustainable surge in imports.

Both are essential if Japan's \$50 billion trade surplus with the United States is to be reduced.

By his public reaction, Mr. Bentsen seems to be trying to send the Japanese a last-minute signal that if this is all Prime Minister Hosokawa can take to Washington for his meeting with President Clinton, this summit meeting may be in trouble.

## Six Months of Negotiations

Mr. Hosokawa is going to Washington to review the last six months of negotiations between the Clinton Administration and Japan, which have been aimed at shrinking Japan's trade surplus with the United States.

The Japanese stimulus package is half of what the United States was looking for from Tokyo. The other half was concrete Japanese agreements to open their markets in the areas of automobiles and auto parts and Government procurement of medical equipment, telecommunications and insurance.

Progress in these market access talks has been virtually nonexistent, or

as Mr. Bentsen put it, "I don't see a breakthrough happening yet." He said that where the Japanese Government could really decide to make a breakthrough quickly, if it wanted, was in Government procurement, but that so far there had been little movement.

Clinton Administration officials say that they believe they are in a win-win situation when it comes to the summit meeting: either Mr. Hosokawa will make some last-minute concessions

## Clinton wants Tokyo to shrink its trade surplus.

and Mr. Clinton will be able to hold up the results as a victory, or the President will take a publicly very harsh line with the Japanese, which officials believe will play well with the American people.

For that strategy to pay off in the long run, though, Mr. Clinton needs some unilateral means to open Japanese markets, and it is not at all clear that he has such weapons in his trade arsenal.

Mr. Hosokawa's stimulus plan, the fourth economic rescue operation the Japanese Government has mounted in the last two years, is the largest ever proposed in Japan.

It includes a nearly \$55 billion one-time income tax rebate and unusual

plans to revive the battered Japanese real estate market, where prices have tumbled more than 50 percent in the last four years. It also provides for helping commercial banks manage a mountain of bad loans left over from the reckless boom of the 1980's.

But several key compromises watered down the plan. Because the 20 percent income tax reduction will be for just one year, the plan will do less than many analysts in Japan had hoped to lift the economy out of recession.

The governing Hosokawa coalition decided not to extend the reduction for additional years because it could not agree on how to finance it. The Socialists, the largest party in the coalition, have proposed issuing Government bonds, while conservatives have insisted that some other source of revenue must be found to avoid an increase in the Government's budget deficits.

Economists in Tokyo have said the new plan should make the difference between the Japanese economy's shrinking again this year or posting modest growth of 1 percent or less.

The chaotic process of compiling the huge stimulus package, and the inter-cine fighting over its contents, took a heavy toll on Mr. Hosokawa's once-sparkling reputation.

His coalition partners objected to the fact that Mr. Hosokawa had initially proposed an income tax cut, and then a big increase in the national sales tax after a three-year delay to cover the loss in revenues. An embarrassed Mr. Hosokawa said today, "I apologize for giving the impression that the tax proposal was hastily put together."

THE NEW YORK TIMES, WEDNESDAY, FEBRUARY 9, 1994

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# Working to Make Welfare a Chore ✓

By DOUGLAS J. BESHAROV

The nation is in the midst of yet another effort to reform the welfare system. But this time, after 30 years of denial, almost everyone now agrees that real reform requires doing something about out-of-wedlock births, especially among teenagers. And, for a change, there might be real money to spend. While welfare reform is not in the budget unveiled earlier this week, both Democrats and Republicans are talking about \$6 billion to \$10 billion a year for such a program, even under today's tight budget constraints.

Unfortunately, though, the president's welfare planners are seeking to use job training and public service jobs to make poorly educated unwed mothers self-sufficient, which won't work. Instead, training and work mandates should be used as tools to discourage out-of-wedlock births in the first place.

The problem has grown too large to ignore, as Charles Murray and others have noted on this page. In 1991, about 30% of American births were out of wedlock, reflecting a steady increase from 1960, when this figure was only 5%. Unwed mothers now head half the families on welfare, double the proportion in 1970. They average almost 10 years on welfare, twice as long as divorced mothers, thus swelling the ranks of long-term welfare dependents.

What to do? President Clinton would give all recipients up to two years of job training and education. But even the best job training programs have had little success in reducing welfare rolls. Five percent reductions—not nearly enough to “end welfare as we know it,” Bill Clinton's much-repeated campaign pledge—are considered major accomplishments.

This is why Mr. Clinton also proposes to time-limit welfare benefits. He says that if, after two years, a welfare mother does not get a job, she should be placed in a public service job. The job is supposed to give her work experience and to serve as an incentive to get off welfare, since she will have to work anyway.

The evidence, however, suggests that work requirements do not reduce caseloads, at least not immediately. The Manpower Demonstration Research Corp. (MDRC) recently reviewed the mandatory work programs in West Virginia; Cook County, Ill.; and in two sites in San Diego, Calif. In no site did the work requirement reduce welfare payments.

Why do most single mothers stay on welfare, even after they are forced to work for their benefits? Their “welfare jobs” may be better than anything they can get in the real world of work; they are probably less demanding than actual jobs; and there is little chance of being laid off or fired. Moreover, especially in areas of high unemployment, there may be no other jobs available for poorly educated women with little work experience.

Recognizing these realities, and to save money, the president's welfare reform working group is now suggesting that Mr. Clinton's proposed public service requirement be watered down. This would be a mistake. In fact, work requirements

should be applied much earlier in the welfare careers of young, unwed mothers.

Surgeon General Joycelyn Elders often cites a 1988 survey in which 87% of unwed teen mothers said that their babies' births were “intended.” But this includes 63% who said that the birth was “mistimed.” And when clinicians ask the more telling question, whether having a baby would disrupt their lives—that is, whether it would be inconvenient—few say “yes.” For example, in 1990, Laurie Zabin of the Johns Hopkins School of Public Health and Hygiene surveyed pregnant, inner-city black teens; only 31% said that they “be-

*Making illegitimacy more inconvenient is the key to reducing out-of-wedlock births.*

lieved a baby would present a problem.” Making illegitimacy more inconvenient, what economists would call raising its opportunity cost, is the key to reducing out-of-wedlock births.

Increasing the life prospects of disadvantaged teens is surely the best way to raise the opportunity costs of having a baby out of wedlock. A good education and real job opportunities are the best contraceptives. Nevertheless, different welfare policies could have a real impact. The ultimate “inconvenience,” of course, would be to deny welfare benefits altogether. But there is a less drastic way: Impose an unequivocal requirement to finish high school and then to work.

From almost the first day that a young, unwed mother goes on welfare, she should be engaged in mandatory skill-building activities. The first priority should be that she finish high school, or at least demonstrate basic proficiency in math and reading. After that, if she is unable to find work, she should be assigned to a public service job, as the president promised.

The political pressure from unions, especially, will be for these public service positions to be “real jobs” at “decent wages.” This would raise costs to prohibitive levels and make recipients even less likely to leave the rolls. Instead, the focus should be on activities that are appropriate for inexperienced young women.

Examples of such activities were described by MDRC's Thomas Brock, who studied the four mandatory work programs mentioned above as well as six others. The activities “did not teach new skills, but neither were they ‘make work.’ Most were entry-level clerical positions or janitorial/maintenance jobs,” such as office aides and receptionists for a community nonprofit agency, mail clerks for city agencies, assistants in day-care programs for children or handicapped adults, helpers in public works departments sweeping and repairing streets, and gardening in city parks. And, although the work requirement did not immediately reduce caseloads, the value of the services rendered together with other savings ex-

ceeded the program's cost to taxpayers in three of the four sites.

Despite the real value of the services provided, such a program would be very expensive. But because of its prophylactic purpose, the work requirement could be applied to new applicants only. The long phase-in period would sharply lower initial costs—and allow modifications in program rules and administration based on what is learned during the first stages of implementation.

One hopes that such activities raise the skills and, therefore, the employability of current recipients. The fundamental purpose of mandated work, however, should be to raise the inconvenience level of being on welfare by requiring these young women to be someplace—doing something constructive—every day. The object would be to discourage their younger sisters and friends from thinking that a life on welfare is an attractive option. Strengthened child-support enforcement would increase the inconvenience level for their boyfriends who got them pregnant, but describing how to achieve that end is a complicated subject for another day.

*Mr. Besharov is a scholar at the American Enterprise Institute in Washington and a visiting professor of public policy at the University of Maryland.*

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Editorial and Corporate Headquarters:  
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# Still Too Easy

By ALLAN H. MELTZER

Early this week the market acted as if the Fed had slain inflation with its Friday quarter-point increase in the interest rate. But before we pronounce inflation dead after a single stroke of the Fed sword, three cautionary notes are in order.

The first is that we must remember that the same bond market and the same forecasters who are now pooh-poohing inflation were telling a different tale early last year. In general, neither the bond market nor the economists forecast accurately. Long-term interest rates did not anticipate the inflation of the 1970s or the disinflation of the 1980s. Interest rates remained below the inflation rate during much of the 1970s, and at 11% or 12% in 1984 or 1985 after inflation had fallen to about 4%.

It is not that the forecasters are incompetent. It is that the factors driving price changes over short spans have a large random component. Indeed, the recent volatility of long-term interest rates shows that bondholders, properly, have little confidence in forecasts of continued low inflation.

Second, inflation is not like an acute appendix that we remove once-and-for-all with an interest-rate shift. Inflation slowed several times in the past 30 years. In 1986 consumer prices rose only 1.1%, but by 1988 prices were rising at 4.5%. In 1976 inflation fell to 4.9%, but it was back in double digits by 1979. President Nixon's price controls held reported inflation below 3.5% in 1971-72. Two years later, inflation was above 12%. In each of these periods, and others, Federal Reserve policy was too expansive. Last week's Fed action was a small, belated step in the right direction. But it was not enough.

## Commodity Prices

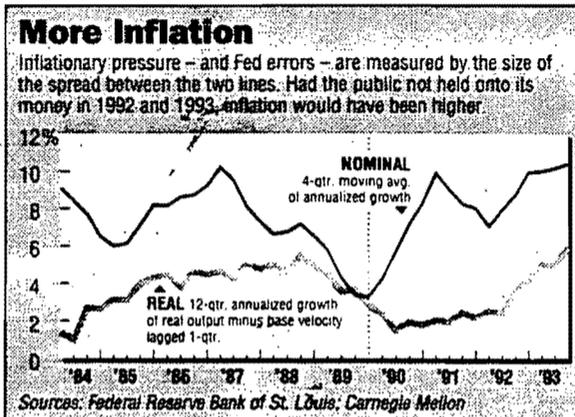
There is a third indicator that inflation still threatens. It is the fact that growth of the monetary base—bank reserves and currency supplied by the Federal Reserve—has remained at a high 9%-10% for the past two years. Such rates, in economists' language, represent "rapid money growth" or the seeds of classic inflation. Some argue this growth doesn't matter because much of the money is absorbed in the former Soviet Union, Africa and parts of Latin America, where dollars circulate widely.

But it is not just currency growth that is worrisome. Bank reserves have been rising rapidly and money—currency and demand deposits—shows similar rates of increase for the past two years. Put in simple language, these rates mean that Americans have money to spend and may spend it soon, building inflation. Each of these measures tells us that the necessary condition for rising inflation is in place.

Already, some commodity prices are whispering that higher inflation is ahead. In the past year, oil prices were down al-

most 25%. But Dow Jones futures prices rose 15%, and the spot index of current commodity prices started to rise.

A useful rule of thumb is that it takes two to three years of classic "rapid money growth" before inflation starts to rise. As in many forecasts of short-term changes, the direction of change is more certain than its timing. There are, however, only two outcomes possible for the U.S. economy if money continues to grow at or near the 10% rate of recent years. Either people will willingly make relatively large additions to their cash balances, or they will spend the money on goods and services.



It's the latter possibility—faster spending growth—that makes bondholders nervous about inflation.

Through most of last year, spending grew slowly. The public absorbed excess money growth by increasing its cash balances. Some investors bought stocks, bonds and mutual funds, pushing bond prices down and stock prices up. The sellers of these stocks and bonds did not rush to spend the money they received in exchange, so average cash balances increased. If the public repeats that behavior this year, the rise in inflation will again be delayed. If they spend more rapidly, inflation will rise.

Federal Reserve policy is inconsistent with this situation and the current inflation rate. A 0.25% increase in the federal funds rate does not remove the inconsistency. In an economy like ours, where output grows at an average rate of 2% to 3%, inflation cannot remain at 3% if money grows at 10%. To gauge how much inflation we should expect, we can compare growth of the nominal monetary base, which the Federal Reserve produces, with growth of the public's willingness to hold base money, shown by growth of real (or "deflated") base money.

The chart shows these data. Entirely as a matter of arithmetic, the difference between the two lines would be the actual rate of inflation if both nominal and real base were measured for the same (one- or three-year) period. The difference between the two lines is the steady or "equilibrium" rate of inflation.

When the Fed reaches its goal of inflation at 0%-2%, the distance between the two

lines is no more than two percentage points.

Near the end of 1993, the difference between the two lines—the equilibrium rate of inflation—was 4.5 percentage points. It has remained between 4.5 and 5.5 percentage points since early 1992. This is also the inflation rate that the public anticipated over the next 10 years in surveys taken by the University of Michigan early last year. Although the actual rate of inflation has remained below the equilibrium rate, the equilibrium rate has not been reduced. The public's willingness to add to its cash balances—shown by the growth of real base money—has held inflation down.

Of course, divergent movements of the actual and equilibrium rates are not unusual. Generally, the actual rate moves toward the equilibrium rate in two or three years. The chart shows that from mid-1986 to the end of 1987, the equilibrium inflation rate was 4% to 5%; the actual rate reached this range in 1989-90. Despite the oil price increase at the start of the Gulf War, inflation fell in 1991. The reason is that the equilibrium rate of inflation had been brought down to less than 3% by tighter monetary policy—slower base growth in 1989-90.

Last year, the Fed raised its forecasts of inflation, but took no action to reduce inflation. It failed to tighten money. This suggests that the members do not take their promises seriously. The Fed may lower its projections this year, but it is actions—not promises—that matter.

## Germany and New Zealand

The actions have been so slow in coming as to be imprudent. The current Fed is still behind the curve. One reason is that it places great weight on such lagging cyclical indicators as monthly changes in unemployment and inflation. Effective monetary policy does not require such careful control of timing. The low-cost way to maintain growth with low inflation is to lower money growth before inflation starts to rise.

Before Friday's belated move, a prudent policy would have slowed growth of the monetary base (or bank reserves) to an annual rate of 7% to 8% no later than last year. It may be too late to lock in all of the recent reductions in the inflation rate, but it will certainly be too late if the Fed continues its hesitant policy.

Several foreign central banks—England, Germany, New Zealand—have now adopted long-term price stability as their primary or only goal. They set targets to reduce inflation gradually over two or three years. At last week's meeting, the Fed set the projections for inflation and growth that it will announce at congressional hearings later this month. If it takes its announced goal of ending inflation seriously, it should tell us how and when it proposes to get there.

Mr. Meltzer is a professor of political economy at Carnegie Mellon University.

# Welfare reform hinges on jobs

## Putting plan to work could cost billions

By William M. Welch  
USA TODAY

Reforming welfare is going to cost money, and the Clinton administration is reluctant to put a price tag on its plans.

But an internal administration memo suggests that 2.3 million people may need government-created jobs, if Clinton's proposal to put a two-year time limit on welfare benefits is enacted.

That number is four times higher than administration officials anticipated, and it could mean a massive jobs program that would add billions to the cost of welfare reform.

White House domestic policy adviser Gene Sperling disputed the estimate Sunday, calling it "nonsense."

"A far more realistic estimate would be in the 500,000 to 800,000 range," Sperling says.

The estimate, from a Department of Health and Human Services document, was called "irrelevant and misleading" by HHS spokeswoman Melissa Skolfield on Sunday. She said it doesn't take into account health-care reform and other policy changes.

But the number of people who won't find jobs after being pushed off welfare is critical to the total cost of welfare reform. The higher estimate suggests far fewer people may find private-sector jobs than the White House had hoped.

Congressional analysts peg the cost of providing a public job at \$6,300 a year, including other benefits. Providing 1 million jobs, the minimum number many reform advocates predict, thus could cost more than \$6 billion a year. Providing 2.3 million jobs would drive the cost over \$14 billion.

A jobs program on that scale would be larger than any since the Great Depression.

Clinton has proposed limiting welfare benefits to two years, while spending more on job training, education and child care to move people into jobs. Yet most acknowledge there may also have to be a government jobs program for those who can't find work when the time limit is up.

Administration officials won't put a price on Clinton's welfare reform plan but say they hope to pay for it by cutting other programs for the poor. Other welfare experts doubt that can be done.

Clinton has yet to make many decisions, such as who would be exempt from the time limit. He has promised Congress a bill by spring. Top White House officials are just starting to put together a financing plan.

"It's really too early to make those kinds of predictions," Skolfield says. "So much of the policy is undecided."

Nearly 5 million families receive Aid to Families with Dependent Children, the main federal-state welfare program. Officials calculate that of the 5 million adults, 1.2 million or more wouldn't be required to work because of a disability or because they must care for young or disabled children.

The administration believes more will be taken off the welfare rolls because health-care reform will assure them coverage without relying on Medicaid. They hope still more will find private jobs.

The public service jobs are expected to pay only the minimum wage. To encourage welfare recipients to seek private-sector jobs, the White House is considering a plan that would rule people in government-sector jobs ineligible for the earned income tax credit.

## Food stamp program to begin anew

By Jane Schmucker  
USA TODAY

A revamped food stamp program begins today for Los Angeles earthquake victims, even as they cope with more damaged roads and homes from Saturday's 5.0 aftershock.

Food stamp distribution was shut down Sunday so federal authorities could implement anti-fraud safeguards.

Agents seized thousands of dollars in cash and food stamps and arrested five people Saturday for trafficking in stamps for quake victims.

"We have some people who are taking advantage of the system, a system designed to help hungry men, women and children," said Bill Ludwig of the U.S. Department of Agriculture. USDA has distributed \$13.8 million in food vouchers to 75,000 applicants. Also:

► Commuters this morning should find some relief in a 3-mile detour that opened Saturday around the collapsed Interstate 5 freeway in Santa Clarita. The route can handle 50% of the normal traffic along the main artery linking southern California with Sacramento and San Francisco.

► As many as 30% of earthquake-damaged buildings may have been wrongly tagged as safe or unsafe due to hurried inspections, said building inspector Russell Lane.

► The Los Angeles City Council this week will consider emergency resolutions for building permits and stricter building codes. One proposal requires retrofitting all unreinforced masonry buildings, including single-family homes.

► Counselors are stepping up efforts to calm frazzled residents. "Now there's rumors that 5.0 was the precursor to the 'Big One,'" said psychiatric nurse Barbara Kilgore. "Even people who were pretty well put together are starting to come unhinged."

# Clinton courts ex-colleagues

By Maria Puente  
USA TODAY

WASHINGTON — The nation's governors are getting a strong dose of presidential persuasion on issues like health care, welfare reform and crime.

But the governors, at their annual meeting here, are meeting the assurances with some stiff talk of their own — reiterating complaints about mandates imposed on the states without the money to pay for them.

"If it's a good idea, then pay for it, and if you can't afford it, then relieve us of the mandate," said California Gov. Pete Wilson, a Republican.

On Sunday, President Clinton opened his talks with a Super Bowl party for the governors at the White House.

He holds more meetings today, then addresses the National Governors Association meeting Tuesday.

A former Arkansas governor who used the association as a platform to launch his presidential ambitions, Clinton is trying to enlist his former colleagues as allies for his legislative agenda.

He had some success in lining up support for most of his welfare reform and crime proposals — especially since his proposals are

similar to those governors of both parties have been pushing for years.

But on health care, even Democratic governors said they want leeway from Washington to experiment with their own reforms.

Still, the governors remained united against unfunded federal mandates.

They want Washington to pay the cost of illegal immigrants, for instance, and to stop imposing new laws without providing cash to pay for them — like the law that requires all city water systems be monitored for a herbicide used on pineapples grown only in Hawaii.

Several governors said states would not be able to afford the president's welfare reform plan if finding jobs for welfare recipients was an absolute precondition to limiting benefits to two years.

They have reason to hope that Clinton, as a former governor, will be more sensitive to the problem than his predecessors.

"We've never had anyone in the White House who served 12 years as a governor and been part of the NGA leadership," said Oregon Gov. Barbara Roberts, a Democrat. "He comes to the presidency with a better understanding of the issues" states have to deal with.

# Governors want to set their own health-care agenda

From wire reports

Impatient with Washington's health-care reform calendar, the nation's governors are asking for more leeway to launch their own reforms.

But many governors predict Congress will rebuff them.

"I don't have any great confidence when it comes to Congress that they will act quickly or prudently," said Wisconsin Gov. Tommy Thompson, a Republican.

In particular, the states want flexibility to experiment with Medicaid and authority to tax and regulate health benefits offered by large employers.

Republican governors are seeking even more changes, reflecting their opposition to major pieces of President Clinton's health-reform proposal: mandatory employer-paid insurance and powerful regional health care co-operatives.

"There's a lot of frustration and anger about this health-care plan," said Thompson.

That's likely to come out in the next couple of days as Clinton meets with the governors. Tuesday, he speaks to them about health-care reform.

But one dispute that has cut across party lines — whether

the nation's health-care system is in a "crisis" — seemed to evaporate over the weekend.

Senate Minority Leader Robert Dole, R-Kan., said he wants to shift the focus: "I think we're making too much over whether this is a crisis or a serious problem."

South Carolina Gov. Carroll Campbell, a Republican who chairs the governors association, said, "There is a fiscal crisis, and there is a crisis for those people that don't have access to care. But there's no crisis for everybody else."

In the president's party, even Daniel Patrick Moynihan, D-N.Y. — head of the Senate Finance Committee, who has been jousting with Clinton over the relative importance of welfare reform and health reform — backed off his declaration that there is "no health-care crisis in America."

"American medicine is the best medicine on earth, (but) our insurance system is klutzy and complex and inadequate and incomplete," he said. "There is an insurance crisis."

He predicted his panel would approve a health bill "by spring," then take up welfare.

► Clinton seeks allies, 8A

# Dems search for unity in a year of challenges

By Leslie Phillips  
USA TODAY

PINEY POINT, Md. — As Congress hunkers down for a year that could demonstrate or destroy Democratic claims to national leadership, House chieftains worry about holding party unity through a thicket of divisive legislative details.

Democrats agree the nation's health-care system needs reform, welfare programs need reworking and violent crime needs to be controlled.

But no one believes the disparate ideas of the Democratic Party, from Black Caucus members to conservative Southerners, will make those endeavors easier when it

comes to writing laws.

"The president has articulated a broad vision the majority of the caucus agrees on," says Democratic Conference Chairman Rep. Steny Hoyer, D-Md. "That doesn't mean there's agreement on the specifics. It's not going to be easy."

At a two-day retreat here, pollsters and political analysts reminded members they must put aside differences and produce solutions if they are to avoid disastrous losses in November's midterm elections.

Some members of the Congressional Black Caucus are already fretting their constituents will be sacrificed in the quest for middle ground.

Welfare reform and crime



“  
The president has articulated a broad vision. . . . That doesn't mean there's agreement on the specifics. It's not going to be easy.  
”  
— Rep. Steny Hoyer, D-Md.

fighting are traditionally conservative initiatives, with strong appeal to the white, middle-class swing voters Clinton sought during his campaign.

"There's the danger we'll move into neglect of the inner-

city, powerless people," says Rep. Major Owens, D-N.Y.

Of particular concern is Clinton's promise in the State of the Union to eliminate 100 domestic programs and trim 300 more, sparking fear that job

training and vocational education programs are on the list.

Liberals "will have to fight to make sure we're not lost in the shuffle," says Rep. Walter Tucker, D-Calif.

If Clinton is to succeed, he must span concerns of the left and right wings, as he promised on a crime bill which incorporates tough mandatory sentences and drug treatment for inmates.

But Congress can't fund everything in a tight budget.

And that's where the balancing act begins. "The public wants us to pass legislation," says Rep. Barbara Kennelly, D-Conn. "If we all have our own way, we won't. So everybody has to give something."

# Governors Pledge Consensus on Welfare

*Some Republicans Worry That Clinton's Plan Will Force States to Fund Public Works Jobs*

By William Claiborne and Dan Balz  
Washington Post Staff Writers

The nation's governors yesterday vowed to reach a bipartisan consensus among themselves on welfare reform and to work closely with the Clinton administration in drafting a bill. But some of them voiced concern about the cost of providing jobs to welfare recipients forced off public assistance after a transitional period.

California Gov. Pete Wilson (R), expressing a viewpoint held by a number of Republican governors, said he is worried that Clinton's proposal for a two-year time limit on welfare payments could result in "enormous cost to us and to taxpayers" because thousands of community service jobs would have to be created for recipients.

Estimating that such costs would reach \$432 million in his state in 1997 and nearly double that the following fiscal year, Wilson told a meeting of the National Governors' Association's human resources committee, "That is not a welcome development."

Similarly, Michigan Gov. John Engler (R) said in an interview a number of governors are fearful that the costs of public sector job creation under a welfare reform plan would be shifted to the states as another "unfunded mandate."

"I don't see us going back to a massive public works program," Engler said, referring to programs created in the 1960s and 1970s.

Ohio Gov. George V. Voinovich (R) also expressed reservations about large public works costs, saying, "The whole concept is not going to work unless you get a strong commitment from the private sector that they are going to help us provide jobs."

Responding for the administration, Mary Jo Bane, assistant secretary of health and human services, said a White House task force on welfare reform is drafting a pro-



GOV. PETE WILSON

... estimates huge costs for California

posal on the basis of "deficit neutrality," meaning that it would be financed with savings from other programs.

Bane, who is co-chairman of the White House task force, said time-limited welfare would be phased in to "accommodate cost constraints." The administration does not want to "face the prospect none of us wants to face, which is a large number of public sector jobs," she said.

The governors also called on Washington to relieve them of the growing financial burden of illegal immigration, saying they are being forced to deny aid to U.S. citizens so they can assist undocumented workers.

In separate actions taken at the winter meeting of the association, the governors urged the federal government to pick up the full costs of education, health care and incarceration for undocumented workers and their children.

California's Wilson, asserting that illegal immigration is costing his



GOV. ROBERT J. MILLER

... favors wiggle room on federal rules

state \$2.3 billion a year, said, "It is causing the denial of services to legal residents. That is not only wrong but unfair."

The NGA executive committee unanimously approved a resolution calling on President Clinton and Congress "to recognize the federal government's sole responsibility in immigration policy by repealing all current federal mandates that require that state and local funds be used to provide health care and other public services to undocumented individuals." A separate committee urged similar action for education and prison costs associated with illegal immigration.

Wilson said he and a delegation of governors from several states, including Florida, New York, Texas, Illinois, New Jersey and Arizona, will meet with Office of Management and Budget Director Leon E. Panetta this week to plead their case for reimbursement.

The governors also broadened their objections to unfunded federal

mandates that include environmental rules. They tentatively agreed to call on Washington to provide federal funds for new environmental requirements on the states and cities. They said when the federal government cannot supply the money, states should be given flexibility to carry out the regulations as they see fit.

They also called for federal cost-benefit analysis to help set priorities on environmental regulations.

"We can't do it all and all at once," said Nevada Gov. Robert J. Miller (D). "If there is no money, let the states carry out the policies based on our own priorities."

There were reports that behind the scenes administration officials had opposed the resolution, but a White House official denied that.

Idaho Gov. Cecil D. Andrus (D) said governors are concerned that "the internal bureaucrats at the Environmental Protection Agency" would resist the new policy statement, but he said the administration did not formally oppose it.

Sen. Max Baucus (D-Mont.), chairman of the Senate Environment and Public Works Committee, said the governors' message is beginning to get through on Capitol Hill.

He said legislation mandating environmental cleanups is a legacy of the 1980s, when Congress believed the Reagan administration in particular paid too little attention to environmental issues. But he added, "Let's not swing too far back" in the other direction of using risk-assessment and cost-benefit analyses to avoid action.

Utah Gov. Mike Leavitt (R) warned, however, that among the business community, governors and local officials, there is a measure of resentment so powerful that "it's like a dry field ready to be set off." He said despite some indications that the Senate is growing more receptive to the governors' concerns, the House remains a problem.

# Peña's Local-Politics Skills Evident in Quake Cleanup

By Don Phillips  
Washington Post Staff Writer

LOS ANGELES—Back in Washington, Transportation Secretary Federico Peña has never really been comfortable with the cumbersome processes of the federal government. He openly chafes at the time it takes to get anything done.

One of the last Cabinet members to be picked, Peña was never a "friend of Bill" like Labor Secretary Robert B. Reich and others who are close to President Clinton. On political pundits' "influential" lists he often ranks near the bottom.

But Peña is in his element here. A former mayor of Denver whose strengths include an intimate knowledge of how local government works, Peña has scored points in Southern California with politicians Democratic and Republican.

He was labeled a "hero" at a Senate hearing last week. California's two senators joined in the praise, with Sen. Dianne Feinstein (D) telling him, "If I had to rank you on a scale of 1 to 10, I would give you a 10 on this disaster."

The one-two Hispanic combo of Peña and Housing and Urban Development Secretary Henry Cisneros, both fluent in Spanish and both good on the stump, has left some Republicans worried that maybe there is more to the administration's agenda than just cleaning up the quake.

"This is your hardball politics," said one aide last week. "This is Political Science 101. Maybe the fight for California's electoral votes started . . . Monday," Jan. 17, the day of the quake.

The skills that allow Peña to thrive here are the flip side of what frustrates him in Washington. Here, he can cut red tape, make quick decisions and invent the rules as he goes.

From the afternoon of the quake when he was the first Cabinet member on the scene, Peña has been a guy on the go: offering suggestions, cutting red tape, approving major projects on the spot, bringing factions together.

Within 12 hours of the quake, the Transportation Department had approved the first contract to clear away debris from a freeway interchange, and a contractor was on the scene with heavy equipment.

Before dawn one morning, Peña dropped into the City Hall crisis center with a suggestion: If commuters will be backed up in terminal traffic jams, why not give them transit advertisements to read?

"I thought it was a neat idea," said Jerry B. Baxter, director of District 7 of the California

Transportation Department (Caltrans). Now auto-bound Angelinos fretting their way downtown from northside homes face signs trumpeting ride-sharing and commuter train schedules.

On the Wednesday after the quake, Peña, viewing the scene from a helicopter at a destroyed freeway interchange, expressed concern that only part of the damage was being cleared away. At a meeting the next day, he asked local officials if they needed more money or workers to expand the job, only to be told that he was ahead of the engineers who had not yet determined what needed to be torn down.

Part of Peña's local popularity is his ebullient personal style, which several officials contrasted with former transportation secretary Samuel K. Skinner, who oversaw cleanup of the 1989 Loma Prieta earthquake.

Skinner came to help, but was often surrounded by attentive aides and always wore a suit. Peña projects a more easygoing, anti-bureaucratic image.

According to interviews with state and city politicians and transportation officials, Peña became what one called a "forceful facilitator," bringing factions together, getting them to agree on a "coherent" plan—which Mayor Richard Riordan (R) announced last week—to repair freeways and promote transit and ride-sharing, and sweeping aside federal red tape.

Transportation has traditionally generated turf wars in California, not just between highway and mass transit advocates, but between state and local agencies and within agencies.

"He has been good at getting the state, the city and the county together in a way that seems almost effortless," said Riordan, who credited Peña with facilitating the difficult process of getting everyone to work together.

As a former mayor, Peña believed that Riordan should head the transportation recovery effort—even though the two had recently clashed. Riordan had planned to siphon landing fees from Los Angeles International Airport to fund city needs such as adding police.

On Jan. 19, Peña and Riordan discussed recovery strategy at a private dinner, but their plan to have Riordan in charge was threatened at a later meeting when Caltrans appeared to be asserting control.

Peña did not protest during the meeting, sources said. But immediately afterward, he called Riordan aside and suggested they see Gov. Pete Wilson (R) right away.

"He just said, 'Let's do it now,'" Riordan said.

They called Wilson out of a Cabinet meeting. Within a half hour, Wilson agreed that Riordan should lead the recovery and promised to smooth things over with Caltrans.

JANUARY 3, 1994

# WHAT WORKS

During the 1992 campaign, Bill Clinton did not just promise to "end welfare as we know it." That faux-radical phrase could mean almost anything. Clinton promised much more. He said he wanted to "break the permanent culture of dependence which embraces 20 to 25 percent of those on public assistance." To this end, he offered a specific plan: after two years on welfare, "those who can work will have to go to work, either by taking a job in the private sector or through community service."

Much of the promise of Clintonism is bound up in this proposal. It signaled that, finally, a Democrat was ready to confront America's most pressing social problem—the mainly black, mainly urban, underclass. Clinton's plan combined conservative hardheadedness with a liberal commitment to government activism. And its scope seemed to match the task at hand. Clinton talks a bit too easily about changing "culture," but it's hard to see how his plan wouldn't dramatically alter life in the ghetto. Young girls would know that if they made the disastrous decision to become unwed mothers, they would not be supported indefinitely by government checks. They might then begin to make better choices—postponing childbirth, getting married, joining the labor force.

Clinton will soon decide what his welfare legislation will actually look like. Republicans are smugly predicting that paleoliberal interest groups such as the Children's Defense Fund will pick apart any plan. We are more optimistic. The politics of welfare—especially the mood of elite opinion—has shifted significantly over the past decade. In 1984 Charles Murray was vilified for arguing that welfare sustains the underclass. Now his views are cited respectfully by anchor-men (and by Clinton). Only a few days ago Wisconsin decided to withdraw from the federal welfare system and create its own public relief program by 1999.

That isn't to say Clinton can't blow this opportunity for reform. The tentative proposals of his welfare task force, as leaked to *The New York Times*, suggest three trouble spots. The first, and most obvious, is the possibility that Clinton will weaken his pledge that after two years "those who are able must go to work"—for example, by expanding the definition of people deemed "unable" to work, or exempting large numbers of recipients enrolled in training programs. Will there be a seri-

ous penalty for refusing to work? Current law authorizes only a relatively small reduction in benefits (\$40 a month in Arkansas, out of \$496 in monthly benefits). Clinton could also undermine his plan by failing to finance it. Most everyone agrees it is unfair to make welfare mothers work unless they are offered day care for their children. But day care is expensive. If the government doesn't spend the money, the work requirement can't be enforced.

The second mistake, then, would be to spend too little. If, as the leaked documents suggest, Clinton is insisting on a "deficit neutral" plan, the result could be disastrous. Under any serious two-years-and-work scheme—even one with mild sanctions—*some* mothers who fail to work will wind up on the streets. A responsible plan must anticipate this, offering food, shelter, counseling for the mothers and, if necessary, humane (and costly) orphanages for their children.

Finally, there is the question of what sorts of jobs welfare recipients will have to take. Private-sector jobs are preferable, of course, and the Clintonites are hatching all sorts of schemes to subsidize private positions. The track record of such schemes is dismal, however. Even if they are wildly successful, hundreds of thousands of welfare recipients will eventually hit the two-year "wall" without finding private employment. They will need public jobs performing public services. If Clinton resists creating such WPA-style jobs because they are expensive, because they seem too "Old Democrat" or because public employee unions fear the competition, his plan will fail.



Revealingly, the radicalization of the public on the welfare issue is mirrored in the changing arguments made *against* sweeping reform. Opponents of "getting tough" used to claim that requiring work was gratuitous. Recipients wanted to work, we were told. The problem was the lack of jobs. Today, this argument has given way to its opposite: we can't expect welfare mothers to work because many (a quarter? a third?) are incapable of working even if offered jobs. But this is simply another way of saying there is a ferociously entrenched culture of poverty. It is itself the clearest possible demonstration that the current system is intolerable. Clinton needs a plan forceful enough to match the reality of the underclass. •

# NOTEBOOK

**SILVER CLOUD. DARK LINING:** As expected, Judge H. Jeffrey Bayless this week struck down Colorado's anti-gay rights amendment as a denial of the "fundamental right" of gays and lesbians to participate in the political process. Publicly, gay leaders are hailing the decision as a victory. Unfortunately, however, the legal reasoning of the decision could not be more disappointing for those who hope for ultimate success before the Supreme Court. Bayless refused the plaintiffs' invitation to make specific factual findings that there is no "rational basis" for discrimination against gays and lesbians. Traditionally, the Court is deferential to the factual conclusions of lower courts; and the rational basis theory would have provided the most secure alternative grounding for gay rights if the justices overturn Bayless's "political participation" theory, as they are likely to do. More encouragingly, Bayless's opinion contains no references to Greek vase painting or Thomist views on masturbation.

**PLUMBING AND SILENCE:** Kanan Makiya's book *Cruelty and Silence: War, Tyranny, Uprising and the Arab World* has been widely and favorably reviewed, not least in these pages. It also won a prize, which carried with it the sum of \$50,000. The book and its author have led a charmed life. Then a review in *The Nation* (August 9/16) suggested that the book was a knock-off of its author's opponents: Makiya, Eqbal Ahmed charged, "attacks these writers while cannibalizing their ideas." A nasty exchange appeared in the magazine's November 8 issue. We had also been struck by Makiya's borrowings from someone whose name, Fouad Ajami, appears nowhere in Makiya's book save in the footnotes (twice), and then only to cite Ajami's citation to one sentence spoken to him by the poet Adonis. But virtually the

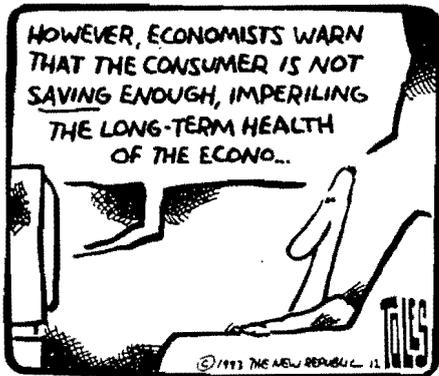
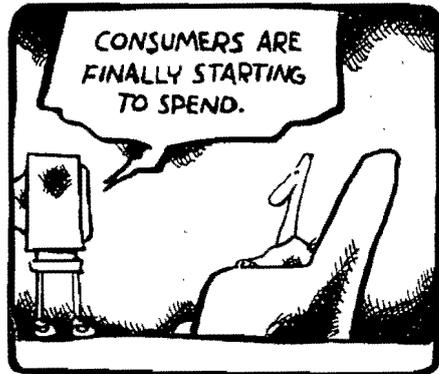
entire second part of the book and its organizing theme, "silence," are derivative of Ajami. In a long essay in *THE NEW REPUBLIC* ("The Silence in Arab Culture," April 6, 1987) Ajami had limned precisely this motif. Makiya incorrectly refers to this essay as "The Tragedy of Arab Culture," perhaps subconsciously admitting his debt. But if you have read *The Arab Predicament* or *Beirut: City of Regrets* or, for that matter, essays by Ajami, you would recognize in *Cruelty and Silence* many instances of, shall we say, appropriation. Here's just one. Ajami: "[Adonis and Qabbani] have been able to express what was on the minds of many, to plumb the psychological and emotional depths that most Arab intellectuals and writers have preferred to evade." And here is Makiya: "[Adonis] has plumbed psychological and emotional depths that many Arab intellectuals have avoided."

**GAIL SHEEHY ALERT:** "Life itself forced me to suffer from the very day, the moment, the instant of my birth. Society could give me nothing.... Two months before her death, my mother would tell me, 'Volod-

ya, there's nothing to remember, not one happy day.'"—Vladimir Zhirinovskiy, *The New York Times*, December 15, 1993

**TINA SUCK-UP WATCH:** "When Tina arrived, we expected a character out of Jackie Collins. Instead we got Jane Austen."—Adam Gopnik, art critic for *The New Yorker*, in *The New York Times Magazine*, December 5, 1993.

**HOME NEWS:** With this issue, Charles Lane rejoins *TNR* as a senior editor. He will specialize in international affairs, with a specific focus on the future of American foreign policy. A former *TNR* associate editor and foreign correspondent for *Newsweek*, *TNR* readers know him for his dispatches from such far-flung locales as Bosnia, El Salvador, Panama and Romania. •



**A**FTER ALMOST a year of study, an administration working group has prepared its initial report on how to fulfill President Clinton's promise to "end welfare as we know it." The report starts in exactly the right place: the 30-year growth in out-of-wedlock births, especially among teenagers, and its relation to persistent poverty. Unfortunately, the report fails to pursue the logic of its own analysis.

The bulk of long-term welfare recipients are young, unmarried mothers, most of whom had their first baby as teenagers. About 50 percent of unwed teen mothers go on welfare within one year of the birth of their first child and 77 percent within five years, according to the Congressional Budget Office. Almost half of those on the rolls for three or more of the past five years started their families as unwed teens.

With poor prospects to begin with, these young women have further limited their life chances by systematically underinvesting in themselves—by dropping out of school, having a baby out of wedlock and not working. The administration working group assumes that an expanded educational and job training program will help large numbers of them become economically self-sufficient.

Past experience suggests this is wishful thinking. Even richly funded demonstration programs have found it exceedingly difficult to improve the ability of these mothers to care for their children, let alone to become economically self-sufficient.

A six-county evaluation of California's program, for example, found that over two years, average earnings for single parents increased by 20 percent—three or four times the usual experience for such programs. Still total earnings reached only \$4,620. The county with the greatest improvement, Riverside, was able to increase earnings by \$2,099, although average total earnings over two years were still less than \$6,000. The welfare rolls declined by only 5 percent in Riverside, and by a statistically insignificant amount across all of the other counties.

**W**hy don't job training programs cut welfare rolls? Although many suffer from design flaws and administrative weaknesses, the main problem is that—for poorly educated young mothers—such programs cannot break the financial mathematics of life on welfare. The average annual earnings for female high school dropouts are extremely low. In 1992, 18- to 24-year-old dropouts working full-time earned about \$12,900 a year; 25- to 34-year-olds earned about \$14,800. (Note that in 1992 the poverty line for a family of three was \$11,186.)

Even with the help of the current Earned Income Tax Credit (EITC) and other means-tested programs, earners at these levels net, after payroll and state taxes and work expenses, only \$15,563 and \$15,617, respectively. The major expansion in the EITC pushed through by President Clinton will, when fully implemented in 1996, raise these numbers significantly—to \$17,022 and \$16,948. But this increase will not be enough to break the hold of welfare. (Anomalously, under the Clinton EITC, the lower-earning mother will actually take home more money than the higher earner because of the way benefits decline with additional earnings.)

A welfare mother without any work experience probably couldn't match even these earnings records. But if

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# Escaping the Dole

*For Young Unwed Mothers, Welfare Reform*

*Alone Can't Make Work Pay*

she could, she still might decide it didn't pay to work. Her current benefits—even ignoring the average \$4,307 in Medicaid for which a welfare recipient with two children is eligible—leave her only some \$2,674 worse off than the lower-salaried mother and \$2,728 worse off than the higher-earning mother.

In other words, should she be lucky enough to get the kind of job held by others of her educational attainment, she'd be working for a net wage of only about \$1.50 an hour. And to gain that, she'd have to sacrifice not only leisure time but the chance to hold down a job in the informal economy (in which unreported income is earned through anything from handiwork to illegal activities).

Even with the expanded EITC, after deducting the costs of benefits and of going to work, the net hourly wage would be only about \$2.30 or less. If a young parent were to go to work under these circumstances, it still wouldn't be for the money.

Hence, the EITC would have to be much larger to actually "make work pay" for unwed mothers. But by 1996, the credit will already cost about \$18 billion a year. Besides being very expensive, a further increase would create other distortions and inequities. Substantial benefits under the EITC are available only to low-income workers who have children. At some point, their fellow workers will question why those who have had children without being able to support them should get such a large government subsidy while those who have played by the rules do not.

And the larger the credit, the greater the incentive for abuse. Tax experts such as the Urban Institute's Gene Steuerle warn that the EITC is already so large that it provides an expensive incentive for people to overreport their earnings so as to get the maximum credit.

Thus, Clinton's off-stated goal of making work pay will not work for most unwed mothers. Recognizing this, both he and his working group have proposed to "time-limit" welfare. If, after two years, a welfare mother does not get a private job, she would be placed in a public job. The idea is that the job will both give her work experience and serve as an incentive to get off welfare since she will have to work anyway.

Although there is much merit to such mandatory work experience, creating a viable program is not easy. First, community service jobs are very expensive to create and administer. CBO estimates indicate that

monitoring each job would cost \$3,300 annually, and day care would cost \$3,000 per participant—and perhaps much more. That means the cost of a mandatory work program would average \$6,300 per participant. Since the average Aid to Families with Dependent Children (AFDC) grant is about \$5,000 per year, welfare costs for those in the work program would more than double—without recipients receiving any increase in payments to them.

Second, mandatory community service will likely engender much opposition. When Sen. Russell Long (D-La.) proposed the idea in the 1970s, it was promptly labeled “slaveware” by welfare advocates. Hence, the administration is under intense pressure to deliver “real jobs” at “decent wages.” But doing that would not only make the program even more expensive—it could also make it a magnet to attract and keep more young mothers on welfare. To counter that, the Clinton planners are also considering a plan to time-limit the community service program as well. After a set period, possibly 18 months, the mother would go back on regular welfare, although perhaps at a somewhat lower level—a feature that will also stir controversy.

**B**ecause our ability to help young women become self-sufficient once they have become mothers is so limited, the best strategy is to focus on postponing parenthood until these women are financially and emotionally ready. This is what leads many people, such as my colleague Charles Murray, to advocate ending welfare altogether.

The president’s working group did not contemplate such a radical solution, but it does make a long-overdue connection between out-of-wedlock births and welfare dependency. Some options being considered by the group make sense. For example, providing contraceptive services to all AFDC recipients, prohibiting higher welfare payments for additional children born on welfare and requiring teen mothers to complete high school would all help discourage young mothers from having another child.

But the effects are unlikely to be dramatic, and they would do little to prevent the initial birth—which puts the mother on welfare in the first place. For this, the group is considering school-based sex education, condom distribution and abstinence programs. Again, the available research suggests that such efforts have modest impacts, at best.

The association between poverty, poor school performance and poor life prospects on the one side and out-of-wedlock births on the other is too obvious to ignore. As University of Pennsylvania sociologist Elijah Anderson notes, “Most middle-class youths take a stronger interest in their future and know what a pregnancy can do to derail it. In contrast, many [inner-city] adolescents see no future to derail—hence they see little to lose by having a child out of wedlock.” The dearth of good jobs in the inner city, he argues, leads peer groups to emphasize sexual prowess as evidence of manhood, with babies serving as proof.

Because those young people who have the most to look forward to are the most responsible about their sexual practices, it does not seem an overstatement to say that good education and real opportunities in life are the best contraceptives. In fact, innovative programs like Best Friends in Washington base their appeal on the connection between sexual practices and opportunity. This program uses weekly group sessions, with an adult moderator, in which teen girls discuss boys, relationships and self-respect.

“We don’t tell them that having sex is immoral,” says Elayne Bennett, founder of Best Friends. “Instead, we tell them, ‘If you want to get some place in life, you need to have a plan. This plan must include finishing school, and that means that you must not get pregnant.’ And we tell them, ‘The only guaranteed way to avoid pregnancy is to abstain from sex.’”

**F**or this message to really take hold, though, young people need to feel that they have opportunities beyond low-paying, sporadic work. And this means a return to serious vocational education in our high schools.

The current emphasis on college preparatory courses in high school and on academic-like “basic skills” in job training programs leaves many disadvantaged youth without the skills for the well-paying jobs that are now available. Worse, seeing how few graduates from their neighborhoods seem to get good jobs makes them feel they have nothing to gain from staying in school. In high schools where more than three-quarters of students fail to graduate, what sense does it make to push 100 percent of the student body through college preparatory courses?

While everyone would like to see disadvantaged children grow up to be lawyers, doctors and accountants, or at least white-collar workers, the unalloyed truth is that most—like most Americans—are destined for more modest careers in service, clerical or manufacturing occupations. What is needed is renewed emphasis on vocational skills in high schools, supplemented by enhanced job-counseling and job-finding services and mentoring programs. This includes the newly popular “apprenticeship” programs, although the two-plus-two approach (two years in high school followed by two years in a training program or community college) comes too late for those who have already dropped out and may require too great an investment of time and energy for many others.

Reforming educational institutions, of course, may be even harder than reforming welfare. But that is where the solution lies. We should not try to fix welfare if the problem is caused by the education system. In the absence of good high schools—and good vocational education for young people who do not do well in classroom settings—no approach to welfare reform will work.

## Black America Isn't Alone in Needing Heart

■ The President must seek out and win a commitment of caring from mainstream America.

By BENJAMIN C. SCHWARZ

In an impassioned speech last weekend, President Clinton urged an end to the violence and misery that plague our inner cities. By directing his remarks to an overwhelmingly black audience, and by asserting that change must come from "the inside out," the President sent a clear message: Those most affected by these conditions must take responsibility for reversing the material, social and moral deterioration of their community.

Clinton's Memphis audience listened eagerly and responded thankfully to his message. But to realize his vision of a civilizing change in America's urban centers, the President must make an equally impassioned plea to all Americans. He must define the conditions in the black ghetto not as a crisis merely afflicting one group, but as our greatest national problem. He must, in short, bring his concern for the black urban poor to those who have remained largely indifferent to their plight.

It is a welcome sign of a new forthrightness on racial issues for President Clinton to adopt the message of such black leaders as Malcolm X, Jesse Jackson and Louis Farrakhan, urging the black community to do all it can to help itself—it must, for instance, abhor, rather than celebrate, the exaggerated and misguided version of masculinity that glorifies gang membership and sexual conquest. But the President has a responsibility and an opportunity to address a wider America—an America that has at best ignored, and at worst shown hostility toward, those black Americans whose lives are shadowed daily by violence and terror.

It is understandable, if still repellent, that some liberals play down those aspects of inner-city life—drug use, out-of-wedlock childbearing, dropping out of school, the pervasiveness of robbery, rape and murder—that they fear will cause white Americans to conclude that the black poor are undeserving and should be written off. Too many Americans regard these conditions as a "black problem," and as such largely the black community's responsibil-

**'One of the ghetto's greatest burdens is the sense of separation from the rest of society.'**

ity. In America's atomized society, an emphasis on individual and community responsibility, laudable in itself, keeps the desperate conditions afflicting urban black Americans off the national agenda.

The President therefore must not stop with last Saturday's speech. He must tell all of America what is needed to create the kind of national community about which so many of us have dreamed but have not realized. With moral urgency, he must remind us that our black ghettos are among the worst places to live in the world and that to be born there is to be consigned to a fate that no American should have to endure. He could acknowledge that those who live there need to help themselves, but he must remind America that if they had the proper tools of education, good health care, housing and equal protection under the law, they could do much better.

The President must make America understand that one of the ghetto's greatest burdens is the sense of separation from the rest of society, an obstacle that can be overcome only by a great—and expensive—national effort. Inner-city mothers must believe that the American community cares about their children—that they learn in school and are safe on the streets, and that those who terrorize them will be caught and punished. The people who live in the inner cities must believe that other Americans will share their outrage when Head Start programs, which have proved spectacularly successful, serve only one-fifth of eligible children because of lack of funds. They must believe that other Americans will not tolerate a situation in which the wealthiest Americans receive more federal benefits than the poorest.

The President must spell out the hard truth that it is not a lack of the nation's resources that denies people in the ghetto tax-funded services. He must hold up a mirror to middle- and upper-income groups who succeed at holding down tax revenues while simultaneously obtaining every benefit they can for themselves. Americans' generalized goodwill toward those in need comes up empty after everyone has done his and her best to make sure there is little public money left.

The "crisis of spirit" of which the President spoke so eloquently in Memphis is not limited to the ghetto. The America that condemns its own kin to living in terror and hopelessness is an America that has lost its moral compass. The President said that Dr. Martin Luther King would be appalled by the violence and misery in America's inner cities. But that is not all that would sicken King. His great vision for America was that it would truly be one community, united by brotherhood and charity. Twenty-five years after his murder, an indifferent America mutters that it has done enough and "they" must now help themselves. Were Dr. King to know this, he would despair of our ever reaching the promised land.

*Benjamin C. Schwarz heads the international policy department at RAND.*

## Comment

ON THE NATION

# Pull the Plug on Welfare to Solve Poverty

BY CHARLES KRAUTHAMMER

"Sex Codes Among Inner-City Youth" is the title of a remarkable paper presented last week by University of Pennsylvania professor Elijah Anderson to a seminar at the American Enterprise Institute. Its 40 pages describe in excruciating detail the sex and abandonment "game" played by boys and girls in inner-city Philadelphia.

Anderson is a scrupulous and sympathetic student of inner-city life. "Streetwise," his book on life in a ghetto, is a classic of urban ethnography. Five years of intensive observation and interviews have gone into the sex-code study. It is the story of family breakdown on an unprecedented scale, of a place where "casual sex with as many women as possible, impregnating one or more and getting them to 'have your baby' brings a boy the ultimate in esteem from his peers and makes him a man." As for the girl, "her dream [is] of a family and a home." But in a subculture where for the boy "to own up to a pregnancy is to go against the peer-group ethic of 'hit and run,'" abandonment is the norm.

The results we know. Illegitimacy rates of 70%, 80%. Intergenerational poverty. Social breakdown.

Toward the end of the seminar, I suggested that the only realistic way to attack this cycle of illegitimacy and its associated pathologies is by cutting off the oxygen that sustains the system: Stop the welfare checks. The check generated by the first illegitimate birth says that government will play the role of father and provider. It sustains a deranged social structure of children having children and raising them alone and abandoned by their men.

It is a mark of how far the debate on welfare policy has come that my proposal drew respectful disagreement from only about half of the panel—including, I should stress, Anderson himself, who argued that the better answer is giving the young men jobs and hope through training and education for a changing economy.

In fact, the idea I proposed is not original. A decade ago in his book, "Losing Ground," Charles Murray offered the cold-turkey approach as a "thought experiment." Two weeks ago in the Wall Street Journal, he proposed it as policy.

Nor is this idea coming only from conservatives. Neo-liberal journalist Mickey Kaus proposed a similar idea in his book, "The End of Equality," though in a less Draconian variant: He would replace welfare with a neo-WPA jobs program.

And last year, candidate and "New Democrat" Bill Clinton gingerly approached the idea with his "two years and out" welfare-reform plan. But "two years and out," however well-intentioned, misses the point. The point is to root out at its origin the most perverse government incentive program of all: the subsidy for illegitimacy.

Why? Because illegitimacy is the royal road to poverty and all its attendant pathologies. The one-parent family is six times more likely to be poor than the two-parent family. In a competitive economy and corrupting culture, it is hard enough to raise a child with two parents. To succeed with only one requires heroism on the part of the young mother. Heroism is not impossible. But no society can expect it as the norm. And any society that does is inviting social catastrophe of the kind now on view in the inner cities of America.

The defenders of welfare will tell you that young women do not have babies just to get the check. Yes, there are other reasons: a desire for someone to love, a wish to declare independence, a way to secure the love of these elusive young men. But whether or not the welfare check is the conscious reason, it is the condition that allows people to act on all the other reasons. Take it away and the society built on babies having babies cannot survive.

Moreover, society will not long sustain such a system. Americans feel a civic obligation to help the unfortunate. There is no great protest when tax dollars go for widows and orphans. But by what moral logic should a taxpayer be asked to give a part of his earnings to sustain a child fathered by a young man who disappears, leaving mother and child wards of the state? Subsidizing tragedy is one thing. Subsidizing wantonness is quite another.

On Oct. 19, Sen. Daniel Patrick Moynihan held a Finance Committee hearing on "social behavior and health-care costs." He spoke of the explosion of illegitimacy: now 30% of all births, 5½ times what it was 30 years ago; a tragedy for the people involved, a calamity for society. "What are we going to do?" Moynihan asked.

Try this. Don't reform welfare. Don't reinvent it. When it comes to illegitimacy, abolish it.

*Charles Krauthammer writes a syndicated column in Washington.*

# Offensive powers to bear ✓

...e another Korean War ...ing on the horizon? One ...ld certainly draw that con- ...sion from the recent furor. ... Korea cannot be allowed to ...op a nuclear bomb," said Presi- ...t Clinton on Nov. 7. "We have to ...e very firm about it."

Some have feared that ultimatum might spur a North Korean invasion of South Korea. But, in fact, it highlights a fundamental difference between today's crisis and the Korean War. This time North Korea has been put on notice that vital U.S. interests are involved. In 1950, precisely the opposite message was conveyed.

In an address to the National Press Club in January 1950, Secretary of State Dean Acheson publicly excluded Korea from the U.S. defense perimeter in Asia.

The remark came in the wake of the withdrawal of all U.S. military forces from South Korea the year before, including the U.S. XVIII Corps and the 6th and 7th Infantry Divisions. These had been stationed there at the end of World War II to disarm the Japanese occupiers and then buttress the development of democracy in the fledgling Republic of Korea (ROK). The effect of these U.S. actions was to isolate South Korea from outside support.

An attack from the communist-controlled North was thus unintentionally encouraged. For while South Korea was isolated, North Korea (and the Soviet-installed Kim Il-sung) was part of what was then termed the communist "monolith," under the personal direction of Josef Stalin.

The Korean War, it was believed at the time, was not over Korea but instead part of a larger communist scheme to extend the Soviet Empire by force of arms. Accordingly, the United States sent more troops to

Europe, where it was thought the main attack would come, than to Korea. After China's intervention in the war in November 1950, U.S. military strategy changed from the strategic offensive to the strategic defensive, where the best possible result was not military victory but battlefield stalemate.

That was achieved with the Korean Armistice of 1953, which remains in effect today. But much has changed in the intervening 40 years. Now there is no ambiguity about U.S. support for South Korea. President Clinton made that plain during his visit there last year. South Korea is the one place in the world, he said, where U.S. military force levels have not been cut. The ROK is now clearly well within our defense perimeter.

The aged Kim Il-sung knows full well that an attack on South Korea would trigger an immediate U.S. response. And he also knows full well that it is now North Korea, not South Korea as in 1950, that is isolated in the world community. While there is now general agreement, contrary to the conventional wisdom of the time, that it was Kim Il-Sung, not Josef Stalin, that instigated the Korean War, there is no doubt that Kim Il-sung knew he could count on the Soviet Union and China for their full support.

Conservative estimates are that China alone lost some half a million soldiers killed on Korean battlefields, with another million wounded. And both the Soviet Union and China furnished untold millions of dollars in arms and equipment to

North Korea before and during the war.

But, if it ever existed, the communist "monolith" is no more. For both political and economic reasons, Moscow and Beijing now have more to gain through better relations with Seoul than with Pyongyang. In 1950, most of Korea's manufacturing and mining industries were in the North and the South was an agricultural poor relation. Now South Korea is one of Asia's "little tigers."

With a population of some 22 million, North Korea's 1991 gross do-

mestic product was \$22.9 billion. South Korea, with a population twice as large, had a 1991 GDP of \$289.9 billion.

Albeit, with more than a million men under arms, North Korea's military is almost twice the size of South Korea's 633,000-man force. But the South Korean military is no longer the ill-trained and ill-equipped force of the 1950s. It is by all accounts one of the best military forces in the world. And, with the end of the Cold War, the United States is no longer on the strategic defensive. Free of the fears of Soviet or Chinese inter-

vention, it is once again able to bring its full offensive powers to bear.

Thus, the danger of a conventional war on the Korean Peninsula is virtually nil, for the outcome is preordained. Although it might make some initial gains, North Korea knows that without Chinese and Russian help it could not sustain such an offensive, and this time such aid is not in the offing. That's the good news. The bad news is that it is just this ebbing of North Korean power that makes it so reluctant to give up the one lever it has left — its nuclear weapons potential.



The Washington Times THURSDAY, DECEMBER 9, 1993

Harry G. Summers Jr., a retired U.S. Army colonel, is a distinguished fellow of the Army War College and a nationally syndicated columnist.

# why it doesn't work



situation, and deeply concerned about their children.

They represent one part of the welfare dilemma: how to get existing recipients off the rolls.

That mostly involves education, training, day care, medical care, getting child support from so-called "dead-beat dads" and jobs. In short: rehabilitation.

But there is a second, bigger, aspect of the welfare problem: prevention.

How do we see to it that girls don't fall into the welfare trap, either purposefully or indirectly? After all, a girl who doesn't have a first out-of-wedlock child doesn't need special day care. Nor Medicaid. She doesn't have to get a father to pay up.

There's no argument about paying added benefits for a second child. She can get an education and a job, get married, and — later — have children.

Is there an answer? Across the river, in Kansas City, Kan., there is a moderate Republican congresswoman, Jan Meyers, who says there is. "We have created our own teen-age pregnancy epidemic," she says. "The current system provides an indirect incentive for out-of-wedlock births. A young girl on welfare gets a cash grant, food stamps, medical care, day care, a transportation allowance and, in many instances, a rent allowance."

Mrs. Meyers says that as long as that situation continues, the welfare case load will keep going up. (It is now at an all-time high.) "We have to take away the incentive," she says.

Her proposal has 40 cosponsors, including several Democrats. It would freeze welfare payments and not give new cash grants unless both the mother and father were over 18 years of age.

Denying the cash part of welfare to teen-agers would remove much of the incentive — direct or indirect — that draws people into welfare. And, under Mrs. Meyers' proposal innocent children would not be abandoned: Food stamps, Medicaid, day care and the rest of the package would continue.

Unfortunately, Mrs. Meyers' Republican colleagues approved a less bold plan, whittling welfare as we know it, cutting off grants to minors, but, alas, allowing states to exempt themselves from such provisions.

The next act in the welfare drama will be made by President Clinton, who promised to really end welfare as we know it.

President Clinton, too, condemns the rise in teen-age pregnancy. But will he come up with a plan that removes the incentives for it, right from the first child? Perhaps a plan that is more pointed than even House Republicans dare. A plan that shows that he cares enough to be tough.

Bill Clinton: call Jan Meyers.

## KANSAS CITY, Mo.

**T**o get a flavor of America's welfare problem, consider a question I started to ask a group of six welfare mothers here. Roughly this: "Some people say that teen-age girls are having out-of-wedlock babies in order to get welfare; now I don't think that's so, but isn't it likely that the package of welfare benefits reduces the restraints against such births, and makes them more likely?"

I never did finish the question. Most of the women vehemently jumped in: "Right, there are women out there just having children just to get it. . . ." " . . . That's what they'd rather do, is sit at home and do nothing." " . . . Young girls out there that will brag that 'I have four kids so I get this amount of money and this amount of food stamps.'"

Not even neoconservatives are supposed to believe that about welfare. It is permitted to suggest that welfare indirectly encourages illegitimacy. But to suggest that it is purposeful behavior is a no-no.

The women I talked to know whereof they spoke. They were not necessarily talking about majorities, and they weren't talking about themselves. They were part of the "Futures" program in Kansas City. Most of them were African-American and in their 20s, mostly now going to school, beginning to work or getting ready to begin work, trying to get out of a tough personal

*Ben J. Wattenberg, a senior fellow at the American Enterprise Institute, is a nationally syndicated columnist.*

# GOP Senators Propose \$50.7 Billion in Budget Cuts

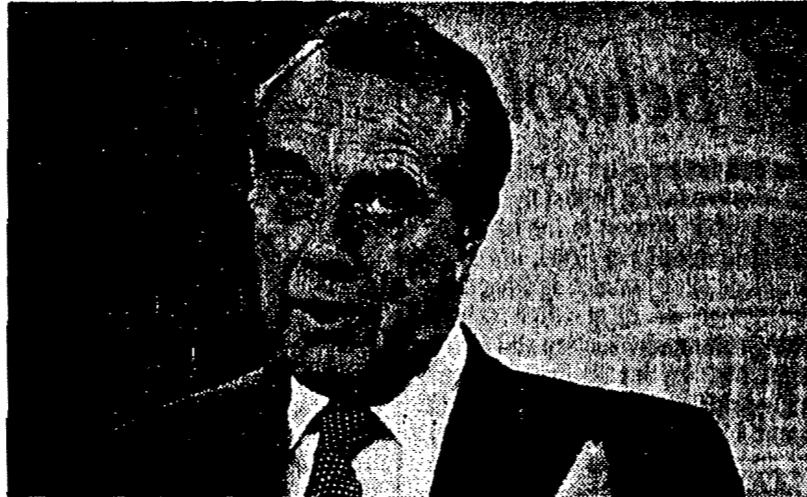
By Kevin Merida  
Washington Post Staff Writer

Republican senators yesterday released their own plan to trim the federal bureaucracy and improve how government works, promising to cut spending by \$50.7 billion over five years.

The Republican plan, which senators said they will introduce when Congress reconvenes next month, is in direct competition with the Clinton administration's "reinventing government" plan.

Called the Government Downsizing, Performance and Accountability Act of 1993, the Republican plan contains virtually nothing new. It is largely a patchwork of proposals that already are in the congressional pipeline, have been voted down or are part of previous government reform efforts. Ironically, at least 25 of the 50 proposals in the GOP plan were recommended in some form by Vice President Gore's National Performance Review.

"There are a lot of good ideas in the National Performance Review—many with Republican ori-



Sen. Robert J. Dole (R-Kan.) says the plan will be introduced next month.

gins—but unlike the vice president, we do not want government to grow," Senate Minority Leader Robert J. Dole (R-Kan.) said yesterday, appearing at a news conference in San Antonio with Sen. Kay Bailey Hutchison (R-Tex.) to announce the plan. "We reduce the level of federal non-entitlement spending each year to ensure that all savings go to deficit-reduction

and not to finance new government programs," he said.

The biggest savings in the GOP plan—\$36 billion over five years—would come from a Hutchison proposal to reduce federal administrative expenses that failed twice when brought to the floor during the last congressional session. The administrative expenses are defined as travel, utilities, communications,

printing, consulting services and other miscellaneous costs. The Defense Department would be excluded.

Other proposals in the GOP plan and their calculated five-year savings, include:

- Cutting appropriations for the legislative branch and the Executive Office of the President by 7.5 percent for a savings of \$817 million.

- Cutting the Legal Services Corporation by 50 percent for a savings of \$1.03 billion.

- Consolidating management of four military health care systems for a savings of \$1.7 billion.

Many of the proposals were borrowed from recommendations made by the Grace Commission, Citizens Against Government Waste and a bipartisan deficit-reduction plan sponsored by Reps. Timothy J. Penny (D-Minn.) and John R. Kasich (R-Ohio) that was defeated in the House. The plan is the work of Dole, Hutchison and eight other conservative Republican senators.

Bob Stone, the project director for the National Performance Review, said he had not seen the Re-

publican plan and could not comment on it. But he said the bottom line on the Gore plan is that it calls for a "real honest-to-goodness reduction in the federal work force of 252,000."

"We're happy if we encourage any group of legislators to work on reinventing government," added Gore spokeswoman Lorraine Voles.

Gore staffers know how difficult the task can be. The Republican proposals have yet to be scrutinized as a package. When the administration unveiled its package of reforms, it calculated the savings at \$5.9 billion over five years. But the Congressional Budget Office examined the Gore plan and put the savings at just \$305 million from 1994 to 1998.

Last week, the National Performance Review got a boost when the General Accounting Office, the watchdog arm of Congress, objected to only one of the plan's more than 350 recommendations. In its assessment, the GAO strongly agreed with 116 proposals and generally agreed with 121 others. The GAO said it was unable to assess 121 recommendations.

# Unwed Mothers Lift Welfare Costs

## Clinton Seeks Way to Cut Rate of Out-of-Wedlock Births Among Young

By William Claiborne  
Washington Post Staff Writer

One of the most volatile issues confronting President Clinton as he attempts to fulfill his campaign pledge to "end welfare as we know it" is how to reduce the soaring rate of out-of-wedlock births among young mothers receiving public assistance.

The problem, which a White House task force on welfare reform has described as an "enduring tragedy," is one of mammoth proportions. Soon, according to a recent Census Bureau study, one of every three babies born in America will have an unwed mother, and the poverty rate in families headed by an unmarried mother has risen to 67 percent.

Studies also have shown that out-of-wedlock births among black women in inner cities frequently exceed 80 percent, and that 44 percent of births to white women below the poverty line are out of wedlock, compared with only 6 percent for women above the poverty level.

The costs also are enormous. The president's task force reported that in 1991, governments spent \$29 billion assisting families begun by teenagers and that the figure is rising annually.

Welfare checks average about \$370 a month for a mother and two children, and the birth of additional children can bring an unmarried mother an additional \$75 or more, plus increased food stamps and other non-cash benefits.

Charles Murray, a fellow at the conservative American Enterprise Institute and author of "Losing Ground," a 1984 book on welfare reform, recently called out-of-wedlock births among the poor "the single most important social problem of our time—more important than crime, drugs, poverty, illiteracy, welfare or homelessness because it drives everything else."

Against this pessimistic background, the administration is considering a wide range of options for promoting parental responsibility and preventing teenage pregnancy. The options range from relatively benign and well-tried campaigns to promote messages about responsible sexual behavior to bold and potentially divisive punitive sanctions that would curtail additional benefits to unmarried mothers who

have additional children while on welfare.

The options reflect a steady shift in the welfare reform debate toward efforts to discourage out-of-wedlock births among young welfare recipients through "disincentives" such as financial sanctions, including reductions in cash assistance.

New Jersey is experimenting with "child exclusion" provisions that cut off benefits for additional children conceived while on public assistance, and Georgia has obtained a waiver from federal welfare regulations so that it can try a similar experiment.

In a preface to a list of 14 options for reducing the rate of teenage pregnancy, the White House working group acknowledged in a preliminary discussion paper that some are likely to be "quite controversial" and said they might be tested on a limited basis before being widely implemented.

The most controversial of the options listed in the task force's 29-page "draft proposal outline" of welfare reforms is one that would "allow states the option to limit additional benefits for additional children conceived while on welfare."

If benefits were reduced, and a welfare mother's child support award or earnings offset the reduction, the family would not be further penalized, according to the option. Administration sources said that no decision has been reached by task force members on that option.

Another option—on which task force members agree—would require minors who become unwed mothers to live in their parents' household, with few exceptions. The parents' income and ability to provide support would be included in determining the unmarried teenaged mother's welfare benefits under the Aid to Families With Dependent Children (AFDC) program.

Welfare rights activists have criticized such proposals, arguing that some teenaged mothers would be forced to live in dysfunctional or unsafe homes.

Clinton, who will not receive the task force's final report until later this month, has acknowledged the magnitude of the problem of recurring pregnancies among young welfare mothers but has expressed ambivalence over how to resolve it.

When asked about Murray's sug-

gestion in a Wall Street Journal article that single mothers who have additional children while on welfare be cut off from all economic support, including cash assistance, food stamps and subsidized housing, Clinton told NBC's Tom Brokaw that he agreed with Murray's analysis of the problem but questioned his suggestion for solving it.

"There is no question that we need—that if we reduced Aid to Families With Dependent Children, it would be some incentive for people not to have dependent children out of wedlock," Clinton said.

The president added that "once a really poor woman has a child out of wedlock, it almost locks her and that child into the cycle of poverty which then spins out of control further."

He questioned, however, whether benefits sanctions to prevent additional pregnancies would be "morally right," and said that "tough" welfare reform should instead start with programs that move people off welfare with job training, education and other social programs, coupled with stringent measures to identify paternity at birth and assure child support.

That view is shared by many welfare rights organizations and children's support groups that have lobbied the White House task force against recommending financial sanctions or disincentives against unmarried mothers who have additional children while on welfare.

The author of one briefing paper submitted to the task force, Kristin A. Moore of the Washington-based Child Trends Inc., a nonprofit policy and research group, said studies attempting to link welfare benefits to increases in out-of-wedlock births have been inconclusive.

However, other studies have shown conclusively that programs emphasizing education, child support, vocational training and job placement can reduce both welfare dependency and the rate of out-of-wedlock births among young unmarried women.

Moore said there is a body of evidence to show that young unmarried mothers on welfare do not want additional children and generally do not become pregnant as a means of increasing their welfare benefits. She urged the task force to recommend sex education and family planning assistance.

# There Goes the Punch Bowl ✓

A sharp drop in the bond market last Tuesday can be traced to Wall Street's correct assumption that the Clinton administration believes robust economic growth and price stability are incompatible.

In fact, the one-day bond slide was triggered by an administration leak interpreted in financial circles as a covert push for the Federal Reserve Board to tighten money sooner rather than later. If raising interest rates must be the central bank's reaction to good news,

President Clinton's agents would rather it happen now instead of closer to his reelection campaign.

That means the Phillips Curve mentality—inflation goes up when unemployment goes down—reigns in Washington. The Federal Reserve is following the mandate set by its chairman of a generation ago, William McChesney Martin: Take away the punch bowl when the party gets going good. By embracing this mind-set, Clinton

economic policy makers limit how strong the economy can be.

This outlook was signaled Nov. 30 in a Washington Post report quoting an unnamed "top Clinton administration official" as predicting unemployment will drop much faster than expected, "threatening an increase in inflation and, with it, rising interest rates."

The new prediction had unemployment as low as 5.8 percent within a year, instead of the previously forecast 6.5 percent. If it happens, "the adminis-

tration and the Federal Reserve Board both likely would seek to slow growth so that the economy would not overheat and generate stronger inflation." Frank Swoboda, the Post reporter who wrote the story with John Berry, told me that was the view of his anonymous source.

Although it did not attract Washington's attention, this was big—and bad—news for bond traders. The Wall Street Journal's authoritative report on credit markets said the "traders were spooked

early" that day by The Post story and therefore sold bonds.

Even though Friday's unemployment report showed a surprisingly low 6.4 percent, four senior administration officials I contacted knocked down the idea of 6 percent within a year. But nobody rejected the Phillips Curve notion that fast economic growth should be impeded by government.

One senior Clinton adviser, asking not to be quoted, said: "Given structural unemployment, anytime we get down to 6 percent, there will be inflationary side effects. So, since the Fed is seeking zero inflation, it will react to this." Furthermore, in private contacts with the financial community, administration officials hint that they prefer Fed tightening early in 1994—three years before the presidential election. That was Wall Street's interpretation of the leak to The Post.

Fed officials deny they are tracking unemployment to determine whether they loosen or tighten money. But the central bank, undeniably though unofficially, is tracking "nominal GDP [gross domestic product]"—economic growth not adjusted for inflation.

Is there, then, an iron law that good news is always bad news for credit markets? Supply-siders, such as economic consultant Jude Wanniski, say no. In a Nov. 19 memo to clients, Wanniski called on Federal Reserve Chairman Alan Greenspan—whom he greatly admires—to give a "firmer tone back to the bond market" by declaring that growth and price stability are indeed compatible if the government adopts the supply-side agenda of tracking the price of gold and reducing the cost of capital.

Greenspan subscribes to both goals. Testifying before Congress last summer, he said gold as a measure of inflation "is not replicated in other forms" and "tells us something fundamentally about the view of the stability of the currency." He also is on record for outright repeal of capital gains taxes. But as a cautious central banker, Greenspan is averse to lecturing the bond market.

That disdain may be intensified after next year's departure of the Fed's stalwart supply-sider, Wayne Angell. Missing over eight years as a governor, he told me he most regrets his inability to install "price-level targeting"—tightening or loosening monetary policy based on gold and other commodity prices. Angell sees no need to take away the punch bowl, but that looks like what is about to happen.

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## Limits of Curbside Diplomacy

**I**N A surprisingly strong response to the decades-old issue of diplomatic parking in the District of Columbia, the State Department has pledged to revoke the license plates of cars belonging to countries that don't pay their parking fines. Starting early in 1994—in New York City as well as in Washington—the department says it will no longer issue diplomatic plates to representatives of countries with outstanding tickets.

That is not being universally greeted with cheers along Embassy Row—particularly in some of the countries that have piled up the biggest bills. But why should residents have to tolerate the scofflaw attitudes of certain governments toward a city that is financially strapped yet responsible for serving its constituents, its commuters, its tourists and its diplomatic guests?

That some governments may not have sufficient parking to meet their needs should be the subject of, well, diplomatic negotiations. But deliberate nonpayment of fines amounts to disrespect of the host government as well as the people who do pay up when ticketed. The total owed to the city at this point is more than \$4 million. Congress took one step earlier this year when it approved legislation to cut U.S. foreign aid to countries with outstanding tickets in the District. At least one country, Israel, has since paid off its \$62,000 total of fines.

It remains to be seen whether U.S. authorities will actually bend down and undo those red, white and blue tags on the scene. But that may be what it takes: They can't just pop a ticket on the windshield and expect results.

## Welfare Reform

### The Jobs Issue . . .

**P**RESIDENT CLINTON, who campaigned on the promise of providing more jobs for Americans, is coming full circle as he points his administration toward its second year.

Voters are accustomed to politicians who promise jobs, jobs and more jobs. When they say this, elected officials are usually pledging to create the conditions for a boom in the private economy. But Mr. Clinton—whose next two major initiatives are welfare reform and an expansion and overhaul of the job training system—has in mind something more specific, and much harder to achieve. He wants government to alter the way the labor market works, to move individuals toward more promising career paths and to create new incentives for those on welfare to take jobs. The welfare and training initiatives, usually viewed as separate, are part of the same concern with work—how individuals train for it, find it and get rewarded for doing it.

One of Mr. Clinton's priorities is to alter the unemployment insurance system. He argues that the current system was built for a time when those who became unemployed often returned to the jobs from which they were laid off. Unemployment benefits tided them over. Now, he says, whole categories of jobs are getting wiped out by economic change. The unemployment system thus needs to become not simply a source of temporary relief but also a means through which people switch career paths, discover where new opportunities lie and find the skills needed to take advantage of them.

That's a tall order for a government program, but it's no harder than reforming the welfare system and moving recipients from dependency to self-sufficiency. Mr. Clinton wants to limit people to two years on the rolls. The hard part is: Then what? Mr. Clinton would expand programs to give welfare recipients more education and training—sound familiar?—and to provide mothers on welfare with day care for their children. Then there is the matter of creating the work for welfare recipients to do—whether they should be permanent or temporary, in the public or the private sectors. Those honest about welfare reform have always known that it is far easier for the government to write welfare checks than to organize work programs. Mr. Clinton should not shrink from this task just because it's hard. But he needs to resist the temptation of pretending that there is some cheap and easy way to clear the welfare rolls and get everybody working. Hard experience shows that there isn't.

In any event, Mr. Clinton has already taken one important step toward welfare reform and has proposed another. By expanding the earned income tax credit, he gave a tax cut to the working poor and supplemented the incomes of those who earn so little that they don't pay federal taxes at all. Mr. Clinton's commitment is that no one with children who works full-time should be in poverty—which is the best way to hold down the welfare rolls.

### . . . And the Dads Issue

**T**HE USUAL struggle has broken out over President Clinton's promised plan to "end welfare as we know it." The question is where to position the plan on the scale of generous to tough. One of the elements in the struggle is an idea that has been around for a number of years called child support assurance. Like other welfare reform ideas, its goal is increased parental responsibility, but unlike others it does not begin and mostly end with the responsibility of the mother. It begins instead with the obligation of the noncustodial parent, which in most cases is to say the father.

State governments are already required by federal law to make an effort to establish the paternity of children whose mothers apply for welfare and to seek court orders requiring the fathers to pay support. Under support assurance, the states would greatly expand those efforts, and the federal government would set a minimum national support level. If a father failed to make a payment, the government would give the mother the guaranteed minimum—and itself try to recover from the father. The support payments, whether from father or government, would partly replace current welfare payments, which would be reduced accordingly.

Some critics dismiss support assurance as little more than dressed-up welfare by another name. Others express the fear that it could become a costly new entitlement. The fear is partly that fathers might find it even easier to abandon their children, knowing the government would pay. Defenders insist to the contrary that with federal enforcement of court orders—some plans would

do the job through the IRS—fathers would be held more accountable, not less. The proponents argue further that the work disincentives in the current welfare system would be reduced, since support payments, unlike welfare payments, wouldn't decline with increased earnings. An assurance system would also be partly self-financing, and a possible source of fiscal relief to the states, in that welfare costs, which are roughly half federal and half state, would go down as assurance dollars went up.

Eighty-eight House Democrats sent the president a letter last month urging that the welfare plan not become a device for squeezing the poor. A guaranteed child support benefit was one of the steps they proposed instead. Their goal is partly to offset pressure that the president is feeling from the opposite direction. Mr. Clinton cultivated the impression in last year's campaign that he would crack down on welfare recipients in part by limiting benefits to two years, after which they would have to go to work. Republicans are challenging him to make good on that tough-sounding proposal, and never mind the footnotes. Aides don't expect the president to propose a shift to support assurance nationwide, in part for fear of cost, in part for fear the unfamiliar concept would detract from his main theme. The question seems to be whether he will propose it on a sizable demonstration basis instead. We hope he does. The welfare system *ought* to emphasize paternal alongside maternal responsibility. Support assurance points in a useful direction.

## First-class travel

You'll recall that Les Aspin's press secretary, Kathleen deLaski, was asked by a Pentagon reporter one week ago: "Where, specifically, did Secretary Aspin spend his week's vacation in the Caribbean? And who was with him?" Ms. deLaski declined to answer.

This column reported the week before that Mr. Aspin traveled to Puerto Rico with his "girlfriend." Of more interest to us, though, was that Mr. Aspin had crossed an American Airlines picket line at Washington Dulles International Airport to board a flight to San Juan, Puerto Rico.

Now a well-placed source who flew to the Caribbean with the defense secretary, his friend and his bodyguards said everyone enjoyed their American flights, first to Puerto Rico, then on to the island of St. Lucia. In fact, the entire party was bumped up to first class, the source said, where a "rather subdued" Mr. Aspin sat in the first row of seats.

Upon arrival in St. Lucia, Mr. Aspin and his delegation "boarded a helicopter and flew off" to their vacation hideaway, the source said.

## At least he served

The Clinton team got in "a good-natured jab" at President Bush as it took note of yesterday's anniversary of the Japanese bombing of Pearl Harbor, according to the Associated Press.

Press Secretary Deë Dee Myers, at her daily news briefing, was asked if the White House had any special events planned. "The president is certainly aware of it . . . but we don't have any specific events," she said, adding: "We moved it back from September 7 to December 7."

A chorus of "ooooooooohhh" rose up from the press corps.

On Sept. 7, 1988, Mr. Bush startled an American Legion convention by mistakenly marking the day as the Pearl Harbor anniversary. A



George Bush's Pearl Harbor slip is dredged up at the White House.

minute later, he corrected himself, alerted by the stir in the audience and people waving at him over his error.

Mr. Bush, a Navy flier shot down during World War II, was decorated for his combat missions. Mr. Clinton actively avoided the draft during the Vietnam War.

## Reno's troops

At a fund-raiser for Fairfax County Supervisor Robert Dix Jr. the other day, Henry Hudson, recently replaced as director of the U.S. Marshals Service, criticized Attorney General Janet Reno as a "total failure."

One night, Mr. Hudson recalled, when he was still a member of the

Justice Department team, Miss Reno called him into her office. "I thought, 'Oh, my God, I'm in trouble,'" Mr. Hudson recounted.

Miss Reno took him to task for lobbying members of Congress on the Marshals Service budget. "You're supposed to go through the Department of Justice for that," she informed him.

Mr. Hudson assured her he didn't get very far with his lobbying. "I had to wait an hour to see Senator Hatch," he told her. "The FBI and DEA were ahead of me."

## Outside the Beltway

This newspaper over the past several weeks has written several investigative articles about the Arkansas savings and loan scandal that has embroiled President Clinton and his wife, Hillary Rodham Clinton. What surprises us is that few other major newspapers that purport to cover the Clinton administration have shown interest in the scandal.

We found out yesterday that it's not for a lack of reader interest.

WLS-AM, one of Chicago's most listened-to radio stations, read a portion of one S&L story, written by staff writer Jerry Seper, on the air Friday morning. Don Wade, the station's morning host, told listeners that if they cared to see the entire story to send a request and he'd fax them a copy.

"What happened after that was unbelievable," said Drew Hayes, operations director of WLS. "I've never seen anything like it. We expected five or 10 people would be interested. What ended up happening was we were inundated with

calls — thousands of calls. Clearly we were not able to send out that many faxes. There was tremendous interest in the story."

## South for the winter

It's December, which means it's time for legislators, especially those from cold, forbidding places like Vermont, to go on those critical, taxpayer-funded fact-finding missions to places with warm sun.

Sen. Patrick Leahy embarked on such a venture Monday, heading for Honduras, Nicaragua and El Salvador. And he took quite a few of his staff members along to ensure the success of the trip.

A call to the Vermont Democrat's office prompted a statement justifying the trip. Mr. Leahy's itinerary, his office said, included stops at "prosthetic and war orphan programs in El Salvador."

Word to us is that the congressional mission will also manage to squeeze in some less somber activities, perhaps even some snorkeling.

## Show of support

Les Aspin has given new meaning to the phrase "military support." Attending his major policy address on countering weapons proliferation yesterday at the National Academy of Science were about 100 military officers — bused in from the Pentagon.

The theatrics, we're told, were arranged by Rudy de Leon, Mr. Aspin's special assistant, who personally led one group into the auditorium of the C Street building. One Air Force captain told us she came because she has an interest in the subject, while others suggested they were brought in to give the gathering a military flavor.

Thus, more than a few eyebrows were raised by members of the press when the defense secretary began, "I see an awful lot of friends in the audience, and I appreciate you coming over here this morning to be part of this presentation."

REID BRIDGES  
BELTWAY ✓

By John McCaslin

simple: money," correspondent Gennady Shiskin said. The office in a downtown high-rise costs about \$50,000 a year to run.

The closure leaves Itar-Tass with U.S. bureaus in New York and Washington. Its San Francisco office opened in 1976. "We will miss California a lot," Mr. Shiskin said. "You can say we lost our heart in California."

### Poll watcher's saga

New York Newsday reports that James Howard Carter, a recovering drug addict and a resident of a homeless shelter, says he was hired for a day's work last month — as a poll watcher for the city's GOP.

At the urging of workers for Mayor-elect Rudolph Giuliani, he and other homeless folks also registered to vote absentee. On Election Day, he put in about 20 hours, including transportation, monitoring voting in Queens.

Newsday says the Republicans and the fusion slate headed by Mr. Giuliani doled out nearly \$200,000 in street money in black, Latino and Asian neighbors shortly before and on Election Day.

Mr. Carter, who is black, said he was told to look out for obvious fraud. He was one of some 300 people hired by the GOP Democrats charged systematic harassment of black voters. The GOP said it was protecting itself from vote theft.

He said he didn't challenge any voters and his biggest problem was hostility from black and a few white Democrats. He was paid two days later — \$60, less than the \$75 he understood he was to receive.

As for his vote, he says he cast it for Democratic Mayor David Dinkins.

• Compiled by Alan McConagha.

## WEIGHING IN ON WELFARE

Seeking views on welfare reform, Ed Goetas and Celinda Lake of U.S. News & World Report surveyed 1,000 registered voters Nov. 30. Margin of error is 3.1 percentage points.

Should the government . . .	
Leave welfare as is . . . . .	6%
Experiment with welfare reform on the state level . . . . .	37
Reform at the national level . . . . .	43
Eliminate welfare benefits . . . . .	8
Unsure . . . . .	6

What percentage do welfare rolls need to shrink for reform to be a success?	
25% or less . . . . .	17%
26-49% . . . . .	11
50% . . . . .	22
51% or more . . . . .	13

How do you feel about limiting the time families can be on welfare?	
Strongly favor . . . . .	48%
Somewhat favor . . . . .	21
Somewhat oppose . . . . .	9
Strongly oppose . . . . .	7

Tell whether you favor or oppose the following reform suggestions.	Favor		Oppose	
Require job training for those on welfare, and after two years require them to work in government jobs if necessary.	82%	15%		
Require job training and after two years require them to work.	93	4		
Require unemployed fathers to work.	94	4		
Replace welfare benefits with tax credits and strengthen child-support enforcement.	67	21		
Have government help w/child care, transportation for recipients who work or in training.	77	18		
Deny welfare to legal immigrants until they're citizens.	69	25		
Deny welfare to legal immigrants.	37	55		
Don't increase benefits when people on welfare have addition children.	65	28		
Limit benefits to two years and don't allow people to get back on for at least five years.	50	38		
Limit benefits to two years and don't allow people to get back on ever.	22	73		

The Washington Times

# Protection for sexual orientation now part of White House policy

By Greg Pierce  
THE WASHINGTON TIMES

The White House has revised its nondiscrimination policy to include sexual orientation, the latest in a flurry of such actions across the executive branch.

The "Equal Employment Opportunity Statement" for the Executive Office of the President was issued Nov. 22, said Gregory King of the Human Rights Campaign Fund, the nation's largest homosexual political organization.

Keith Boykin, special assistant to the president in the White House communications office, confirmed the change in policy to give homosexuals protected status but said he was not involved in the matter and could not give details.

On Thursday, Attorney General Janet Reno announced that the Justice Department no longer would consider homosexuality in security clearances.

On Nov. 23, the Office of Personnel Management formally recognized a homosexual employees group and prohibited questions about homosexuality in background checks. The OPM director promised to revise the agency's nondiscrimination policy to include the term "sexual orientation."

Tim McFeeley, executive director of the Human Rights Campaign

Fund, called the White House action "a major statement from the highest office in the land that discrimination has no place in the workplace."

Mr. McFeeley, noting the actions at the Justice Department and OPM, said: "We will continue to press for an executive order prohibiting discrimination on the basis of sexual orientation throughout the federal government. These announcements are welcome news that employees will be judged by the quality of their work and will be able to do their jobs without fear of intimidation."

Robert H. Night, director of cultural studies at the Family Research Council, a conservative think tank, said of the White House action: "It's interesting in light of what the president said about Dan Quayle being right about the two-parent family. Mr. Clinton is serving up talk about family values for public consumption while feeding the government a steady diet of homosexual activism. This should give most Americans indigestion."

The statement by the White House said it "does not condone nor tolerate discrimination based on race, color, national origin, sex (including sexual harassment), religion, age (over 40), disability or sexual orientation, in any of its personnel policies, practices, and operations," according to a press release from the Human Rights Campaign

Fund.

Mr. King said that as far as he knows, no one in the Clinton White House has suffered discrimination because of homosexuality, but that the situation was different in past administrations.

"I know someone who was let go [in the Bush administration] because he was gay," Mr. King said, but the person did not raise the issue publicly.

Lou Shelton, chairman of the Traditional Values Coalition, a pro-family, grass-roots lobby representing 31,000 churches across the nation, said, "This is part of the payoff and part of the program that the homosexuals are demanding."

Mr. Shelton said the "payoff" was for campaign contributions from homosexual groups last year. He called the inclusion of sexual orientation in the White House policy statement "a good-sized crumb from the table" after Mr. Clinton's failure to lift the military's ban on homosexuals.

Mr. Shelton noted that Los Angeles businessman and homosexual-rights activist David Mixner, a key fund-raiser for Mr. Clinton last year, met with the president last week.

Anti-gay-rights activists say homosexuals should not be granted protected-class status under civil rights laws.

# Gore, at Harvard, promotes plan to aid cities

By Anthony Flint  
GLOBE STAFF

CAMBRIDGE — Renouncing the narrow focus of federal assistance programs begun in the 1960s, Vice President Al Gore used an appearance at Harvard yesterday to promote a new "custom-tailored" approach to helping cities build their way out of crime and economic despair.

"For too long, government programs have operated . . . with a separate program and mandate for each narrowly perceived program," Gore said in his first return to his alma mater as vice president, speaking to a receptive crowd of several hundred students, faculty and Boston city officials at Harvard's John F. Kennedy School of Government.

"A reinvented government will do it differently," he said, encouraging cities to apply to become one of nine "empowerment zones" eligible for \$3.5 billion that Congress approved this year, for tax incentives and for funding aimed at stimulating private investment.

President Clinton announced the strategy in a speech in Cleveland in September. But Gore provided new details about how cities could apply for the money: a "bottom-up" process in which they submit plans of action to the Community Enterprise Board, a newly formed group made up of 15 federal agencies that Gore said would become "a responsive, single point of access to the federal government."

The nine "empowerment zones," or areas of decay within cities that local officials seek to rebuild, as well as an additional 95 similar "enterprise communities," will receive federal assistance to stimulate job growth, provide capital and job-training as well as money to lower the cost of doing business for companies that hire local residents, Gore said.

The application process will be detailed in January, Gore said. Although the criteria are still being developed, he said each community will be asked to "examine its own assets, build off strengths, and exploit its unique competitive advantage."

Gore singled out the Uphams Corner

neighborhood in Dorchester as an example of a community that banded together to fight crime, decay and the loss of businesses by providing loans to small businesses and individuals to revitalize housing and commercial enterprises.

In outlining the new approach, Gore touted the Clinton administration's plans for a "reinvented" federal government, which he said would be much better suited to attack the problems of cities.

"We have started to abandon the notion that we can look at a single problem in isolation from all the others," Gore said. "We have moved toward the idea that problems come in clusters, and can only be solved when we treat the underlying dynamic of how they relate to each other."

Revamping the government to reflect the connections among the nation's problems has become a favorite theme of the administration. Gore heads the task force attempting to "reinvent," or reorganize, federal programs and procedures.

Gore said joblessness, crime and a breakdown in family life have worsened urban decay to a crisis point, involving both blacks and whites almost equally. But federal involvement in urban problems has largely failed, he said.

"One of the lessons of the '60s is that governments alone, no matter how well-intentioned, cannot turn around the vicious cycle of poverty with handouts," Gore said.

He said cities that submit action plans to the new Community Enterprise Board but are not selected to become empowerment zones will still benefit, because they will have explored new avenues for stimulating private investment.

Gore took questions for about 45 minutes from mostly students, who peppered him with detailed questions about his plans to reorganize government, environmental protection and other policy issues. Gore also took a question from Kennedy School professor Richard E. Neustadt, his former thesis adviser.

In the evening, Gore was scheduled to attend a birthday party for Sen. John F. Kerry.

From Boston Globe Page 3

# Local labor protests Meehan today

By Meg Vaillancourt  
CONTRIBUTING REPORTER

As part of their promise to target lawmakers who voted for the North American Free Trade Agreement, local labor and community activists today plan to protest outside a fund-raiser for Rep. Martin T. Meehan, Democrat of Lowell.

"Meehan ran as a working man's candidate, but he supported a law created for big corporations," Philip Mamber, president of the United Electrical Workers union, said yesterday. "We don't think he deserves labor's support."

The activists said they would set up pickets outside Meehan's \$250-a-plate fund-raiser at the Park Plaza Hotel, where Vice President Al Gore will be the featured attraction. Gore helped win congressional approval of NAFTA, which labor unions strongly opposed.

Meehan's aides denied any big-business bias and pointed to his voting record in support of organized labor. "Congressman Meehan voted for NAFTA . . .

because he felt it would create jobs in cities like Lowell and Lawrence," said a spokeswoman, Patricia McCafferty.

Meanwhile, the state AFL-CIO has asked unions across the country to withhold campaign contributions to the five congressmen and two senators from Massachusetts who voted for NAFTA — at least until union leaders can discuss what effect the lawmakers' votes should have on endorsements.

"Until that time, we are asking that those congressmen and senators not be rewarded for voting against organized labor on this important issue," the Massachusetts AFL-CIO president, Joseph Faherty, said in a letter that was sent to all national and international union presidents.

In addition to Meehan, Massachusetts lawmakers who voted for NAFTA were Reps. Joseph P. Kennedy 2d, Edward J. Markey, Gerry E. Studds and Peter Torkildsen and Sens. Edward M. Kennedy and John F. Kerry.

## The Des Moines Register

# Eager parents on welfare await chance to work

Child-care funding is the missing ingredient in a plan for total welfare reform, a DHS administrator says.

By PHOEBE WALL HOWARD  
REGISTER STAFF WRITER

Mike Naylor says he wants to get off the welfare rolls. But he can't.

Not because he doesn't want to work, but because he has no money for child care. Lawmakers are working to shrink the number of welfare recipients in Iowa, but state officials are having a tough time getting their hands on money needed for parents in Naylor's situation.

His children are three of some 8,000 whose parents have requested child-care assistance from the state

within the past year. Those parents worked or received education and training full time and met poverty guidelines.

Money is tighter than it used to be, and what is left for child care is tied up in a bureaucratic knot.

### Seeking a Solution

Iowa lawmakers and child-care officials are meeting this week to discuss finding a solution.

"I don't want the state's money, is what it boils down to. I don't want it," said Naylor, 44, a divorced father of three children younger than 7 living in Des Moines. He sold auto parts until his company closed in October. Naylor received welfare while employed because his pay was so low. And lack of child care help

WELFARE Please turn to Page 3A

### 'CLEAN' FUEL DEBATE

## Branstad upset with Clinton over ethanol

The governor has vowed to cull the president every day until he responds.

By JONATHAN BOOS  
REGISTER STAFF WRITER

Gov. Terry Branstad complained Monday that he literally is having trouble getting through to President Clinton on the issue of ethanol.

Branstad said his calls to the White House, urging Clinton to lean on officials in the U.S. Environmental Protection Agency who have misgivings about the use of

corn-based ethanol as a "clean" fuel in smog-prone urban areas of the country, have not been returned.

"I intend to continue to call him every day this week until I get a call back, insisting that he personally intervene and tell the EPA to give ethanol a fair chance to compete," Branstad, a Republican, told reporters at his weekly news conference.

Some EPA officials contend that

evaporation of ethanol adds to air quality problems. Branstad countered there is scientific evidence to support the use of ethanol as a clean-burning fuel, but lobbyists for petroleum-based alternative fuels appear to be gaining the upper hand.

Branstad's criticism follows a recent attack on President Clinton by Iowa Republican Sen. Charles Grassley, who said Clinton, a Democrat, has failed to make good on a campaign pledge to support ethanol.

Said Branstad, "Now I guess he's just forgotten. Maybe this hasn't gotten on the radar screen in the White House."

With the U.S. Department of Agriculture encouraging farmers to plant more corn next year, expanding markets for corn is critical, the governor said. Failure to allow ethanol to compete in the clean fuels market of urban America would be "a recipe for disaster," he said.

Without assurances of a steady market for ethanol, refiners are reluctant to invest in its production.

According to agriculture department analysts, the amount of corn used in the production of motor-vehicle fuel would increase from about 400 million bushels to more than 1.2 billion bushels by the turn of the century if ethanol is fully used as a "clean" fuel.



Branstad  
On hold?

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*'Nobody needs to support me and my children when I'm capable of supporting myself. I've got some pride. Give me a chance.'* —Mike Naylor

## THE REGISTER'S EDITORIALS

## Should we junk price supports?

**Farm Bureau action suggests  
the time may be coming.**

**A**re American farmers ready to give up traditional commodity price supports in exchange for an income safety net that's not tied to crops? Delegates to the Iowa Farm Bureau Federation convention last week voted for just such a revolutionary change in farm policy.

The delegates called for a "revenue assurance" program that would be a drastic change from the way farm programs have been run since the 1930s. In theory, the new approach makes a great deal of sense, but it's bound to be intensely controversial.

A similar idea — then called by the unglamorous name of "decoupling" instead of the more catchy "revenue assurance" — was proposed during the debate on the 1985 and 1990 farm bills. It seemed too radical at the time, but if a mainstream group like the Iowa Farm Bureau has swung around in favor of the concept, it could be gaining momentum as debate on the 1995 farm bill approaches.

Traditionally, government programs have attempted to support farmers' incomes by propping up the price of certain commodities, including wheat, feed grains, cotton and rice. Generally speaking, farmers are guaranteed a certain price per bushel for portions of their crops. In exchange for these price supports, farmers are required to reduce the number of acres they plant. The government establishes the required acreage "set aside" each year in an attempt to control supplies and thereby keep the price up.

The government's attempt to manipulate supply is expensive and hasn't worked well. There's a built-in contradiction. The guaranteed prices give farmers incentive to produce as much as possible, at the same time the government is paying farmers to cut production.

The "revenue assurance" approach would abolish acreage controls. Farmers would be free to plant anything they liked. But they'd have to take their chances in the market. Price supports would be abol-

ished, too. Instead of price supports, farmers would be given direct income payments from the government in bad years that would guarantee them a certain percentage of their normal crop revenue.

The advantages of such a system, in theory, include:

- It would cost taxpayers less to provide direct income supports than to try to boost

**The delegates called for a  
"revenue assurance" program  
that would be a drastic change  
from the way farm programs  
have been run since the 1930s.**

farm income through complicated commodity price-support mechanisms.

- It would provide a way to supplement farm income without violating international trade rules. The United States has been trying to negotiate a worldwide phase-out of commodity price supports and export subsidies, but direct income supports would still be permissible.

- It would free farmers to experiment with new crops. As it is now, farmers are virtually locked in to the crops for which the government provides a subsidy.

- Farmers would make their planting decisions based on the market for each commodity, rather than "farming the government" programs.

In the past, much of the resistance to the revenue-assurance idea has come from farmers who feel they want to be paid for their crops (even if they know it's a subsidized price) rather than receiving what might be thought of as a welfare check from the government. If the Iowa Farm Bureau resolution is an indication, that resistance is fading.

The idea should top the list of possible alternatives to current programs as discussion of the 1995 farm bill commences.

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# Parents eager to get off welfare await help with child-care costs

## WELFARE

Continued from Page 1A

often interfered with work.

Ordinarily, Naylor would qualify for state child-care assistance. That way, he could work his way off welfare. However, state officials haven't accepted additional parents for that program since August 1992. And the \$18.2 million budgeted for fiscal year 1994 hasn't kept up with demand.

State officials, unable to serve the thousands who want help, have toughened income restrictions on who qualifies for the over-burdened child-care program that serves parents like Naylor. The updated waiting list contains hundreds of children under age 5 whose parents work full time, remain in poverty and may receive welfare.

Don Kassar, an administrator for the Department of Human Services, said, "We know for sure we can help some but not the 8,000 that were on the waiting list in June. That would cost \$22 million more.

"Until you have adequate child-care money, welfare reform is not going to accomplish 100 percent of its goals. Child care is at the cornerstone of welfare reform."

### - Waiting List

Doug Howard, who administers Iowa's welfare programs, said, "As of Dec. 1, we're asking those 450 parents (now on the waiting list) to re-apply to ensure they still meet the guidelines. We're working to eliminate that waiting list. Some will get services, some will remain on a waiting list."

Howard acknowledged that loosening restrictions on a second pro-

gram — known as transitional child care — would help the situation. But federal rules prevent that, he said.

Naylor checked to see whether he could get child-care money from that fund, which still has room to accept parents.

He fails to qualify.

Federal guidelines require that the transitional child-care money — about \$1.6 million — only be used for Iowans canceled from welfare because of increased earnings. Iowans can't voluntarily sacrifice their welfare checks to qualify for the program.

"I even talked to someone about getting off illegally," Naylor said. "I had devised a way that if I went out

child care and what we do have is inaccessible. It amazes me, that we can't tap into a fund that would actually save Iowa money.

"Mike is ready to work but the system isn't letting him," he added.

Explained Howard, "We're trying to obtain a waiver to allow more families into the transitional child-care program. But we do have doubts about whether the federal government will approve that."

Sen. Richard Varn, a Solon Democrat and chairman of the Senate Human Services budget subcommittee, said child care must be a priority to Iowans. "Jobs, health care and child care are the three critical elements to getting people off welfare."

### Parents Wait

Meanwhile, parents like Naylor wait.

"Nobody needs to support me and my children when I'm capable of supporting myself," he said. "I've got some pride. Give me a chance."

Jonathan Rowat, a counselor for the Polk County Child Care Resource Center, said he talks to up to 100 parents a month who are "absolutely paralyzed" without child care.

"In order to bring people from welfare to employment — continued employment — to keep them in the work force, there has got to be assistance for child care," Rowat said. "People are calling us because they are motivated to work."

Fallon said Iowa can't ignore the child-care needs these parents.

"Otherwise this welfare-reform plan is going to fall flat," Fallon said. "The basic concept of reform is to get people working. You can't get single parents working if they've got to leave their small kids at home."

**“We know for sure we can help some but not the 8,000 that were on the waiting list in June. That would cost \$22 million more.”**

— Don Kassar  
DHS administrator

and had fictitious people write me receipts so I could be cancelled because of earnings, I could force myself out of the welfare situation."

### "Rules Run Amok"

Rep. Ed Fallon, a Des Moines Democrat who serves on the House Human Services budget subcommittee, has been trying to find answers for Naylor, who is a constituent.

"The problem is a set of bureaucratic rules run amok," Fallon said. "We don't have enough money for

# Fire-Breathing Unionist Bywater Has Become A Hero for Disaffected Losers of Nafta Battle

By ASRA Q. NOMANI

Staff Reporter of THE WALL STREET JOURNAL  
BOHEMIA, N.Y. — Labor may have lost the battle over the North American Free Trade Agreement, but the rank-and-file gained a new hero: 73-year-old Bill Bywater.

He is the fiery union leader who stole the stage during an anti-Nafta briefing in August to stare into television cameras and shout a pledge that labor would seek political revenge against lawmakers who voted for the trade pact. "I said, 'The hell with it,'" he says. "I was angry, and I wanted people to know it."

Now, Mr. Bywater has become a symbol for an army of disaffected Americans who lost the Nafta battle and are uncertain of where to channel their anger. Not since the days of William Winpisinger, who ruled the International Association of Machinists in the 1970s, has a labor leader been so flamboyantly outspoken. His critics claim Mr. Bywater's slash-and-burn tactics are outdated, although many unionists celebrate his vivification of labor political might.

"He's got the original labor militancy," says Howard Samuel, a retired top AFL-CIO official who has worked with Mr. Bywater since the 1960s. "Not every labor leader has it." He "sounds the alarm bell" that can help rekindle labor's fighting spirit, says Mr. Samuel, head of a labor-industry trade coalition that includes Mr. Bywater.

Mr. Bywater is the president of one of the nation's shrinking unions, the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers. As the U.S. television-manufacturing industry eroded under foreign competition, his union has declined to about 150,000 members from 350,000 in 1968. He became one of the first union leaders pushing labor away from its traditional free-trade position. Democratic Sen. Tom Harkin of Iowa, who voted for Nafta, has called Mr. Bywater "the Paul Revere" of trade.

## 'Get-Even Politics'

"He understands first-hand what's happening to U.S. industry. He's tough the same way [General Electric Co.'s] Jack Welch is tough as a CEO," says Pat Choate, a Washington economist who was on the same side as Mr. Bywater when he teamed up with Texas billionaire Ross Perot to fight Nafta. "He brings to this something labor hasn't done much in the past, and that's get-even politics. In this kind of politics, getting even is a legitimate exercise of power."

But Mr. Bywater isn't likely to assume personal command of coming union battles on other issues such as health-care reform. Nafta was a gut issue for the IUE, and Mr. Bywater has never been a mover and shaker in issues other than trade. He's most likely in his last term as head of his union, though he says he won't decide until 1996, when his term expires. Labor experts also argue his hardball tactics don't work anymore, and that other unions are likely to distance themselves from his threats, particularly as new issues surface and the Nafta vote gets further in the past.

"This isn't a style that works. It's old-fashioned," says Sar Levitan, a labor-relations expert at George Washington University. "And it isn't a style that will do the labor movement much good. Labor cannot isolate itself, and, for the most part,

I expect they will get back into the fold."

In many ways, Mr. Bywater is a throwback to the tough image of labor's past leaders with his scowl, twice-broken nose and stream of double negatives and put-downs. He calls Jim Jontz, head of the anti-Nafta Citizens Trade Campaign, "a sissy" for not being more aggressive in charting the campaign. He is a self-proclaimed socialist who sees "a great injustice" happening to the rank-and-file at the hands of multinational corporations.

## Child of the Depression

The union leader is a man whose past uniquely molded him for his current endeavors. A child of the Depression, Mr. Bywater moved often while his father looked for work, leaving Trenton, N.J., where he was born and then hopscoching around Queens, where the family landed one job as janitors for a building. "I had to leave my dog Sparky behind. It killed me," he recalls. "We were a little better than poor, then poor and then very poor."

Privately, he reveals certain charms few see. "In the middle of a meeting, he'll ask you, 'Do you know what my mother used to call me?'" says his 67-year-old executive assistant, Joan Man, taking off her big rhinestone glasses to roll her eyes. "We've heard it a thousand times, but we sort of look at each other, drop our eyes and say, 'No, Bill.' And he'll say, 'Sweet William,' and he'll think it's just the funniest thing."

But in battle, he borrows from what he learned in his early years when, for fun, he fought on the streets of Queens. "That was our sport," he says. "All we did was fight." He broke his nose a second time in a fight he got into after a boy threw a stone at his dog. The problem: "He didn't say 'sorry.'"

## Screaming in the Family Room

To understand why the battle over Nafta might not be over, watch Mr. Bywater wildly flail his hands and scream in his family room here as he vows to push election-year attacks on union-backed politicians who voted for the trade pact. "They're jerks," he says. He won't name those House members he wants to target, saying that will be plotted during meetings scheduled for January with AFL-CIO officials. But some likely targets are Democrats Tom Sawyer of Ohio and Nita Lowey of New York.

"I feel like I've been made the national poster child for the tough political decision," says Rep. Sawyer, who insists the get-even strategy "doesn't work with me." The congressman, whose district includes the United Rubber Workers' headquarters, is convinced his Nafta stance cost him. "I probably bought myself a primary" challenge.

Rep. Lowey hopes to build bridges with union leaders with legislation on worker safety, among other things. "Only time will tell" if union leaders hold a grudge against her, she says. "I would hope unions would let bygones be bygones."

Mr. Bywater says he persuaded half a dozen lawmakers to vote against Nafta, threatening two. "The president was putting pressure on them. I said, 'Let's see if the president can help you on Election Day,'" he says. "One Republican in New Jersey indicated he would go our way, but he didn't. We'll go after him."

Rep. Bob Franks, a New Jersey Republican heavily wooed by unions, including Mr. Bywater's, acknowledges he's probably the one. He says he hasn't been directly threatened, but even the broad-based threat doesn't hold muster, he claims. "It backfired," Mr. Franks says. "Those to whom the tactics were employed went the other way."

Mr. Bywater also has had confronta-

tions with a host of Clinton administration officials. These included heated arguments over Nafta with Labor Secretary Robert Reich and U.S. Trade Representative Mickey Kantor.

His rancor sometimes gets dismissed as old-style union agitation, however. Steven Hofman, a former Labor Department official in the Bush years, recalls a meeting when then-Labor Secretary Lynn Martin told top AFL-CIO officials, including Mr. Bywater, her ideas on worker job-security. "When she was done, he flew into a rage" over the Bush administration's opposition to legislation that would protect workers from being replaced if they went on strike, says Mr. Hofman. "He turned red, and said, 'This is a dagger in the heart of the American labor movement.'"

## A Distinct Impression

Mr. Bywater left a distinct impression with "an in-your-face to a high government official," says Mr. Hofman, but with little real effect. "My impression is that this is how they operated in the '30s, '40s and '50s. But it didn't mean he was going to see the secretary of labor adopt his sense of the world."

The labor-industry coalition's Mr. Samuel acknowledges that Mr. Bywater's message doesn't sit well with some. "What the typical worker responds to is not what the typical intellectual responds to," he says. Intellectuals "don't respond to the fiery approach of Bill Bywater."

But while Mr. Bywater can be intimidating, he heads a union that doesn't pump that much money into political campaigns. It contributed only about \$129,000 between 1979 and this summer to presidential and congressional races. What the union

doesn't have in political contributions, Mr. Bywater says, it will make up for with members who are willing to canvass a district. He says the union will team up with other industrial unions, such as the United Rubber Workers — but even they are a shrinking union.

Mr. Bywater is undeterred by his detractors. "This isn't over," he says with a steely gaze and clenched teeth.

# Florida Welfare-to-Work Plan's Success In Study May Influence White House

## ECONOMY

By MELISSA LEVY

Staff Reporter of THE WALL STREET JOURNAL  
WASHINGTON — A Florida program that steers welfare recipients toward jobs has produced positive short-term results, according to a study that could influence the Clinton administration's approach to reforming the welfare system.

The analysis by Manpower Demonstration Research Corp. joins a growing body of evidence that suggests it's possible to increase earnings for welfare recipients and reduce welfare spending at the same time. The Clinton administration plans to present its proposal early next year, but already it has said that it favors imposing a two-year limit on welfare stints, after which recipients would have to work in exchange for their benefits.

Programs such as Florida's Project Independence are a "critical first step" to sweeping time-limit welfare reform, said MDRC President Judith Gueron. "The future challenge is to build and improve on this base," she said.

The 1988 federal Job Opportunities and Basic Skills program gave states leeway to experiment with welfare reform. Florida's project, one of the nation's largest, emphasizes job-placement services over training. All single parents and unemployed heads of two-parent welfare families are required to participate.

The MDRC study focused on 18,000 single parents who applied for, or received, welfare benefits in nine Florida counties between July 1990 and August 1991. About 75% of the sample participated in Project Independence. For the study, the remainder were excused but still were eligible for other government aid.

The study found that after a year, program participants on average earned 7%, or \$157, more than the control group. Their welfare payments were reduced by that amount. After one year, about 64% of the program participants were still receiving welfare, compared with 69% of the control group.

But the program has a "sobering aspect," said MDRC senior research associate James Kemple, a lead author of the study. Parents with pre-school children, a group rarely studied and usually not required to participate in welfare-to-work programs, experienced a 5% reduction in welfare payments and no significant increase in earnings at the one-year mark. Parents with school-age children increased earnings an average of 11%, or \$280, during the first year.

MDRC studied Florida because it has one of the largest and most diverse welfare populations. The nonprofit research group already has studied California's welfare-to-work program and is in the process of a six-state evaluation of projects under the JOBS program, Dr. Gueron said.

# If Clinton Orders Double Cheese And All the Toppings, It's a Crisis

By WILLIAM M. BULKELEY

Staff Reporter of THE WALL STREET JOURNAL  
How's this for a slice of life? Domino's Pizza Inc. says orders rose 11% when Amy Fisher or either of the Buttafuocos was on the tabloid TV show "A Current Affair."

When basketball's Michael Jordan retired at a daytime press conference, lunchtime pizza orders set a national record.

Such are the results of the pizza meter for 1993, the fourth edition of Domino's attempt to link pizza sales, delivery-person sociology and actual events.

The logic is that dialing Domino's is a sign that people are really engrossed in a TV show and aren't willing to sweat over a hot microwave.

"We get to see Americans as they really are," says Tim McIntyre, Domino's national director of communications who runs the survey. His staff interviews more than 200 drivers and correlates their observations with actual sales data for particular periods. He concedes that "we take great pride in how unscientific our survey is," but he notes that some observations make sense.

Domino's became interested in pizza sociology during the Reagan administration, when a Washington franchisee observed that he could tell when a crisis was

brewing by soaring nighttime orders at the White House and the Central Intelligence Agency. "After we publicized that, CIA orders dried up," says Mr. McIntyre.

Pizza orders from the Clintons and their workaholic staffers are up 31% from the best Bush year. And when Hillary is out of town, pizza orders rise 18% above normal. Nationally, the biggest pizza day of the year was when the House voted on the Clinton budget, the first time the biggest day wasn't a sports event.

But the Clinton budget has been bad for delivery people. Since it passed, tipping has declined by 4% nationally, 8% in the House and 13% among House Republicans, Domino's delivery people say. Other tipping news: The best tippers are advertising firms, nonprofit organizations and military bases. The worst: TV studios, investment bankers and lawyers.

And then there are regional factors. Since the fat content of Chinese food was publicized this fall, Sunday evening pizza orders are up 7% nationally and 34% in New York. Los Angelenos mostly order veggie toppings, except after disasters; following riots or earthquakes, they order meat toppings 64% of the time. And delivery people say New Jerseyites are 12% more likely to ask for extra napkins.

# Hubble Mission Attains Key Goal Of Repairs in Orbit, NASA Says

## Correcting Telescope's Blurred Sight Remains as a Major Challenge

By Kathy Sawyer  
Washington Post Staff Writer

HOUSTON, Dec. 6—NASA officials declared Monday that the Hubble Space Telescope repair mission has achieved one of its two make-or-break goals: to demonstrate that astronauts can perform complex and sensitive technical procedures in the weightlessness of orbit.

But enthusiasm was tempered by the fact that, early Tuesday, the crew of the space shuttle Endeavour was to confront the other major challenge of the 11-day flight: installing corrective optical equipment to substantially restore the Hubble's blurred sight.

The officials' statement followed the second of two unexpectedly trouble-free spacewalks. Early Monday, the EVA (extra-vehicular activity) twosome of Kathryn C. "K.T." Thornton and Tom Akers had breezed through the visually riveting disposal of a broken solar power panel and the installation of two new ones ahead of schedule.

That left them time to reposition foot restraints and other equipment to get a head start on Tuesday's planned installation of a \$23.9 million second-generation Wide-Field/Planetary Camera (WFPC 2) to replace the original unit.

"It's a great morning," said Joe Rothenberg of Goddard Space Flight Center in Greenbelt, Md., manager of flight projects for Hubble. "We've been up to bat twice and our crew has hit two home runs."

Five spacewalks are planned for the Endeavour astronauts, who blasted off last Thursday on a mission to repair the defective telescope, which has been in orbit 365 miles above Earth since April 1990.

Elated astronomers, often cast as adversaries of the human side of space flight, heaped praise on the shuttle program and astronauts for the tender handling and painstaking repairs they have so far provided the orbital observatory, which cost \$2.1 billion to build and launch.

The era of orbital servicing became a reality, said Hubble chief scientist Ed Weiler, "when we took that first gyro out . . . when we took the first bolt out, after it had been out there for three years."

But perhaps the most vivid mo-

ment occurred early Monday when Thornton, riding at the end of the shuttle's 50-foot mechanical arm, removed a bent 40-foot solar panel, raised it above her head and let it go.

"There are images that are burned into your brain for life," said senior project scientist Dave Leckrone. "The mythical Wagnerian image of Kathryn Thornton holding that solar array up toward the rising sun is certainly one of them."

Some observers cautioned that, for astronomers, the central drama was just beginning and there was still plenty to worry about. The EVA team of Jeffrey A. Hoffman and F. Story Musgrave was to begin shortly before midnight Monday to swap out the old WFPC for the new one. The wedge-shaped device is one of two packages of corrective optics designed to compensate for a defect built into the Hubble's main mirror.

With Hoffman anchored on the 50-foot Canadian-built robot arm, controlled from inside the orbiter by Swiss astronaut Claude Nicollier, and with Musgrave tethered but floating free, the team was scheduled to move the 600-pound replacement camera into precise position on guidrails and then into its cavity inside the telescope, where the tolerances are within a fraction of an inch. The camera includes special mirrors to counter the effect of the flaw, called spherical aberration, in the Hubble's 94-inch main mirror.

"This is the first day I've been really excited," said Weiler. "This is the first day for astronomers."

Because this would be their first chance to heft the camera in actual weightlessness—a task that cannot be simulated realistically on the ground—the crew planned first to slide the old WFPC partially out and then back in again for practice.

*News updates on NASA's mission to repair the Hubble Space Telescope are available by calling Post-Haste at 202-334-9000 from a touch-tone phone, and then entering Category Code 5500. (Prince William County residents can phone 703-690-4110.)*

The most critical moment, in terms of the delicacy required, was expected to be removal of the metal box covering the WFPC 2 "pick-off" mirror—about the size of the palm of a hand—that juts outside the camera housing, Weiler said. The pickoff mirror is designed to sit deep inside the telescope, catching its main light beam.

Its cover is a metal box, painted red to signal its importance. One touch by an astronaut's glove against the fragile mirror could knock it irretrievably out of alignment.

While moving the unit, "Nothing comes within a foot and a half of that mirror," Musgrave said in an earlier interview. The fat, padded gloves are pressurized at 4 pounds per square inch, reducing dexterity.

Making the delicate maneuvers more difficult is the fact that objects can appear different in space. In addition to stark lighting effects, distance perceptions are altered by the absence of distorting air in the vacuum: Something small and close is no sharper than something large and far away.

Moreover, a spacewalker's head is enclosed in a clear polycarbonate bubble helmet with a visor over it, permitting only limited head movement and peripheral vision.

Musgrave, 58, who has worked on Hubble servicing techniques since 1975, said before the mission that he and Hoffman have rehearsed every detail of the camera insertion and cover removal—how far to lean forward to reach something, how good the visibility will be at each point, exactly what each astronaut should say to signal clearly what is happening. They have tried the operation in varying lighting during ground training.

Hoffman has compared such tasks to walking on a narrow ledge with a 2,000-foot drop on each side. "Not difficult, but very, very critical."

According to mission plans, proper installation of the WFPC 2 was to be confirmed by tests immediately following replacement. Ground-based Hubble controllers planned to send signals instructing the telescope to apply power to the WFPC and verify its electrical connections and basic operation.

If all went well, NASA officials

See HUBBLE, A7, Col. 1

HUBBLE, From A6

noted, it would still take six to eight weeks of adjustment and calibration after the mission before scientists would be able to determine whether the telescope's corrective optics perform as expected.

If the mission so far has proven anything, an official said, "It is the value of extensive training."

That seemed to be the case in Monday morning's outing to replace the solar panels, during which the most serious problems included a minor communications problem in Thornton's spacesuit and an ear blockage—similar to what airline passengers experience during altitude

changes—after she reentered the airlock after the spacewalk.

The heavy lifting on the replacement solar arrays, still rolled up, was timed to occur in darkness when the power system—which converts sunlight into electrical power—would be dormant. Thornton and Akers worked like miners, with adjustable helmet lights and a 1 million-candlepower spotlight operated from inside the cabin by Musgrave.

Akers's soft Missouri accent could be heard on the communications loop encouraging Thornton during her Atlas act with the solar wing, which she had to hold over her head for several minutes until

the orbiter passed into daylight, to provide visibility. "I think I see sunrise coming, K.T. . . . Houston, how long before K.T. jettisons?" After she released the wing, he said, "Look how stable you left that. . . . Pretty neat job, K.T."

As the flexing sheets of fiberglass-reinforced Teflon slowly receded against the blue of Earth, they took a long-distance blow from the firing jets of the orbiter as it backed away. The solar panel could be seen buckling and fluttering in response.

The normally business-like Thornton, a nuclear physicist, exclaimed, "Almost like a bird, Tom, look!!"

# Welfare-Work Program Has Some Success

## Florida Trims Rolls By About 5 Percent

By William Claiborne  
Washington Post Staff Writer

A federally funded mandatory employment program in Florida has had modest success in moving poor people into jobs and reducing the state's welfare rolls in its first year, according to a report released yesterday by an independent evaluation group.

However, the study of Florida's \$30 million-a-year "Project Independence" suggested that the federal government's \$1 billion Job Opportunities and Basic Skills Training (JOBS) program, as currently funded and operated, will not move large numbers of people off welfare and out of poverty.

The federal-state JOBS program, which is the core of the Florida project, was created during the Reagan administration to redefine Aid to Families With Dependent Children (AFDC) as a two-way obligation

**"The future challenge is to build and improve on this base."**

— Judith M. Gueron, leader of group that conducted Florida study

between the government and welfare recipients rather than a traditional one-way entitlement program.

Welfare recipients are required to attend orientation sessions and contact at least 12 employers if necessary in their job search. If the search is unsuccessful, they must attend basic education or training activities.

At the end of its first year, in August 1991, the Florida mandatory employment program had reduced the welfare rolls by about 5 percent, while earnings of program participants were 7 percent higher than those not in the program, according to the study by the independent Manpower Demonstration Research Corp.

The study, which covered 18,000 single parents on welfare in nine counties, also showed that welfare payments to participants were reduced by nearly 7 percent. The nine counties selected for the project contain more than half of the state's welfare population.

Judith M. Gueron, president of the group that conducted the study, acknowledged that the savings were relatively small, but said the important finding is that a modestly funded program like Florida's can achieve results that compare favorably with larger and costlier projects, such as California's Greater Avenues for Independence (GAIN) program.

The California program costs more than \$120 million a year and averages 60,000 participants. Yet its sav-

ings in the first year among recipients with school-age children were not much greater than Florida's.

"The future challenge is to build and improve on this base," Gueron said, referring to Florida project. She said that the task will become increasingly urgent as the national debate over welfare reform takes up such options as cutting off welfare benefits to recipients after two years.

See WELFARE, A11, Col 1

WELFARE, From A10

The Florida study by the New York research group coincides with a growing debate within the Clinton administration over how to make poor people self-sufficient before the expiration of the two years.

Likening welfare time limits to the edge of a steep cliff, Gueron said the Florida study "shows that you can get some results, which is important when you try to reduce the number of people headed for the cliff."

Critics of previous welfare reform efforts have argued that numerous studies have shown that costly demonstration projects for reducing public assistance dependency typically result in reductions in welfare rolls in the 4 to 5 percent range and, therefore, are a waste of money.

What is needed, the critics maintain, are more drastic solutions like stringently enforced time limits on benefits and a cutoff of assistance to unmarried mothers who bear additional children after going on welfare.

The Florida program does not involve welfare time limits, but instead requires recipients who have at least a 10th-grade education or some recent work experience to seek employment. If they are unable to find work, they must attend classes that teach interviewing techniques, resume-writing and other job-seeking skills.

People with less education or no recent work experience, as well as those unable to find work with the

help of the program, are put in more expensive education or job training programs.

All single parents on welfare—mostly women—whose children are at least 3 years old and all unemployed heads of two-parent welfare families—mostly men—have to participate in the program or their welfare grants can be reduced. When funds are available, the project provides child care and transportation assistance for participants, Gueron said.

She said the least encouraging results in the study came from welfare recipients with children under 6 years old, partly because the mothers tend to be less educated and partly because funds for day care were stretched too thin.

TUESDAY, DECEMBER 7, 1993 THE WASHINGTON POST

# States Support Idea of Two-Year Limit on Welfare but Fear Increased Cost

By William Claiborne  
Washington Post Staff Writer

Governors and state legislators are interested in a presidential effort to place time limits on welfare, but they are worried about being stuck with the bill, state officials said this week.

While generally receptive to the idea that welfare benefits should be limited to two years—after which people would be forced into either private-sector jobs or community service—the state officials are asking who would pay for creating the jobs and community service positions that would be needed to put former welfare recipients to work.

That question is not answered in a "draft proposal outline" that a White House task force on welfare reform is scheduled to give to President Clinton before the end of the

year, and some state officials are voicing concern that the answer may be them.

"One thing we can agree on, regardless of our political views, is that we don't want to pick up the tab," said California Assemblyman Tom Bates (D), co-chairman of a welfare reform task force at a meeting here of the National Conference of State Legislatures.

Oklahoma state Sen. Bernest Cain (D), a member of the task force, said time-limited welfare and other suggested reforms sound attractive but could be out of reach because of his state's fiscal crisis.

"As long as it's just an option it won't hurt us because we won't be able to afford it. When you have to put up matching money for programs like that, you have to take it to the people in our state, and they won't go for it," Cain said.

One option to be presented to Clinton by the federal task force would require welfare

recipients to join a work program, for which they would be paid the minimum wage. States would have to supplement those earnings if they were not equal to the normal benefits of Aid to Families With Dependent Children (AFDC) for a family of that size.

Another option would require recipients who reach the two-year time limit to perform community work to be allowed to continue receiving AFDC benefits. Federal funding for the work program would be capped, with the states presumably picking up at least part of the remaining cost.

The legislators' group has not yet adopted a formal position on time-limited benefits, but in a "conceptual framework" paper issued at this week's conference the group urged Clinton to give states more flexibility by providing them with options to participate instead of requiring them to do so.

Some state officials view the prospect of

shifting welfare costs as potentially just another unfunded federal mandate that could force states to increase taxes, cut services and restrict their ability to determine their own budget priorities.

Unfunded mandates usually consist of rules and procedures that regulate federal programs ranging from environmental protection to Medicaid. The costs of complying with the rules are assumed by state and local governments under the threat of losing matching federal grants.

Mandated costs for running Medicaid rose from \$17 billion in 1981 to \$88 billion this year. The federal Advisory Commission on Intergovernmental Relations reported that during the 1980s, Congress enacted 27 major laws containing unfunded mandates.

Margaret Siegel, human services lobbyist for the National Governors' Association, noted that some states already have ob-

tained waivers to experiment with time-limited welfare and that most states "want to be involved in reshaping the system to make poor people self-sufficient."

But, Siegel said, state leaders are likely to insist on reform "within a framework of money they have" and without shifting costs from the federal government.

Brian Roherty, executive director of the National Association of State Budget Officers, said his group's members are "thinking a great deal on this" because of the budget implications of what happens to recipients after their two-year time limits expire.

"In principal, they support time limits. It's what happens later that is the real-world question," Roherty said. He said discussion should focus not only on time limits but also on the costs of other fundamental welfare changes, such as increased job training and enforcement of child support.

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# New Jersey's Limit on Welfare Children Faces Legal Challenge

By Malcolm Gladwell  
Washington Post Staff Writer

NEW YORK—The state of New Jersey gives every mother on welfare free health insurance, food stamps and \$64 a month for each child.

But if she conceives another baby while on public assistance, New Jersey is the only state in the country that draws the line. It will not pay any more money to help raise the child.

In the more than a year since this experimental reform was enacted, it has attracted national attention from social reformers seeking ways to discourage out-of-wedlock births. New Jersey officials credit it for a decrease in the number of new children born to welfare mothers, and at least three other states have expressed interest in trying the idea.

But in a lawsuit filed Dec. 1 in federal court in Newark, the American Civil Liberties Union, the National Organization for Women Legal Defense Fund and Legal Services of New Jersey charged that the so-called child exclusion provision unfairly punishes women for what should be private reproductive decisions.

The significance of the case, however, goes beyond whether New Jersey and other states should be allowed to withhold child payments from welfare mothers. As more states have begun to ask federal permission to experiment with what are widely conceded to be deeply flawed public assistance programs, the suit is one of the first to ask what standards should apply to such experiments.

How far should a state be allowed to go in

testing what can keep single mothers off welfare? Is there a point at which changing the incentives of the welfare system becomes coercive or punitive?

"President Clinton has pledged to transform the welfare culture and allow experiments in welfare reform," said Mickey Kaus, a welfare expert and author of "The End of Equality." "This is relatively mild one. If a state can't do this, it's not clear what they can do to try to solve the underclass problem."

But for NOW and the other plaintiffs, the New Jersey policy simply goes too far. "This policy targets poor people and tries to deter them from having children," said Martha Davis, an attorney for NOW. "We think welfare reform is an important goal. But we don't think it should turn into a vehicle for social engineering."

The child exclusion provision was included in a much larger package of welfare reforms passed by the state's Democrat-controlled Legislature in late 1991. The package was intended to shift the welfare system toward encouraging two-parent families and to make it easier for welfare mothers to get off public assistance.

"Our view was that the current system of welfare was a failure," said William Waldman, the state's commissioner of human services. "It was a trap for many people. It didn't reward work, and it didn't focus on family stability."

One new provision, for example, increased payments to intact families, bringing their benefits much closer to those of single mothers. Another provision extended

some benefits such as Medicaid and child care after welfare recipients found jobs, ending the automatic cessation of benefits that some experts felt discouraged people from seeking employment. The state also

*"Our view was that the current system of welfare was a failure. It was a trap for many people. It didn't reward work, and it didn't focus on family stability."*

—William Waldman,  
commissioner of human services

began continuing benefits for welfare mothers when they married.

Many of these ideas have been tried, or at least debated, elsewhere: The innovative part of the bill, however, was the child exclusion provision, under which children conceived by mothers while they were on welfare would not be eligible for Aid to Families With Dependent Children (AFDC) payments.

The idea behind the exclusion is to see whether the threat of withholding payments persuades welfare mothers to reconsider having more children, and the evidence so far is encouraging. Data from August and

September, for example, the first two months in which babies were born who had been conceived while the law was in effect, shows that welfare mothers in New Jersey had 1,679 babies in that time, down from 2,015 in the same two months of last year.

Although they concede that the data is very preliminary, state welfare officials claim that it represents the beginning of a trend. Others are less certain. Previous studies have failed to show that AFDC payments present welfare mothers a significant incentive to have more children. As some experts note, New Jersey's monthly payment of \$64 a child is scarcely enough to buy diapers.

"It's just not going to make a big difference either way," said Christopher Jencks, a sociologist and welfare expert at Northwestern University.

Even if withholding AFDC did work, New Jersey officials concede that welfare mothers having more children is only a small part of the underclass phenomenon.

Contrary to popular perception, welfare mothers do not have many children while on public assistance. The average woman receiving AFDC has two children—including one, by the program's definition, born before she became eligible for welfare—and federal statistics show that welfare mothers have fewer children and are less fertile than families overall.

In fact, some studies have shown that, when welfare mothers do have children, they overwhelmingly are the result of unplanned and unwanted pregnancies, suggesting that welfare mothers already realize what child exclusion is purporting to

teach them—having more children while on public assistance is irresponsible.

New Jersey officials concede that their plan is not likely to solve the underclass problem. But Waldman stresses that the actual value of the child exclusion is in the context of the overall plan. In a system that rewards two-parent families, jobs and marriage, he said, including a penalty is important on a symbolic level.

"I think it's important to send a message about personal responsibility and personal choice," he said. "One of the things that is important is to treat people on welfare the same way everyone is treated. We shouldn't patronize them. We should present them with a series of options and choices that have consequences. In the real world, if you have a child, you have to face the consequences. This is no different."

Just as important, he said, is the message that reform sends to New Jersey taxpayers, who may not be willing to finance welfare programs if they think irresponsible behavior is being rewarded.

But the lawsuit alleges that, in this case, the state went too far.

"It really does frame the question of whether the state can deny assistance to families when the parent has done nothing wrong," said Mark Greenberg, senior attorney for the Center for Law and Social Policy in Washington.

"You can impose penalties on individuals when they haven't shown up for a class or refused to pay child support. But here you are imposing a penalty when all they have done is have sex."

## Welfare Policy: Is There Common Ground?

**By Anna Kondratas**

*Welfare policy has been one of the most hotly debated issues since President Johnson declared "war" on poverty in the mid-1960s. Early in the debate the lines were drawn quite clearly. Liberals emphasized the need for the federal government to help less fortunate members of society. Conservatives emphasized the high costs of welfare both for taxpayers and recipients.*

*The war on poverty failed. In fact, it coincided with a vast increase in numbers of poor people across the country. By the 1980s, in response to mounting evidence that federal welfare programs had failed both taxpayers and recipients, the two sides of the debate began to find a number of points on which they had common ground. Both sides agreed that too many people were on welfare; that the goal of welfare should be to help recipients become independent of the state; that development of good character among recipients is crucial; and that welfare recipients should be required to work if possible.*

*Hence a bipartisan drive for welfare reform came into being. In the 1980s various states began implementing work programs, and the federal government affirmed the trend in the Family Support Act of 1988, which made welfare receipt contingent on participation in employment and training programs. Unfortunately, saying that recipients should work proved much easier than making it happen, because the vast majority of welfare recipients are single women with children. These reforms were immediately followed by a huge increase in welfare caseloads, which rose by more than 25 percent in the late eighties and early nineties.*

*As it became clear that work programs alone would not decrease welfare dependency, states began to pass reforms intended to solve behavioral problems such as having children out of wedlock, neglecting to obtain prenatal care, and failing to ensure that one's children attend school. More than half the states have proposed or enacted programs designed to change lifestyles and life expectations of those on welfare. These programs are likely to be more successful than work programs alone, but not much more so. Policymakers are becoming increasingly aware of the need to treat the social and economic factors that help create welfare dependency.*

*Empowerment and asset-based welfare reform comprise the latest approach. Both Right and Left agree that the government should use welfare to empower people to take control of their lives. Grass-roots activism is an important element of the effort. If the Clinton administration remains committed to such an approach, the nation will enjoy an unprecedented opportunity to bring on "the end of welfare as we know it."*

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## Administration Fighting <sup>A, ✓</sup> a Quiet War on Poverty

■ **Policy:** The White House boosts programs that aid poor. Critics say new Democrats are hiding old agenda.

By ELIZABETH SHOGREN  
TIMES STAFF WRITER

WASHINGTON—With none of the fanfare afforded health care reform or the North American Free Trade Agreement, the Clinton Administration has been moving quietly but quickly to put in place many pieces of a new federal anti-poverty effort.

The Administration has expanded or is pushing to beef up a select group of existing benefits, such as the earned income tax credit, food stamps, Head Start and federal assistance to schools to help poor children.

Some of the initiatives clearly are focused on relieving poverty—programs aimed at decreasing

homelessness and stimulating business in depressed communities, for example. Other new programs, including national service, are couched in rhetoric about helping a broad spectrum of the population but are targeted at low-income individuals and poor communities.

"The Clinton Administration has done more in the poverty area than they've talked about," said Robert Greenstein, executive director of the Center on Budget and Policy Priorities. "There's a concern that if you start talking about an anti-poverty agenda, the middle class starts to think they're being ignored. People in the Administration are concerned not to create this impression."

Please see **POVERTY, A6**

# POVERTY: Programs Are Being Quietly Aided

Continued from A1

Some Administration officials, members of Congress and political analysts say the Administration's "stealth" anti-poverty policy reflects a deliberate attempt to avoid the stigma attached to old-style, big-spending Democrats. Rep. Xavier Becerra (D-Los Angeles) said the strategy is a clever one.

"If he had talked about the school-to-work or national service initiatives in the rubric of a war on poverty, they probably would have been shot down," he said.

Robert E. Rubin, assistant to the President for economic policy, disagrees. If the President and his top aides have not articulated the links between their domestic agenda and their campaign against poverty, he said, it is merely because they have been consumed with health care, NAFTA, economic policy and crime.

The President's anti-poverty initiatives reflect the public's priorities, so there is no political reason to hide them, he said.

"They equip the poor to be part of the constructive work force," Rubin said. "That's really part of the so-called new Democratic policy."

Rather than increasing funding across the board for anti-poverty programs, the Administration has concentrated on those that have been the most politically popular because they encourage people to work (the earned income tax credit) or focus on poor children (nutrition programs and immunizations).

"It's what we were elected to do," Labor Secretary Robert B. Reich said. "The putting-people-first campaign was all about investing in the work force. There is a difference between this and the

older Democratic philosophy of redistributing wealth from the rich to the poor. It's about giving everyone in society the capacity to be a constructive member of society."

Some critics say the Administration has not made a big deal about its anti-poverty measures because they are not innovative and are too superficial to have a measurable effect on the intractable problems facing blighted areas.

"It's old Democratic stuff," said Doug Besharov, an analyst at the American Enterprise Institute for Public Policy Research, a think tank usually reflecting moderate Republican views. "A President who wants to be a new Democrat doesn't go advertising his old Democratic policies."

Besharov and Robert Rector, a welfare specialist at the conservative Heritage Foundation think tank, say that while the Administration talks about how these economically tight times are forcing government to cut back, the reality is different.

"They are really going on two tracks—a public track, which is focused on [putting people to] work, and a private track of throwing money on every welfare program we've ever had," Rector said.

"Empowerment zones" and "enterprise communities," 104 urban and rural areas that will get special federal aid to spark economic development, are examples of old ideas that the Administration is trotting out even though they are proven failures, Besharov and Rector say.

Administration officials say such statements reveal ignorance of the strategy behind their new projects. They express confidence that their programs, some of which have already been approved by Congress, will take root in communi-

ties.

The initiatives appear aimed at making a big splash with relatively little federal money, many of them by requiring state and local governments or the private sector to kick in funds.

The officials stress that solutions must come from the communities, not from Washington, and that the federal government should provide guidance and coordination, not directives.

For instance, the officials said:

• The school-to-work program, which has been passed by the House, would give money to school systems to develop on-the-job apprenticeships that would train non-college-bound young people for well-paying jobs.

• Empowerment zones and enterprise communities, enacted in August, will push local and state governments to work with private industry to come up with detailed plans to invigorate businesses in poor communities and put local people to work.

• The District of Columbia homeless initiative, which Congress has funded, will concentrate \$20 million on a new strategy to prevent homelessness and help people get transitional and then permanent jobs and homes. The model developed in the District will then be replicated in other cities with large levels of homelessness.

• The national service program, signed into law in September, will put 20,000 young people to work in distressed areas, with a large percentage of them working in their own communities. The Administration hopes they will spark a renewed sense of civic responsibility among the people they are serving.

"You put those pieces together and you have a very comprehensive agenda for dealing with distressed communities," said Andrew Cuomo, an assistant secretary of Housing and Urban Development. "It's exactly the opposite of what they normally accuse politicians of: all talk and no action. This is all action and no talk."

The Administration believes that many of the programs that will help the poor are the same programs that middle-class Americans need too. In this category are Clinton's proposed health care reform and the enacted changes in the direct student-loan program, which will allow borrowers to pay back their education loans at a rate determined by their income.

But the President and his aides rarely articulate how these initiatives help the poor.

"It's a smart approach," said Rep. Craig Washington (D-Tex.), a member of the Congressional Black Caucus. "The people who have the least clout and the least influence . . . are poor people. If you stuck something out there like a sore thumb, it would never get passed. It's more important to do something to help the poor than to beat your horn about it."

Sen. Nancy Landon Kassebaum (R-Kan.), who supported the national service initiative, said she perceived it as a middle-class program until a few months after it was passed. Only when she reviewed the legislation did she see that it was heavily tilted toward poor communities and low-income participants.

"I hadn't really thought about it in that light," Kassebaum said.

Kassebaum and Becerra both said it is not clear if Clinton's tactics will continue to work as the Administration tries to push

through Congress its revamped version of a multibillion-dollar federal education program for economically distressed children in elementary and secondary schools.

The money now goes to almost every school district across the country, and the Administration wants to concentrate it in schools with the highest percentage of poor children. Cutting so many communities out of a federal aid program is bound to be controversial.

"I'd like the President to give an anti-poverty agenda more attention," Becerra said. "But politically, can he realistically do it? I don't think so."

The lack of an articulated anti-poverty policy does not indicate a lack of high-level attention to the issue, Administration officials insist.

Robert Nash, undersecretary of agriculture for rural development, pointed out that the legislation authorizing the empowerment zones and enterprise communities also set up a Community Enterprise Board, whose chairman is Vice President Al Gore and whose members include most of the Cabinet.

"It's not a piecemeal approach," Nash said. "The Cabinet is coordinated on this board, which will provide grants and loans to communities when they decide what they want to do."

State and local governments and the private sector will have to participate in planning and financing the projects brought before the board.

"Money will never flow from the federal government the way it used to," Nash said. "We have to be more creative."

## Starting to work on welfare

A bunch of trial balloons floated up and away from President Clinton's welfare task force last week, and some of them deserve a good flight. Mr. Clinton's conciliatory noises toward a campaign of "family values" seem to have emboldened his advisors to try out some significant ideas. The most plausible of these are strategies for cutting down on single motherhood. More about which in due course.

The least credible so far is the president's oft-stated goal of cutting the welfare roles by making those on the dole work after two years. Not that this is a bad idea as such. But the likelihood is that by the time the proposal has been mangled into legislation, getting a job will have translated into going, at most, to job training. Expect welfare recipients still to be welfare recipients — except they will then be consuming even more resources as the federal government provides new and more extensive job training. But don't expect all this job training to make welfare recipients more appealing in the job market. It hasn't in the past, and advocates of such programs have given no reason to think they will be more effective in the future.

Working is the only job training with a proven track record. For all the contempt that has been dished up to fast-food restaurants and the "burger-flipping" jobs they provide, working at McDonald's teaches the most fundamental of job skills — showing up for work — all the while providing employees with non-government checks. On top of which, there is no need to find money in the herniated federal budget to pay for this crucial on-the-job training. If Mr. Clinton is serious about cutting off career welfare recipients, he should do just that.

The proposals with more chance of implementation are those being floated that would attempt to shore up family structures among those on the dole. Social theorists from Daniel P. Moynihan to Glenn Loury to Charles Murray have documented that money from the government destroys families by encouraging teen pregnancy and discouraging two-parent households. Minor parents bringing up illegitimate children is arguably at the heart of the crime and social mayhem tearing the country apart. Nor is this a racially charged view — the total number of illegitimate children born to white women

is much higher than the number born to black women (though the proportions are much higher for blacks). Charles Murray argues compellingly that the rising rate of out-of-wedlock birth among whites has reached the point at which a new and permanent white underclass is being formed.

Aid to Families With Dependent Children, the federal government's prime welfare program, has been the foundation of the "families" led by young unmarried women. The Clinton team has two key ideas for reforming AFDC in a way that the administration hopes will remove the incentives that encourage illegitimacy. The first would allow poor households with two parents to go on the welfare roles. As of now, the rules favor single mothers — a holdover from the origins of the depression-era program, when it provided for widows and orphans. However good this strategy may be, there is a problem with it: It adds more people to the welfare roles. Given how destructive the dole has been to individuals and institutions, we should think twice before doing anything to expand its scope.

The second proposal is more promising. It would push young mothers to stay at home with their own parents by taking AFDC away from minor parents who move out on their own. Government needs to help foster family ties, and not giving teen mothers the resources they need to get their own apartments is one sound way. Teen mothers know very little about caring for their babies. Is it better to start more parenting classes at high schools or have girls learn from their mothers what to do? Clearly it is better to have parenting passed-down, with the pleasant side-effect that it doesn't cost the federal government anything when grandmothers share their experience.

Maybe the time is coming when the nation will be ready for an even more radical approach. Without welfare, there would be even more incentive for teenage mothers to stay at home, not to mention the added impetus not to have children. As Mr. Murray has argued, those in need would turn to family, friends and private institutions like churches to help them out. This is the sort of aid that strengthens families and communities rather than destroying them. Perhaps Republicans can look to do a little one-upmanship with the president: Propose an end to welfare, not just an end to welfare as we know it.

# Elders: no stranger to a fight

In Ark. and D.C., plain-speaking surgeon general has drawn Clinton's support

By Michael Putzel  
GLOBE STAFF

WASHINGTON — Had it not been for the determination of a 15-year-old black girl from southwest Arkansas to get herself an education, she might never have known a doctor, much less become one. Nor would she have been appointed by the president and confirmed by the Senate as doctor to the nation.

And if Surgeon General Joycelyn Elders were the kind of woman to shy away from a fight, she never would have bucked her sharecropper father and left the farm to go off to college in Little Rock. Nor would she have taken her brothers and sisters to a drive-in movie in Orval Faubus' Arkansas in the 1950s and refused to park back where the "coloreds" were supposed to.

Elders has made a career of speaking her mind, even when it got her in trouble. But she wasn't spoiling for a fight Tuesday when she was asked, after a luncheon speech about violence, whether she would support legalization of drugs as a way of reducing crime.

Much of the robbery and theft in this country is committed to buy drugs, she replied. "I do feel that we would markedly reduce our crime rate if drugs were legalized. But I don't know all of the ramifications of this, and I do feel that we need to do some studies."

In a city that prefers controversy to contemplative studies, that was enough to make her a lightning rod once again.

Elders already knows the cost of drug-related violence.

When Elders was practicing pediatric endocrinology in Little Rock 18 years ago, one of her patients, a troubled 8-year-old diabetic girl named Nina, attached herself to her. Five years later the girl moved in.

Nina lived with Elders, her football-coach husband, and their two sons for six years, although she remained difficult to control and ran away sometimes. At 18, Nina moved out but remained in touch.

Last December, Coach Elders — most people in Arkansas don't know his first name is Oliver — went down to the jail in Little Rock and bailed out his former foster daughter, who had been arrested on a drug charge. Two months later, she and her boyfriend were found shot to death in what police suspect was a drug-related murder.

Dr. Elders told Harper's magazine this year that

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abortion "the very religious, non-Christian right."

■ "They love little babies as long as they're in somebody else's uterus."

■ "They talk about the right to life, but they do not support the things that support life. They are opposed to health education. They are opposed to Medicaid. They are opposed to AFDC. All of the things we need to improve the lives of children are the things they go out and fight against."

At her confirmation hearings, Elders took nothing back. And Clinton didn't ask her to.

Nina's parents blamed her because "if I had left her in jail, she wouldn't be dead now." She was stung, but believes she did the right thing.

It is little wonder, perhaps, that Elders is willing to consider radical approaches to combating drug-related crimes. And President Clinton could not have been surprised.

At a 1987 news conference that is now legendary in Arkansas, Elders, who then was Gov. Clinton's new state health director, was asked if she intended to distribute condoms in the school clinics she proposed to establish.

"Well, I'm not going to put them on their lunch trays, but yes," Elders replied. And as she recalls the incident, the governor turned beat red, cleared his throat several times and said, tentatively: "I support Dr. Elders."

He supported her again after her latest controversial remark, but he dismissed her suggestion out of hand, saying he would not consider legalization. Members of the Clinton Cabinet knocked it down hard as the administration continued a consciousness-raising campaign against rising levels of violence.

With Elders sitting in the front row, Health and Human Services Secretary Donna Shalala, whose domain encompasses the surgeon general's Public Health Service, acknowledged the presence of her "old friend and admired colleague." But she said, "We're certainly not going to legalize drugs. And we're not going to study the legalization of drugs. Legalization is an open invitation for people to destroy their lives. It amounts to giving up on an entire generation and every generation that follows."

Elders has become an outspoken advocate for children, and her views on abortion, sex education and teen-age pregnancy have inspired supporters and infuriated her critics, who managed to stall her nomination for nearly nine months after most of Clinton's other early appointees were seated.

Since taking office in September, she has quickly become one of the administration's most sought-after speakers and travels around the country using candor and colorful language to mount campaigns against teen-age pregnancy and for AIDS prevention through widespread advertisement and distribution of condoms.

But Elders' running battle with abortion foes and the religious right, often peppered with language that shocked conservative Arkansans, roused her enemies to follow her to Washington.

Among the lines for which she is remembered:

■ She has called fundamentalists who oppose

"If you support somebody who is independent-minded and outspoken, by definition it means sometimes when they're speaking out, you'll disagree with them," he said after her latest fracas, in which old enemies quickly demanded her resignation. "But I've worked with Dr. Elders for a long time, and I've been impressed by her constancy as well as her passion for the things she believes in."

# Welfare Reform in the Making

One of every four children in America is poor; nearly one of every three is born to an unwed mother and 70 percent are raised on welfare.

The statistics are grim, which is why President Clinton put a vow to "end welfare as we know it" near the center of his domestic agenda. The central idea is to make welfare a temporary stop on the way to a job. And according to internal documents obtained by Jason DeParle of *The Times*, a working group appointed by the President will soon propose legislation to carry out the pledge.

Though the working group remains divided on important issues, it is united on the basic thrust. Welfare offices will be turned into agencies that find jobs, not just cut checks. They will provide training, education, child care and health insurance. But, in order to compel recipients to find work quickly, cash assistance will be cut off or down after two years unless there are extenuating circumstances.

Time-limited welfare is the key to Mr. Clinton's reform. But to make the threat humane — and make the plan politically viable — government must find work for enrollees who do everything right but still can't find a job. The draft document would require enrollees to accept a subsidized private-sector job or government employment or work off their welfare grants by doing community service. But all-important questions — such as whether community service would also be time-limited, or what the likely cost would be — were left unanswered.

Nor does the draft document explain how millions of new workers would be absorbed into the work force. In the past, Congress tried subsidizing employers to hire the unemployed, but the policy backfired because employers wouldn't hire applicants stigmatized by government subsidies. Congress could create public-sector jobs. But if the jobs are meaningful and the workers are paid prevailing wages, as organized labor wants, that is hugely

expensive. If jobs are make-work, taxpayers may become outraged at what would appear to be a boondoggle. And any program to put welfare recipients into jobs threatens to displace equally-deserving low-paid workers.

The draft document makes a troubling promise that welfare reform will be self-funded. That could mean no more than that welfare reform will conform to existing budget laws. But if the promise means reform will have to be paid out of cuts in other parts of the welfare program, then the initiative could do more harm than good.

Skimpy funding buried Congress's previous reform, a 1988 law sponsored by Senator Daniel Patrick Moynihan of New York. The law provided all the right ingredients: training, education, job-search assistance, child care and health insurance. But Congress appropriated only about \$1 billion a year in matching funds, far below the \$6 billion needed.

Studies by the Manpower Research Development Corporation show that in states like Florida and California, where aggressive programs of education, training and job-search were begun, welfare rolls declined and earnings rose. The impacts were small but positive. That suggests — and the working group agrees — that the first task is to wring everything possible from the 1988 reform by putting up much more money. Only then will it be time to fixate on the new get-tough policies. And even then, the children of those whose benefits are cut would have to be protected by providing health insurance, food stamps and some child support.

The big hurdle will be money. Mr. Clinton must convince the public that the goal isn't to save a little money in the short run. The larger goal is to save lives — the lives of the teen-age dropouts and their children — in the long run. Growing up in poverty for prolonged periods is a ticket to trouble. It is not just a personal tragedy for the families but an albatross for the economy.

## Why Weaken the ABM Treaty?

The 1972 Anti-Ballistic Missile treaty, a capstone of efforts to slow the arms race, prohibits the U.S. and Russia from testing and deploying nationwide defenses against ballistic missile attacks. The treaty barely survived the Reagan and Bush Administrations, which wanted to test and deploy such defenses even though they could not perform as advertised.

Now the Clinton Administration wants to poke a hole in the treaty to allow tests of a new interceptor designed to protect American troops overseas from missiles like the Scud.

That's a reasonable goal, but it needs to be satisfied without weakening the ABM treaty. Such a weakening could jeopardize further progress in reducing the size of Russian and American nuclear arsenals.

Unlike its predecessors, who wanted to violate the treaty unilaterally by conducting outlawed tests, the Clinton Administration is seeking to "clarify" the treaty by agreement with Russia. The clarification would permit tests of a heat-seeking interceptor, the Thaad.

But the proposed clarification is troubling; without other constraints it could create a loophole large enough to accommodate defenses against long-range missiles as well, the very step the treaty was intended to preclude. That could raise fears among military planners in Moscow, who might balk at making deeper reductions in the size of their nuclear arsenal. The best way for them to defeat any ABM system deployed by the U.S. would be to

overwhelm it with more warheads than it could track and destroy.

To test the Thaad, the Administration is proposing a more permissive standard for tests of interceptors. The treaty was understood in the U.S. to bar testing of interceptors that can shoot down incoming missiles traveling at velocities in excess of two kilometers a second, well below the re-entry speed of strategic missiles.

But now the Administration wants to allow interceptors that "demonstrate" the capability to attack missiles moving at five kilometers per second, close to the speed of some strategic missiles. Interceptors like the Thaad that demonstrate such a capability in tests might be inherently able to do better — well enough to defeat submarine-launched ballistic missiles (S.L.B.M.'s) traveling at six to seven kilometers per second, which are the heart of the U.S., British, French and Russian deterrents.

Russia just might accept the change proposed by the Administration because it lies within reach of shorter-range missiles that could be fired from Iran, Iraq and other countries on its periphery. The Russians may want to develop defenses against this threat. But while it is at it, Moscow might get the capability to shoot down S.L.B.M.'s as well, sowing doubts about the effectiveness of the U.S. deterrent.

The U.S. has other interceptors besides Thaad whose development is permitted under the treaty. Development of some interceptor makes sense to counter the risks that missile proliferation may pose to U.S. troops. But there is no need to tear a gaping hole in the ABM treaty.

## Editorial Notebook

# High Noon at Uruguay Gulch

Predictably, France has been cast as the foot-dragging heavy as the complex trade negotiations known as the Uruguay Round stumble to a finale.

But I was surprised to learn that one of France's main gripes is not about cheese or soybeans. It is about movies. And surprisingly, despite Washington's incantations about free expression and open markets, I found myself rooting for France.

Narrowly at issue is a longstanding French practice of exacting an 11 percent surcharge from all movie patrons. Those francs are earmarked for a special fund that helps underwrite French films or joint productions with European partners. The salubrious result has been greater choice for audiences around the world, provided by a French film industry whose health contrasts sharply with its sickly counterparts in Italy, Germany and Britain.

That's bad? It certainly is, maintains Mickey Kantor, the U.S. trade representative and a former Hollywood lawyer. American films account for 57 percent of box-office revenues in France. Therefore, argues Mr. Kantor, money earned by American films, which he says belongs in American pockets, is being diverted to assist a competitive French industry. And the purpose of the Uruguay Round, he reminds us, is to abolish such discriminatory subsidies to national industries.

But that ignores Hollywood's formidable home-field advantage. Its multimillion-dollar blockbusters dominate a huge U.S. market in theater chains, network and cable TV and home videos. Foreign films, when they are shown at all, need to survive a sink-or-swim showing in major

## Hollywood Can Survive France's Film Tax

cities. Thus they account for only 2 percent of U.S. ticket sales; the French get half that. To foreign film makers, America seems less a level playing field than a maze of

collusive thickets.

The common rejoinder is that France's demand for a "cultural exception" in trade agreements is either elitist or a cloak for seeking commercial advantage in new TV technologies. The foreign box-office success of "Jurassic Park," and the adulation accorded to Jerry Lewis and Woody Allen, would seem to make the point. If Europeans prefer American entertainment, why should their governments set quotas on foreign-made TV programs or underwrite a domestic film industry?

A fair answer is that France is not alone in fearing for the survival of its national culture. More than commercial considerations animate European concern with America's cultural juggernaut, armed with the English language, whose ubiquitous expressions are MTV, Walt Disney and "Terminator 2."

These fears may be excessive, and the remedies imperfect or self-serving. But American visitors who prize the vitalizing diversity of Europe should be the first to grant that the film surcharge is not just about jobs in California.

In Gallic cadences, President François Mitterrand of France protests that what is at stake is the right of every country to create its own images: "A society which abandons the means of depicting itself would soon be an enslaved society."

To this American, even allowing for hyperbole, that does not seem entirely wrong. **KARL E. MEYER**

By Douglas J. Besharov

**A**FTER ALMOST a year of study, an administration working group has prepared its initial report on how to fulfill President Clinton's promise to "end welfare as we know it." The report starts in exactly the right place: the 30-year growth in out-of-wedlock births, especially among teenagers, and its relation to persistent poverty. Unfortunately, the report fails to pursue the logic of its own analysis.

The bulk of long-term welfare recipients are young, unmarried mothers, most of whom had their first baby as teenagers. About 50 percent of unwed teen mothers go on welfare within one year of the birth of their first child and 77 percent within five years, according to the Congressional Budget Office. Almost half of those on the rolls for three or more of the past five years started their families as unwed teens.

With poor prospects to begin with, these young women have further limited their life chances by systematically underinvesting in themselves—by dropping out of school, having a baby out of wedlock and not working. The administration working group assumes that an expanded educational and job training program will help large numbers of them become economically self-sufficient.

Past experience suggests this is wishful thinking. Even richly funded demonstration programs have found it exceedingly difficult to improve the ability of these mothers to care for their children, let alone to become economically self-sufficient.

A six-county evaluation of California's program, for example, found that over two years, average earnings for single parents increased by 20 percent—three or four times the usual experience for such programs. Still total earnings reached only \$4,620. The county with the greatest improvement, Riverside, was able to increase earnings by \$2,099, although average total earnings over two years were still less than \$6,000. The welfare rolls declined by only 5 percent in Riverside, and by a statistically insignificant amount across all of the other counties.

**W**hy don't job training programs cut welfare rolls? Although many suffer from design flaws and administrative weaknesses, the main problem is that—for poorly educated young mothers—such programs cannot break the financial mathematics of life on welfare. The average annual earnings for female high school dropouts are extremely low. In 1992, 18- to 24-year-old dropouts working full-time earned about \$12,900 a year; 25- to 34-year-olds earned about \$14,800. (Note that in 1992 the poverty line for a family of three was \$11,186.)

Even with the help of the current Earned Income Tax Credit (EITC) and other means-tested programs, earners at these levels net, after payroll and state taxes and work expenses, only \$15,563 and \$15,617, respectively. The major expansion in the EITC pushed through by President Clinton will, when fully implemented in 1996, raise these numbers significantly—to \$17,022 and \$16,948. But this increase will not be enough to break the hold of welfare. (Anomalously, under the Clinton EITC, the lower-earning mother will actually take home more money than the higher earner because of the way benefits decline with additional earnings.)

A welfare mother without any work experience probably couldn't match even these earnings records. But if

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# Escaping

*For Young Unwed Mothers, Welfare*

## the Dole

*Reform Alone Can't Make Work Pay*



she could, she still might decide it didn't pay to work. Her current benefits—even ignoring the average \$4,307 in Medicaid for which a welfare recipient with two children is eligible—leave her only some \$2,674 worse off than the lower-salaried mother and \$2,728 worse off than the higher-earning mother.

In other words, should she be lucky enough to get the kind of job held by others of her educational attainment, she'd be working for a net wage of only about \$1.50 an hour. And to gain that, she'd have to sacrifice not only leisure time but the chance to hold down a job in the informal economy (in which unreported income is earned through anything from handiwork to illegal activities).

Even with the expanded EITC, after deducting the costs of benefits and of going to work, the net hourly wage would be only about \$2.30 or less. If a young parent were to go to work under these circumstances, it still wouldn't be for the money.

Hence, the EITC would have to be much larger to actually "make work pay" for unwed mothers. But by 1996, the credit will already cost about \$18 billion a year. Besides being very expensive, a further increase would create other distortions and inequities. Substantial benefits under the EITC are available only to low-income workers who have children. At some point, their fellow workers will question why those who have had children without being able to support them should get such a large government subsidy while those who have played by the rules do not.

And the larger the credit, the greater the incentive for abuse. Tax experts such as the Urban Institute's Gene Steuerle warn that the EITC is already so large that it provides an expensive incentive for people to overreport their earnings so as to get the maximum credit.

Thus, Clinton's off-stated goal of making work pay will not work for most unwed mothers. Recognizing this, both he and his working group have proposed to "time-limit" welfare. If, after two years, a welfare mother does not get a private job, she would be placed in a public job. The idea is that the job will both give her work experience and serve as an incentive to get off welfare since she will have to work anyway.

Although there is much merit to such mandatory work experience, creating a viable program is not easy. First, community service jobs are very expensive to create and administer. CBO estimates indicate that

## Clinton's Approach to Fed Reform: If It Ain't Broke, Don't Fix It

ROWEN, From H1

Fed, although the Fed historically resists any change. Major sponsors of legislation to alter the way the Fed conducts its business, including Sen. Paul S. Sarbanes (D-Md.) and House Banking Committee Chairman Henry B. Gonzalez (D-Tex.), are seeking to force the Fed to function with less secrecy and more public accountability.

On the first part of the question, Clinton was direct. He said he has had "what I think is a constructive relationship with the Federal Reserve and an appropriately distant one but constructive one, and I think they have behaved responsibly."

Specifically, he said he was pleased the Fed had "not overreacted" to recent gains in the economy by pushing up interest rates. "So I have no criticism of the Federal Reserve since I've been president," he said.

Then, on the other part of the query, Clinton said he is "deeply sympathetic with the objectives of Senator Sarbanes and Congressman Gonzalez to promote more economic growth and to have greater coordination in economic policy."

He sidestepped any comment that would suggest the Fed had jeopardized economic growth, and offered the politically safer observation that the Fed's German equivalent, the Bundesbank, in the past "seemed to be so concerned with inflation that they were aggravating a recession."

But to dissociate himself from the notion that he would approve radical changes in the delicate balance of authority between the administration and the central bank, which sets policy on interest rates, Clinton quickly added:

"On the other hand, I have to say that [we've] been basically well-served by a more independent Fed," he said. "And I'm not—our administration has made it clear that we were not working for the legislation" sponsored by Sarbanes, Gonzalez and others.

Renewed pressure on the Fed—for example, to require it to make public in more timely fashion the secret discussions among the governors and Federal Reserve Bank presidents who shape policy—comes at a time when many observers think the Fed may be on the verge of altering its low-interest-rate policy.

Clinton makes clear that he thinks raising interest rates now would scuttle the main element encouraging business to expand and consumers to take the plunge once again into the homeowning, home-remodeling and car-buying markets.

"What we feel good about is that we are moving things in the right direction, laying down a solid foundation for a stronger, investment-led recovery," said Gene Sperling, deputy director of Clinton's National Economic Council. "That having been said, we feel that tens of millions of Americans have not yet felt the benefits of this recovery in their own lives."

Fed officials, from Chairman Alan Greenspan on down, have carefully avoided saying anything publicly that would promote the view that they are ready to raise interest rates, although Greenspan is believed

to have warned the administration privately that the time will come when short-term rates will have to be yanked upward.

At a seminar at the American Enterprise Institute, Fed Vice Chairman David W. Mullins Jr. acknowledged that inflationary forces are all but nonexistent, and that the Fed policy of not allowing short-term rates to rise since September 1992 has been appropriate.

But Mullins made plain that sometime in the future, a rise in short-term rates is inevitable. Naturally, as a proper central banker, Mullins didn't say when.

Democratic liberals such as Sarbanes and Gonzalez tend to fear that the Fed will act sooner rather than later, choking off the current delicate recovery and

*"... We feel that tens of millions of Americans have not yet felt the benefits of this recovery in their own lives."*

— Gene Sperling, deputy director,  
National Economic Council

adding to the jobs problem. For the moment, most financial market observers agree that there is no need for a change in policy until signs—not projections—of inflation appear.

Republican populists such as Jack Kemp, the former housing and urban development secretary, maintain a running battle with the Fed, arguing that historically, the central bank is so dedicated to controlling inflation that it has become anti-growth.

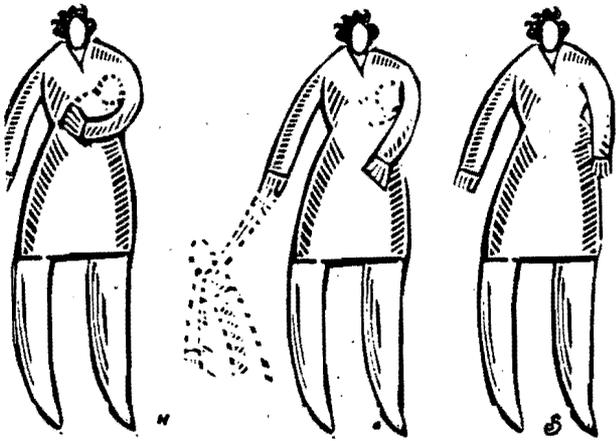
Most middle-of-the-road economists and centrist Democrats, while not opposed to some changes that would focus more sunlight on the Fed, want to make sure that the essential independence of the Fed is preserved. By that, they mean independence from overt political pressure, but not independence, in the sense of isolation, from the government.

From my conversations with the president and his advisers, I think such a mainline attitude is the one that Clinton intends to follow. Here, Clinton is more of a Democratic Leadership Council, centrist Democrat than a liberal, Sarbanes-Gonzalez Democrat.

Clinton knows that he needs to be sensitive to the urgings of liberals—and labor—to keep economic growth uppermost in mind.

And he told me after the Blair House luncheon that a boost in interest rates right now "would be a big mistake."

But his efforts to influence Fed policy, now or later, would stop short of any suggestion others might take as an effort to challenge the agency's independence.



monitoring each job would cost \$3,300 annually, and day care would cost \$3,000 per participant—and perhaps much more. That means the cost of a mandatory work program would average \$6,300 per participant. Since the average Aid to Families with Dependent Children (AFDC) grant is about \$5,000 per year, welfare costs for those in the work program would more than double—without recipients receiving any increase in payments to them.

Second, mandatory community service will likely engender much opposition. When Sen. Russell Long (D-La.) proposed the idea in the 1970s, it was promptly labeled “slavefare” by welfare advocates. Hence, the administration is under intense pressure to deliver “real jobs” at “decent wages.” But doing that would not only make the program even more expensive—it could also make it a magnet to attract and keep more young mothers on welfare. To counter that, the Clinton planners are also considering a plan to time-limit the community service program as well. After a set period, possibly 18 months, the mother would go back on regular welfare, although perhaps at a somewhat lower level—a feature that will also stir controversy.

**B**ecause our ability to help young women become self-sufficient once they have become mothers is so limited, the best strategy is to focus on postponing parenthood until these women are financially and emotionally ready. This is what leads many people, such as my colleague Charles Murray, to advocate ending welfare altogether.

The president’s working group did not contemplate such a radical solution, but it does make a long-overdue connection between out-of-wedlock births and welfare dependency. Some options being considered by the group make sense. For example, providing contraceptive services to all AFDC recipients, prohibiting higher welfare payments for additional children born on welfare and requiring teen mothers to complete high school would all help discourage young mothers from having another child.

But the effects are unlikely to be dramatic, and they would do little to prevent the initial birth—which puts the mother on welfare in the first place. For this, the group is considering school-based sex education, condom distribution and abstinence programs. Again, the available research suggests that such efforts have modest impacts, at best.

The association between poverty, poor school performance and poor life prospects on the one side and out-of-wedlock births on the other is too obvious to ignore. As University of Pennsylvania sociologist Elijah Anderson notes, “Most middle-class youths take a stronger interest in their future and know what a pregnancy can do to derail it. In contrast, many [inner-city] adolescents see no future to derail—hence they see little to lose by having a child out of wedlock.” The dearth of good jobs in the inner city, he argues, leads peer groups to emphasize sexual prowess as evidence of manhood, with babies serving as proof.

Because those young people who have the most to look forward to are the most responsible about their sexual practices, it does not seem an overstatement to say that good education and real opportunities in life are the best contraceptives. In fact, innovative programs like Best Friends in Washington base their appeal on the connection between sexual practices and opportunity. This program uses weekly group sessions, with an adult moderator, in which teen girls discuss boys, relationships and self-respect.

“We don’t tell them that having sex is immoral,” says Elayne Bennett, founder of Best Friends. “Instead, we tell them, ‘If you want to get some place in life, you need to have a plan. This plan must include finishing school, and that means that you must not get pregnant.’ And we tell them, ‘The only guaranteed way to avoid pregnancy is to abstain from sex.’”

**F**or this message to really take hold, though, young people need to feel that they have opportunities beyond low-paying, sporadic work. And this means a return to serious vocational education in our high schools.

The current emphasis on college preparatory courses in high school and on academic-like “basic skills” in job training programs leaves many disadvantaged youth without the skills for the well-paying jobs that are now available. Worse, seeing how few graduates from their neighborhoods seem to get good jobs makes them feel they have nothing to gain from staying in school. In high schools where more than three-quarters of students fail to graduate, what sense does it make to push 100 percent of the student body through college preparatory courses?

While everyone would like to see disadvantaged children grow up to be lawyers, doctors and accountants, or at least white-collar workers, the unalloyed truth is that most—like most Americans—are destined for more modest careers in service, clerical or manufacturing occupations. What is needed is renewed emphasis on vocational skills in high schools, supplemented by enhanced job-counseling and job-finding services and mentoring programs. This includes the newly popular “apprenticeship” programs, although the two-plus-two approach (two years in high school followed by two years in a training program or community college) comes too late for those who have already dropped out and may require too great an investment of time and energy for many others.

Reforming educational institutions, of course, may be even harder than reforming welfare. But that is where the solution lies. We should not try to fix welfare if the problem is caused by the education system. In the absence of good high schools—and good vocational education for young people who do not do well in classroom settings—no approach to welfare reform will work.

2/2

# Faking

Clinton Talks Tough, but Aides Work

By Rick Santorum

**P**RESIDENT CLINTON campaigned forcefully to "end welfare as we know it" by requiring parents on welfare to work. Since his inauguration, he has returned to this theme on several occasions. To translate a vague campaign promise into a detailed legislative proposal, the president has resorted to one of the most reliable tactics of political delay—appointing a task force.

Although the group's recommendations have not been submitted to the president, its members have decided that the president's legislation will be based on four goals: improved child support, more money for education, time limits on unconditional welfare payments and making work pay.

On their face, these goals seem supportive of the president's New Democrat rhetoric. But it would not be surprising if, in the working out of the details, their pursuit will lead not to the end of welfare but to more welfare. After all, the kind of tough reform implicit in the president's promise to end welfare is opposed by a host of interest groups and many Democrats in Congress.

To begin with, the four goals obscure the dirty little questions of mandatory work: What's the best way for local welfare agencies to increase the flow of welfare parents into private-sector jobs? How will agencies find and administer a million or more placements in community jobs for mothers who do not find private-sector jobs? How can the opposition of public employee labor unions be overcome? Where's the money?

In seeking to answer these questions—without antagonizing the president's core Democratic support—the task force has actually constructed significant barriers to serious work requirements in several areas:

■ **Child support.** Everyone agrees that noncustodial parents should pay support. But after 20 years of the expensive federal-state program designed to locate absent parents and make them pay support, we now have 41,000 child support workers in the states, supported by almost as many regulations and computers. Yet in the past three years taxpayers spent nearly \$500 million more collecting child support than they saved in offset welfare costs.

Moreover, after two decades and billions of dollars, the program still collects child support from only about one of nine fathers with children on welfare. Reformers must face reality—fathers will not contribute much to the financial security of welfare mothers.

None of this means we should abandon efforts to improve child support. The danger is that the welfare task force will use the poor child support record as a reason either to federalize the system or to offer a government guarantee of child support payments. The former solution would add several thousand federal workers to the already huge state system; the latter would create an expensive new entitlement program that pays people to become single parents. Either of these solutions would create more welfare as we know it.

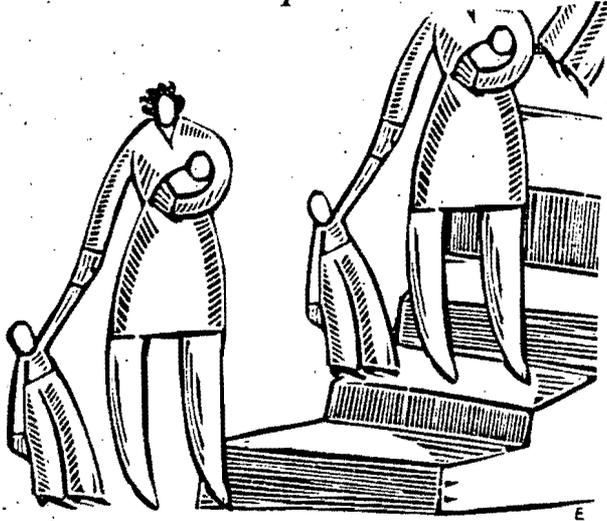
■ **Education.** The second goal on the planners' reform agenda is to make sure welfare mothers get plenty of education. Who could possibly oppose that? Unfortunately, two decades of research fails to show that classroom education for welfare mothers significantly increases their success in the job market. Welfare mothers are often school dropouts who are not anxious to be subjected to more failure.

We can expect to hear a great deal of worn rhetoric in

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## Reform ✓

to Keep Welfare as We Know It

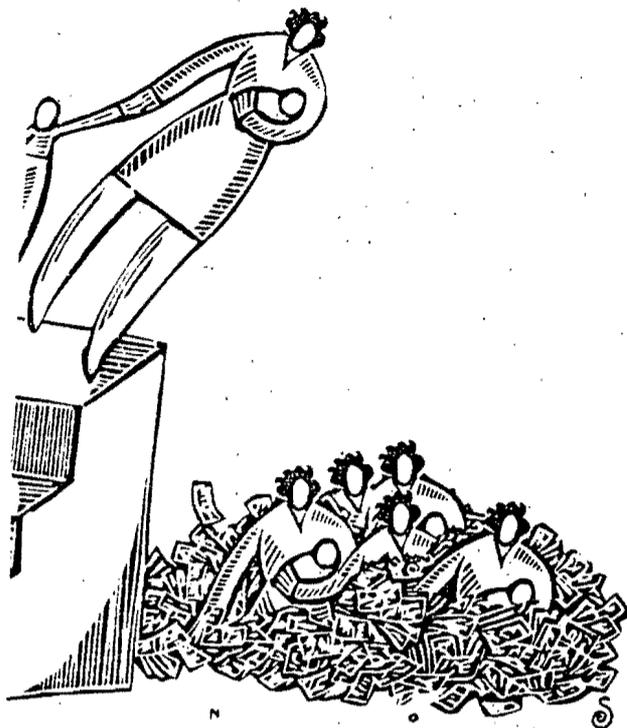


the coming welfare debate about education for "good jobs." But the simple truth is that most welfare mothers will start out working at places like 7-Eleven or McDonald's. And what's wrong with that? Millions of Americans work for \$5 per hour. The reason is clear if harsh: That's what their skills and experience are worth. But let them work for a year, show up on time, get along with co-workers, demonstrate some initiative, and then they will have a good chance of moving up.

A recent study by the Congressional Budget Office showed that 70 percent of workers who entered the labor market at \$5 per hour or less were still employed a year later, that 45 percent had received wage increases of 20 percent or more, and one-third who started without health insurance acquired it through their employers. Similarly, a major experiment with welfare mothers in Illinois and New Jersey found that 80 percent of those who found jobs were able to escape poverty compared with only 2 percent of those who did not take jobs. Work, not education, is what works. Emphasizing education could have the paradoxical effect of preserving welfare as we know it.

■ **Time limits.** The most central, specific—and difficult—part of the president's welfare reform pronouncements is that mothers must work after two years. This promise raises another harsh fact. Starting a career in a turbulent, skill-driven economy at \$10,000 per year is risky. The typical welfare package of cash, food stamps and Medicaid is worth around \$12,000 per year. In more generous states, the package can be worth \$14,000. With benefits like these, many mothers, especially those without a work history or high school degree, make a rational decision to stay on welfare.

Because it is precisely these mothers we hope to get into the labor force, and because their choice between welfare and low-wage can lead to a rational decision for welfare, our reform must compel as well as induce. Thus the welfare subcommittee's endorsement of the time-limitation goal is critical. If mothers have not found a job after an initial period of job preparation, they should be



ILLUSTRATIONS BY RANDALL ENOS FOR THE WASHINGTON POST

required to work at least 30 hours per week. If they refuse, after sufficient warning they should lose their entire cash welfare benefit.

The problem with such serious requirements and sanctions is that they will be harshly attacked by children's advocates and congressional Democrats. To counter this, task force members may propose numerous exclusions and ways to avoid the work requirements. But a watered-down version of reform risks losing most of the president's considerable support among Republicans and thus an early death for reform—an outcome not entirely displeasing to Old Democrats:

■ *Making work pay.* Of all the planners' goals, this has the greatest reform-killing potential. The task force position seems to be that until Congress enacts universal health insurance, guaranteed day care, a hike in the minimum wage and perhaps still another increase in the Earned Income Tax Credit, welfare mothers cannot be expected, and above all cannot be compelled, to accept low-paying jobs.

This position ignores the impressive and expansive steps the federal government has already taken to make work pay. First, the Earned Income Tax Credit (EITC), a federal cash wage supplement for low-income workers, has now been expanded three times in seven years. When the 1993 expansion is fully implemented, the EITC will augment earned income by as much as \$3,500 per year for low- and moderate-income working families. Over the next five years, taxpayers will contribute the astounding sum of \$105 billion to working families through the EITC.

But the EITC is not the only evidence of the federal government's commitment to lower-income workers. The Muzak of deficient health insurance and rotten day care played by advocacy groups and many in the administration and Congress seeks to drown out the actual record of significant expansions in these programs during the 1980s.

If mothers get a job and leave welfare, their health insurance coverage is guaranteed for one year. That's one

year longer than the government coverage provided for most working Americans who never went on welfare. And when the one-year guarantee is up, at least half the children in former welfare families, by our estimates, will be eligible for the Medicaid expansions enacted in the 1980s. The worst mistake the task force could make would be to hold welfare hostage to health reform. It might be a long wait. Moreover, if Congress enacts a health bill containing the administration's mandate on business, the supply of low-wage jobs available to welfare mothers might well shrink.

The day care picture is similar. Children's advocacy groups claim that supply is short, prices tall and quality crummy. But the evidence suggests otherwise. Sandra Hofferth, one of the nation's leading authorities on day care, recently wrote that "analysis of the number of centers and family day-care homes . . . over the past 15 years does not suggest any evidence of a shortage." Several recent surveys report remarkable stability in the price of care over the past two decades. And poor mothers like those we hope will be leaving welfare for work, are more likely to use free or inexpensive care by relatives than other Americans.

Equally important, the current level of government support for day care is substantial. As with health insurance, mothers receive a year of free care when they leave welfare for work. After that year is up, the federal government sponsors over 40 programs that provide \$9 billion annually for child care. Many states also offer free preschool education programs, especially for lower-income children. It is no wonder that in most state welfare-to-work programs conducted to date, day care has not been a major problem.

**T**he real danger in the task force goals is that they may become distractions, diverting the president or Congress from the fundamental problem of America's welfare programs: the concept of entitlement. Over the past half century, the nation has developed a set of programs that simply give away money, food, housing, social services and health care. All people must do to maintain eligibility for many of the programs is avoid work and marriage.

Over the past decade, politicians and students of social policy have increasingly attacked the basic concept of welfare entitlement. Why, they ask, are some citizens taxed so other able-bodied citizens can receive free, unconditional benefits? At the very least, receivers must do something to earn the benefits.

The welfare reform bill of 1988 nudged federal policy in this direction. Recipients were put under a legal obligation to participate in programs designed to help them prepare for work, and states were obligated to enroll at least some percentage of their welfare caseloads in these programs.

Now we are at the threshold of the next major step: requiring most welfare recipients, after a period of job preparation, to actually work for their benefits if they have not found a job in the private sector. President Clinton, who has already delivered on his promise to give states wide latitude in reforming their welfare programs, was both politically astute and correct on the merits when he promised to support, indeed initiate, this next step. Now, in making his final decisions, he must not allow his task force to undermine his resolve or erode his credibility.

2/2

Dan Quayle ✓

# Murphy Brown Revisited

When I raised the issue of traditional family values last year, Bill Clinton and many in the media called it a cynical political ploy that was intended to divide the nation.

Last week Clinton recanted. "I read his whole speech, the Murphy Brown speech," said the president. "I thought there were a lot of good things in that speech. . . . It is certainly true that this country would be better off if our babies were born into two-parent families."

Now some may call this merely a cynical political ploy by President Clinton intended to wrap himself in the mantle of traditional values. But I welcome the president to the debate, and I encourage him to continue speaking out on the issue, as he began doing last month in Memphis. "Too many kids," the president said there, "are growing up without family supports—without the structure and values and support they need." Amen.

Our families are hurting. Government programs aren't the cure. As a matter of fact, welfare dependency—and the economic incentives it provides for children to have children—helps to perpetuate the vicious cycle of poverty. But family breakdown is no longer confined mainly to the underclass. It affects all races and social classes.

Clinton apparently realizes the trashing the American family has taken. He now talks openly about the sad statistics of unwed mothers in this country. Those statistics are shocking indeed. Nationwide, the percentage of out-of-wedlock births has reached 30 percent, rising to 70 percent in our larger urban areas. In 1991 more than 1.2 million births were out of wedlock, compared with only 240,000 three decades earlier.

The figures are rising for blacks and whites, rich and poor alike. Commenting on the most recent set of numbers from

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## *Family breakdown is too important an issue to be used as a political football.*

the Centers for Disease Control and Prevention, released in September, demographer Nicholas Eberstadt of the American Enterprise Institute noted that "the stereotype of the unwed mother as a black teenager is completely outdated. Less than one-eighth of the illegitimate babies of 1991 were born to African American teenagers—fewer in fact than were born to white women in their 30s."

Now that Clinton has entered the fray, discussing moral issues and values in public, the opportunity for rational discussion of family breakdown improves. It's a discussion we badly need, both for our country and for our children, many of whom live in abject poverty, material and spiritual, with little hope for the future.

Every time the issue of the family structure has been raised, it has caused controversy and eventually silence. Daniel Patrick Moynihan was called a racist in 1965, when he pointed out the rising rate of black households headed by single mothers and predicted social chaos from the rising number of children growing up without fathers. In 1980 President Jimmy Carter was unable to convene a White House conference on the family without sparking a divisive debate over the definition of the family. And most will remember the reaction to my criticism of nontraditional values on a certain TV sitcom.

If history is any guide, controversy will come again. But let's hope not. There should be a serious bipartisan approach to the subject. We should reform the welfare system, radically change our education system to emphasize values and character, and finally we must underscore the importance of personal responsibility.

Children having children is wrong. And whatever the age and income of the mother, children fare better with fathers present. It is wrong for fathers to abandon their children.

Across the country there is a vacuum caused by family breakdown. In many of our cities, in fact, gangs have become a surrogate for family. I visited with some gang members in New Mexico during the 1992 campaign. I asked one of them why he joined a gang. He told me firmly and directly he joined because it was sort of like family.

It is going to take more than just the bully pulpit and public policy to do the job. It will take the efforts of many people and many powerful institutions. The media need to emphasize the problem in a factual, objective manner. The last time this issue was introduced by political leaders, it was politicized and dismissed. I hope that doesn't happen again. We also need help from the entertainment industry, which has an enormous influence on our culture.

I was heartened by Clinton's statements to his friends in Hollywood at a Democratic fund-raiser. He encouraged them to be more responsible and sensitive to the content of sex and violence that are produced for television and theaters. We also need to ask some of the daytime talk-show hosts who feature degenerate and amoral aspects of our society: "What impact are you having on the nation?"

I would go even farther and ask corporate America, whose revenues sponsor these shows on television, to take responsibility for what it spends its advertising dollars on. I would encourage citizens to pressure corporations to pull their advertising on shows that the people find objectionable. I am opposed to censorship, and I am opposed to the government's regulating the content of television. But I am all in favor of the citizens demanding more responsibility from our entertainment industry.

There is bound to be controversy. There always is on issues that affect the fabric of our society. But let us accept the controversy and not retreat, as we have done in the past. Our future depends on it.

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*Former vice president Quayle is chairman of the Competitiveness Center of the Hudson Institute.*

I knew the window for welfare reform was open. I had no sense of just how wide open it was.

Last week in this space I reported on a focus group of welfare mothers, who vigorously volunteered the information that many teen-agers (not all, not even most) were bearing children in order to gain the package of current welfare benefits: cash, food stamps, medical care, and so on. The women I talked to were outraged about it.

Let me now tell you of another focus group I conducted that same day. The participants were "welfare fathers." They vehemently resented the term "Deadbeat Dads." They were a part of the "Futures Connection" program and were either at work and paying child support, or studying diligently to prepare for jobs, so they could pay child support for their children on welfare. There were six of them, four blacks and two whites, most in their late 20s.

They were quite well-spoken. And clearly, as the discussion progressed, it was apparent that they wanted to take care of their children, and that they loved them.

After a while I asked a long question, which I present here almost verbatim:

I began: "Let's say there is an election. Candidate 'A' says this welfare situation is a real problem. But we're going to have to keep up those

# Candidate 'B' scores a big win on welfare

*The window for reform is open. Open wider than anything Mr. Clinton imagined when he campaigned on "two years and out." Open wider by far than when he formed his task force.*

taxes, because we have to give people education, and some cash to live with. It's true, some of this help falls through the cracks; it's true the rate of out-of-wedlock births keeps going up; it's true the government screwed it up in welfare. But there are women and little children involved, and we have to keep paying for it. That's Can-

didate 'A.'"

I continued: "Then there is Candidate 'B.' He has a one-word slogan — he says, 'Enough.' He says we have created some kind of Frankenstein monster in the welfare program. It is encouraging out-of-wedlock birth, creating a comfort zone for it, pulling people into welfare. We have to cut back welfare in order to stop this. Enough. That's Candidate 'B.'"

I paused, and asked: "In that election who would you vote for, 'A' or 'B'?"

There was an eruption in the room:

MANY PEOPLE AT ONCE: "'B,' 'B,' I vote 'B.'"

BW: "You would vote for the guy who says stop it?"

MANY PEOPLE AT ONCE: "'Yeah,' 'Yeah,' 'Yeah.'"

MAN NO. 1: "At some point you gotta do something. The buck stops here . . . I can't say I condone everything he suggested, but he had the right attitude."

BW: "Which is, enough, cut it off." MAN NO. 2: "Sooner or later you

got to bite the bullet and start getting back to making the country what it was . . ."

MAN NO. 3 "No, no, not necessarily cut it all off."

MAN NO. 2: "Otherwise it gets so out of control that everybody suffers."

BW: "Loosely speaking, Democrats take the position of Candidate

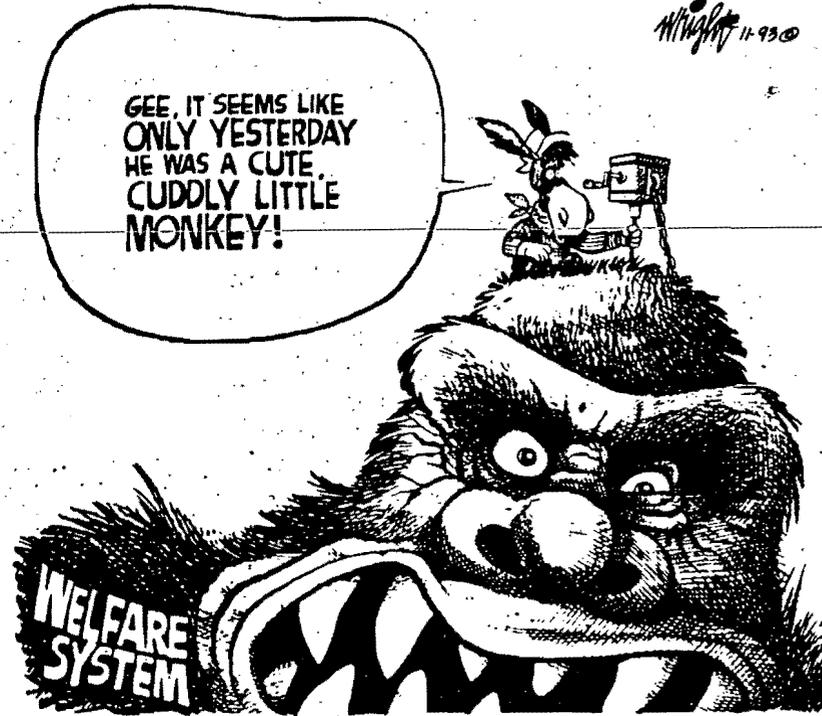
'A.' Republicans say what Candidate 'B' says . . . People in your situation are not usually voting Republican."

MAN NO. 3: (Who had served prison time for armed robbery, and is now employed.) "Well, you know, I've been listening to the show — Rush Limbaugh. So I figure I'm turning conservative at least. I don't know about being a Republican or not. But he's got a lot of good views. He's saying the same thing, you know. People ought to get up . . . There's no sympathy for people just sitting around doing nothing . . . you know, free food for somebody who just wants to go around just living off someone else . . ."

All-this-mind-you, from people whose love children are being supported by the welfare system!

And so, I say, the window for serious welfare reform is wide open, big time open. Open wider than anything Mr. Clinton imagined when he campaigned on "two years and out." Open wider by far than when he formed his now-deliberating task force. Tinkering at the edges, which is what all other previous welfare reform has done, will not satiate the current voter mood. Not even close.

Ben Wattenberg, a senior fellow at the American Enterprise Institute, is a nationally syndicated columnist.



# Carnage beyond the barrage of new laws

How predictable. After the carnage on the Long Island Railroad commuter train last week, politicians called for more laws to address the growing incidence of crimes against innocent humanity.

Congress and the 50 state legislatures pass more laws every year than used to be passed in the lifetime of an average citizen. Each anti-crime bill is styled as tougher than previous ones — yet crime increases and people are more afraid. The lawless do not respect laws. If they did, crime would have declined by now in the legislative and rhetorical avalanche.

Amazingly, some liberals and conservatives are starting to sing the same tune on the causes of crime and societal collapse. Though they don't agree on the treatment, they concur on the diagnoses.

Television producer and political activist Norman Lear addressed the National Press Club last week, and a lot of what he said could have come from Bill Bennett or Dan Quayle. "At no time in my life," said the 71-year-old Mr. Lear, "has our culture been so estranged from spiritual values. . . . Our problems lie beyond the reach of politics alone."

Mr. Lear blamed materialism and "a numbers-oriented culture based on what we can grasp and count. We have lost touch with the best of humanity — the inner life."

Charles Colson, Richard Nixon's tough-on-crime "hatchet man," is in harmony with Mr. Lear when he writes of the most terrifying thing that can happen to a society: the death of conscience in its young people.

"Crime is a mirror not just of a community's families," writes Mr. Colson, "but also of its moral state. A society cannot long survive if the demands of human dignity are not written on our hearts."

The Clinton administration's initial response to the Long Island commuter train massacre was more money for more police and more gun control laws. But Mr. Colson correctly notes: "No number of police can enforce order; no threat of punishment can create it. Crime and violence frustrate every political answer, because there can be no solution apart from character and creed."

No government program can solve America's core problem, which is, as Norman Lear put it, "a hunger for connectedness." Our problems are not economic and political. They are moral and spiritual — and must be addressed on that level if real solutions are to be found.

Both President and Mrs. Clinton have been experimenting with the rhetoric of the spirit in recent months. Even if they are not right about everything, they (and Norman Lear) are on to something that all of us know to be true. We are missing the link of virtue that holds a nation together. It is not a crisis in government — it is a crisis in us.

Virtue, morals, respect for law and other people are not concepts that are caught, like a strain of flu. They are not acquired by human nature. In fact, they must be taught, even imposed. Today, tragically, our culture, steeped in the deviant and the base, seems to create sick souls, who kidnap and kill children in California and Missouri and mow down



innocent commuters in New York.

News reports suggest the beginning of what may be a spiritual revival in Russia. It appears many Russians are recovering what they once had but lost. It also appears too many Americans have abandoned what we once had but gave away — not to a dictator but to decadence. These two nations are like huge ships passing in the night, headed in opposite directions.

Russia, a nation whose leaders

for most of this century sought to eliminate God and impose a rigid political and financial system that caused poverty, death and destruction, is now embracing capitalism and rushing toward God like a repentant sinner.

At the same time, America is heading toward Russia's old port, embracing bigger and more centralized government and throwing off the blessings of liberty and its Creator.

Which nation will have the merrier Christmas and brighter hope for the New Year? Which nation has the better chance for revival and reformation? In Russia, there appears to be "room in the inn" for the One who has the answer. In America, we have hung out the "no vacancy" sign.

Cal Thomas is a nationally syndicated columnist.

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## Welfare panel eyes wage plan

State, US money would pay recipients in private jobs

By Don Aucoin  
GLOBE STAFF

As part of an ambitious attempt to overhaul the state's welfare system, a legislative panel today will propose that the state convert recipients' grants and food stamps into paychecks for jobs at private firms.

The legislation to be unveiled by the Democrat-dominated subcommittee on welfare reform also calls for requiring recipients to perform community service — often called "workfare" — if they don't take advantage of state-assisted private employment or state-funded education programs.

"The bottom line is everybody has to do something," said Sen. Therese Murray (D-Plymouth), chairwoman of the panel. "If they're not doing education or training or community service, we will want to know why."

Murray said adoption of the so-called "wage conversion" plan would put Massachusetts among only a handful of states to take such an approach to weaning clients off welfare and into the workplace.

But the idea is gaining currency nationally: A similar "work-centered" proposal is among the welfare reform options under discussion by a Clinton administration working group, Health and Human Services Secretary Donna Shalala said this week.

Under the subcommittee's plan, Massachusetts would contract with businesses to provide jobs and training to welfare recipients, with their salaries to be paid in full by the federal and state governments. The salary reimbursement would replace the recipients' food stamps and Aid to Families with Dependent Children grants — half of which come from the federal government, meaning the US government must give the state permission to launch the program.

For instance, a woman with two children who now receives \$504 per month in welfare grants and food stamps would receive instead the same amount at a private firm as her salary. At the same time, the recipient would be trained by a workplace mentor to equip her or him with permanent job skills.

Additionally, recipients who work 40 hours a week could earn up to \$360 more each month because they will qualify for the federal earned income tax credit once their welfare benefits are converted into wages.

Although the plan would be accompanied by expanded state-funded day care for children of recipients, the "wage conversion" provision is likely to be greeted skeptically by welfare advocates, as is the workfare proposal.

"If you basically offer employers the chance to hire welfare recipients for nothing, they're not putting in enough to make it work," said Michael Gallagher, head of the Massachusetts Human Services Coalition. "And workfare has proven not to lead to full-time employment and to be costly to administer."

While the panel's legislation is seen by many as a Democratic response to Gov. Weld's own welfare reform plan, it will immediately be on a collision course with still another proposal — drafted by Gallagher and other advocates and championed by liberal Democrats such as House Speaker Charles Flaherty (D-Cambridge) — that is due out in 1994. Weld's proposal contains workfare, Flaherty's does not.

Moreover, sources say there has been considerable wrangling lately even within Murray's subcommittee, which has held hearings all over the state and will introduce the welfare reform bill today at the State House before voting on it. Some sources predict that amendments aimed at weakening the bill could be offered up to the last minute.

But after studying the issue since March, lawmakers are in overall agreement that the state's welfare system — which serves 320,000 people in Massachusetts, including 114,000 families — is seriously flawed and in need of swift repair.

Toward that end, the subcommittee on welfare reform will send the bill to the full Legislature for debate this month.

### Could live with parents

In addition to the wage conversion and workfare provisions, another key part of the legislation would allow mothers younger than 18 to live with their parents without forfeiting public assistance.

This provision is in response to critics who say that by requiring young mothers to leave home in order to obtain welfare, the current system encourages the breakup of families and fosters permanent dependency on the system. In addition, the state would pay an additional \$100 monthly stipend to the parents of the teen-ager if she remains

in school.

"We have to move now," Murray said in an interview. "We've lost a couple of generations of kids, and if we don't move now, we're going to lose a couple generations more."

Also under the legislation:

- Recipients who refuse to either work or to take part in education programs would have their AFDC checks cut by \$90 a month.

- A requirement that AFDC recipients be issued a photo identification card when they apply for assistance. This is an effort to cut down on fraud, particularly in communities bordering other states, where some recipients have reportedly collected checks from two states at once.

- A dramatic increase in the availability and flexibility of state-funded day care so mothers on welfare will have more freedom to work.

- Implementation of the so-called "Fill the Gap" plan whereby recipients can retain a portion of their welfare benefits while working.

- A guarantee of Medicaid health coverage for an as-yet undetermined period after recipients obtain jobs. Many recipients say they are discouraged from working because they face the loss of health benefits.

- Stiffer penalties for welfare fraud.

#### New legislator in forefront

By seizing on the welfare reform issue, Murray is vaulting to a prominence unusual for a freshman legislator. But her interest in the issue is not new. Murray belongs to the Democratic Leadership Council, a policy organization of moderate-to-conservative Democrats to which President Clinton is closely allied, and which has pushed welfare

reform onto the front burner.

In fact, yesterday Murray was in Harrisburg, Pa., outlining her subcommittee's welfare reform legislation to the Pennsylvania chapter of the council. On Friday, Murray is slated to appear with Shalala at a Washington forum on welfare reform.

The legislation mirrors Weld's proposal in several respects. For example, like Weld, the subcommittee on welfare reform will also propose that the Department of Public Welfare be renamed the Department of Transitional Assistance, denoting a hoped-for shift in emphasis.

Like Weld's proposal, the subcommittee's legislation also will emphasize a crackdown on fraud and stepped-up enforcement of child support requirements. "We are saying that is your child and you are responsible for that child," Murray said.

A political rivalry is already developing around welfare reform, and Murray could find herself in the middle between conservative Republicans and liberal Democrats, each pushing different versions of reform.

Last week, in what Murray's allies viewed as an attempt to upstage her subcommittee and give liberals the upper hand, Flaherty filed legislation for the 1994 session that would require the state to partly subsidize businesses that hire welfare recipients. However, while the subcommittee proposes to have the state reimburse businesses 100 percent, Flaherty's bill would have the state reimburse only 85 percent, with businesses picking up the rest.

# Cutting illegitimacy will also cut welfare

It was once called "bastardy." Then "illegitimacy." Then "out-of-wedlock birth." And now, frequently, wholly sanitized, "non-marital birth."

Whatever it's called, it is at the root of our social problems. And, according to a new Census study, it is growing ominously.

Meanwhile, President Clinton's brand-new task force on welfare reform made its first public appearance. Alas, it went beyond mere sanitization, not mentioning the surge of out-of-wedlock births, even as that surge causes the current explosion of welfare.

Although there is tough-minded thinking now going on about welfare inside the Clinton task force, this public timidity does not augur well. As long as political America remains uncomfortable mentioning illegitimacy, we will continue to condone it. As long as we condone it, we will subsidize it. When we subsidize it, we cause it. By now, it's our fault.

The new Census data are shocking, although not unexpected. In one decade, from 1982 to 1992, the rate of illegitimate births soared from 15.8 percent to 24.2 percent, an increase of more than half — the largest increase ever. (And Census data, which come from a survey, are lower than birth records.)

For comparison, the illegitimacy rate was about 3 percent in 1950 and 4 percent in 1960.

The new levels are highest among African-Americans (rising from 49 percent to 67 percent) and Hispanics (16 percent to 27 percent). But it is a national problem. The illegitimacy rate grew most rapidly among whites (10 percent to 17 percent).

Remarkably, all this happened while fertility fell across-the-board for all races. This means the increase in illegitimacy comes from voluntary behavior. (If a woman can control the birth of a third child, she can usually control the birth of a first or second child.)

It is the growth in out-of-wedlock birth that is pushing up the welfare numbers. The Congressional Research Service reports that 71 percent of the new cases in the Aid to Families with Dependent Children program, from 1987 to 1991, were headed by a never-married mother. (In earlier years welfare was generated by divorce, widowhood or marital separation.)

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So why, in its first press conference, would Clinton's task force choose not to mention any of this in 13 pages of briefing material? Was it just happenstance?

Was it happenstance that the task force handouts also did not mention Clinton's four magic campaign words, "two years and out," although that pledge was what made credible Clinton's promise to "end welfare as we know it?" Was it happenstance that the task force did not even use the words "sanction" or "termination," even though these are the terms that point to tough-minded solutions?

(The task force's euphemism of choice: "time-limited transitional support system." Upon questioning, the briefers endorsed the two-year limit.)

It is not that the task force, or Clinton, doesn't know what is going on. Clinton recently met in private with task-force members. His

charge was in tune with the theme that elected him. "Get the values right," he said. "If you get everything else right, and get the values wrong, it won't work."

Indeed, serious discussions are tak-

ing place inside the task force about values and behavior issues, of which illegitimacy is paramount. So why the public reticence?

The truth would cause an uproar among liberal Democrats, who would claim that it is "blaming the victim." Can a Democratic president really say that voluntary change in reproductive behavior is the principal agent driving welfare and that it could be reduced by a threat to end benefits?

Yet that is where the evidence takes us. More voluntary out-of-wedlock birth yields more dependency, more welfare, less parental control, which yields more crime, drugs, unemployment and poor education, which yields more voluntary out-of-wedlock birth, more dependency, and so on, cyclically, without end.

Circles, vicious or otherwise, can only be continued or cut. Clinton's task force can cut this one by sending a message to stop subsidizing voluntary illegitimacy.

Ben Wattenberg is a senior fellow at the American Enterprise Institute.

**Why the public reticence? The truth would cause an uproar among liberal Democrats.**

# Moving to avert the welfare train wreck

**F**inally, President Clinton has appointed a task force to develop his famous plan "to end welfare as we know it, to break the permanent culture of dependence." That's the good news.

But Sen. Daniel P. Moynihan, the man in politics who knows the welfare issue best, is not happy. He says that if the Clinton plan embodies the principles that have been ascribed to it, it will be "a political train wreck waiting to happen." That, says Moynihan, is because "there is a dirty little secret to it."

The secret is simple: The Clinton plan — at least based on what has been said about it by Clinton and others — will not end welfare as we know it. Not even close. Douglas Besharov of the American Enterprise Institute estimates that under the (admittedly vague) Clinton program a typical welfare mother will still receive about 90 percent of her current benefits!

How so? The guts of the plan is "two years and out." That ostensibly means that for up to two years able-bodied welfare mothers will get major support for education, job training and child care, but then must get a job or lose benefits.

But what happens if a welfare recipient doesn't go to work? Based on the ideas propounded

by Clinton, the only penalty would be a loss of the mother's share of an Aid to Families with Dependent Children grant. Thus, the mother continues to receive her children's share of the AFDC grant. And food stamps. And housing grants. And Medicaid. And Women-Infant-Children benefits. And is eligible for about 70 smaller programs. There is little incentive to work.

Moreover, one of the task force's co-chairmen, Harvard Professor David Ellwood, proposes to establish a "child support assurance system." That new program would give extra money to children whose fathers are not paying child support.

(Ellwood is a mystery. Is he the tough "two years and out" advocate? Or is he the soft "government as Daddy" proponent?)

The politics of all this, says Moynihan, are potentially catastrophic: "What an awful surprise voters will get when they find out that ending welfare means being able to retile on a

## THE VIEW FROM HERE

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The whole welfare situation is a mess, driven by a massive increase in illegitimate births. Nothing seems to work. Moynihan's Family Support Act (1988) was designed to transform welfare into workfare. But it isn't panning out. A new report by the Public Policy Institute of New York State reveals that the New York effort to reform the system has made it worse, partly because it is based on the idea that "entry-level" jobs are not good enough for welfare recipients.

Is there an answer? A quick cut-off of welfare leaves innocent children in peril. Incremental tinkering with AFDC does not change the bonuses for feckless reproductive behavior, thus guaranteeing another generation hooked on dependency.

My sense is that the welfare situation must be

seen whole — AFDC, food stamps, housing grants, and most of the rest. Then those "Greater Welfare" programs must be reduced, over time, for able-bodied, long-term poor people.

An automatic across-the-board cut of, say, 10 percent per year for five years would send the message to future generations that America will no longer make it easy to have children out of wedlock.

Liberals will fight even the original Clinton formulation, let alone any dramatic change in Greater Welfare. But if the task force moves in a tough direction such a fight might be Clinton's political salvation. It would help America and prove to voters that it was no trick when Clinton said, "welfare should be a helping hand, not a way of life."

Could a tough plan emerge from the Clinton task force? Bruce Reed, another co-chairman of the task force, says the group will look beyond just AFDC to the entire range of welfare programs, with a guiding light of "the bolder the better."

Only such an approach can avert a train wreck.

*Ben Wattenberg is a senior fellow at the American Enterprise Institute.*

**Sen. Daniel P. Moynihan says the Clinton welfare plan has a 'dirty little secret to it.'**

**BEN  
WATTENBERG**

## Welfare side effects

Consider "Greater Welfare." Consider what's happening in America. Consider the welfare mother who said to a survey researcher: "Public aid made the problems with my older girls worse. If they knew that they wouldn't get no help, they wouldn't be having all these babies." And then consider the Clinton-Democratic budget.

Back in 1965, according to the Congressional Research Service, the federal government spent \$15 billion on the major programs offering "income-tested benefits." These include Aid to Families with Dependent Children, Medicaid, Food Stamps and subsidized housing.

By 1992, these Greater Welfare programs had climbed to \$156 billion per year, a 940 percent increase! (All figures here are in constant 1992 dollars.) During that time frame, the number of people in poverty climbed by less than 10 percent, the rate of people in poverty declined from 17 percent to 14 percent, and total population grew by 33 percent. We are, simply, spending vastly more per poor person.

GW expenditures went up during Democratic and Republican years, during booms and recessions. They went up rapidly in the '70s, up slowly in the early '80s, up rapidly again since the late '80s.

Has GW helped people? "Supplemental Security Income" provides economic dignity for needy elderly persons. Medicaid gives health care to those who can't afford it. When AFDC and food stamps are used to help the long-term disabled, or those temporarily out of work and out of luck, such aid is humanitarian.

But something else travels with our humanitarianism: long-term purposeful dependency. The growth in GW comes from women bearing "nonmarital" children. Out-of-wedlock births climbed from 5 percent of all births in 1960 to 29 percent in 1992. Among blacks the rate is now 67 percent.

This explosion of illegitimacy happened while abortion became legal, while contraception became more available, while publicity campaigns against illegitimacy flourished, and while fertility rates for all races plunged. Purposeful.

And with terrible consequences. Children from out-of-wedlock households are more likely to: be violent criminals, die in infancy, drop out of school, be poor, bear out-of-wedlock children, use drugs and commit suicide. The creation of families without on-site fathers is our biggest social problem, eroding our inner cities.

Does more welfare actually "buy" more illegitimacy? Are these "causal" as well as "coincidental" indicators? There is a debate about that. But how much does it matter? If it's causal, we should stop it and change it. If it's only partly causal, we should stop it and change it. And if it's coincidental, we still shouldn't pay for it. It's wrong, costly and harmful to the recipients.

I am not alone in such a belief. It was the most important thing Bill Clinton promised last year. He said

he would "end welfare as we know it."

Alas, the Clinton-Democratic budget does not roll back GW. It does not freeze it. It increases it! By 1998, according to the president's April submission, those "income-tested benefits" will rise to \$252 billion, roughly a two-thirds increase from 1992, funding an activity that has some horrible counterproductive aspects.

Under the Clinton plan, GW would rise by 8.3 percent per year from 1992 to 1998, vs. 6.6 percent in the preceding decade. Mr. Clinton's plan increases GW 3 percent per year more than it would rise if no changes were made in current law.

Congress has tinkered with the Clinton welfare formulas, but not changed them significantly. The re-

cent Conference Committee report, like the original Clinton budget, grows welfare as we know it.

There are a few good features in the Clinton plan, particularly the increase in the Earned Income Tax Credit, designed to help poor people who work. But as for a general new direction for welfare, this isn't it, or close to it.

Ironically, Mr. Clinton could get big help in changing Greater Welfare from Republicans, just those folks he excluded from the early budget planning.

As this is written, I do not know the final congressional disposition of the Clinton-Democratic plan.

If it fails, it should be redone, right.

If it passes, Mr. Clinton still owes us an end to welfare as we know it.

**BEN  
WATTENBERG**

# Welfare reform disaster spotter

**F**inally, President Clinton has appointed a task force to develop his famous plan "to end welfare as we know it, to break the permanent culture of dependence." That's the good news.

But Sen. Daniel P. Moynihan, the man in politics who knows the welfare issue best, is not happy. The New York Democrat says that if the Clinton plan embodies the principles that have been ascribed to it, it will be "a political train wreck waiting to happen." That, says Mr. Moynihan, is because "there is a dirty little secret to it."

The secret is simple: The Clinton plan — at least based on what has been said about it by Mr. Clinton and others — will not end welfare as we know it. Not even close. Douglas Besharov of the American Enterprise Institute estimates that under the (admittedly vague) Clinton program a typical welfare mother will still receive about 90 percent of her current benefits!

How so? The guts of the plan is "two years and out." That ostensibly means that for up to two years able-bodied welfare mothers will get major support for education, job training and child care, but then must get a job or lose benefits.

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Moreover, one of the task force's co-chairmen, Harvard Professor David Ellwood, proposes to establish a "child support assurance system." That new program would give extra money to children whose fathers are not paying child support.

(Mr. Ellwood is a mystery. Is he the tough "two years and out" advocate? Or is he the soft "government as Daddy" proponent? He has been described by some hard-liners as "a sheep in wolf's clothing.")

The politics of all this, says Mr. Moynihan, are potentially catastrophic: "What an awful surprise voters will get when they find out that ending welfare means being able to retire on a court-awarded child-support grant!"

The whole welfare situation is a mess, driven by a massive increase in illegitimate births. Nothing seems to work. Mr. Moynihan's Family Support Act (1988) was designed to transform welfare into workfare. But it isn't panning out. A new report by the Public Policy Institute of New York State reveals that the New York effort to reform the system has made it worse, partly because it is based on the idea that "entry-level" jobs are not good enough for welfare recipients.

Is there an answer? A quick cut-off of welfare leaves innocent children in peril. Incremental tinkering with AFDC does not change the bonuses for feckless reproductive behavior, thus guaranteeing another generation hooked on dependency.

My sense is that the welfare situation must be seen whole — AFDC, food stamps, housing grants, and most of the rest. Then those "Greater Welfare" programs must be reduced, over time, for able-

bodied, long-term poor people. An automatic across-the-board cut of, say, 10 percent per year for five years would send the message to future generations that America will no longer make it easy to have children out of wedlock.

Liberals will fight even the original Clinton formulation, let alone any dramatic change in Greater Welfare. But if the task force moves in a tough direction, such a fight might be Mr. Clinton's political salvation. It would help America and prove to voters that it was no trick when Mr. Clinton said, "Welfare should be a helping hand, not a way of life."

Could a tough plan emerge from the Clinton task force? Bruce Reed, another co-chairman of the task force, says the group will look beyond just AFDC to the entire range of welfare programs, with a guiding light of "the bolder the better."

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# No More Something for Nothing

By BEN WATTENBERG

President Clinton has taken two nice small steps toward getting back in the good graces of the voters, Gergen and Gulnier, hiring one, unhiring the other. It is a beginning.

What should he do next? Why?

I suggest two signs for Mr. Clinton's desk, to help him find the focus that Washington wants. The first sign should read: "No More Something for Nothing." The second: "Nixon to China."

Mr. Clinton proclaimed "No More Something for Nothing" regularly during the campaign. It is a great slogan. It went to the heart of what ails America most. Today, it could renew Mr. Clinton politically.

NMSFN would not have worked for George Bush. It would have been attacked as a heartless, right-wing assault on needy people. But when expounded by Mr. Clinton the reaction was: "How wonderful! Democrats have finally figured out what liberals are doing wrong, and nominated a moderate to fix it."

Mr. Clinton preached "No More Something for Nothing" and backed it up.

## Demand Accomplishment

He said that America needed school systems that had standards, tests and consequences. That means getting away from something-for-nothing ideas like automatic promotion, grade inflation, student warehousing, and boosting esteem instead of demanding accomplishment. In Arkansas, Mr. Clinton was in the vanguard of the "standards movement." Working with his wife, he made progress.

He said we had to get tougher on crime lest criminals get something for nothing. His basic proposal was "100,000 more cops," which costs \$10 billion a year.

He said that we had to end the something-for-nothing welfare system, to make it a helping hand, not a way of life. He had an apparently tough plan: "two years and out." After two years, able-bodied welfare recipients go off the dole.

And he was forthright about the ultimate something-for-nothing program—quotas. Consider this: "We believe in guaranteeing equal opportunity, and in affirmative action and developmental programs to assure that opportunities are in fact equal. But government should not mandate equal outcomes; therefore, we oppose quotas that create racial, gender, or ethnic preference." That language comes from a resolution passed in 1991 by

the Democratic Leadership Council, whose chairman was Bill Clinton, quota-fighter.

NMSFN positions got Mr. Clinton elected. When the polls narrowed, the Clinton campaign aired two commercials in key states. The commercials weren't about "growing the economy." One was about crime, the other about welfare.

The subtext was clear. Mr. Clinton was a different Democrat who, as president, could explain to liberal Democrats that the something-for-nothing idea was a bummer which created a dependency addiction among those it was designed to help, and that he could change it because he had credibility with liberals.

So Mr. Clinton needs a NMSFN sign on his desk, and he should focus on it like a

*Mr. Clinton needs his own army of ideological shock troops to form a second culture in his White House, and in his administration.*

laser beam, even while the brokerage on the budget goes on. This would be good for America because these corrosive social issues are our central problems. (The economy is important. But the argument is about whether the richest nation in history will grow by 1.5% a year or 2.5%.)

It would also be good politics for Mr. Clinton and the Democrats. As the tidal defeat of soon-to-be former Sen. Bob Krueger shows, Mr. Clinton is a political loser on taxes and spending.

It is NMSFN that should be Mr. Clinton's signature program, if he can make it happen.

What about "Nixon to China"? That's Beltway code for a noble aspect of our politics: A president, trusted by his party, transforms his party, when the party is misguided. Anti-Communist Republican Richard Nixon went to China to break a geopolitical logjam, and anti-Communist Republicans said, "If Nixon did it, maybe it's all right." And so it was.

Mr. Clinton can be an important president if he takes the Democratic liberals to China on the Issue of No More Something for Nothing.

Alas, so far he hasn't done much, although he has a mild excuse. By law, a budget proposal comes early; program changes usually come later.

So we have a Clinton budget request for more billions in food stamps and Head

Start—but without a clue as to whether those added billions will play a role in ending welfare as we know it. An unannounced Clinton welfare task force is at work. Sooner or later—sooner if Mr. Clinton is smart—there will be a new welfare bill. But when it arrives, who's going to take whom to China?

The slender record so far is mixed, and instructive. Mr. Clinton's education bill, "Goals 2000," as drafted by the Education Department and the White House, started out with a Different Democrat design. It advanced the standards-tests-consequences idea. But when it was sent to liberal congressional Democratic barons, the Clintonites were informed it was "Dead on Arrival." And so the proposal was

amended, diluted and transformed, perhaps irredeemably, perhaps not. We will see how it plays out.

Why was it changed? The chairman of the House Education and Labor Committee, Rep. William Ford (D., Mich.), has a world view about these matters. As someone close to the action described it: "Mr. Ford is unalterably opposed to assessments with consequences."

Gulp. That's a brick wall. If you do not believe in assessments and testing with consequences, you do not believe in standards and your game will be to subvert Clintonism, not support it. (The liberals think testing with consequences harms minority students. New Democrats think it saves them.)

Alas, there is a liberal brick wall behind each of the NMSFN programs.

Liberals may favor 100,000 more policemen, but not if the money comes from social welfare programs.

They may favor welfare reform, but they will demand exemptions by the bushel and never touch Greater Welfare, including food stamps and public housing, which involves more than 90% of the value of welfare.

They will tell you that they are against quotas and then favor the appointment of Lani Guinier, the appealing and articulate Diva of Diversity, who goes beyond quotas toward separatism.

So, if Mr. Clinton is to prevail, and change the Democratic ethos, and take the liberals to China, and change their stubborn minds, it will mean trench warfare, both ideological and programmatic.

For that, David Gergen isn't enough. Mr. Clinton needs his own army of ideological shock troops to form a second culture in his White House, and in his administration. There are some soldiers available from the small legions of the Democratic Leadership Council, starting with Al From, the DLC president, and Will Marshall, the president of the Progressive Policy Institute.

## Spectrum of Advisers

Because that kind of second culture has been barely present at the White House, no one caught the firestorm potential in Ms. Guinier's writings. To liberals they didn't seem extreme. To New Democrats the first paragraph would have set off alarm bells.

A president needs a spectrum of advisers, and implementers. Mr. Clinton has liberals. He now needs New Democrats for advice, and to bird-dog and bulldoze his signature NMSFN programs through the Congress and through his own administration. Only then can he hope to transform his party, explaining to liberals that



President Clinton

they may still flourish, but only if they first reform.

We already know what the next elections are going to be about. In 1994 and 1996 Republicans will say: "They tricked America. They're not really different Democrats."

What we don't know is whether that will be true. If Mr. Clinton successfully now teaches that in a great, throbbing, meritocratic, pluralist democracy only "something for something" works, he may still thrive.

Americans will say: He really is a different Democrat. That's something, not nothing.

Mr. Wattenberg is a senior fellow at the American Enterprise Institute.



# NEW YORK POST

METRO EDITION

THURSDAY, DECEMBER 9, 1993

## Teen pregnancy epidemic — Remove the incentive

KANSAS CITY, Mo. **T**O get a flavor of America's welfare problem, consider a question I started to ask a group of six welfare mothers here. Roughly this: "Some people say that teen-age girls are having out-of-wedlock babies in order to get welfare; now, I don't think that's so, but isn't it likely that the package of welfare benefits reduces the restraints against such births, and makes them more likely?"

I never did finish the question. Most of the women vehemently jumped in:

"Right, there are women out there just having children just to get it. . . ."

"... that's what they'd rather do, is sit at home and do nothing."

"... young girls out there that will brag that 'I have four kids so I get this amount of money and this amount of food stamps.'"

Not even neo-conservatives are supposed to believe that about welfare. It is permitted to suggest that welfare indirectly encourages illegitimacy. But to suggest that it is purposeful behavior is a no-no.

The women I talked to know whereof they spoke. They were not necessarily talking about majorities, and they weren't talking about themselves. They were part of the "Futures" program in Kansas City.

Most of them were African-American and in their 20s, mostly now going to school, beginning to work or getting ready to begin work, trying to get out of tough personal situations, and deeply concerned about their children.

They represent one part of the welfare dilemma: how to get existing recipients off the rolls.

That mostly involves education, training, day care, medical care, getting child support from so-called "dead-beat dads" and jobs. In short: rehabilitation.

But there is a second, bigger, aspect of the welfare problem: prevention.

How do we see to it that girls don't fall into the welfare trap, either purposefully or indirectly?

After all, a girl who doesn't have a first out-of-wedlock child doesn't need special day care. Or Medicaid. She doesn't have to get a father to pay up.

She can get an education and a job, get married, and

UPFRONT & CENTER



**BEN WATTENBERG**

— later — have children.

Is there an answer? Across the river, in Kansas City, Kan., there is a moderate Republican congresswoman, Jan Meyers, who says there is.

"We have created our own teen-age pregnancy epidemic," she says. "The current system provides an indirect incentive for out-of-wedlock births. A young girl on welfare gets a cash grant, food stamps, medical care, day care, a transportation allowance and, in many instances, a rent allowance."

Meyers says that as long as that situation continues the welfare case load will keep going up. (It is now at an all-time high.) "We have to take away the incentive," she says.

Her proposal has 40 co-sponsors, including several Democrats. It would freeze welfare payments and not give new cash grants unless both the mother and father were over 18 years of age. Denying the cash

part of welfare to teenagers would remove much of the incentive — direct or indirect — that draws people into welfare. And, under Meyers' proposal innocent children would not be abandoned: food stamps, Medicaid, day

care and the rest of the package would continue.

Unfortunately Meyers' Republican colleagues approved a less bold plan, whittling welfare as we know it, cutting off grants to minors, but, alas, allowing states to exempt themselves from such provisions.

The next act in the welfare drama will be made by President Clinton, who promised to really end welfare as we know it.

Clinton, too, condemns the rise in teen-age pregnancy. But will he come up with a plan that removes the incentives for it, right from the first child? Perhaps a plan that is more pointed than even House Republicans dare. A plan that shows that he cares enough to be tough.

Bill Clinton: Call Jan Meyers.

*Ben Wattenberg is a senior fellow at the American Enterprise Institute.*

**Lawmaker would freeze welfare, deny new cash grants unless both parents are at least 18 years old.**

## CANDIDATE "B" WINS ON WELFARE

Kansas City --- I knew the window for welfare reform was open. I had no sense of just how wide open it was.

Last week in this space I reported on a focus group of welfare mothers, who vigorously volunteered the information that many teen-agers (not all, not even most) were bearing children in order to gain the package of current welfare benefits: cash, food stamps, medical care, and so on. The women I talked to were outraged about it.

Let me now tell you of another focus group I conducted that same day. The participants were "welfare fathers." They vehemently resented the term "Dead-beat Dads." They were a part of the "Futures Connection" program and either at work and paying child support, or studying diligently to prepare for jobs, so they could pay child support for their children on welfare. There were six of them, four blacks and two whites, most in their late twenties.

They were quite well-spoken. And clearly, as the discussion progressed, it was apparent that they wanted to take care of their children, and that they loved them.

After a while I asked a long question, which I present here almost verbatim:

I began: "Let's say there is an election. Candidate 'A' says this welfare situation is a real problem. But we're going to have to keep up those taxes, because we have to give people education, and some cash to live with. It's true, some of this help fall through the cracks; it's true the rate of out-of-wedlock births keeps going up; it's true the government screwed it up in welfare. But there are women and little children involved, and we have to keep paying for it. That's Candidate 'A.'"

I continued: "Then there is Candidate 'B'. He has a one word slogan --- he says 'Enough.' He says we have created some kind of Frankenstein monster in the welfare program. It is encouraging out-of-wedlock birth, creating a comfort zone for it, pulling people into welfare. We have to cut back welfare in order to stop this. Enough. That's Candidate 'B.'"

I paused, and asked: "In that election who would you vote for, 'A' or 'B?'"

There was an eruption in the room, thusly:

MANY PERSONS AT ONCE: "'B', 'B,' I vote 'B.'"

BW: "You would vote for the guy who says stop it?"

MANY PERSONS AT ONCE: "'Yeah. 'Yeah,' 'Yeah.'"

MAN #1: "At some point you gotta do something. The buck stops here... I can't say I condone everything he suggested, but he had the right attitude."

BW: "Which is, enough, cut it off."

MAN #2: "Sooner or later you got to bite the bullet and start getting back to making the country what it was... "

MAN # 3 "No, no, not necessarily cut it all off."

MAN #2: "Otherwise it gets so out of control that everybody suffers."

BW: "Loosely speaking, Democrats take the position of Candidate 'A.' Republicans say what Candidate 'B' says... People in your situation are not usually voting Republican."

MAN #3: (Who had served prison time for armed robbery, and is now employed.) "Well, you know, I've been listening to the show --- Rush Limbaugh. So I figure I'm turning conservative at least. I don't know about being a Republican or not. But he's got a lot of good views. He's saying the same thing, you know. People ought to get up... There's no sympathy for people just sitting around doing nothing... you know free food for somebody who just wants to go around just living off someone else..."

All this mind you, from people whose loved children are being supported by the welfare system!

And so I say, the window for serious welfare reform is wide open, big time open. Open wider than anything Clinton imagined when he campaigned on "two years and out." Open wider by far than when he formed his now-deliberating task force. Tinkering at the edges, which is what all other previous welfare reform has done, will not satiate the current voter mood. Not even close.

# Fixing the welfare mess

*Clinton has vowed to "end welfare as we know it." Voters approve and want tough standards*

Joseph Califano, Michael Dukakis and other Democratic luminaries found the problem so intractable that they dubbed it the "Mideast of domestic politics." The "it" is the next major item on President Clinton's domestic agenda: reform of the nation's much-maligned welfare system. During the presidential campaign last year, Clinton pledged so often to "end welfare as we know it" that his vow became a defining mantra almost akin to George Bush's "read my lips" promise. Yet truly ending welfare — much less resolving the contentious internal debates now swirling among Democrats and Republicans — may prove tougher than getting Yasir Arafat and Yitzhak Rabin to shake hands on the White House lawn.

Clinton's aim is to transform welfare into a transitional program: His plan would provide recipients with education, training, child care and health coverage during their first two years on the rolls, but then require them to find work in the private sector or in a community-service position. A new poll for *U.S. News* by Celinda Lake and Ed Goetas finds that the president will face a good-news-bad-news story when he tries to sell his plan to Congress and the public early next year. The good news is that close to 90 percent of Americans fully support Clinton's radical two-years-and-out plan. The bad news is that a majority also back many Republican variants of his ideas that would make time-limited

welfare even more restrictive than Clinton might like.

In several ways, the task of remaking welfare is especially daunting now. After remaining relatively steady for more than 15 years, the number of Americans on Aid to Families with Dependent Children has recently mushroomed, from 10.8 million in 1989 to 14.2 million today. A stunning 1 in 7 children is now on AFDC. The welfare explosion is partly due to the recession, but it also stems from a rise in out-of-wedlock births among young, disadvantaged women. And the same contradictory impulses that stifled previous welfare reformers persist. First, legislators want to support those truly in need, especially children; second, they want to discourage dependency and idleness, especially for mothers of those children.

To date, Clinton has taken two long strides toward ending welfare: He has sent legislation to Congress to make health coverage universal and he has signed into law a huge increase in the popular earned income tax credit. Both measures would make it easier for AFDC recipients to switch from welfare to low-wage jobs. In fact, the largely-unsung EITC provisions constitute the biggest antipoverty initiative in more than a decade; they will cost \$20.8 billion over the next five years and will raise any family with two or more children and a full-time working parent out of poverty.

■ AMERICANS WHO FAVOR LIMITING THE AMOUNT OF TIME FAMILIES CAN REMAIN ON WELFARE: **69%**

■ AMERICANS WHO OPPOSE A TIME LIMIT: **16%**

■ OF THOSE WHO FAVOR TIME LIMITS, THE PERCENTAGE WHO FAVOR:

Six months:	<b>10%</b>
One year:	<b>21%</b>
Two years:	<b>34%</b>
Five years:	<b>11%</b>
Longer:	<b>5%</b>

In the weeks ahead, Clinton — drawing on the work of an interagency task force — faces far more controversial decisions about the details of his plan. Senate aide Paul Offner, who studied welfare for the president's transition team, made a crude estimate last year that Clinton's plan might reduce the welfare rolls by 14 percent. The *U.S. News* poll shows, however, that only 1 in 6 Americans would judge welfare reform a success if it cut the rolls by 25 percent or less by the year 2000. Fully a third of respondents want a bigger cutback, saying they will judge his work a success if the rolls are cut by a virtually impossible-to-achieve reduction of 50 percent or more.

Leading Democrats, such as Sen. Daniel Patrick Moynihan, question whether the administration has the gumption to fund and implement a time-limited welfare system without resorting to other expensive programs to pad the blow to those forced to work. As



Harvard Prof. David Ellwood, a co-chair of the Clinton interagency task force, wrote in a candid paper presented at the Urban Institute shortly before he joined the administration: "[The] one thing that becomes abundantly obvious when one looks hard at the details of any time-limited welfare and work program is that there will be many weaknesses." Here are some of the discomfiting questions that Clinton must answer:

**Question 1: What happens to the children?** Contrary to stereotypes that depict welfare recipients as men who loaf on street corners and women who tool around in Cadillacs, 2 out of 3 AFDC

recipients are innocents—that is, they are children. The American public roundly underestimates that number: only a quarter of respondents to the *U.S. News* poll guessed that 51 to 75 percent of AFDC recipients were under 18.

Mothers on welfare who are trained and then required to work after two years may well benefit from Clinton's plan. But will their children—many of whom live in crime-ridden neighborhoods and are under the age of 3—necessarily be better off without mom at home? At present, researchers know next to nothing about how a mother's absence might affect her child's performance in school, change the quality of his day care, influence the

kind of health care he receives or create stress at home. Marian Wright Edelman of the Children's Defense Fund puts it bluntly: "If it sacrifices poor children," she told the *Los Angeles Times*, "it's not welfare reform."

**Question 2: Is welfare a one-shot deal?**

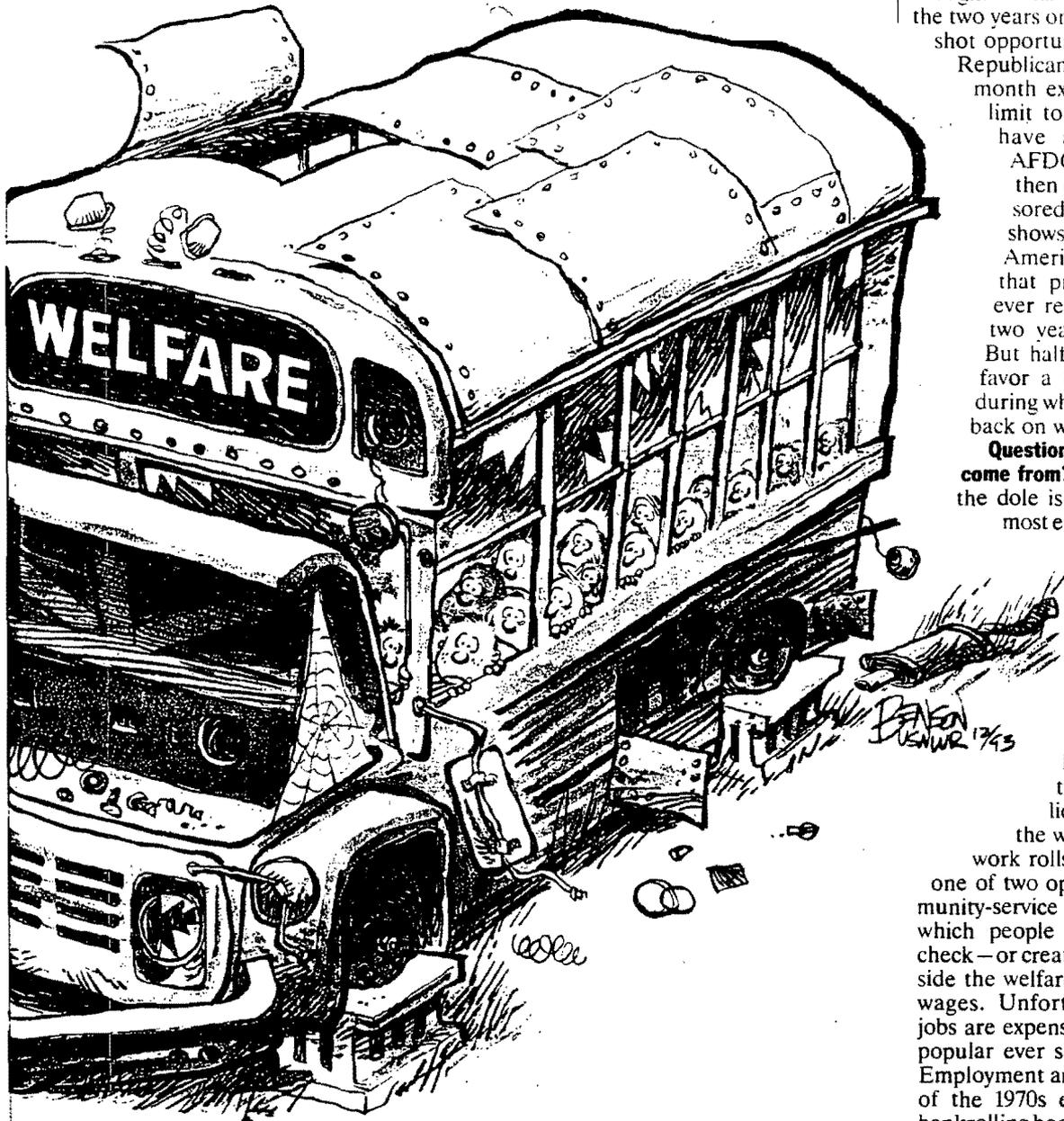
If a mother and her children can come back to AFDC each time she has another child, time-limited welfare doesn't seem so time-limited. Yet if she is precluded from returning, then a needy infant may suffer. During the campaign, Clinton said he would try to protect children by penalizing only the *parent's* portion of the welfare check if the parent failed to work as required. So far, though, he has declined to say whether the two years on AFDC would be a one-shot opportunity. The current House

Republican bill would grant a four-month extension to the two-year limit to pregnant mothers who have a child after leaving AFDC, but it requires them to then take a government-sponsored job. The *U.S. News* poll shows nearly 75 percent of Americans would oppose a bill that precluded a family from ever returning to welfare after two years of benefits ran out. But half the respondents would favor a five-year waiting period during which a family could not go back on welfare.

**Question 3: Where do the jobs come from?**

The best alternative to the dole is private-sector jobs. But most employers are not eager to hire long-term welfare recipients. That means Clinton has to figure out what kind of government support to offer many of the estimated 3 million mothers who could be affected by a two-year time limit. To meet his ambitious goal of moving "millions of idle Americans off

the welfare rolls and onto the work rolls," Clinton could pursue one of two options. Either offer community-service or "workfare" slots—in which people work off their welfare check—or create public-service jobs outside the welfare system that pay higher wages. Unfortunately, public-service jobs are expensive and have proved unpopular ever since the Comprehensive Employment and Training Act program of the 1970s earned a reputation for bankrolling boondoggles. Today, 2 out of 3 voters polled by *U.S. News* prefer that the government offer workfare jobs to



welfare recipients after two years: only 1 in 4 thinks the government should guarantee jobs to those cut off.

The hitch with workfare is that it generally has failed to reduce welfare rolls significantly or boost earnings and subsequent employment. Only 1 percent of AFDC mothers are in workfare slots, and few states have long-term programs involving large numbers of recipients. Just what kind of work hundreds of thousands of welfare mothers are supposed to do is also something of a mystery. A task force of the Coalition on Human Needs, an umbrella group of liberal organizations, recently issued a statement warning that workfare would "create a permanent underclass of impoverished parents who would not enjoy the basic rights [of] all other American workers."

**Question 4: Who is exempt?** At present, federal law already exempts roughly half of all AFDC recipients from having to participate in work, education or training programs. Clinton's dilemma: If too many recipients are exempt, time



Innocents. Vulnerable Americans — especially children — have a big stake in reform.

limits are a mockery: if too many are required to participate, overwhelmed state officials are likely to funnel them into make-work programs with phony requirements. On the whole, survey re-

spondents believe the new law should have few loopholes (box, below). For instance, a novel scheme heavily favored in the poll and included in the Republican legislation would require

**Americans' views on welfare reform**

The U.S. News poll shows how nuanced voters' views are. A plurality of respondents want the welfare system overhauled, and they support reforms that are tougher than the existing system. But they also would like more help given to recipients to get them off the dole.

**THOSE WHO SAY THE WELFARE SYSTEM (AFDC) SHOULD:**

Be left alone	6%
Be subject to experiments in the states	37%
Be reformed at the national level	43%
Eliminate all benefits	8%

**THOSE WHO EXPECT WELFARE REFORM TO COST:**

More in the short term	56%
Less in the short term	29%
More in the long term	28%
Less in the long term	57%



Famous campaign pledge

**SHOULD A TIME LIMIT APPLY, OR NOT APPLY, TO THE FOLLOWING GROUPS OF AFDC RECIPIENTS?**

	Apply	Not Apply
Single parents with children under 1 year of age	64%	28%
Single parents with children under 3 years of age	64%	27%
Single parents with drug or alcohol problems	64%	24%
Any family the government cannot find a job and provide child care for	58%	36%
Any family where the parent has a significant physical or mental disability	38%	56%
Any family that cannot find a job where jobs are hard to find	57%	32%

**IF THE GOVERNMENT IS TO CUT OFF WELFARE BENEFITS TO FAMILIES AFTER A SPECIFIC PERIOD OF TIME AND AFTER IT PROVIDES EDUCATION, TRAINING, HEALTH BENEFITS AND CHILD CARE TO THOSE FAMILIES, IT SHOULD:**

Simply end the families' benefits, including Aid for Families with Dependent Children	7%
Make the parent or parents do community service work in exchange for welfare benefits	64%
Guarantee jobs to the parent or parents after they are cut off welfare	24%

**DO YOU FAVOR OR OPPOSE THESE IDEAS AS REFORMS FOR THE WELFARE SYSTEM?**

	Favor	Oppose
Require job training for those on welfare, and after two years require them to work in government jobs if necessary.	82%	15%
Require job training for those on welfare, and after two years require them to work.	93%	4%
Require unemployed fathers of children on welfare to work.	94%	4%
Replace welfare benefits with tax credits and strengthen child support enforcement.	67%	21%
Have government help pay for child care and transportation for welfare recipients who work or are in job training or education courses.	77%	18%
Deny welfare to legal immigrants until they become citizens.	69%	25%
Deny welfare to legal immigrants.	37%	55%
Do not increase welfare benefits when people on welfare have additional children.	65%	28%
Limit welfare benefits to two years and do not allow people to get back on welfare for at least five years.	50%	38%
Limit welfare benefits to two years and do not allow people to get back on welfare ever.	22%	73%

## U.S. NEWS

the unemployed fathers of children on welfare to work. The one exception to the eligibility crackdown is that a majority of Americans would favor exempting parents from time limits if they had a significant physical or mental disability.

The unanswered question is whether a segment of chronic AFDC recipients are

assistance for legal aliens who are not citizens. Poll respondents favor that cost-cutting scheme by a 2-to-1 margin. But the Clinton administration is likely to endorse less-sweeping cutbacks on immigrants and seek a revenue-neutral plan.

**Question 6: How do you change the culture of welfare?** The atmosphere of welfare offices tends to encourage dependency, rather than discourage it. Welfare

the system by applying for AFDC and found that by the time she was referred to a jobs program, she had already produced 16 documents for purposes of verification, filled out about 11 forms on her personal and financial circumstances and answered 770 questions. In an interview last summer, Senator Moynihan remarked to *U.S. News* that the eligibility workers "who hand out the forms are only marginally better off than the people who fill them out — and they hate each other. It's not the Columbia School of Social Work: 'Come on in and sit down; let's talk about your summer!'" It is hard to imagine that a massive program run by the existing bureaucracy will handily transform the system.

In the months ahead, one of two very different scenarios may well play out on Capitol Hill. In the first, Clinton finesses the questions outlined above enough to win liberal support for his plan. His bill exempts recipients from time limits if they live in states that fail to fund adequate job and child-care slots, provides numerous appeals for sanctioned families, requires only part-time work of single parents and allows families who leave welfare to earn credits toward more time on AFDC if they stay off relief for several years. He could also phase in work requirements so that they only go into effect state-by-state over many years or



JOHN BARR — GAMMA LIAISON

**Job training.** There is vast support for more government aid to teach skills to welfare recipients.

virtually unemployable because they are too disabled, lack work experience, or are too illiterate or mentally limited. The evidence available suggests that many welfare recipients are not strong candidates for jobs in an upscaled labor market. A recent study by LaDonna Pavetti, who now works in the administration, indicates that 75 percent of long-term AFDC mothers score too low on IQ tests to qualify for the U.S. Armed Forces.

### **Question 5: How do you pay for reform?**

The *U.S. News* poll shows that Americans do anticipate welfare reform could cost more in the short term, even if it might save money in the long run. Nonetheless, many states lack the administrative capacity to mount massive jobs-and-child-care programs. In fiscal '93, states failed to claim \$186 million in federal funds available for educating and training AFDC recipients. Republicans contend that their welfare plan will actually save billions, primarily by eliminating public

administrators are chiefly concerned with determining the eligibility of clients and dispensing checks, not getting people into jobs. An intern working for the county in Athens, Ohio, recently tested

just apply to new recipients.

In the second scenario, Clinton could inflame liberals by embracing strict time limits and work requirements. Last week, Clinton told *U.S. News* that there

"were a lot of good things in [the Republican] plan ... that I thought were really quite similar to my own thinking" — and added that the Republicans' bill has made him "reasonably optimistic that we can have a bipartisan welfare-reform package next year." Unfortunately, at least for the president, few of the more liberal members of his own party presently share his optimism or his passion for making welfare temporary. ■

BY DAVID WHITMAN WITH  
MATTHEW COOPER

#### ■ GOOD POLL NEWS FOR CLINTON

62% of blacks and 60% of moderate/liberal Democrats — usually welfare supporters — back time limits on benefits.

59% of Republicans and Perot voters — usually welfare detractors — expect reform to cost more in the short term.

Democratic pollster Lake: "Like Clinton, voters want welfare to be a second chance, not a way of life."

#### ■ BAD POLL NEWS FOR CLINTON

53% of voters want families to work for their benefits even if they live in high-unemployment areas.

46% of voters say they will only consider reform a success if welfare rolls are cut by more than 25%.

Republican pollster Goetas: "Voters want a lot more cuts in welfare rolls than Clinton plans to deliver."

# National Perspective

SOCIAL ISSUES

## Administration Tackles 'Great Crisis of the Spirit' in America

Instilling values has become a central justification for several key items on the White House's domestic agenda.

By RONALD BROWNSTEIN  
TIMES POLITICAL WRITER

WASHINGTON—How does a society instill and invigorate values? It's a philosopher's dilemma with increasingly practical implications.

From President Clinton to conservative former Education Secretary William J. Bennett, political leaders across the ideological spectrum are declaring that government programs cannot ameliorate America's social problems without a sweeping spiritual renewal.

"A great crisis of the spirit . . . is gripping America today," Clinton says. "The real crisis of our time is spiritual," says Bennett.

For years, values have been the political equivalent of weather: Everyone talked about them but no one did anything about them. Now the Administration is beginning to shift the debate to new terrain by elevating the issue of how public policy can strengthen personal values and the community institutions that nurture them.

This impulse is increasingly influencing hard-headed discussion over welfare, urban renewal and even crime. The crackdown-on-crime legislation passed by the Senate last month, for instance, also includes \$400 million to help community groups operate after-school programs in troubled neighborhoods. The Administration is crafting its urban redevelopment plan to encourage cities to use grass-roots community organizations to design and deliver social services.

The common aim in these initiatives is "to strengthen the fabric of churches, nonprofit groups and local organizers—things that pull people together and can uphold values," says Marc A. Weiss, special assistant to Housing and Urban Development Secretary Henry C. Cisneros.

Much still divides left and right on these issues. But even the widening consensus that many social problems are rooted in cultural trends like the growth of out-of-wedlock births represents an enormous convergence after decades of polarization.

"There is a growing sense that as a society, as a public sector, we don't have enough carrots or sticks to put things right," says William A. Galston, deputy director of domestic policy in the White House. "If a majority of our citizens don't do what's right because it's right, we'll never solve our problems."

This latest upsurge in public discussion of values comes just a few months after Hillary Rodham Clinton's musings about the need for a "politics of meaning" drew snickers in Washington and less than two years after then-Vice President Dan Quayle was chastised as racist, sexist and hopelessly nostalgic for condemning out-of-wedlock births in his famous "Murphy Brown" speech.

But the debate about values continues to push forward—this time largely because of rising anxiety about crime, which is increasingly seen as linked to the erosion of the family and breakdowns



William Bennett

in other social mechanisms for transmitting mores, observers say. "Americans have been taught for at least 30 years it is inappropriate to comment on the choices that other people make," says Gary L. Bauer, president of the Family Research Council, a conservative think tank. "The tension is that on the other hand, Americans are clearly seeing that the individual choices that have been made are having public policy consequences."

Clinton has scrambled the partisan dimensions of this national dialogue by enunciating views on the importance of two-parent families and personal responsibility that Democrats mostly have shied away from for the last quarter-century. When discussing the contribution of moral erosion to problems like teen-age pregnancies or crime—or the need for criminals to bear personal responsibility for their actions, no matter the conditions of their upbringing—Clinton can sound like a conservative. But these agreements between left and right mask a fundamental difference in approach, particularly on government's role in inculcating values.

In a speech to the Heritage Foundation



Reuters

President Clinton speaks to black ministers in Memphis, Tenn., last month.

earlier this month and in a later interview, Bennett argued that a restoration of cultural values demands a rollback of government, because the modern welfare state has usurped the roles formerly played by private institutions like churches. This rule has exceptions: Most conservatives believe public schools should be encouraged to "teach right and wrong." They also back school vouchers, partly because they could help churches start or expand religious schools.

But generally, Bennett says, concern about eroding values "leads ineluctably to the conclusion that we need less government—that government arrogates responsibility unto itself and this ends up taking responsibility from the American people."

For many conservatives, welfare typifies the dynamic. In an argument embraced by Bennett and other leading conservatives, author Charles Murray maintains that welfare has obliterated the historic financial constraints against bearing children out-of-wedlock and thus disrupted the "natural forces that have . . . for millennia" encouraged marriage, as he put it in a recent article.

Murray's answer illuminate welfare for

all women not now on the rolls. In less drastic form, the same argument shapes the House GOP proposal to allow states to cut off welfare for teen-age mothers.

Clinton rejects those proposals as punitive. While largely echoing the conservative call for a revival of values, he portrays such spiritual renewal as a supplement to government action, not a substitute for it.

In the memorable phrase of his November speech to black ministers in Memphis, Tenn., Clinton maintained that progress against social problems requires changes from both the "inside out" and the "outside in."

Most of these "outside in" changes are components of his broader domestic agenda: more money for Head Start, job training and college scholarships, the creation of community development banks to lend in depressed areas and increased funding for community police.

But Clinton has moved well beyond those broad policy initiatives. Without much attention, the claim of instilling values has become a central justification for several key items on his agenda.

In the Administration, the uncharted frontier of these discussions about cul-

tural reconstruction centers on efforts to use government to strengthen the local institutions, from churches to block associations, that bolster values and form the civic spine of neighborhoods.

These evolving efforts at "capacity-building" for local institutions reflect an awareness that "government has the least credibility on the street level in terms of promoting values," one senior policy-maker says.

Under the urban renewal legislation passed as part of the budget package last summer, cities have to include grass-roots organizations in the planning process when designing applications for the new federal "empowerment zones" that will be established later this year.

Similarly, the \$100-million initiative to combat homelessness under way at HUD envisions much greater use of nonprofit local groups to deliver services, Weiss said. The same thrust drives legislation that Sen. Bill Bradley (D-N.J.) has pushed through Congress, providing funds for community groups to operate after-school programs at public schools and modern equivalents of settlement houses for young mothers.

Overall, the Administration's thinking on strengthening community institutions is "still spotty," says Linda Tarr-Whelan, president of the National Center for Policy Alternatives in Washington. Financial constraints have reduced many of these ideas to pilot projects. But the direction, Tarr-Whelan believes, is promising: "One of the larger gains of the Clinton Administration could be creating new ways to think about not only how we deliver services, but how we leave something behind in the community beside the service itself," she says.

Still, no one underestimates the difficulty of reversing insidious cultural trends that have cumulated for decades, particularly in depressed urban areas.

Indeed, Douglas S. Massey, a sociologist at the University of Chicago, says Clinton may be overestimating the value of moral exhortation and underestimating the importance of social isolation in setting urban cultural standards.

"At one level it is important to say these things are important to the society," Massey says. But in most urban areas, he maintains, the call for spiritual renewal "will be seen as irrelevant unless you change the circumstance."

E. J. Dionne Jr.

# Reconnecting Welfare to Work

Eddie Gomez, who played bass with the great jazz pianist Bill Evans, once said that Evans's goal was "to make music that balanced passion and intellect." What Gomez said was certainly true of Evans, but it has wider application. Balancing passion and intellect is a pretty good definition of what makes for successful politics. Take the passion out of politics and you are left with a mess of desultory details. But take the intellect out of politics and you end up with demagoguery and manipulation.

The Clinton administration needs to keep the Gomez formula in mind as it approaches the intellectually vexing and emotionally fraught issue of welfare reform. There is talk among some Clinton aides of postponing the issue until after health care reform is dealt with, and there are quite rational reasons for delay.

Money in the new budget is scarce, and serious welfare reform costs money. The House Democratic leadership is uneasy about an issue that could badly divide its members. There are fears of overloading Congress, and particularly of overloading Senate Finance Committee Chairman Daniel Patrick Moynihan, whose own passions run much more to the welfare issue than to health care. And figuring out what to do with the welfare system is damnably complicated. Those who are serious about the subject know that it's easier to make bold declarations about "making people work" than it is to figure out how to help the dependent children of those on the welfare rolls.

Nonetheless, it would be a large error for Clinton to do anything that even hints at playing down

welfare reform. Taken together, welfare reform, universal health care coverage and the package of education and training programs Labor Secretary Robert Reich is assembling give Clinton and the Democrats an opportunity to revive what has been the party's most powerful theme since the days of the New Deal: its emphasis on the dignity of work and the need to reward workers.

For the past 30 years, the Democrats and liberals have often been complicit in a redefinition of what they are about—a shift away from these New Deal purposes. The New Deal may routinely carry adjectives such as "old" and "outdated," but its spirit never went out of fashion. Its goal was not to create a large class of Americans dependent upon government but to provide working Americans with protections against the swings of the business cycle and to improve their lot when they were on the job. Working people were the Democrats' passion.

The signature New Deal Programs were all connected to work. The WPA was about jobs for the unemployed. Social Security was designed to allow those who had worked all their lives a decent retirement. The laws on wages and hours were aimed at protecting workers from exploitation. The Wagner Act made it easier for workers to organize themselves and bargain in their own interest. Even what is now called "welfare," the Aid to Families with Dependent Children program, was mainly designed to help widows of workers, on the theory that mothers of young children ought to be able to

stay home with them even if their husbands had died.

The link between Democratic programs and the world of work began to fray in the 1960s. The surest sign of the change is the transformation of the word "welfare." The Webster's definition of welfare refers to "the state of being or doing well; condition of health, happiness and comfort; well-being; prosperity." How could such a nice word take on such ominous meanings? Now, "welfare" is popularly spoken as a curse word to refer to programs that give money to people who, it's assumed, don't want to work and expect government to take care of them and their (often illegitimate) children.

There was an undeniable element of racism in this shift, audible in so much of the ugly talk about "welfare queens." You've heard the conversations: "They" are lazy, "they" have kids "just to get a check," "they" are irresponsible. The Rev. Andrew Greeley, the priest-sociologist-novelist, captured the resentments more than two decades ago in the apt title of one of his books about ethnicity and race: "Why Can't They Be Like Us?"

But if you looked beneath the racism, there was a legitimate question that defined the trouble the Democrats were in: Why did the emphasis of government programs shift—or at least seem to shift—away from those who worked and toward those who didn't? Wasn't this unfair? As long as government programs—"welfare" programs—are seen mostly as subsidies for idleness, they will be unpopular with vast numbers of working Americans of all races and classes. As long as

Democrats are associated primarily with such programs, they will face huge obstacles.

Which brings us to Clinton's opportunity. It turns out that the emphasis of much of the Clinton program is on working people. Take the health care plan. Right now, welfare recipients get Medicaid, but the working poor and near-poor have no health insurance at all, or very little. The Clinton health proposal is designed to remedy that. The increase in the earned income tax credit, passed last year, is aimed at lifting the families of the working poor above the poverty line. The Reich job training ideas are aimed at offering some new opportunities to workers who are not simply laid off temporarily but need to find new lines of work altogether.

Welfare reform is another piece of the puzzle, and a crucial piece. Of course reforming welfare won't be easy. There are big questions about how much it should cost, what sorts of work can be created for those moved off public assistance, how much can legitimately be asked of mothers of small children. Within the president's own welfare task force, there are serious arguments over the relative importance of carrots and sticks. But there should be no hesitancy about the core principle: that the purpose of public assistance programs should ultimately be to move people out of dependency and into work. By demonstrating a passion for work, the administration will make it possible again to have a rational discussion of just what government should do to help those who need help. In the process, it might restore the word "welfare" to its original and noble meaning.

## Justice Responds on Demjanjuk

THE CASE OF John Demjanjuk, which already has been in litigation for 17 years, took a new turn last week that could lead to more years in court. The retired Cleveland auto worker had lost his citizenship in 1981 on grounds that he lied about alleged Nazi affiliations. Five years later he was extradited to Israel to stand trial for being "Ivan the Terrible," a notorious prison camp guard who had worked at Treblinka. After a trial and a death sentence in Israel, Mr. Demjanjuk was freed on appeal by the Israeli Supreme Court, which found insufficient proof that he was Ivan. He returned to this country in the fall.

The Justice Department still believes Mr. Demjanjuk should be deported because its original case cited activities at camps in addition to Treblinka. But his defenders counter that the highly emotional Ivan the Terrible charges—now abandoned by the government—overwhelmed the earlier hearings and allowed courts to ignore other evidence. In addition, in November a three-judge panel of the U.S. Sixth Circuit Court of Appeals took the unusual step of harshly criticizing the conduct of government attorneys in this case. That court ruled that in failing to divulge to Mr. Demjanjuk's attorneys important evidence in their possession that would have been helpful to the defense, the prosecutors were so reckless as to be guilty of fraud on the court.

Last week, the Justice Department returned to court to address these two matters. First, the

government, in a petition vigorously defending its own lawyers, asked the full Sixth Circuit bench to rehear the case as it relates to government misconduct. Second, it filed another petition asking the court that originally denaturalized Mr. Demjanjuk in 1981 to reopen that proceeding and limit the charges to those that do not involve Ivan the Terrible. The government states its strong belief that there is ample reason to take away Mr. Demjanjuk's citizenship and send him back to Ukraine, where he was born. Prosecutors contend that they can prove his Nazi connections by relying only on evidence of his presence as a guard at other camps.

Justice Department attorneys other than those involved in the original proceedings are now handling the case, and they have an obligation to defend their colleagues if, in fact, the latter did no wrong. If the Sixth Circuit panel's decision is affirmed, however, corrective action and a review of current practice in handling these cases will be in order. As to the evidence against Mr. Demjanjuk, certainly the drawn-out litigation has resulted in confusion. He has been effectively cleared of being Ivan, and there is a public perception that he has been cleared of all wrongdoing. Reopening the original denaturalization proceedings will enable the court and the public to review the case without the distracting Ivan material. And if the government can prove that he was a Nazi prison camp guard *anywhere*, he should be deported.

# The Washington Post

AN INDEPENDENT NEWSPAPER

## *In the Line of Duty*

**T**OMORROW LAW enforcement officers from far and wide will descend on a Southeast Washington church to pay homage to Jason White, the First Police District officer slain on duty last Thursday evening. This final salute will draw more than mourners with a professional bond to Officer White. There will be a showing of respect from this city, as there should be. After all, it was for this city—for people Officer White didn't know and who didn't know him—that he made the ultimate sacrifice.

When District residents think about their police department and the problems Chief Fred Thomas is moving to correct, they should remember this tragedy. In 1993 there was a string of embarrassing incidents involving officers hired between 1989 and 1991, when hiring and training standards were loosened; an FBI sting operation led to the arrest of 12 officers for drug-related crimes. But no moment could have been more devastating than when his colleagues heard Officer Earline Harris's urgent radio call for help last Thursday. She was hurt, she said, and her partner, Jason White, was down, shot and in need of an ambulance. Even incapacitated, Officer Harris was able to pull her weapon and fire at least two shots at the fleeing assailant. Her fallen colleague, a member of the class of 1990, died with his gun strapped in his holster.

The next time you hear stories about officers hired during that era, keep Jason White in mind. He and Earline Harris, a five-year veteran, personified the D.C. officers who daily step up to the tough challenges. Jason White and Earline Harris could be expected to answer the call for volunteers to perform the roughest assignments in the worst hours. That's what they were doing last week when a suspect they sought to question allegedly produced a semiautomatic handgun from his coat pocket and fired at point-blank range. When you read the next bad-cop story, remember that there are hundreds of courageous and dedicated professionals who, like Officers White and Harris, put on their uniforms, badges and guns and lay their lives on the line 24 hours a day to keep the rest of us safe.

As with Thursday's heroes, most officers entered the ranks within the past five years. Their view of cops who turn sour is no different from the view of Fifth Police District Lieutenant Brian McAllister. He told residents of the area where 11 of the recently arrested officers were assigned, "we have been just as traumatized as the community and feel a strong sense of betrayal by all of the officers involved." The bad cops we read about don't represent the best the department has to offer. Tomorrow we honor an officer who did.

## *'Revolution' in Mexico*

**L**IKE A MURAL come down off a wall, a peasant "revolution" burst forth in the poorest and most southerly part of Mexico over New Year's. Some hundreds of armed men and women eluded preemption by Mexico's vaunted intelligence and showed themselves organized enough to briefly capture a good-sized city, San Cristobal de las Casas, in Chiapas state. After two days of fighting, in which tens were killed on both sides, rebels still held three towns. Ostensibly, the uprising was timed to the effective date of the new trade agreement with Washington: The rebels reject the government's depiction of NAFTA as a patriotic act of economic growth, terming it a class conspiracy against the landless and poor.

This is the first major uprising in Mexico in 20 years and as such an embarrassment for President Carlos Salinas de Gortari. But a certain level of unrest is familiar to Chiapas and other states isolated from the modernizing currents that Mr. Salinas, more than any other Mexican leader, has encouraged. Conspiracy theories flourish in Mexico. In this instance, some suggest there has been an infection from local radicals or from guerrillas across the border in Guatemala. It is asked whether the opposition to President Salinas may have

thought to stage an incident to discredit his gutsy devotion to free trade.

But no elaborate theory is needed to understand the pain in Chiapas. The prime threat to democracy in the Americas now comes from the corruptions of power and from the gap between rich and poor. Mexico is not coming apart under the weight of NAFTA. NAFTA is in fact part of the remedy. But NAFTA has quickened popular expectations of breaking out of Latin America's lingering feudal darkness and perhaps nowhere more so than in the places that have fallen the farthest behind.

In helping worthy Latins to make their countries grow, private lenders, international development banks and friendly governments all have their work cut out. In the Chiapas affair, however, President Salinas has his own responsibilities. His government must proceed strictly according to law in the quelling of the rebellion and in dealing with its judicial aftermath. Promptly as things settle down, there must be a credible nonpartisan investigation, including the origins of the disorder on the peasant side and the official response. This is the sort of event that, handled the wrong way, can become more troublesome in the follow-up than in the event itself.

**Moonlighting**

One of our editors was laughing when he walked into the newsroom yesterday. He had parked his car at a D.C. municipal parking lot, where the sign said, "Parking Lot Attendant on Duty."

Beneath it was written, "Sharon Pratt Kelly, Mayor."

**Last chance**

A letter arrived yesterday from Dixy Lee Ray, former chairman of the Atomic Energy Commission and Washington state governor who died Sunday at the age of 79. She was promoting her new book, "Environmental Overkill," being sold partly through the Accuracy in Media (AIM) book service. In her letter she urged people to donate to AIM, "and you will receive a free autographed copy of 'Environmental Overkill.' If your contribution is \$50 or more you will get a free copy of the book without the autograph."

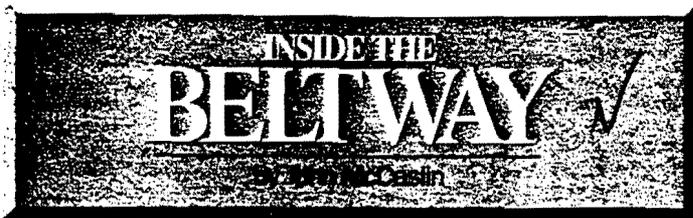
**Comeback Kid**

Sen. John Danforth, the retiring Missouri Republican who was Clarence Thomas' chief sponsor for the Supreme Court on Capitol Hill, is writing a book about those agonizing confirmation hearings. "It's a recounting of the experience of the last three weeks before the vote as we lived it — meaning, Clarence and his friends," Mr. Danforth said in an interview with the Associated Press.

"What it will show is that when a person is destroyed, it's not a good thing," he said. "It's a very, very awful thing to see."

Justice Thomas won Senate confirmation after angrily rejecting accusations from Anita Hill, a University of Oklahoma law professor who claimed he sexually harassed her when she worked for him at two federal agencies.

Mr. Danforth said his book will not be an argument about who was telling the truth, but will be "about



Iconoclast to the last, Dixy Lee Ray sent a note worth a good laugh.

Clarence Thomas the human being." It also will show how Justice Thomas "returns to life" after being sworn in as a Supreme Court justice, the senator said.

**Creeping in and out**

It was end-of-the-year time for TV's "The McLaughlin Group" over the weekend, and a couple of the observations bear repeating.

First, there was this exchange between host John McLaughlin and panelist Fred Barnes over President Clinton's health care reform plan.

Mr. Barnes: "The fact is the Clinton White House has lost tremendous ground on the whole health

care issue because their bill turned out to be too far to the left. Price controls. Too much bureaucracy. And that stuff has become very unpopular. I think they've been left — been left behind on this by the forces in the Republican Party and the Democratic Party."

Mr. McLaughlin: "Well, what will emerge is not a sweeping reform bill in health care . . ."

Mr. Barnes: "Right." Mr. McLaughlin: "What will emerge is a creeping reform bill."

But our favorite was Eleanor Clift's nomination for worst idea of 1993: "Taking the Whitewater files out of Vince Foster's office."

**Bill on himself**

President Clinton, for one, won't mind if the New York Times critiques his first year in office. In fact, you may recall that Mr. Clinton is already drawing contrasts and comparisons, exactly what the Times says he shouldn't be doing. Then again, the president's giving himself high grades.

"I believe that when historians look at this first year, they will be hard pressed to find many first years of presidencies that equal ours," he told a national television audience.

**On Beltway engineers**

A new comprehensive report and set of proposals will be released at the National Press Club this Thursday that "is going to change the way politicians and civic leaders look at the black community," said Raynard Jackson, a chief contributor to the report published by the

nonpartisan National Center for Public Policy Research.

The report, "Black America 1994: Changing Direction," recognizes "that it's time for the black leadership to change gears. The government-intensive approach that was needed to bring about equality in civil rights is just not working when it comes to real economic empowerment and preserving the black family," says Mr. Jackson, a native of St. Louis who noted that the report is written by black activists working at the local level.

Or, as he said: "This report isn't the result of a bunch of social engineers sitting around a conference table somewhere inside the Capital Beltway."

**No plain Bill**

Question: Which major sports enthusiast participated in jogging, card playing, bowling, golf, touch football, duck hunting and basketball, all in the past week?

Answer: President Clinton.

**City of scandals**

Peter T. Flaherty, president of the Washington-based National Legal and Policy Center that promotes ethics in government, keeps remarkable track of scandals and questionable dealings in both the executive and congressional branches. His current, lengthy list includes:

Arkansas trooper allegations, Whitewater/Madison S&L, House banking and post office scandals, Hillary Rodham Clinton's Health Care Task Force, Robert Packwood, White House Travelgate, Daniel Rostenkowski, Ron Brown, State Department passports, BCCI, Pastor/Neel White House revolving door, Bobby Ray Inman tax evasion, Resolution Trust Corporation and political intervention in the Rep. Harold Ford trial.

"It is now over 20 years since Watergate," Mr. Flaherty said yesterday. "I wish I could say things are better, but I cannot."

**POLITICAL DISPATCHES**

**Clinton gets in step with public's priorities**

By Christopher Matthews  
SAN FRANCISCO EXAMINER

While President Clinton spent the New Year's holiday schmoozing with policy wonks at the "Renaissance Weekend" in South Carolina, a D.C. patrolman was shot dead a short stroll from the U.S. Capitol.

He was the second Washington-area police officer killed in a month and the 465th person killed in the nation's capital in 1993.

**NEWS ANALYSIS**

This stark contrast between the lively mental tussle of a yuppie policy seminar in the serene oceanside resort of Hilton Head and the deadly street combat that left a 25-year-old policeman lying lifeless, his partner saved only by her bulletproof vest, separates the brutal realities of American politics from the elitist yak session.

As 1994 unfolds, guess which will control the Clinton agenda most: what the policy wonks, including the president, like to chat about, or the economic and social realities personified by the latest D.C. cop killing? If Mr. Clinton's second year is like his first, it won't even be close.

His sophomore-year success will be measured not just by his ability to transform health care reform into reality, but by his ability to address a pair of even hotter domestic issues — crime and the nation's system of public welfare, for which the violence is increasingly blamed.

"It's meat-and-potatoes time," a White House aide said Friday. Where the Clinton presidency focused last year on such big-picture matters as

budget and trade policy, he said, the 1994 agenda will deal with kitchen-table issues of welfare reform, crime and health care.

Mr. Clinton could hardly avoid them. Crime, which the White House staffer called the "clear and present danger of crime driving people into their homes," is the late addition to the Clinton '94 agenda.

Al From, president of the Democratic Leadership Council, explains why.

Pointing to the success of Republicans in two big mayoral elections, he noted that both Richard Riordan in Los Angeles and Rudolph Giuliani in New York beat their Democratic opponents on the issue of crime and safety.

"What 1993 showed us is that the old Democratic politics don't work," Mr. From said. "The old liberal, polarizing approaches don't have salience with the middle class."

Citing figures showing that families making \$30,000 to \$75,000 voted for the Republicans in these races, Mr. From warned that the Democrats could be losing middle-class voters because of public perceptions that they're weak on crime and profligate on spending.

The broad public perception of welfare abuse hits both nerves, Mr. From said. "The reason people are so upset about welfare is they understand the current system subsidizes self-destructive behavior and they want to stop it."

To his credit, Mr. Clinton is the first Democratic president to make welfare reform a central element of his political appeal.

"One of the things this president

**San Francisco Examiner**

believes deeply is that work is an essential transmitter of discipline, responsibility and order," said his aide. Where people don't work, "disorder and indiscipline fill the vacuum."

Mr. Clinton also recognizes the political plus of his campaign promise to "end welfare as we know it." While he has yet to send Congress an actual plan, the broad designs have been fully previewed. The idea is to limit the amount of time a person can remain on welfare and require welfare recipients to accept work and training as an alternative.

Turning welfare recipients into workers sets up challenges on the political right as well as the left. Just as liberal lawmakers may oppose a time limit — two years is often mentioned — on receiving benefits, conservatives may oppose the mandatory training and public jobs that many consider an essential part of the program.

"We are going to have to create a lot of private-sector and public-sector jobs into which we are going to place formerly idle and dependent people," said the White House aide.

This isn't the first time Mr. Clinton has had to adjust his agenda to political realities. His two most successful fights in 1993 were on behalf of programs that diverted dramatically from the themes of his campaign: He had promised to include a middle-class tax cut in the budget. Confronted with higher-than-expected deficit projections, he

dropped the tax-cut proposal and emphasized higher taxes for those in top brackets.

His hard-fought triumph on NAFTA also was a surprise, since the North American Free Trade Agreement was on President Bush's agenda. Mr. Clinton fought for it not simply because he subscribes to free trade as good policy, but because a defeat would have left him ridiculed by Republicans for dropping the ball and by Democratic Party regulars for bucking them and failing.

The man who showed his "new Democrat" stuff bucking the party's special interests on NAFTA may well do the same on crime and welfare reform. And for the same reason: political necessity.

"I truly believe the turning point of this administration was the NAFTA vote," Mr. From said. "It showed that this guy is willing to stand up to powerful interests in his own party. He's got to continue to do that."

With crime, Mr. Clinton also must act. Now that polls show that crime has shot past the economy as the public's No. 1 worry, supporters hope Mr. Clinton can seize the public-safety issue in bold fashion with his proposal, already approved by the Senate, to put 100,000 more police officers on the streets.

"The reason the 100,000 cops are so important," said Mr. From, "is that people look out their windows and have a cop walking the beat and say, 'My president put him there.' It also happens to work."

# Hill lawmakers plot moves with eye toward November

By Thomas Galvin  
CONGRESSIONAL QUARTERLY

For the Chinese, 1994 is the year of the dog, but on Capitol Hill, it is the year of the candidate — an all-too-familiar sign for many.

Although most lawmakers will not know their fortunes until November, the politicking has already begun. And once the primary season moves into high gear in May, practically everything Congress does will be calculated by how it will play at the polls.

"Last year was very partisan, and 1994 will probably be even more so," said Rep. Jon Kyl, Arizona Republican, who is running for the Senate.

Congress returns on Jan. 25, when President Clinton will deliver his State of the Union address. Work on his health care proposal will dominate the session, although welfare reform and additional budget cutting are also likely.

On Nov. 8, 435 House seats and 34 Senate seats will be up for grabs. In addition, 34 governorships will be decided — with almost half of them rated as tossups, according to political pundits.

So far, 15 House members have launched bids for Senate seats or governorships. Another 19 lawmakers — six senators and 13 House members — have decided to call it quits after the 103rd Congress. And Rep. Glenn English, Oklahoma Democrat, is resigning this month to head an organization that lobbies on behalf of rural electric cooperatives.

In the coming weeks, the list of challengers and retirees will grow as filing deadlines force would-be candidates to make decisions. Illinois' deadline was in December, while yesterday was the Texas cutoff.

Filing deadlines are approaching in Kentucky, West Virginia, North Carolina, Ohio and Indiana.

Although turnover is unlikely to match the 110 House freshmen and 14 Senate newcomers chosen in 1992, the large number of announced departures points to a sizable class of 1994.

Challengers are readying campaigns likely to mirror the "outsider" themes of 1992. And the pending health care debate is also figuring into this year's elections: More than a dozen physicians are contemplating campaigns for Congress.

The year's election results are bound to have an impact on President Clinton's political standing and his ability to push his program through Congress. When Democrats lost a handful of races in 1993, Republicans and pundits were quick to predict it was a sign that voters were repudiating Mr. Clinton's policies.

But a look at the last three decades indicates that midterm elections are, at best, a spotty indicator of how a president will fare in his own re-election bid.

It is a given that the party that holds the White House loses seats in Congress during midterm elections. Complacency, protest votes against a president's policies and the loss of marginal seats are often cited as reasons.

Since John F. Kennedy was elected in 1960, the party holding the White House has lost an average of 21 House seats and two Senate seats in the midterm elections that followed.

But a stronger-than-average showing has not necessarily been a harbinger of things to come. In 1990, Republicans lost just seven House seats and one Senate seat, only to lose the White House two years later. And in 1978, Democrats lost only 16 House seats. Two years later President Carter got pasted on Election Day, and Democrats lost control of the Senate.

In 1994, Democrats — who currently hold 258 House seats — probably would be satisfied losing only the average number of seats. That would still leave them securely in control of the chamber.

But playing defense in the Senate, where Democrats hold 56 seats, could be more difficult. Of the 34 seats up this year, 21 are now in Democratic hands.

A net gain of any seats by Republicans would strengthen their ability to take on Mr. Clinton. And given the conservative tendencies of several Southern Democrats, a gain of four or five seats could make Mr. Clinton's life difficult.

For years, young and midlevel GOP House members have fled, expressing frustration with their lack of influence in the Democratic-controlled institution. Of the 15 House members who already plan to seek other office this year, 11 are Republicans.

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## Shalikhshvili denies reports chiefs were 'muzzled' on gays

By Paul Bedard  
and Rowan Scarborough ✓  
THE WASHINGTON TIMES

The White House yesterday defended the way it drafted a new policy on homosexuals in the military in the face of a news report that it told the Joint Chiefs of Staff not to criticize the plan hours before it was unveiled.

When asked about the report in The Washington Times, White House spokeswoman Dee Dee Myers yesterday labeled it "fiction" but later conceded that she didn't know if a Dec. 22 meeting with the Joint Chiefs took place at the White House, who attended it or what was said.

Later in the day, Gen. John Shalikhshvili, who was named chairman of the Joint Chiefs by President Clinton this fall, issued a three-paragraph statement saying the report that the chiefs were "muzzled" had "no basis in fact."

"The Joint Chiefs of Staff were not 'summoned' to the White House," Gen. Shalikhshvili said in the statement. "At our request we attended a meeting with representatives of the Justice Department and members of the White House staff. We all agreed on how best to proceed with the appeal of the District of Columbia Appeals Court decision in the case of Joseph Steffan, a former midshipman discharged from the U.S. Naval Academy in 1987 after admitting he was a homosexual."

"The Joint Chiefs have been full and active participants in the policy formulation process related to the issue of homosexuals in the military. Reports to the contrary are simply not true. Furthermore, the Joint Chiefs are committed to a swift and sure implementation of the new regulations on homosexual conduct in the armed forces, announced by the

secretary of defense on Dec. 22, 1993."

Other administration officials said privately the Dec. 22 meeting with senior White House aide George Stephanopoulos and others — three hours prior to announcement of the policy by Defense Secretary Les Aspin — was meant to "inform" the Joint Chiefs of the policy that the White House and Gen. Shalikhshvili contend they had a big say in.

Two Pentagon sources described the meeting as White House aides pressing the chiefs on the importance of accepting the regulations — known as "don't ask, don't tell" — and not publicly dissenting against them.

Military sources said the regulations were principally written by Aspin aide Rudy de Leon and Pentagon General Counsel Jamie Gorelick, with input from Mr. Stephanopoulos.

Congressional advocates of keeping the Defense Department's old ban contend that the regulations have loopholes that will be exploited in court by homosexual rights activists.

For this reason — and because the Justice Department is not appealing the Steffan decision that ruled the old ban unconstitutional — congressional sources say Mr. Clinton is risking a renewed battle with Senate Armed Services Chairman Sam Nunn, Georgia Democrat, and many others in Congress.

Mr. Clinton promised during the campaign to totally lift the ban on homosexuals in the military. But faced with stiff opposition from Congress, the president agreed to a compromise that allows homosexuals to serve only as long as they do not declare their status in word or conduct.

# Senators of both parties insist on priority for welfare reform

By J. Jennings Moss  
THE WASHINGTON TIMES

Clinton administration officials in the face of bipartisan congressional demands for welfare reform yesterday set no firm deadline for submitting such a plan to Congress, promising only they would send it this year.

Both Democratic and Republican senators who quizzed the officials during the first congressional hearing on the subject said welfare reform needs to be done this year and cannot be separated from health care reform, the administration's top stated priority.

"I believe Congress can and should address welfare reform now — this year — and with the same urgency as health care. Clearly our welfare system also desperately needs to be reformed; to end, for many Americans, a perpetual cycle of poverty and dependency," said Sen. John B. Breaux, Louisiana Democrat.

Mr. Breaux's focus on the issue is significant because he is chairman of the Senate Finance subcommittee on social security and family policy.

Other Democrats on the Finance Committee, namely its chairman, Sen. Daniel Patrick Moynihan of New York, also have been vocal about acting on welfare this year. He has threatened to hold health care reform "hostage."

"We're working absolutely as hard as we can," said David T. Ellwood, assistant health and human services secretary for planning and evaluation. "We intend to submit something this year, and we hope to work with this committee and members of Congress to get it passed this year."

Pressed by reporters after the hearing, Mr. Ellwood would not offer any specifics on when the plan would be sent to President Clinton or to Congress.

Also yesterday, the Supreme Court let stand lower court rulings that struck down a Minnesota law limiting benefits to some welfare recipients who had been residents of the state for less than six months. Four other states also have tried to limit welfare payments for new residents.

Mr. Clinton made welfare reform a key issue during the 1992 campaign, vowing "to end welfare as we know it." One of the central elements to his pledge was to place a time limit for people to receive welfare benefits, likely to be two years.

Mr. Ellwood, head of the administration task force working on the issue, said the group is focusing on four elements: rewarding those who

go to work with health care and child care; strengthening child support enforcement; providing education and training; and reducing government bureaucracy.

Sen. Dave Durenberger, Minnesota Republican, yesterday raised questions over the emphasis the administration is placing on welfare reform. He asked how the administration can propose spending \$65 billion on prescription benefits for the elderly and \$80 billion to pay for health care for early retirees while spending only \$7 billion to create new jobs.

What that says, Mr. Durenberger

argued, was that the government paid more attention to the elderly than to the young.

"You've certainly identified a dilemma, senator. You certainly won't get an argument from us," said Mary Jo Bane, assistant health and human services secretary for children and families.

"We don't need to buy the elderly into a system that already works for them," Mr. Durenberger said, banging on his table for emphasis. "We don't need to buy big companies into a system with money that belongs to kids."

## To Our Subscribers

Due to yesterday's icy conditions, many of you received your newspaper later than usual.

*We apologize for this inconvenience.*

Our daily delivery deadline is 6:30 am. If you do not receive your copy of The Washington Times on time please call our customer service hotline at (202) 636-3333.

We value every single subscriber, and sincerely regret any problems yesterday's late delivery may have caused.

## The Washington Times

The White House  
Health Care Reform Today  
January 5, 1994

\* In order to move forward on the President's domestic agenda, comprehensive health care reform must be passed in 1994. Today, millions of welfare recipients stay on Medicaid or return to welfare to avoid losing health benefits for themselves and their children. Thus, the proposals being drafted by the President's working group on welfare are specifically designed to complement health reform.

\* The President's welfare reform plan will include initiatives to prevent teen pregnancy, ensure that parents fulfill their child support obligations, and try to keep people from going on welfare in the first place. People who can work will be required to do so after two years of receiving welfare benefits, either in the private sector or community service. This will include providing education, training, and job search and placement for those who need it.

\* Comprehensive health reform will eliminate so-called "Medicaid lock" and enable people to seek jobs, secure in the knowledge that they and their children will be covered. By ensuring universal coverage, the Health Security Act provides the necessary foundation for welfare reform.

u A recent poll conducted by the Employee Benefit Research Institute and the Gallup Organization, reported in the January 10th issue of Business Week, that 75% of Americans felt that guaranteed health insurance was more important than having unlimited choice of physicians. The study further indicated that on average, Americans would be willing to pay \$227 a year in added taxes for a guarantee that they and their families would never be without health benefits, and \$169 more a year to guarantee that all Americans have health coverage.

\* According to the poll, 20% of Americans say that they or a family member have passed up a job opportunity or stayed in a particular job specifically to retain health care benefits. 11% reported that they or a family member had been denied health care insurance because of a medical condition. The President's Health Security Act would provide health care that could never be taken away...not if you change jobs or if you have a pre-existing condition.

Health Care Reform Today \* The White House \*  
202-456-2566 \* Fax: 202-456-2362

# STATES REBELLING AT FEDERAL ORDER TO COVER ABORTION

THE NEW YORK TIMES, WEDNESDAY, JANUARY 5, 1994

## RAPE AND INCEST AT ISSUE

### Medicaid Directors Say Clinton Failed to Offer Discretion as Congress Intended

By ROBERT PEAR  
Special to The New York Times

WASHINGTON, Jan. 4 — Medicaid officials in many states have objected to a new directive from the Clinton Administration that requires states to help pay for abortions for low-income women in cases of rape or incest.

In a letter written on behalf of the State Medicaid Directors' Association, Ray Hanley, the chairman of the group, strongly objected to the Administration position. Mr. Hanley is also the Medicaid director of Arkansas.

The new directive, the latest in a series of efforts by the Administration to expand access to abortion, interprets an appropriations bill passed by Congress and signed by President Clinton on Oct. 21. But Mr. Hanley said the Administration had misinterpreted the law and imposed a firm requirement where Congress intended to give states flexibility.

"Congressional intent in this area was to be permissive for states, not mandatory," Mr. Hanley wrote.

#### Volatile Issue

The complaint by state Medicaid directors reopens the volatile issue of abortion just as Congress and the Administration prepare for a fight over whether to require insurance coverage for the procedure as part of Mr. Clinton's health plan.

Mr. Hanley was apparently not speaking for all 50 state Medicaid directors. The organization did not vote on the question. He wrote the letter, dated Dec. 30, after consulting with a number of state Medicaid directors and the organization's executive committee, which is made up of eight state directors. In interviews with several state officials, some said they strongly supported Mr. Hanley's letter and a few said they did not know about it. None of them expressed objections to it.

The association has asked the Federal Government to reconsider the directive, and the state officials interviewed said lawsuits to challenge it were likely.

#### Timing of Announcement

In an interview today, Mr. Hanley said the Clinton Administration had "decided to make a political statement by distorting what was intended to be an optional clause" in the new Federal law.

He said the Administration had not consulted state officials before issuing the directive on Dec. 28 and had not given the states time to adjust their laws.

At least one state, Utah, has rejected the Federal mandate to pay for Medicaid abortions in case of rape or incest.

"We don't intend to implement that mandate until it is clarified to our satisfaction that it was intended to operate in the way described by the Clinton Administration," said Rod L. Betit,

## States Rebel at Federal Directive For Medicaid to Pay for Abortions

Continued From Page A1

executive director of the Utah Health Department.

The Utah Medicaid program does not cover abortion in case of rape or incest, and Congress did not demonstrate a clear intent to supersede state law on this point, Mr. Betit said. "There is substantial uncertainty about the meaning of the Federal law, so we will not move forward until we've had time to explore it further," he added.

Federal officials insist that their reading of the law is correct and that Congress intended to require states to pay for abortions when pregnancies resulted from rape or incest.

In an interview, Sally K. Richardson, director of the Medicaid bureau of the Federal Health Care Financing Administration, said: "Our interpretation is legally correct. I see nothing in Mr. Hanley's letter that would cause us to reconsider our position."

She said she suspected that some state officials agreed with the Clinton Administration. In any event, she said, the new policy would require Medicaid coverage for only about 1,000 abortions a year.

In the past, Federal law said no Federal Medicaid money could be used to perform abortions "except where the life of the mother would be endangered if the fetus were carried to term."

#### Language of the Law

The new law is more convoluted. It says, "None of the funds appropriated under this Act shall be expended for any abortion except when it is made known to the Federal entity or official to which funds are appropriated under this Act that such procedure is necessary to save the life of the mother or that the pregnancy is the result of an act of rape or incest."

Ms. Richardson said, "States are required to cover abortions that are medically necessary." By its action last year, she said, Congress added abortions for rape and incest to the category of medically necessary abortions.

Asked tonight about the new directive from Washington, Audrey Rowe, the Commissioner of Social Services in

Connecticut, said: "There wasn't any consultation. That's for sure."

She said the extra abortion coverage should be optional. "It's very important that states have the option to determine what their Medicaid programs pay for," she said, noting that the Federal Government and the states share the cost.

#### Differences Among States

In his letter, Mr. Hanley said that some states would have voluntarily "expanded abortion coverage as an optional service for which the Congressional appropriation language would have allowed Federal financial participation." On the other hand, he said, "some states, for different reasons, would not elect to expand abortion coverage — again in keeping with the optional nature of the appropriation language."

Opponents of abortion made similar arguments when the policy was announced. They said the Administration had violated assurances to Congress that the additional coverage for abortions would be optional.

In New Jersey, Alan G. Wheeler, the acting state Medicaid director, said the new Federal requirement would not have a significant effect because the state was already using its own money to pay for medically necessary abortions.

#### Policy in New York

In New York, Richard M. Cook, a health policy adviser to Gov. Mario M. Cuomo, said he had not seen Mr. Hanley's letter. The Medicaid program in New York pays for approximately 45,000 abortions a year, using \$15 million of state and local money.

Mr. Hanley said the Federal directive imposed "another unfunded Federal mandate with apparently no notice or allowed time for comment." This, he said, appears to violate an executive order in which President Clinton on Oct. 26 promised to reduce such mandates.

The Arkansas State Constitution says, "No public funds will be used to pay for any abortion, except to save the mother's life." Mr. Hanley said that a dozen states had similar laws.

WASHINGTON AND THE WORLD

# Decision on Mideast talks likely within days

By Lee Michael Katz  
USA TODAY

Israeli and Palestine Liberation Organization officials expressed hope Tuesday they would soon resolve their latest political crisis and resume talks on implementing Palestinian autonomy.

► Israeli Prime Minister Yitzhak Rabin said a decision on resuming talks "will definitely be concluded in the next few days" in the Egyptian Red Sea resort of Taba.

► PLO official Yasser Abed-Rabbo said, "There is a possibility of talks resuming within 48 hours ... if the Israelis stop trying to impose preconditions."

The talks seek to overcome differences in interpreting the vague September PLO-Israeli White House accord on Palestinian self-rule of Gaza and the West Bank town of Jericho.

The Dec. 13 deadline for Israel to begin troop withdrawal was not met because of disputes over control of border crossings and protection of Israeli settlers.

"It is a mine field because of



By Adel Hana, AP

**IN THE GAZA STRIP:** Palestinian protesters tried Tuesday to close down the streets after Arab reports that Israeli soldiers had shot and killed three Palestinians Monday night.

the nature of the agreement itself," said former Palestinian negotiator Hanan Ashrawi.

On Sunday, Rabin vowed to let the PLO "sweat" out the resumption of talks.

Rabin said PLO leader Yasser Arafat had shown bad faith by reneging on an earlier tentative agreement.

Rabin's statement, denied by PLO officials, was designed "for domestic political consumption," said Israeli political analyst Dore Gold.

Arab leaders, such as Jordan's King Hussein, are skeptical of the accord Arafat

reached with Israel in secret.

Hussein said Tuesday that Jordan cannot "continue waiting forever" on the PLO to make peace with Israel before Jordan does.

Arafat also faces serious internal political problems. He has been battered by PLO dissidents who demand a larger role in the organization he tightly controls.

Gold said the problem is "that Israel and the PLO have very different conceptions" of the peace accord:

► Rabin wants an "open-ended" agreement preserving

his options, "including reversibility if the whole thing is a big mistake."

► Arafat is "interested in establishing the foundation of a Palestinian state."

"It's a conceptual difference" separating the two sides, said PLO leader Saeb Erakat. But he accused Rabin of having "in mind a reorganization of the occupation" of Palestinian territories.

Palestinian support for the accord has plummeted to 46%, Erakat said. He said failure to reach a final accord would bring more bloodshed.

# Health reform keeps welfare on back burner

By William M. Welch  
and Judi Hasson  
USA TODAY

The White House intends to hold off its push for welfare reform until President Clinton's health-care overhaul clears Congress, reducing chances for changes this year.

Ira Magaziner, the White House's chief health adviser, said Tuesday the administration will introduce welfare reform legislation this year, but health care would remain its top priority.

Said Magaziner: "We're going to focus our attention on getting health care through committees and Congress and welfare reform behind it."

If the health-care debate consumes most of the session, it's likely welfare reform won't get passed this year.

Word of the White House intention drew an angry response from Republicans.

"The liberal members of the Democrat Party do not want to require work for continuation of the receipt of welfare," said Rep. Clay Shaw, R-Fla., co-sponsor of a GOP reform bill. "They're in complete disarray on the subject. ... We're ready to go full-throttle ahead."

In Congress, Senate Finance



By Doug Mills, AP

“  
We're going to focus our attention on getting health care through committees and Congress and welfare reform behind it.

”  
— Health adviser Ira Magaziner

Chairman Daniel Patrick Moynihan, D-N.Y., has urged action on welfare this year. But House Democratic leaders want Clinton to move slowly, saying the House could not take up health-care reform and welfare reform in the same year.

"It's a very important issue, but it should not be pitted against the other important issues that are already on the track and which Congress is committed to doing something on," said Jeff Biggs, spokesman for House Speaker Thomas Foley, who is vacationing.

Magaziner said Clinton's advisers and Cabinet members discussed the timing of health and welfare reform Monday.

"The scenario is the same," he said. "We're all clear we have to get health-care reform

passed as a building block toward welfare (reform)."

Clinton has embraced proposals to require most welfare recipients to work after two years of benefits, an idea Republicans also like. But there is disagreement over details, such as how strict that requirement should be, how to provide the new jobs that would be needed, and how to pay for additional job training.

Administration officials have argued that health-care reform is a key component of welfare reform, since many people stay on welfare to remain eligible for Medicaid. If a welfare recipient takes a job that offers no health insurance coverage, they become ineligible for the federal-state health program for the poor.

**ALSO IN WASHINGTON**

**Clinton: NATO plan is misunderstood**

The White House moved quickly Tuesday to deflect criticism that President Clinton is too slow to offer eastern European countries full membership in NATO.

Clinton, set to unveil a "Partnership for Peace" plan that would offer former Soviet bloc countries vague military cooperation from the European defense alliance at a meeting in Brussels, Belgium, next week, said critics misunderstood his position.



**WALESA:** To call on Clinton in Prague

Lech Walesa that the West risks new Russian expansionism if it does not provide a timetable for Poland, Hungary and the Czech Republic to join the NATO alliance.

Walesa said he'll call on President Clinton at a meeting in Prague next week for NATO to give security guarantees for eastern Europe within six months.

Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, also said an expanded NATO could only encourage nationalists in Russia: "What a shame it would be now at this extraordinarily historic moment if the first step that we took toward bringing stability and security to all of Europe was started with the re-establishment of a new line." (Today's debate, 10A) — **Bill Nichols**

**NEW HOT LINE:** Defense Secretary Les Aspin and Russian Defense Minister Pavel Grachev today open a new "hot line" with a 15-minute call on a satellite link between their offices. The new line is in addition to current hot lines between both presidents and between military "war rooms" in Washington and Moscow.

**CLINTON PAPERS:** The White House now says it may take "a couple of weeks" for President Clinton to give the Justice Department personal records about his past business ventures in Arkansas. Responding to an outcry for disclosure of the documents, Clinton said Dec. 23 that he and his wife were giving the Justice Department all their records related to their half ownership in the failed Whitewater Development Corp. The real estate venture has been linked to the failed Madison Guaranty Savings and Loan Association that is the subject of a federal investigation into whether any S&L funds were diverted improperly to Whitewater and Clinton's gubernatorial campaigns.

**ELSEWHERE IN THE WORLD**

**Mexican army seizes control as rebels retreat**

Indian peasant rebels retreated into southern jungles Tuesday, pulling out of three towns as the Mexican army regained control of the remote southeast region following a bloody uprising.

As many as 100 people have been killed in four days of fighting in Chiapas, one of Mexico's poorest states.

The government failed to persuade the rebels to agree to peace talks. The rebels are protesting injustices in the southern state, plagued by poverty and land disputes.

**BOSNIA BOMBARDMENT:** Eight people were killed and at least 48 were wounded in another heavy bombardment of Sarajevo by Serb gunners — just hours before peace talks began in Vienna to try to resolve Bosnia-Herzegovina's 20-month-long civil war.

**AFGHAN FIGHTING:** Doctors in the Afghanistan capital, Kabul, appealed for medicine and blood to treat 1,700 people wounded in fighting among Islamic factions. Dozens were killed.

**VENEZUELAN PRISONS:** Venezuelan officials fearing further bloodshed boosted security at all prisons after 10 people died in a mass escape the day after at least 107 inmates died in a riot in another prison.

**IRISH BOMB:** Two Irish army officers were injured defusing a bomb sent by Protestant extremists to the Dublin offices of the IRA's political wing, Sinn Fein.

**New postal policy addresses privacy concerns**

By Lori Sharn  
USA TODAY

The U.S. Postal Service will stop giving address change information to the public in an effort to protect battered women who move for their safety.

The plan, announced Tuesday, would end the practice of providing address changes to anyone with the old address and a \$3 fee.

"Clearly, there are troubled individuals who could use our system... for malicious purposes," says Postmaster General Marvin Runyon. "I want to make sure that doesn't happen."

But privacy advocates say the steps, while welcome, do not go far enough. Information on change-of-address

cards will still be available to 25 companies licensed to update mailing lists, including direct mail advertisers and credit bureaus.

A 1992 congressional investigation found the information is resold thousands of times. Only people with court protective orders will be able to block distribution of address changes. A congressional report says releasing addresses ignores postal and privacy laws.

"Nothing the Postal Service did today cures its continuous violation of federal statutes," says Rep. Gary Condit, D-Calif. "If they acknowledge it's inappropriate for someone to walk off the street (and get a new address), common sense would dictate you don't sell the name to marketers."



**RUNYON:** Threat of 'malicious' abuses

"The Postal Service says it does not 'sell' addresses, but merely allows companies to correct their existing lists. The object is to save money by reducing misdelivered mail."

Condit, chairman of a House Government Operations subcommittee, has introduced a bill that would let people bar the post office from releasing new addresses. The Postal Service will stop providing individuals' address change information this spring after reviewing public comments. Changing computer software and procedures to handle court orders will take about six months.

About 40 million people move each year, and most file change of address cards. However, few people realize that information is publicly available.

"The majority of people do not know they need to protect this information," says Beth Givens of the Privacy Rights Clearinghouse.

Also Tuesday, Postal Board of Governors chairman Bert Mackie said discussions are continuing about seeking a rate increase. Runyon has said he plans to hold the next increase to the rate of inflation, which means a 33-cent stamp.

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# White House Seeks a Sleight-of-Hand Strategy on Welfare Reform

By JASON DePARLE

Special to The New York Times

WASHINGTON, Jan. 4 — The Clinton Administration is trying to devise a strategy that would allow it to appear to be pushing for welfare reform, even while delaying action on a bill until the President's health care plan clears Congress.

The effort to delay welfare legislation so that it does not interfere with the Administration's primary goal of health care, while not acknowledged publicly, has been evident in a number of recent Administration actions and was discussed at a Cabinet meeting on Monday, officials said. They said such a strategy would make it unlikely that a major welfare bill would pass Congress this year.

Mr. Clinton's pledge to impose strict work requirements on welfare recipients was one of his most popular campaign promises. But after almost a year in office, he has still not spelled out the details or forwarded an actual plan.

The President has scarcely mentioned welfare in his recent remarks on domestic priorities. Next year's budget, now in preparation, contains no cost projections for a welfare plan. And Congressional leaders, warning that welfare is divisive, have urged him to work on health care first.

## Clinton Describes Problem

At this week's Cabinet meeting, Mr. Clinton himself articulated his dilemma, people who were present said on condition of anonymity.

The President argued that health care was so complex that it required the Administration's complete political and legislative attention. He also said the country would not succeed in moving people off of welfare until it passed universal health care, since many people stay on welfare simply for the health insurance.

At the same time, Mr. Clinton acknowledged that he was taking a political risk in appearing to delay on a central campaign pledge. He worried that Republicans, who have introduced their own tough-sounding welfare bill, would accuse him of backpedaling.

"I think the President is concerned that the Republicans will portray him

as a classic liberal, taxing and spending" on health care, while abandoning welfare, said one official who attended the meeting.

Among the strategies discussed at the meeting, the official said, was to introduce a bill but quietly encourage Congress not to proceed until the health care debate is finished.

"Introduce it, explain the general philosophy and principles, but don't have them take it up," the official said.

Bob Boorstin, a White House spokesman, refused to comment on the Cabinet meeting. He said only that the Administration would send a bill to Congress sometime this year.

"I don't know what the chances are of a welfare reform bill passing in 1994," he said. "I'm not an oddsmaker."

Others at the meeting concluded that without a major Administration push, welfare reform would languish. "There was a sense in the room that a bill probably wouldn't be passed this year," an Administration official said.

## Attack From Republicans

The issue was broached when George Stephanopoulos, a senior White House aide, pointed out that the Administration was already under assault from Representative Newt Gingrich of

Georgia, the Republican whp.

Speaking on ABC television on Sunday, Mr. Gingrich said Congress could pass a bill as quickly as 90 days and accused the President of dragging his feet.

In a telephone interview today, Mr. Gingrich said the Republicans would continue to provide political pressure. "We won't let him get away with it," he said. "We'll say bring it to the floor, let's vote on it."

Mr. Gingrich said the President was afraid "of making the left wing of his party angry at him," while trying to maintain party loyalty for the health care vote.

Administration officials, speaking on the condition of anonymity, have acknowledged the fear that a welfare bill will alienate liberals, who might then threaten to oppose health care legislation.

But they say there are also other reasons to let health care go first. The complex bills would have to pass through the same Congressional committees, and would therefore overload the same officials — at the White House, the departments and on the Hill.

The signs that welfare was a fading priority have been accumulating for weeks.

Representatives Thomas Foley, the Speaker of the House, and Richard Gephardt, the majority leader, met with Mr. Clinton in early December. They urged him to make health care, not welfare, his top goal and warned

that "trying to do both in the same session would be difficult in the extreme," according to a Congressional aide who is familiar with the meeting.

The aide said the chances of welfare legislation passing in 1994 were "very slight."

## President's Radio Address

Then in a Jan. 1 radio address, President Clinton articulated a long set of domestic priorities for 1994, but put little emphasis on welfare.

He stressed the health care bill, and talked of passing a crime bill. He also said, "This year, I'm also determined to start creating a world class system of lifetime education and training."

But he mentioned no timetable in the several sentences he devoted to welfare, saying only "we must continue to work to make welfare a second chance, not a way of life."

## Clinton Stalls Effort To Improve Welfare

The Clinton Administration is trying to plot a strategy that would allow it to appear to be pushing for improvements in the welfare system, even while it delays action on a welfare bill until the President's health care plan clears Congress.

The effort has been evident in a number of recent Administration actions and was discussed at a Cabinet meeting on Monday, officials said. They said such a strategy would make it unlikely that a major welfare bill would pass this year.

At the Cabinet meeting, the President argued that health care required the Administration's full attention. He also said the country would not succeed in moving people off of welfare until it passed universal health care, since many people stay on welfare simply for the health insurance.

Article, page A13.

THE NEW YORK TIMES, WEDNESDAY, JANUARY 5, 1994

# C.I.A. Seeks Documents From Its Radiation Tests

By TIM WEINER

Special to The New York Times

WASHINGTON, Jan. 4 — Trying to help the Clinton Administration end the secrecy that surrounded the nation's use of human subjects in radiation experiments, the C.I.A. is searching for files on research it conducted during the cold war involving the use of radiation to alter or control behavior.

But due to secrecy, shredders and the passage of time, little is known about the tests, including their nature, their number and the type of radiation employed.

In a sign of how difficult the Administration's task may be, documents describing the tests may have been destroyed by an agency scientist 20 years ago; Central Intelligence Agency archivists said today that they had found no records referring to radiation tests; the memories of men who investigated the matter have faded, and only one fleeting reference to the experiments exists.

The tests took place at a time when atomic-energy officials, fearing a nuclear attack by the Soviet Union and seeking to understand the effects of radiation, undertook a much larger series of experiments on hundreds of human subjects, including children, prison inmates, mentally retarded people and pregnant women.

Late last year, the Energy Department, which oversees the development and production of nuclear weapons, began declassifying millions of documents about the weapons program and its conduct in the cold war. The documents, many still under review by the agency, disclosed aspects of the atomic-energy officials' experiments on human subjects during the cold war.

## Only 1 Public Reference

White House officials, who have pledged to make records on such tests public, recently asked the C.I.A. to produce any files on similar testing. A C.I.A. official, David Christian, said today that the agency was "conducting

## Shredders and time dim facts at the spy agency.

a thorough search of our records and reaching out to retired C.I.A. officials who would have been in a position to know if the agency had conducted any such tests."

Only one public reference to the tests exists, in a June 1975 report on the intelligence agency's activities by a Presidential commission led by Vice President Nelson A. Rockefeller.

In the late 1940's, the C.I.A.'s Technical Services Division began to investigate techniques, including the use of radiation and hallucinogenic drugs, to alter or control human behavior.

"The program was a big umbrella with different things under it," recalled Scott Breckenridge, a C.I.A. deputy inspector general in the 1970's and author of "C.I.A. and the Cold War" (Praeger, 1993). "Could it help with interrogations as a truth serum? Could we program people to block their memory to defend them against interrogation?"

"At first they thought of it in defensive terms. But then they began to think of it as something they might use on the opposition."

## Part of Larger C.I.A. Program

Under the umbrella fell experiments on "the effects of radiation," according to the report by the Rockefeller Commission. The commission also reported finding other official misdeeds, like spying on Americans.

"The drug program was part of a much larger C.I.A. program to study possible means for controlling human behavior," the commission reported. "Other studies explored the effects of radiation, electric shock, psychology, sociology and harassment sub-

IN HONOR OF THOSE MEMBERS  
OF THE CENTRAL INTELLIGENCE AGENCY  
WHO GAVE THEIR LIVES IN THE SERVICE OF THEIR COUNTRY



C.I.A. employees greeted President Clinton and Director James Woolsey, second from right, at the agency's headquarters in Langley, Va.

stances."

Steven Aftergood of the Federation of American Scientists, an analyst of Government secrecy, said, "We know essentially nothing about the radiation tests" conducted by the C.I.A. Five members of the Rockefeller Commission staff said they recalled nothing of substance about the radiation tests, other than that they had occurred.

"I recall the various drug tests,

which were scandalous," William E. Colby, the Director of Central Intelligence from 1973 to 1975, said today. "But nothing about radiation."

The Rockefeller Commission report suggested, and Mr. Breckenridge remembers, that documents describing the program may have been destroyed in 1973 by Dr. Sidney Gottlieb, chief of the chemical division of the agency's Technical Services staff. By that time,

the experiments had been concluded for six years. Dr. Gottlieb, now retired, could not be reached for comment.

In television interviews this morning, George Stephanopoulos, the President's senior adviser, said that Anthony Lake, Mr. Clinton's national security adviser, "has talked to the director of the C.I.A., Jim Woolsey, about their participation" in the release of documents detailing radiation tests.

"We're going to be working with the C.I.A., and we expect their participation," Mr. Stephanopoulos said. "We're going to demand full disclosure, and we think we're going to get it."

President Clinton, accompanied by Mr. Lake, made his first visit to the C.I.A.'s headquarters in Langley, Va. this morning, and met with Mr. Woolsey. The subject of the radiation tests was not on their agenda.

# On Arkansas Sex, Not Inhaling, And Whitewater

By ROBERT L. BARTLEY

When the Gennifer Flowers tapes hit the headlines during the 1992 campaign, our Albert Hunt wrote a column defending candidate Bill Clinton against her "sordid, sleazy story," and also laying out conditions that might make a candidate's sex life pertinent. For example, "One, if the candidate lies."

While most of us would instinctively agree, the exception is interesting. We don't care whether he did it, but we do care if he did and denies it. Why, precisely?

Well, we teach little children not to lie because it's wrong morally, but also because it often has serious practical consequences. If you tell one lie, you typically have to cover up by telling more. After a while you reach the completely implausible, and people stop believing you. And they don't believe you in the next pinch, even if then your story is true.

At the presidential level, we call this credibility. A leader who isn't believed is not likely to be effective; a president needs bonds of trust with the people. The shredding of these bonds, not some two-bit burglary, is why President Nixon had to leave office. Election as president gives you a birthright of credibility, but you can only go to the well so many times. And here is the real danger to President Clinton in the new sex allegations raised by state troopers in Arkansas. They erode credibility just when he needs all he can muster to deal with the financial questions we call the Whitewater issue.

\* \* \*  
Sexual issues are always problematic, of course. It is unseemly to gossip about the most private aspects of someone else's life, and there's no consensus on standards to apply to political leaders. While some would punish any infidelity, others scoff that rulers have always had concubines and even harems. Still others, starting here, would say that Dwight Eisenhower sleeping with his driver in the midst of World War II is one thing, while the wanton promiscuity the troopers allege in Arkansas is quite another.

These allegations were first detailed by David Brock in the American Spectator, and there was an initial attempt to impugn his scoop with the label "conservative," as if that were a dread disease. But the Los Angeles Times quickly confirmed the essence of the Brock report by publishing its own extensive investigation. The net is that two troopers told the same stories on the record to two publications, and were supported by two other troopers talking on a not-for-attribution basis. Among other things, they support Miss Flowers's original account. There are also her tapes, plus the L.A. Times study of official phone records supporting at least one part of the troopers' story.

Voters will have to make up their own minds on both truth and relevance. But with due respect for the problem of proving a negative, the presidential response has scarcely built confidence.

The White House branded the troopers' charges as "outrageous." But when a reporter asked, "So none of this ever happened?" the president suffered a fit of stammering. Mr. Brock makes the point that the original Gennifer Flowers denials also had a slippery quality. In confessing marijuana experiments, candidate Clinton protested that he didn't inhale. Are the present protests of the same ilk?

As the troopers' story spread, Betsey Wright, the sometime Clinton aide who popularized the phrase "bimbo eruption," decamped to Little Rock, along the way consulting her favorite private eye, San Francisco-based Jack Palladino. Soon stories began to appear about the troopers' warts. A sex harassment charge against one trooper turned out to have been dismissed. An insurance company litigator charged the two troopers lied in an insurance scam; it turns out they did get drunk and wreck a state car, but the litigation is about who should pay medical bills.

And Ms. Wright proudly displayed an affidavit from trooper Danny Ferguson saying, "President Clinton never offered or indicated a willingness to offer any trooper a job in exchange for silence or help in shaping their stories." Re-interviewed by the L.A. Times, Mr. Ferguson said, yes, the president called. Yes, they talked about what troopers were going to say about the sex charges. Yes, they talked about two different jobs. But the quid pro quo was never explicitly expressed. That is, he didn't inhale.

\* \* \*  
Getting into a spitting match with his own former security guards will surely deplete a president's reservoir of credibility. Worse, this amplifies all the doubts in the Whitewater case. Here the suspicion is that funds from a failing savings and loan were diverted into Whitewater Development, a real estate venture partly owned by the Clintons. Whatever else, the defensive themes sound familiar.

It's an "old story," we hear for example; is that a denial, or not? It was a "money-losing venture," as if it would be perfectly OK to float off your real estate investment loss on the taxpayer through deposit insurance so long as nothing new gets into your own pocket. The loss was never deducted for tax purposes, but was documented in an "accountant's report," though as the Journal's Bruce Ingersoll just demonstrated, the report ignores major transactions. The Clintons were "passive shareholders," though at one point Hillary requested a power of attorney over the whole business. The records from Vincent Foster's office will be released, though it turns out only to the Justice Department, and it further turns out, only after a delay for "inventory." And of course, "we've said enough."

The damage from the troopers is contained by a natural, in this libertine age even touching, reluctance to traffic in sexual gossip. But in both cases the excuses are sounding increasingly lame. Whitewater could become Bill Clinton's credibility sinkhole, simply because no one is inhibited in talking about dirty money.

Mr. Bartley is editor of the Journal.

## REVIEW & OUTLOOK

### Health Reform's First Victim

So it's agreed: The nation's welfare system is a moral and fiscal disaster. A consensus seems to have formed that welfare dependency must be curbed, subsidies for illegitimacy questioned, and opportunities for work expanded. But instead of constructively using the force from this rare alignment of the political planets, the Clinton Administration is delaying action on welfare reform, making it unlikely it will pass Congress this year. Instead, it will single-mindedly pursue its grandiose overhaul of health care, on which there is clearly no consensus on what to do.

Every administration reaches forks in the public policy road where the direction it takes speaks volumes about its priorities. This is one of them. On Monday, President Clinton told his Cabinet that health care was so complex he wouldn't have time to attend to welfare reform until the nation's health care concerns are cured.

The President lashed out at his critics, arguing that Republicans hadn't wanted to change welfare until he took office. That's a stretch. It would be news to the Reagan Administration, which worked with Senator Daniel Patrick Moynihan in 1988 to pass the first major bill to move welfare recipients into the work force. GOP Governors Tommy Thompson of Wisconsin and John Engler of Michigan have signed legislation phasing out some welfare programs.

The President is trying to avoid a painful truth: Pushing radical welfare reform would alienate his party's multiple liberals. White House officials admit they're concerned about recent statements by liberal House Members that they might not back a health care compromise if he challenged their sacred welfare cows.

Welfare reform would also alienate the unions, still angry at the President for whipping them on Nafta. The only unions that are growing today are those for government workers, and they fear any public-sector workfare program could mean fewer jobs for their members.

The politics of the opposition to welfare reform raises an interesting issue for the people actually trapped in welfare to think about. The factions standing in the way of restoring their dignity are mainly traditional white liberals and unions, both bulwarks of the modern Democratic Party. They're not the ones sitting for hours at the humiliation factories called welfare offices, but they seem to feel they own what former social worker Bob Woodson calls the "Poverty Penta-

gon" and the people dependent on it.

The people wanting to do something are often those who know it all too well. "Going on welfare closed a door between my parents that never reopened," says former welfare recipient Rosemary Bray. "Daddy became one of the shadow men who walked out back doors as caseworkers came in through the front."

Indeed, a great many black Americans support radical steps to restore the country's work ethic. A 1992 survey of blacks in 10 Southern states by the Atlanta Constitution asked: "Do you believe that everyone who gets welfare should be required to work, including women with young children?" An astonishing 81% of black Americans agreed. Nationwide, a Fabrizio/McLaughlin poll last August found 91% of blacks wanted able-bodied welfare recipients to work for benefits.

Popular demand for a radical overhaul of welfare is so great that a politically acute liberal such as New York Governor Mario Cuomo has put the issue front and center. Yesterday in his annual State of the State address, he called for reducing fraud by fingerprinting welfare recipients and requiring that teenage welfare recipients earn their assistance through school attendance or part-time work. Last November, liberal Democrats in Wisconsin helped pass a bill that will end all welfare by 1998, and will devise a whole new system by next year.

Bill Clinton was elected in 1992 in part because his pledge to "end welfare as we know it" convinced many voters that he was a New Democrat. Last month, he said Charles Murray's analysis of the perverse effects of welfare was "essentially right." Sounds good, but it's just impressive blather. As to action, he has decided to stand welfare reform in a corner while he attempts a quixotic federal takeover of the one-seventh of the nation's GNP now spent on health care.

It's an instructive decision. People with less hubris would have taken on a more doable piece of the health care issue, say ensuring portability of insurance. That would have left political capital to do welfare, too. Instead we get Hillary Clinton's pipedream. Meanwhile, we have a welfare system in which people are truly suffering—physically, emotionally and morally—and obviously have been for a long time. Large parts of our greatest cities are a daily disgrace to the country's idea of itself. For whatever reason, Bill Clinton is now wandering down the wrong fork in the road.

Health/Welfare Talking Points -- 2

**TIMING**

Q: When will welfare reform legislation be introduced?

A: We expect to introduce welfare reform legislation this year and want Congress to pass it.

[if pressed on specific timing]

No decisions have been made. We think it's premature to make decisions on timing before you make decisions on policy.

Q: What comes first? Health reform or welfare reform?

A: The President has made clear that health reform is his number one domestic priority for 1994. The Administration and Congress want to enact both health and welfare as quickly as possible -- and consultations are continuing on the exact sequencing.

Q: The Republicans say you're dragging your feet on welfare reform. What's taking so long?

A: No President -- Democrat or Republican -- has done more than Bill Clinton to "end welfare as we know it."

Look at the record. President Clinton has been at the forefront of welfare reform in this country since he led the nation's governors in writing and worked with Congress to pass the Family Support Act of 1988. And when the House Republicans introduced their bill last November, they pointed out that it is based on proposals put forth by President Clinton in the 1992 campaign.

In addition, the Administration has been working closely with states and local officials to reward innovative welfare reform programs. In 1993, the Department of HHS granted a number of waivers for innovative state programs.

President Clinton's four-step welfare reform package makes economic and common sense, and will attract bipartisan support.

[if pressed]

Those who are criticizing us now are the same people who voted against the first part of the President's welfare reform package -- the EITC.

Harsher than welfare  
Welfare not as "new thing"

## TALKING POINTS HEALTH CARE AND WELFARE REFORM

We must have comprehensive health care reform in order to move forward on the rest of the President's domestic agenda. Without reform, health care costs will continue to explode and eat up our investment dollars. Without reform, people will continue to be locked in current jobs or on welfare.

The bottom line: we cannot end welfare unless we also have comprehensive health care reform.

### THE PROGRAM

From the outset of this Administration, the President has been working to make good on his pledge to end welfare as we know it. This initiative has four major parts: the Earned Income Tax Credit; health care reform; personal responsibility and work.

**The Earned Income Tax Credit (EITC).** We ought to reward work over welfare. Enacted in last year's budget, the expanded EITC will ensure that any family that has a full-time worker will no longer live in poverty. Expanding the EITC represents a giant step forward in reducing those dependent on welfare.

**Comprehensive health care reform.** Today, millions of welfare recipients stay on Medicaid or return to welfare -- the Federal government's health care program for the poor -- because taking a job means they will lose health benefits for themselves and their children. Comprehensive health reform will eliminate so-called "Medicaid lock" and enable people to seek jobs, secure in the knowledge that they and their children will be covered. By ensuring universal coverage, the Health Security Act provides the necessary foundation for welfare reform. The proposals being drafted by the President's working group on welfare are specifically designed to complement health reform.

**Personal responsibility.** The President's welfare reform plan will include initiatives to prevent teen pregnancy, ensure that parents fulfill their child support obligations, dramatically increase paternity establishment, and try to keep people from going on welfare in the first place. The message is clear: Governments don't raise children, parents do.

**Work, not welfare.** The final part of the President's welfare plan will build on the Family Support Act by requiring people who can work to do so within two years, either in the private sector or community service. This includes expanding child care for working families; providing education, training, and job search and placement for those who need it; and restoring the basic social contract of providing opportunity and demanding responsibility in return.

*DPC Program Staff*

EXECUTIVE OFFICE OF THE PRESIDENT

05-Jan-1994 06:29pm

TO: (See Below)  
FROM: Jeffrey L. Eller  
Office of Media Affairs  
SUBJECT: Health Care Talking Points 1/6

The White House  
Health Care Reform Today  
January 6, 1994

\* We must have comprehensive health care reform in order to move forward on the rest of the President's domestic agenda. Without reform, health care costs will continue to explode and eat up our investment dollars. Without reform, people will continue to be locked in current jobs or on welfare. The bottom line: we cannot end welfare unless we also have comprehensive health care reform. This initiative has four major parts: the Earned Income Tax Credit; health care reform; personal responsibility and work.

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for those who need it; and restoring the basic social contract of providing opportunity and demanding responsibility in return. Without health care reform, a welfare reform argument carries nothing more than the weight of political rhetoric.

\* Universal Coverage vs. Universal Access. What's the difference? On yesterday's TODAY Show, Senior Policy Advisor Ira Magaziner said: "(We need) universal coverage to be sure that everybody can afford health care. It's not enough to say that you can have access to an expensive restaurant if you can't go in and afford to eat. You need to be able to afford the coverage and to be able to have comprehensive benefits in order to really have universal coverage."

Health Care Reform Today \* The White House \*  
202-456-2566 \* Fax: 202-456-2362

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# Moderates Pressure Clinton on Welfare

**■ Legislation: Centrist Democrats in both houses of Congress may introduce their own reform bills. The White House gives priority to health care issue.**

By RONALD BROWNSTEIN  
TIMES STAFF WRITER

WASHINGTON—Disappointed over signs that the Administration is delaying action on welfare reform, moderate Democrats in both houses of Congress are drawing plans to introduce their own reform bills in an effort to pressure President Clinton to act.

"It's quite possible people on the Hill will move on their own, not against the Administration, but to show there is bipartisan support for welfare reform this year along with health care reform," said Sen. Joseph I. Lieberman (D-Conn.). In the House, the Mainstream Forum, an organization of centrist Democrats, is planning to send Clinton a letter, perhaps as soon as today, urging him to reconsider the apparent decision to delay the introduction of an Administration welfare reform bill. "It's clear their feet need to be held to the fire on this," said Rob Herman, an aide to first-term Rep. Eric D. Fingerhut (D-Ohio), a leader in the group.

Aides to House members active in the group—which attracted 77 signatures to a letter last October pressing Clinton to emphasize welfare reform—met Wednesday to map out options for moving forward on the issue. "We are seriously considering introducing legislation," said one aide, who attended the meeting.

Observers agree that it would be extremely difficult for legislators to advance a welfare reform proposal without Administration support and, with the leadership of both houses generally favoring the idea of emphasizing health care over welfare reform in 1994.

But a visible revolt by moderate Democrats could embarrass the President, whose campaign promise to reform the welfare system was a cornerstone of his effort to define himself as a "new Democrat."

Already, Clinton is under fire from Republican leaders, such as House Minority Whip Newt Gingrich (R-Ga.), who accuse him of backing down from the issue to avoid a fight with Democratic liberals.

An interagency Administration task force has substantially completed recommendations for a major overhaul of the welfare system, including requirements that all recipients work after two years on the rolls.

But over the past few weeks, White House officials have repeatedly signaled that the Administration intends to delay introduction of welfare reform legislation until later this year to avoid conflict with the health care bill, which is expected to require a vast amount of time and effort in Congress and the executive branch. One ranking White House official said this week that the welfare bill might not be

introduced until as late as September.

White House officials have argued that attempting to push welfare and health care reform simultaneously would overload the tax-writing committees in both Houses, which must consider both bills.

Officials also have acknowledged that they fear welfare reform could alienate liberal legislators whose votes the Administration needs to pass health care reform. In November, 87 House liberals wrote Clinton, criticizing many aspects of the proposed reform, including the two-year time limit.

In an interview, Lieberman said that he will introduce Senate legislation soon that would advance the welfare reform effort "in a step-by-step way." Although the bill isn't in final form, he said, he intends to propose that the federal government underwrite intensified experiments in the states with a series of reforms aimed at changing incentives for welfare recipients. Among them:

- Denying additional benefits to women who have children while already on the rolls.
- Requiring welfare recipients to keep up their children's school attendance.
- Allowing women who cooperate in obtaining child support awards to keep more than \$50, the share the government gives them now from each payment.

Lieberman said he also is interested in encouraging some states to experiment with conservative author Charles Murray's proposal to cut off welfare benefits entirely for children born out-of-wedlock. Such an experiment, Lieberman said, might start by cutting off welfare solely for teen-age mothers, as proposed in legislation introduced by House Republicans.

"Although it is controversial, I'd like to see if we can create some federal support to see whether there is a state out there that wants to try the system...where government will not pay for out-of-wedlock births," he said.

In the House, Fingerhut has begun circulating among moderate and conservative Democrats a welfare reform bill he plans to introduce Jan. 25, aides said.

But that bill—which calls for the replacement of the existing welfare system with a program that would limit cash assistance without work to one year—may be more a symbolic gesture than a practical blueprint. An aide to another Democrat active in the Mainstream group said that it would be "one of several ideas" it considers in formulating its own proposal.

Staffers involved in the Mainstream group are talking about sitting down for negotiations with House Republicans, who have collected 162 co-sponsors for a bill similar in many respects to the plan developed by Clinton's internal task force.

Will Marshall, president of the Progressive Policy Institute, a centrist Democratic think tank, says that the uprising among Democratic moderates flows from the conviction that the Administration has misjudged the demand for welfare reform in the country.

"Many legislators say they need a radical welfare reform proposal to campaign on," he said.

## In Honor of the Speaker



Flags fly at half-staff Thursday in Washington to honor former Speaker of the House.

## Shortage Grows in

**■ Retirement: The gap between assets and liabilities hit \$53 billion in '92, nearly 40% higher than '91, a study finds. Officials say the problem should be dealt with now.**

By MARK BOUSIAN  
TIMES STAFF WRITER

WASHINGTON—Private sector pension plans covering 32 million Americans in 1992 fell \$53 billion short of the amounts needed to pay future benefits, a federal oversight agency said in a report released Thursday.

The combined "unfunded liability" is nearly 40% higher than the 1991 figure of \$38 billion, the Pension Benefit Guaranty Corp. reported, and exceeds by a considerable margin projections made late last year. The underfunded pension plans had assets of \$182 billion and liabilities of \$235 billion in 1992.

Although the projected gap has climbed steadily for 10 years, PBGC officials emphasized that the new figures did not represent an immediate problem for beneficiaries of the affected plans. Should the trend worsen, however, it clearly could pose problems for future beneficiaries, they indicated.

"PBGC has ample assets to pay benefits for many years to come," Executive Director Martin Slate said. "But the data send a clear signal that we have a growing problem which we should squarely

### Growing Pension G

Pension plan underfunding—the gap between assets and liabilities—swelled to an estimated \$53 billion in 1992. The total underfunding in government-insured, single-employer pension plans from 1983 to 1992:

Year	in Billions
1992	\$53
1991	38
1990	30
1989	22
1988	21
1987	21
1986	21
1985	17
1984	17
1983	17

\*1992 is the latest year for which figures available

Source: Pension Benefit Guaranty Corp.

Los Angeles

address" while it is still malleable.

The PBGC blamed the problem on lower interest rates, which reduced the return on investments of the funds.

The PBGC found that funding in the 65,000 single-employer plans that it insures heavily concentrated in a number of companies in the auto, tire and airline industries. About 72%, or \$38 billion, of underfunding was concentrated in plans sponsored by 50 companies primarily in those four industries.

# KELLEY: Mother of the President Was C

Continued from A1

The President flew to Arkansas on Thursday afternoon to coordinate arrangements for the funeral, which will be held

work. She's always, just like he is, driven to get something done.

In recent months Kelley had considered, but rejected, taking long-shot and poten-



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# Welfare reform easier said than done

By William M. Welch  
USA TODAY

The welfare queen, driving a Cadillac to the store to spend her food stamps, was a campaign staple for Ronald Reagan, who capitalized on resentment of welfare as he swept to the White House nearly a decade and a half ago.

Before him, Jimmy Carter had a plan to overhaul the nation's welfare system by creating jobs. Richard Nixon had a plan, too — remember the "negative income tax"?

Every president since John F. Kennedy has wanted to remake the nation's system of aid to the poor, and even Franklin Roosevelt spoke of his hope to "substitute work for relief."

Now it is President Clinton's turn, but even before he really begins there are signs he is finding the task as difficult as his predecessors did — and may be flinching from his popular campaign commitment to "end welfare as we know it."

"Part of the reason Bill Clinton is president is he played that issue just right," says Richard Nathan, a welfare-policy expert in Nixon's White House.

"He called for ending welfare as we know it — two years and you're out. And now he's wrestling with how to come

## Keep the promise, senator says

Sen. Daniel Patrick Moynihan, D-N.Y., is pressing President Clinton to move on welfare reform and says he may hold health reform hostage if the White House continues to delay.

Moynihan, who as Finance Committee chairman has broad power over both welfare and health bills, made the threat in an interview with the *New York Post*. He said Clinton is using tough rhetoric on welfare as "boob bait for the Bubbas" but isn't backing it up with action. "It's been a year now and we still have no bill," he said Sunday on NBC's *Meet the Press*.

Moynihan, architect of a major 1988 welfare revision, didn't repeat his threat to delay the health bill but didn't back away from it. He said the White House plan to hold back welfare reform until health reform passes is a bad idea.

"That won't work," he said. "We promised in that last presidential campaign that we would address the issue of welfare. ... We don't have a health crisis in this country. We do have a welfare crisis. And we can do both."



By Tim Dillon, USA TODAY  
**MOYNIHAN:** Clinton rhetoric is 'boob bait for Bubbas'

through with something, how to deliver on that promise."

After a year of study, White House officials say welfare reform will take a back seat to health-care reform, consigning it to a timetable that makes passage unlikely this year.

House Democratic leaders want delay, saying Congress can't reform health and welfare at the same time. House liberals also oppose Clinton's aims and threaten to revolt.

"They're terribly divided," says Rep. Clay Shaw, R-Fla.

Shaw is sponsoring a Repub-

lican alternative, and if he attracts enough conservative Democrats, he could force House leaders to permit a vote.

Some Democrats, led by Senate Finance Committee Chairman Daniel Patrick Moynihan of New York, are urging Clinton to act. They warn that the issue could become a run-away train, with senators rushing to appear tough on welfare just as they embraced a crime bill late last year.

"There are a lot of members of Congress who want to have a tough welfare-reform bill un-

der their belts before the next election," says Doug Besharov, analyst at the conservative American Enterprise Institute.

The primary welfare program is Aid to Families With Dependent Children, providing federal and state assistance to nearly 5 million families.

It represents about 1% of the federal budget. But the perception that welfare perpetuates dependence, rather than ends it, has long made the system a magnet for resentment.

Clinton skillfully used the issue in his campaign: He ad-

vanced an idea conservatives like, a two-year time limit on AFDC benefits, and combined it with an idea liberals like, expanded services — such as job training, jobs and child care.

Yet a chasm over the details stands in the way of consensus:

- ▶ How broad will be exceptions to time-limited benefits?
- ▶ Will there be public jobs for those who can't find work?
- ▶ Will employers be subsidized for hiring welfare recipients? Will current workers be displaced?

▶ How will it be paid for? A White House working group has produced a 31-page outline for a bill that leaves tough decisions unmade.

There is one thing few serious students of welfare dispute: Reform will cost money, not save it, at least in the short run.

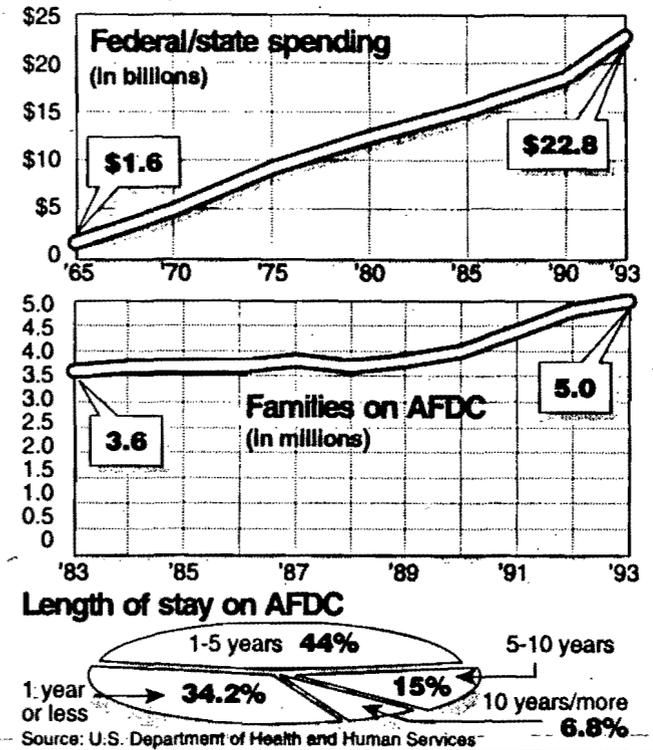
Creating 1 million jobs would cost \$10 billion or more annually, experts say.

Republicans propose to pay for reform by cutting off benefits to immigrants who are in the country legally but are not citizens. The Clinton administration is considering that too, although liberals oppose it.

Unless Clinton decides these and other questions, he risks seeing Congress begin moving on its own — or cede a winning issue to Republicans.

## Welfare spending on the rise

The average family of three on Aid to Families with Dependent Children receives \$367 monthly. Benefits vary by state, with Mississippi the lowest at \$120 a month and Alaska the highest at \$923. The rise in spending and number of recipients:



By Julie Stacey, USA TODAY

"There's a war going on for the president's soul, and it is keyed on these two phrases — 'ending welfare as we know it' and 'two years and you're out,'" says Nathan, director of

the Rockefeller Institute of Government in Albany, N.Y.

"The truth is, these issues are immensely complicated. There's ambivalence, I'm sure, in the mind of the president."

# Blacks launch an 'offensive' against crime

By Sam Vincent Meddis  
USA TODAY

WASHINGTON — Some of the nation's top black politicians, entertainers and civil rights leaders launched a new crusade over the weekend: a "moral offensive" on violence and black-on-black crime.

"There is no quick fix — but there is a fix," Jesse Jackson declared amid rousing applause during a three-day anti-crime conference.

Law enforcement officials, exasperated over the continuing carnage on U.S. streets, say the unprecedented summit could be just the right step.

"It can have a significant impact," said Chuck Wexler, director of the Police Executive Research Forum, an association of big-city police officials. "What could be more important than for the civil rights community to recognize the safety of people in poor areas is really at crisis proportions?"

Anti-crime summits are planned for other cities, culminating in a youth march to the White House on April 4, the day Martin Luther King Jr. was assassinated.

"We shall turn Dr. King's crucifixion date into a resurrection," vowed Jackson, whose National Rainbow Coalition sponsored the conference.

Others attending included actor Bill Cosby, movie producer Spike Lee, Attorney General

Janet Reno and Surgeon General Joycelyn Elders.

Wexler hailed the conference as a way to change the perception that crime-fighting is primarily the responsibility of police, courts and prisons.

"They tend to be institutions that become involved after the problem," he said. "This problem will always be bigger than these institutions."

Many at the summit called it a watershed event in the battle against crime and violence.

"This is the first meaningful and measurable blow to deal with the problem," said Rep. Kweisi Mfume, D-Md., of the Congressional Black Caucus.

In addition to calling for more government attention to poverty and urban problems, conference participants also called for more personal responsibility within the black community — including a return to traditional values.

Under some proposals that emerged, church-based programs across the nation would mentor 100,000 black youngsters annually; black colleges would provide academic courses for prison inmates.

And parents were encouraged to become more involved in their children's schooling.

"We have been doing too little, too late," said Elders. "Our children are dying."

As many conferees noted, black bloodshed often comes at the hands of other blacks.



ANTI-CRIME: Washington Mayor Sharon Pratt Kelly, the Rainbow Coalition's Jesse Jackson, HUD Secretary Henry Cisneros and Rep. Kweisi Mfume, from left, attend the conference. Said Jackson: 'We are in desperate need of a spiritual, moral and ethical revival.'

By Matt Mendelsohn, USA TODAY

## Study estimates crime costs at \$202 billion a year

Crime may not pay, but it can exact a high price.

A single crime can cost \$41,000 in physical and psychological medical treatment, according to the journal *Health Affairs* in the first effort to calculate the economic effect of violent crime on such a large scale.

The tab for all crimes in a single year: \$202 billion. Gunshot wounds account for 10%

of the total cost.

The economic toll should prod lawmakers to find some way to curb the epidemic of violence, authors of the studies say. Their recommendations: gun control, education.

"These are preventable injuries," says Wendy Max of the University of California-San Francisco. "They represent a real potential savings of health dollars."

While blacks make up less than 13% of the population, they account for nearly 50% of homicide victims, and most of their assailants are black.

Gun control was another major theme, with civil rights activist Al Sharpton promoting

criminal penalties for manufacturers whose guns end up on the underground market.

"A lot of the research suggests the increased killings (are) because of the lethality of weapons," said Barry Krisberg of the National Council on

The pair of studies shows:

► Homicide is the most costly crime because it deprives society the rest of the victim's life contributions.

► Rape had triple the effect of assault or robbery in terms of a victim's diminished quality of life.

► Psychological costs of violent crimes, from counseling to lost quality of life, "dwarf" the physical costs.

Crime and Delinquency. Guns were used in more than 68% of 1992 homicides, up from less than 61% in 1988.

The combination of guns, violence and the entertainment media also came under fire at the summit for creating what

was called an explosive situation in the inner cities.

Gangsta rap, for example, with its lyrics about rape and murder, perpetuates violence against black women and glorifies crime, said C. Delores Tucker of the National Political Congress of Black Women.

Tucker said she was at the summit "to put the nation on notice" that her group would conduct a major campaign against the rap music industry.

Whatever their key concern, many at the summit said it was emotionally energizing.

"Everybody knows what they have to do when they go back to their communities, back to the schools," said Natalie Durham of Upper Marlboro, Md. "They just can't sit down and read the paper ... and complain."

Rashid Jabri of Peace in the Hood, a Cleveland group that

## Taking 1st step: Summiteers offer options

Some suggestions and possible solutions from the summit on violence and black-on-black crime, which ended Saturday:

► Have 100 churches in 100 cities nationwide each sponsor 10 troubled youths — providing counseling, spiritual guidance, tutoring and training.

► Challenge students and parents to sign a "rainbow pledge" and assume direct responsibility for ridding their schools and neighborhoods of drugs, guns, crime and violence.

► Urge schools and universities to establish mentoring, technical and computer training and conflict-resolution classes in jails and prisons.

► Urge President Clinton to propose a jobs bill and commit his administration to improve anti-discrimination policies.

► Monitor the media and entertainment industry for signs of sexual exploitation, stereotyping and degrading portrayals of women.

► An April 4 march on the White House by young people to call attention to the problem of violence.

— From wire reports

fights gang violence, said the summit's true test is later.

Similar gatherings should take place in neighborhood centers, not posh hotels like the Washington Hilton, said Jabri: "Hold them on the street corners where young people are getting murdered."

The White House  
Health Care Reform Today  
January 10, 1994

\* Let's set the record straight. There is no conflict between health care reform and welfare reform. They are intrinsically linked. Here's how: Without reform, health care costs will continue to explode and eat up our investment dollars. Without reform, people will continue to be locked in current jobs or on welfare. The bottom line: we cannot end welfare unless we also have comprehensive health care reform. Work has already begun on both. Here's the track record and what's to come:

\* The Earned Income Tax Credit (EITC). We ought to reward work over welfare. Enacted in last year's budget, the expanded EITC will ensure that any family that has a full-time worker will no longer live in poverty. Expanding the EITC represents a giant step forward in reducing the incentive to stay on welfare.

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\* For those who would say there is no health care crisis in America today, we would simply disagree. Nearly 40 million Americans-- including more than 10 million children-- have no health insurance at all. Health care eats up more of our federal budget, more of our state budgets, and more of our family income every year. We are paying more and getting less as we pour money into a system that is leaking and badly broken. The President's Health Security Act solves the crisis -- guaranteeing health care that can never be taken away.

Health Care Reform Today \* The White House \*  
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# EX-CHIEF OF B.C.C.I. TO BE EXTRADITED TO U.S. FOR TRIAL

## AN ACCORD WITH ABU DHABI

### New Access to Bank's Records Could Help Uncover Extent of Its Political Influence

By STEPHEN LABATON

Special to The New York Times

WASHINGTON, Jan. 9 — Reviving the stalled investigation of one of the largest global frauds in history, Federal prosecutors announced today that one of the two top executives of the Bank of Credit and Commerce International would be extradited to the United States to stand trial on criminal fraud charges.

As part of an agreement with the ruler of Abu Dhabi, who had been the largest shareholder of B.C.C.I., American investigators will also be given, for the first time, broad access to the bank's secret records and to 10 other former bank executives who had been inaccessible.

Prosecutors described the settlement between the United States and Abu Dhabi, a Persian Gulf emirate, as an enormous breakthrough that would open a new window on the bank scandal. In particular, the deal could bring investigators a big step closer to answering the troubling questions of how much influence B.C.C.I. wielded in American political and intelligence circles.

#### Questions About U.S. Regulators

As much as \$20 billion that had been officially on the bank's books vanished in the summer of 1991 when bank regulators around the world shut down B.C.C.I.'s operations and accused it of fraud. Ultimately, more than \$12 billion is believed to have been lost by depositors. The scandal also raised significant questions about why American regulators, who had long had evidence of problems at the bank, failed to act quickly.

Under the agreement, Swaleh Naqvi, the bank's chief executive and its second in command, will be extradited to the United States within four months to stand trial on Federal and New York State charges. Mr. Naqvi, who has been under house arrest in Abu Dhabi since shortly after the bank was seized two and a half years ago, is said by investigators to have extensive knowledge of B.C.C.I.'s dealings with many foreign governments over the last 20 years.

In exchange, Abu Dhabi's ruler, Sheik Zayed bin Sultan al-Nahayan, has been assured that he will not face criminal or civil charges in the United States and that a \$1.5 billion lawsuit against him will be dropped. It had been filed by the trustees for First American Bankshares Inc., a banking company in Washington that had been secretly and illegally owned by B.C.C.I.

The agreement was reached on Saturday in Geneva after secret talks between representatives of Abu Dhabi and the Justice Department, the Federal Reserve Board, the Manhattan District Attorney's office and lawyers for First American. Portions of the

# Former Chief of B.C.C.I. Will Stand Trial in U.S.

Continued From Page A1

deal were first reported today in The Washington Post.

Since the bank's collapse, there have been a growing number of reports about the bank's close ties to a wide range of officials, including former President Jimmy Carter; former Atlanta Mayor Andrew Young; Senator Orrin G. Hatch, a Utah Republican, and Clark M. Clifford, an adviser to four Democratic presidents who was Secretary of Defense under Lyndon B. Johnson.

None of the officials has been accused of wrongdoing except for Mr. Clifford, who had headed First American. But the 86-year-old Washington lawyer was never tried because of his poor health. Two months ago, after Mr. Clifford's protégé, Robert A. Altman, was acquitted of fraud charges, a New York state judge dismissed the charges against Mr. Clifford.

The Central Intelligence Agency has acknowledged that it used the bank for routine activities that it has never spelled out. The bank has also long been identified as the leading financial institution for the illegal drug-smuggling activities of Panama's former leader, Gen. Manuel Noriega, and as a vehicle for concealing and moving illegal cocaine profits for the Medellín drug cartel.

But law-enforcement officials around the country have long said that an understanding of the bank's full range of activities has been elusive because top executives and records were abroad and unavailable. Some investigators, however, have said that B.C.C.I.'s influence may have been overstated.

#### Foreign Policy Problem

While it remains to be seen how much new light will be shed on one of the most intriguing and complex scandals of modern times, the settlement with Abu Dhabi at least resolves an awkward foreign policy problem for the United States Government. For more than two years, Federal and New York prosecutors have been investigating the head of a foreign government that has long been considered an American ally.

B.C.C.I. was run by Pakistani managers, chartered in the banking havens of Luxembourg and the Cayman Islands, and had offices in 70 countries. It was shut down in July 1991 in a worldwide swoop by banking regulators. At the time, 77.4 percent of the bank was owned by Abu Dhabi, which also had sizable deposits in it.

The Governor of the Bank of England, which led the enforcement action shutting the bank's doors, said one reason it was closed was that representatives of the majority shareholders were involved in the fraud. Facing the possibility of civil

and criminal charges in the United States, Sheik Zayed had insisted that he had done nothing wrong and had been misled by the bank's executives.

Liquidators have been unable to find much of the shadowy bank's assets, which were reported at \$20 billion shortly before the shutdown. Investigators have characterized the scandal as perhaps the largest financial fraud in history.

In addition to agreeing to surrender records and make available the former bank executives now under his control, Sheik Zayed, who is one of the wealthiest men in the world, will also give up claims arising from the case and make payments that total almost \$500 million.

#### International Fund

Some of the money will go to an international fund to compensate the depositors of the bank who lost money and to pay for prosecutions in the United States, including the actions against Mr. Clifford, Mr. Altman and Mr. Naqvi. As much as \$50 million will also go to First American.

The settlement has three significant financial elements:

Abu Dhabi agreed to forfeit \$91 million that had been frozen in the United States when B.C.C.I. was closed. Half of that money will go to the fund for the worldwide victims of the bank and half will go into a fund to be used, at the discretion of the Attorney General, to pay for the costs of Federal prosecutions and investigations and other matters.

Another \$220 million loan that Abu Dhabi had made to First American will be forgiven. The loan, which with interest is now worth \$236 million, was made to avert a potential failure of First American.

The Abu Dhabi Government's 37 percent interest in First American, which is valued at about \$170 million, will be taken by the Federal Reserve. It is from this money that the \$50 million will be provided to First American in settlement of its lawsuit against Abu Dhabi.

"The Abu Dhabi parties and the U.S. authorities have entered into an agreement to bring the true B.C.C.I. wrongdoers to justice and expedite compensation to innocent depositors of B.C.C.I.," said Middleton A. Martin, a Washington lawyer for the Sheik and other Abu Dhabi interests. "The agreement shows my clients' confidence that the cooperation which will result will assist in identifying and bringing the wrongdoers to justice and will demonstrate, once and for all, that they were indeed the largest victim of the fraud perpetrated by the wrongdoers."

For more than 20 years, Mr. Naqvi had been the deputy to Aga Hasan Abedi, the top bank executive and founder of B.C.C.I. Mr. Abedi is said to be in ill health in Pakistan.

Continued on Page D3, Column 1

New York Times, Jan 10, 1992

# Pecksniffian pledges on welfare reform

**B**y all accounts, President Clinton is planning to unveil a massive welfare-reform proposal for the new year.

The centerpiece of his "reform" gives the appearance of changing the system, at least in part: a requirement that parents in the Aid to Families With Dependent Children (AFDC) program who have received welfare for more than two years perform community service work in exchange for their benefits.

But despite the president's rhetoric, the actions of his administration during its first year have gone in exactly the opposite direction: toward expanding conventional welfare programs, undermining existing work requirements for welfare recipients and even advising states to violate current laws in order to reduce the amount of work welfare recipients are required to perform.

In fact, there are serious reasons to believe that the Clinton administration, while sounding like a conservative and getting lots of political mileage out of the issue of welfare reform, will accomplish very little in terms of the tough measures needed to stop welfare as a long-term, one-way handout.

This impression began to build from the administration's very first act on the welfare-reform front: the appointment of Donna Shalala to head the U.S. Department of Health and Human Services. Miss Shalala had served for years on the board of directors of the Children's Defense Fund, an organization that has taken the lead in opposing work requirements for welfare recipients. Hardly the person to put in charge of "ending welfare as we know it," as the

president likes to put it.

In its first budget proposal, the White House sought no funding whatsoever for "workfare" even though it had a golden opportunity to do so. Instead, it used that chance to propose a massive \$110 billion spending increase for conventional programs such as food stamps, the Women, Infants and Children Food Program, public housing and energy assistance over the next five years.

By procrastinating on its com-

nate or weaken the only workfare program in current law — one that affects a scant 3.6 percent of fathers in the AFDC caseload — the so-called AFDC-UP program. When questioned by Senate reformers, the administration claimed there were no funds allocated to operate the workfare program. Of course, the reason there were no funds was be-

cause the Clinton administration hadn't sought any.

When it couldn't eliminate the minuscule AFDC-UP work requirement altogether, the administration issued regulations to states — in violation of the law — cutting the number of hours of required work from 16 hours a week to eight. This prompted Sen. Alfonse D'Amato,

New York Republican, to declare that "this administration is evading welfare reform." The White House backed down on its regulations, but its intent was clear.

If the Clinton administration had been serious about welfare reform, it would have asked for supplemental appropriations for workfare in 1993 and, say, a quadrupling of the

jobs program, which contains provisions for funding workfare. The money the White House sought for expanding the food stamp program alone would have quadrupled future funding for workfare.

Judging from the dismal record so far, the Clinton welfare reform campaign will use tough language to claim that vast numbers of welfare recipients will be required to perform community service work in exchange for benefits. But few in Congress will understand or even read the administration's overly complex work requirements, which, while inefficient and unnecessarily expensive, will actually require few AFDC recipients to work.

On the other hand, the White House will more than likely call for a new multibillion dollar investment in education and training programs for welfare recipients, despite compelling evidence that such programs are ineffective in raising the wage rates of people on welfare.

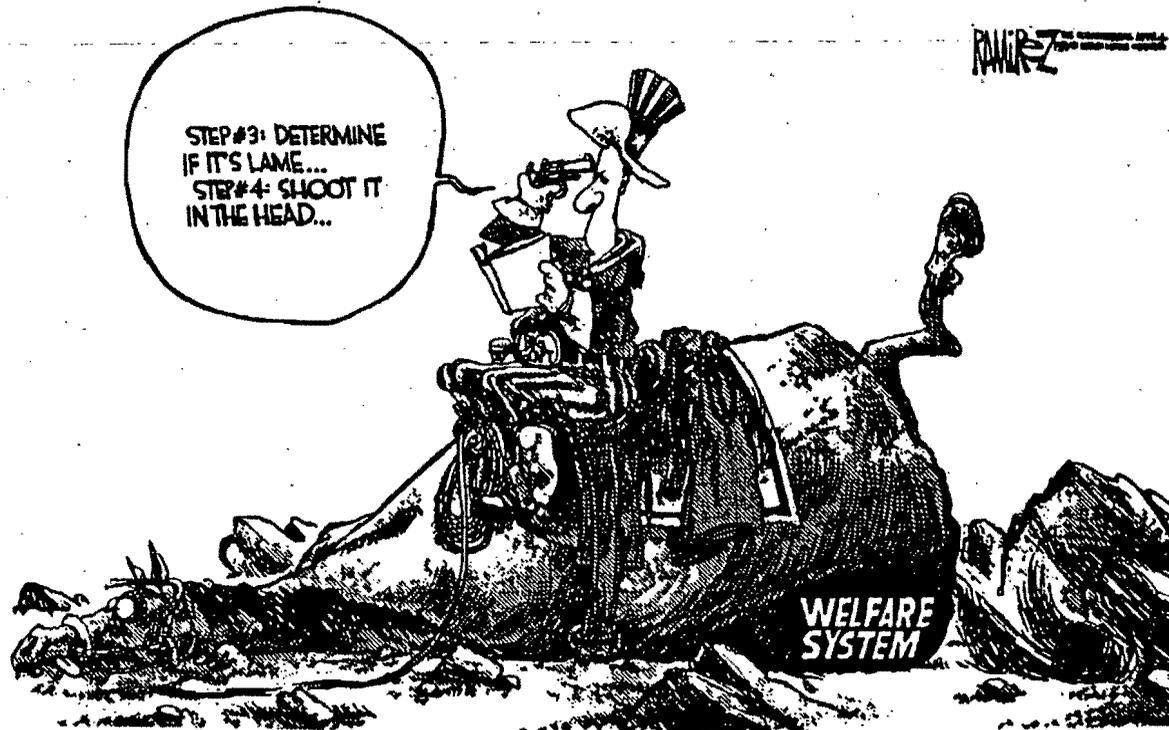
American society can't afford another round of bogus welfare reform. The history of welfare is littered with the rhetoric of politicians who have claimed they were overhauling the system while little or nothing was changed. Unfortunately, the Clinton administration is perfectly poised to join in this less-than-venerable tradition.

Robert Rector is a family and welfare issues analyst at the Heritage Foundation.

*The history of welfare is littered with the rhetoric of politicians who have claimed they were overhauling the system while little was changed.*

mitment to workfare, the administration ensured that no welfare reforms can have an effect until fiscal year 1995, and made it highly unlikely that more than 4 percent or 5 percent of all parents enrolled in AFDC actually will be required to work in exchange for benefits by the time Mr. Clinton seeks re-election in 1996.

Moreover, the administration spent most of 1993 trying to elimi-



# When a vote to balance won't

**E**arly in the congressional new year, they'll be ringing in a campaign issue by voting on a constitutional amendment meant to balance the federal budget.

It won't.

To really balance the budget, Congress, the government and Americans who usually rally to preserve their benefits when threatened would all have to change habits that will be even more difficult to amend than the Constitution.

Nonetheless, the balanced budget amendment has political allure that may prove hard to resist. It's the kind of a vote many a campaigner would like on the record heading into the 1994 congressional elections — symbolic but useful.

"Saying it will not make it happen, even if it is the Constitution that says it," said Sen. Robert C. Byrd, West Virginia Democrat. "This is an empty exercise in voodoo budget balancing ... a feel good amendment."

But advocates argue that without a constitutional mandate, Congress never will get budgets balanced. "It is going to mean that we are forced to make some tough decisions," said Sen. Paul Simon of Illinois, Democratic sponsor of the amendment.

That's backward, say opponents who argue that the tough decisions ought to be made first, to control the spending and raise the revenues it will take to put budgets in the black.

The amendment would require Congress to "enforce and implement this article by appropriate legislation," leaving for later the question of how to end the deficit spending

that has been chronic since 1969.

Under the amendment, three-fifths majorities in both the Senate and the House would have to vote for any spending that exceeded revenue estimates. It also would require those margins to increase the limit on the national debt, a pressure point because as matters stand, the government has to be able to keep borrowing or default.

The debate has been going on for years on an issue that was a favorite of conservatives even before Ronald Reagan pushed it while deficits spiraled.

The arguments don't change. Perspectives do. Secretary of the Treasury Lloyd Bentsen, for example, sponsored a balanced budget amendment when he was a Texas senator. Now, in line with administration policy, he opposes it.

President Clinton discounted political advice when he told congressional leaders Nov. 5 that he wants the amendment rejected. "It would promote political gridlock and would endanger our economic recovery," the president said.

"We came up with a better idea," Mr. Bentsen said, meaning the five-year deficit reduction plan in the Clinton budget. "If we didn't have this \$500 billion deficit reduction, I'd be right back there supporting it again," he said on NBC's "Meet the Press."

But, he added, the Clinton plan is as far as the government can go without jeopardizing economic growth.

A balanced budget amendment would require much more, much

faster. The deficit in the 1999 budget, the first that could be covered were the amendment adopted, is projected at \$223 billion.

It would take two-thirds majorities in the Senate and the House to approve the amendment. Past votes on the question have come close, reflecting the political appeal of balanced budgets although, as Sen. Byrd points out, the polls that indicate 70 percent to 80 percent support for the amendment do not deal with the cuts and taxes needed to enforce it.

The Senate came within one vote of approval in 1986; the House within seven in 1990, nine in 1992, after Democratic lobbying campaign so intense that a dozen sponsors voted no.

Were Congress to approve the amendment, it would go to the states, and if three-quarters voted to ratify, it would become part of the Constitution.

Sen. Simon has said supporters are within two votes of the 67 it would take for Senate approval, despite the opposition of Democratic leaders and elders like Sen. Byrd, chairman of the Appropriations Committee.

It will come up first in the Senate, probably in February.

In the House, Democratic leaders who oppose the amendment have promised to put it to a vote should it win Senate approval.

Walter R. Mears is vice president and columnist for the Associated Press.

## VA secretary clarifies reform consequences

Dear Sgt. Shaft:

I am disappointed that in replying to one of your readers (Nov. 8, 1993), you attached so much skepticism to the president's health care reform proposals as they relate to VA. Since the actual legislation has been introduced, perhaps you could now be less circumspect about VA's future.

You wrote that there's a "contingency plan" to turn the VA system into public health facilities if we do not enroll a sufficient number of veterans who are right now locked out of the system by existing eligibility criteria. That imaginary scenario includes the proposition that VA facilities would then be opened to non-veterans not covered by other plans and that the poor would go to VA for specialized high-cost procedures. That is absolutely untrue.

I can assure you there's no "plan" afoot that paints the future of VA in the grim terms you described. You really do a disservice to your readers when you vouch for circumstances that a closer examination would disprove. In fact, what you allege, given what the president has proposed, is most unfair to him and the commitment to veterans that he and I share.

Let's look at what the president's bill says and not speculate about there being a hidden agenda. As you have reported, VA would seek to be the provider of choice not only for veterans currently entitled to our care, but for all other veterans, who, under reform, would select a health plan. We believe VA will not only be able to compete, but will prove to be an attractive choice give the likelihood that VA plans will offer special supplemental services and will be uniquely patterned for veterans.

To underscore the administration's determination to make this work, the legislation proposes to provide VA with some \$3.3 billion from 1995 through 1997 to bring our hospitals and clinics to the status we need to compete in the commercial marketplace. That is hardly a vote of no confidence.

I have every reason to believe that VA's strengths in managing health care, in running efficient service delivery programs and in coming up with innovative treatment concepts

have earned it a major role under health care reform. Now it's up to us to make it work and I am confident we will. I hope you will help let the veteran community know that the future of VA health care never looked brighter.

— Jesse Brown,  
Secretary of Veterans Affairs

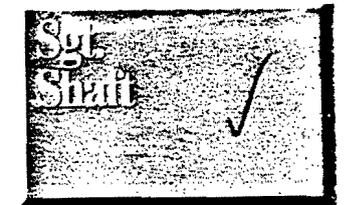
### A different point of view

Dear Mr. Secretary:

In June 1992, when you were executive director of the DAV, you stated in DAV magazine (June 1992, page 2): "The VA — that invaluable resource — would be in even more serious jeopardy if some form of national health care were enacted, according to a recent General Accounting Office report. That report said demand for inpatient care at VA hospitals would drop by about 47 percent and for outpatient care by about 41 percent if some form of universal care proposal was enacted. If employers had to foot the bill for some form of mandatory insurance coverage, the demand would decline to about 18 percent for inpatient care and about 9 percent for outpatient care."

Mr. Secretary, you also said, "Disabled veterans as a class have a dubious distinction. When Americans as a whole are just beginning to experience growing restrictions on access to health care, disabled veterans have had to grapple with for some time. Now, however, the growing clamor for a national health care solution threatens to drown out the voice of reform for VA health care. And disabled vets could be left by the side of the road in the process. On the one hand, you have proponents of a national health care plan that totally ignores the VA's role in the debate. And, on the other, you have those who want to wipe out the system — the VA included — and start fresh some other way."

"Neither hand bodes well for the VA. The VA is a unique national health care resource that not only treats a significant segment of the American public — disabled veterans — but serves additional — and irreplaceable — teaching and re-



search roles as well."

Mr. Secretary, if the administration is committed to veterans health care, why did you, on Dec. 16, have to go, cup in hand, to President Clinton in hopes of restoring the elimination of thousands of full-time federal employees in the fiscal 1995 budget and thousands more in future years?

I do not question your dedication to our nation's veterans, and will work closely with you to ensure that the VA health care system will remain an independent, improved entity serving veterans in time of war and peace.

### Stamps for veterans

Dear Sgt. Shaft:

I found this request in the Marine Corps Gazette and have sent off stamps. I got a very nice response.

"Used stamps are needed to help hospitalized veterans. The stamps, used and mint, U.S. and foreign, are donated to 160 veterans hospitals, children's hospitals in Chicago and New York, and a children's stamp club in Puerto Rico. The stamps are used to keep veterans busy — some have stamp collections, some are used in art programs, some as a means to break up the boredom of long hospital confinement. With the children in Puerto Rico, who are Spanish speaking with English as a second language, the stamps are used to teach them about the rest of the world.

"Individuals are invited to send stamps to: Stamps for Veterans, c/o Bernie Elmore, P.O. Box 398, Depew, N.Y. 14043-0398."

— C.A.H.  
Hollywood, Md.

Dear C.A.H.:

Thanks for the heads up. The Sarge urges all readers to help Bernie with this worthwhile project. A Shaft kudo to you, Bernie, for your fine volunteer efforts.

• Send your letters to Sgt. Shaft, c/o John Fales, P.O. Box 65900, Washington, D.C. 20035-5900, or fax to 301/622-3330

# The president ends welfare reform as we know it

By E. Clay Shaw Jr.

**S**urprise, surprise — President Clinton won't be ending welfare as we know it after all. Ira Magaziner and others in the administration say that the president has decided to demote welfare reform to secondary status on the administration's list of objectives for 1994. Understanding why the president made this decision is a lot easier than justifying it.

The major reason Mr. Clinton banished welfare from his agenda is now clear: He is not a New Democrat. In his run for the presidency, Mr. Clinton understood one thing that most prominent Democrats were inca-

*E. Clay Shaw Jr., a Florida Republican, is a member of the welfare subcommittee of the House Ways and Means Committee.*

pable of admitting — Republicans controlled national elections because their values were in tune with those of the American people. By contrast, the Democratic values of tax and spend, big government, weak defense and equality of results (rather than equality of opportunity) were in conflict with the public's views. To win a presidential election, a Democrat could follow one of two courses:

First, the candidate could undertake the truly difficult work of figuring out new ways to contain the role of government while at the same time making it more efficient and effective. A major part of this task would be inventing improvements for deeply rotten social programs — such as welfare.

Or second, the candidate could undertake the truly slimy task of figuring out ways to convince people there was a New Democrat philoso-

phy and then use this claim as a cover to perpetuate old liberal values and programs on the nation.

Contrast Mr. Clinton's promises with his behavior. Yes, I'm going to slash the deficit. Oh, I didn't realize the deficit was so big; now I can't cut it as much as I promised. Yes, I'm going to give the middle class a tax cut. Oh, gosh, I didn't realize the government needed so much money, so I'm going to put off the tax cut for a little while. Government wastes too much money, but of course I just have to create some new entitlement programs and spend \$100 billion or so on welfare — oops — I mean investment programs. Yes, I know how to help the Haitians; yes, I'm going to save Bosnia; yes, I'm going to maintain a strong defense; yes, I'm all for family values.

There is delicious irony in the administration's explanation for why welfare reform must be banished; namely, to give the president and his liberal colleagues on the Hill adequate time to

concentrate their energies on reforming medical care. The president and his supporters want universal health insurance. More to the point, they want the government to control another 14 percent of the American economy, rather than simply to use Medicaid and Medicare to exercise hegemony over the health care market. And, of course, the Clintons want their name affixed to the biggest expansion of government power since the enactment of Medicare and Medicaid in 1965 — and perhaps even since the enactment of the Social Security Act in 1935.

It is precisely this socialist agenda that displaced the New Democrat agenda of ending welfare as we know it.

While the Clintons are busy foisting government control of medical care on a gradually awakening public, the nation remains in desperate need of welfare reform.

Over 3 million families now on

welfare will be dependent for eight years or more. Exploding illegitimacy rates, and their role in forming and nurturing the urban underclass, threaten the very fabric of our civilization. Millions of fathers fail to pay child support, so taxpayers pick up the tab. States and localities need much greater flexibility to design and run their welfare programs so states like Wisconsin can match their programs to local conditions and experiment with new ideas. The nation continues to spend at least \$10 billion a year on welfare for noncitizens, many of whom have never worked in the United States. The federal government will spend nearly \$245 billion on welfare programs this year, and the amount has grown by the shocking average of more than \$18 billion per year over the past five years.

Congressional Republicans have already introduced welfare reform

legislation to address all these problems. With NAFTA as an inspiring example, there is little question that a coalition of moderate Democrats and Republicans could enact a bill that attacked these problems. We are aware that our bill would need modification before Mr. Clinton could sign on, but the ways and means of achieving these modifications are typical fare for legislators and a president who are honestly committed to the task at hand.

The poor are trapped in a welfare system and must be rescued. The time is now. Simply paying the disadvantaged to stay in their place is no longer acceptable. Ending welfare as we know it is within our grasp now. All that is needed is a New Democrat in the administration to provide leadership. Failing serious efforts for welfare reform from this president, we will have to wait for a Republican.

# Destination NATO

As Europe enters the New Year, 1994, Mad Vlad has concentrated the mind of Europe wonderfully.

After a road trip even less successful than Michael Jackson's, Vladimir Zhirinovskiy, the ultranationalist who ran first in Russia's recent elections, had his visa request denied by Germany. Response: Mad Vlad threatened Germany with nuclear annihilation.

The prescription that Europe is now reaching for to ease its angst is a familiar one. Europe wants the United States to commit itself, forever, to defend all of Europe against any revival of Russian imperialism.

Expansion of NATO, extension of the U.S. security umbrella to Poland, Hungary, the Czech Republic and Slovakia, will be the first course served up to President Clinton in Brussels, the first item on the agenda of Lech Walesa and Vaclav Havel when Mr. Clinton lands in Prague.

Reasons for expanding NATO: to strengthen democracy in East Europe, reward nations for taking the freedom road, deter Moscow from attempting to create a new "sphere of influence" in Central Europe. Mr. Clinton's "Partnership for Peace" is being held out as a sort of halfway house for Eastern Europe, leading to full NATO membership.

But the most critical reason for denying new memberships in NATO is never mentioned: It would be a snare and a delusion.

Under Article 5 of the treaty, America is committed to go to war to defend each of 15 NATO allies. But the United States is not going to war against a nuclear-armed Russia to defend countries east of the Oder River. Not now, not ever. To pledge Poles, Hungarians or Czechs we will is to deceive these brave peoples into entrusting their survival to an illusion. An America that would not fight in Bosnia is not going to fight in Slovakia. It is as cold and simple as that.

How many times have we led these people on?

In 1939, Neville Chamberlain and Edouard Daladier gave Warsaw a guarantee that Britain and France would go to war to defend Poland's integrity. Relying on that promissory note, Poland's foreign minister refused even to talk to Adolf Hitler about his demands for access to Danzig, which had been cut off from Germany by a "Polish Corridor" created by the Versailles Treaty.

Hitler and Joseph Stalin fell on Poland. Warsaw tried to cash her IOU. While the Brits and French applauded the Poles' heroism, they did so, safely, from behind the Maginot Line. Poland disappeared, sliced in two, converted into a giant concentration camp and killing field for Poles and Jews.

Six years later at Yalta, Winston Churchill and Franklin D. Roosevelt acceded to Stalin's demand he be permitted to keep the slice of Poland Hitler had given him.

## Misplaced expectations

Munich and Yalta became synonyms for Western guarantees.

In 1956 Hungarian rebels, egged on by Radio Free Europe, rose up, drove out the Red Army, declared themselves part of the West. Nikita Khrushchev's tanks returned with Mongol troops, and a paralyzed West did nothing. By 1959, the Butcher of Budapest was touring Iowa farms and Hollywood studios as Dwight Eisenhower's guest.

In 1968, Leonid Brezhnev ordered the Prague Spring drowned in blood if necessary. Lyndon Johnson did nothing. By 1973, detente was in, and Leonid Brezhnev was in San Clemente ogling Jill St. John.

In 1981, Yuri Andropov probably gave the order to assassinate the Polish pope and Gen. Wojciech Jaruzelski. Solidarity smashed. President Reagan declined to put Gen. Jaruzelski's regime in default on its overdue debts. That would have risked collapse of the German banks that had lent billions to Mr. Brezhnev's empire.

During the run-up to the Gulf war, Mr. Gorbachev sent Black Berets into Lithuania and Latvia. Preoccupied with Saddam Hussein, George Bush did nothing. Instead, Mr. Bush used his visit to Kiev to warn the Ukraine against "suicidal nationalism."

Point of these episodes: If in the chilliest days of the Cold War, strong U.S. presidents could not, or would not, risk confrontation with Russia over Eastern Europe, it is naive to think we will today risk war for Eastern Europe. It is not appeasement to say this; it is to tell the truth, for once, to heroic people who have been misled and betrayed too often.

Wherever one wishes to draw the Red Line on U.S. vital interests—the Maine Coast, the English Channel, the Rhine River, the Fulda Gap—that line is not east of the Oder-Neisse. If Ike, LBJ and Messrs. Reagan and Bush would not risk war over Hungary, Czechoslovakia, Poland or Lithuania, does anyone think Bill Clinton would do so?

Free Europe today has more people and wealth than the United States and Canada combined. She has British and French nuclear arms; while a truncated Russia has only half Europe's population and a tenth of her income. What Europe lacks is fortitude, vision and will. America has provided these for half a century; we cannot do so forever.

*The most critical reason for denying new memberships in NATO is never mentioned: It would be a snare and a delusion.*

The Washington Times FRIDAY, JANUARY 7, 1994

Patrick Buchanan is a nationally syndicated columnist.

# The Out-of-Wedlock Question

**T**HE ISSUE IS SO ELEMENTAL, THE QUESTION SO BASIC, the answer so obvious that no one would have *thought* to raise it with a president until very recently—but last week NEWSWEEK asked Bill Clinton: do you believe it's immoral for people to have children out of wedlock? He pretty much said yes. But not entirely. He lawyered a little. He said—and this was classic Clinton, valid but somewhat diversionary—that if a woman decides to have a baby rather than an abortion, it “may be a moral decision.” (If we were better lawyers, we might have asked if it was immoral to *conceive* a child out of wedlock.) No matter. He was clear on the larger point. He answered much as Dan Quayle, to whom he gave considerable credit, might have: “I believe this country would be a lot better off if children were born to married couples.”

Ah, progress. It's a measure of our social fragility and moral perversity that the president's statement will be controversial in certain circles, even though there's now a mountain of data showing illegitimacy to be the smoking gun in a sickening array of pathologies—crime, drug abuse, physical and mental illness, welfare dependency. Bill Clinton's morality will, no doubt, be seen as hopelessly retro—or worse, as cynical politics—in Hollywood, where he was off raising money over the weekend and where out-of-wedlock births are quite the fashion. More to the point, the president's position may be controversial within the Clinton administration itself. Asked the same question about out-of-wedlock

births, Surgeon General Joycelyn Elders came up with a very different response. “No,” she said. “Everyone has different moral standards . . . You can't impose your standards on someone else.”

It is difficult to imagine a more succinct expression of the moral relativism that has debilitated the Democratic Party for a quarter century—although the surgeon general should be given a special dispensation as the sole Clintonite to speak out passionately, and consistently, in favor of responsible sexual behavior. Most other administration officials have maintained a studied silence on this issue—at least, until the president began to raise the heat a few weeks ago. “Look, you couldn't even *talk* about this stuff in a Democratic setting until very recently,” said a member of the president's welfare-reform task force, which has struggled over how strongly to condemn out-of-wedlock births. “There's been progress. People aren't talking about illegitimacy as an alternate lifestyle anymore. But in our meetings there's been a group—a minority, now—that believes that merely saying two-parent homes are preferable is an implicit criticism of single-parent homes.”

That battle was still simmering when Bill Clinton pretty much settled the issue last week. Health and Human Services Secretary Donna Shalala—whose minions were said to be the most persistently “sensitive” in task-force sessions—quickly seconded the

president's motion when she told the moderate Democratic Leadership Council: “Teenagers are not small adults . . . That they are [giving birth to so many children] ought to horrify all of us.” Later, on the phone, Shalala said: “I don't like to put this in moral terms, but I do believe that having children out of wedlock is just wrong.”

“OK. What are you going to do about it?” She went on for a bit about a “comprehensive” program, involving every last minister, activist and free-range social-work ninny on the continent—but, well, the truth is no one really has a clue about what can be done. “We looked at a hundred different programs around the country that were trying to deal with this problem,” said an aide associated with the task force, “and not one of them moved the needle. There just weren't any results.” What many experts suspect, and fear, is

that nothing short of the draconian solution proposed by political scientist Charles Murray—denying welfare to anyone who has a child out of wedlock, and placing in orphanages those children whose parents can't support them—will change the culture of chronic dependency. “I'd like to see the Murray solution tried somewhere—just to see, y'know, what might happen,” said a dyed-in-wool, but curious, White House liberal.

**Beltway cliché:** But that isn't going to happen. You may not be able to make policy by anecdote—according to the hottest, latest Beltway cliché—but you sure can make news. And a Murray-style experiment would create anecdotes by the truck-

load, children ripped from their mothers' arms, mothers and children starving in the streets. It might reduce illegitimacy, the president conceded to Tom Brokaw last week, but it would be morally untenable. So the welfare task force will make recommendations, most of which probably won't have much impact—except, perhaps, for a massive anti-pregnancy advertising and proselytizing campaign similar to the anti-smoking and -drug crusades of recent years. “Those worked,” says presidential adviser William Galston. “They really changed behavior patterns, and this might, too.”

Ultimately, the president—who has dragged his party to the high ground on this issue—may find his own words more effective than any 30-second ad. He was quite convincing last week, speaking about youthful experiences with guns when he signed the Brady bill, and also when he explained why tolerance for the anger of an AIDS activist who interrupted him was important. The president was raised in a troubled home; he and Mrs. Clinton spoke during the campaign of difficulties in their own marriage. It is near impossible not to be maudlin, preachy, too intimate for comfort when speaking of such things; he probably shouldn't try. But Bill Clinton knows how difficult it is to hold a family together, and how important it is to try—and that knowledge will, doubtless, inform his rhetoric and enhance his credibility as the debate continues.



MARCY NIGHISWANDER—AP

Seeking solutions: Elders (left) and Shalala lend a hand

# That 'affidavit' again

Eager to see the sex scandal charges made against Bill Clinton slip under the dark waters and sink, many of the president's friends in the media have accepted and publicized the White House spin that there is a signed affidavit by Arkansas State Trooper Danny Ferguson denying that the president ever offered the troopers federal jobs in exchange for silence about his sexual indiscretions. Some other-wise sophisticated observers have fallen prey to this bit of received wisdom. In fact, no such affidavit by Trooper Ferguson exists.

The most recent example came yesterday in an Op-Ed piece in the New York Times by Washington Monthly editor Charles Peters. Mr. Peters begins, "When Danny Ferguson denied in an affidavit that President Clinton had offered him and other Arkansas troopers Federal jobs for covering up trysts that occurred when he was Governor," Mr. Peters writes, "most of us were relieved."

Now, as it happens, there is turmoil within the White House, concerning those issues of health and welfare. President and Mrs. Clinton have determined that "health care" is a "crisis."

- They believe a comprehensive remedy for such a crisis must be legislated during this session of Congress. The president campaigned on health care reform, albeit mostly unspecified. And he has given birth to a massive proposal, albeit one opposed by many in Congress.

But the president also campaigned on welfare reform. He said he would "end welfare as we know it." Almost a year has gone by and although the president has appointed a task force, there is no official proposal yet.

Some vibrations from the White House indicate that there is a plan afoot to do little on welfare reform for this



Patrick Moynihan

session. It is said the Congress can't deal with both health care and welfare at the same time. Further, many congressional liberals do not like the idea of tough welfare reform, and it is said liberals would hold support for health care legislation "hostage" unless welfare reform is delayed.

Enter Mr. Moynihan. He says, "There is no health care crisis in America; there is a welfare crisis in America." And further, he says, that while Mr. Clinton himself is sincere about ending welfare as we know it,

many members of his task force "have no intention of doing it."

Mr. Moynihan also understands the hostage game: "I might just hold health care hostage to welfare reform" he says, wearing his chairman's helmet.

Mr. Moynihan is right on both substance and tactics.

You don't hear people saying, "We have the best welfare system in the world, but let's fix what's wrong with it." Yet that is what is said about health care. Regarding welfare, we may have the worst system anywhere. Through a perverse system of incentives we are, literally, buying illegitimate babies. And as Mr. Moynihan points out, "that is a terrible thing to do to a child."

He is also right about the Clinton task force. They are mostly old-guard welfare experts in massive federal agencies who are prepared to tinker — typically via job training and public service jobs — with a wholly failed system. They seem to miss what the voters heard in the call to end welfare as we know it. Strangely, voters believed that "ending" meant ending. It is an issue, like crime, ready to erupt.

Douglas Besharov, the American Enterprise Institute welfare scholar, says of the Clinton task force: "They

are mostly Old Democrats commissioned to come up with a New Democrat plan.

"They don't get Clinton's idea of 'tough love.'" Mr. Besharov also maintains that the task force has still not done the cost-modeling necessary for any serious plan.

Of course, Mr. Moynihan acting alone can't make tough welfare reform happen. But the Republicans have already issued a proposal that focuses more clearly on ending welfare — as in ending the cash part of welfare for teen-age mothers of out-of-wedlock children. And Democrats like Rep. Dave McCurdy of Oklahoma and Sen. Joe Lieberman of Connecticut are lining up support for other tough-minded welfare plans. The result may well be a plan closer to the Republican model than to a Tinker Toy model.

With that kind of help, Mr. Moynihan, the right man in the right job, can push Mr. Clinton to do what Mr. Clinton promised, what Mr. Clinton wants, what the country wants, and what it needs.

*Ben J. Wattenberg, a senior fellow at the American Enterprise Institute, is a nationally syndicated columnist.*

## BEN WATTENBERG

# Hostage crisis on the Hill

There are times when the right man is in the right job and an American wins. Consider Daniel Patrick Moynihan, scholar, raconteur, polymath, policy wonk, ambassador, eccentric in the finest sense, senator from New York, Congress' leading authority on welfare — and, ah yes, chairman of the Senate Finance Committee.

Interesting place, the Senate Finance Committee. Because it handles Social Security, it ends up, in tangled fashion, with jurisdiction over a large part of two great issues: health and welfare. And, as with many Senate committees, the chairman exercises vast power. A chairman, for example, can usually see to it that legislation he doesn't like languishes in darkness for a very long time.

Now, as it happens, there is turmoil within the White House, concerning those issues of health and welfare. President and Mrs. Clinton have determined that "health care" is a "crisis."

- They believe a comprehensive remedy for such a crisis must be legislated during this session of Congress. The president campaigned on health care reform, albeit mostly unspecified. And he has given birth to a massive proposal, albeit one opposed by many in Congress.

But the president also campaigned on welfare reform. He said he would "end welfare as we know it." Almost a year has gone by and although the president has appointed a task force, there is no official proposal yet.

Some vibrations from the White House indicate that there is a plan afoot to do little on welfare reform for this

In fact, the so-called "affidavit" was not a sworn statement by Mr. Ferguson — as it was portrayed — but rather was a signed claim by Mr. Ferguson's attorney. The lawyer, Robert Barton, stated that Mr. Ferguson had told him that no federal job was offered as a quid pro quo for silence. In other words, Mr. Ferguson has not sworn to anything.

Betsy Wright, the Clinton team damage control expert who put the screws to Mr. Ferguson, had wanted him to sign an affidavit himself, but he refused. Why? For one, because Mr. Ferguson believed, as he told the Los Angeles Times before and afterward, that jobs had been offered to him and to another trooper. Perhaps he was uncomfortable putting himself on the legal line over the fine distinction of whether the job offer was explicitly in exchange for staying mum.

Mr. Peters should set the record straight in his next Monthly column.

# Taking crime seriously in the black community

By Deroy Murdock

Guess who uttered these words late last year: "There is nothing more painful to me . . . than to walk down the street and hear footsteps and start thinking about robbery — then look around and see somebody white and feel relieved."

Jesse Helms?

No. Jesse Jackson.

Black-on-black crime has grown so severe that even America's chief "black leader" is quaking in his loafers. His Rainbow Coalition just concluded a three-day conference in Washington on this lethal problem. Mr. Jackson recently has garnered well-deserved praise for promoting a student anti-violence pledge. He told Harlem high-schoolers last fall that in New York alone 362 black minors were killed by other blacks from January to October 1993 — "more than all those [blacks] who were lynched this century."

Jesse Jackson's campaign and the mounting public fury over random violence have dragged the great unmentionable factor of the U.S. crime epidemic into the spotlight. At last, Americans are discussing the fact that blacks play a disproportionate role in crime, both as perpetrators and victims.

While blacks comprise only 12 percent of the U.S. population, they constituted 61 percent of robbery and 55 percent of murder arrests in 1992, according to FBI figures. In 1991, 49 percent of convicts admitted to prison were black. Alone 362 blacks are

more likely to fall victim to violence. The roughly 8,000 black murders committed in 1992 represent some 47 percent of that year's slayings. About 95 percent of these blacks were killed by other blacks.

While Mr. Jackson and other traditional "black leaders" finally have recognized a social crisis that has smoldered for years, the prescriptions they offer, namely increased youth recreational programs, are almost touchingly naive given the numbers of young blacks killed in public parks and playgrounds. A number of steps should be taken both by prominent blacks and society at large to begin curing black-on-black crime and the broader disease of destructive lawlessness.

First, end the excuses. Many black Americans still face hardship, but that hardly justifies turning despair into mayhem, as some black liberals suggest. Amsterdam News publisher Wilbert Tatum did just this when he observed that accused Long Island Rail Road gunman Colin Ferguson, "lived near Crown Heights," a tough New York neighborhood. "Who knows what he has seen, what terror has been visited upon him?" Mr. Tatum asked.

The same communities haunted by busted street lights, broken homes and shattered dreams somehow manage to produce preachers, gospel singers and the unsung Americans who ride buses and subways to work each morning. If they can survive, and even prosper, without icing fellow blacks, why can't the "gangstas" who delight in maiming and killing others?

Second, stop lionizing black criminals. Some black folks, like Los Angeles activist Paul Parker, virtually would erect statues of Henry Watson and Damian Williams, the two men who beat L.A. trucker Reginald Denny within a cat's whisker of his life. "I feel them to be heroes," Mr. Parker told NBC's "Dateline." "They

stood up for black people." Asked if he felt any empathy for Mr. Denny, Mr. Parker replied: "No. I saw the white race being bloodied and beaten." Outrage, revulsion and rejection — and not applause — should be the proper responses to the handiwork of thugs, be they black, white or albino.

Third, claims that fighting crime is racist should be rejected as illogical. Is the criminal justice system sexist because 94.3 percent of the prison population is male?

Fourth, carrots should be part of this anti-crime formula. Enterprise zones, educational choice and private ownership of public housing would offer some hope and legitimate opportunity to the underclass, the social niche most criminals call home. Also, welfare reform soon may discourage illegitimate births and entice young fathers to stay home and help raise their kids. Fathers provide discipline and role models to young men who need such influences. Dads themselves usually stay off the streets and out of trouble, too.

Last, and most important, hard and heavy sticks should be swung at those who don't bite at the carrots: The death penalty for capital crimes; "three strikes, you're out" legislation (which would require life imprisonment without parole upon a third violent felony conviction); and ending early releases for good behavior would help keep criminals segregated from the neighborhoods they terrorize.

Guns obviously are part of this equation and should not be sold to minors. Private entrepreneurs should work with instant background checks for gun buyers much like what exists for credit card purchase authorization. Finally, those who use a gun while committing a crime should have 20 years added to their normal sentences.

As the population most under fire, blacks should lead all Americans in denouncing the hoods in the 'hood — and elsewhere. So too must they demand that government stop dickering in areas in which it has no business and instead carry out its most fundamental constitutionally mandated duty: to insure domestic tranquility.

*Deroy Murdock is a New York writer and president of Loud & Clear Communications, a marketing and media consultancy. A longer version of this piece will appear in the February 1994 issue of National Minority Politics.*

## White House Whitewater white-out

What we have seen this week in the Whitewater affair is a rapidly spreading realization that this matter — whatever it amounts to in the end — is not going away any time soon. White House efforts to paint calls for an independent inquiry as partisan collapsed when Democrats and liberals of the administration and other political opponents of the administration.

The White House has come under fire for its poor handling of the affair. But at the core of the criticism is not the quality of the handling but the fact of the handling. What has become perfectly clear is that no one in the administration can speak authoritatively on Whitewater — with the exception of the president and first lady themselves (and their expensive counsel at Williams and Connally). They aren't talking. But that hasn't prevented numerous other White House officials from stepping forward and presenting themselves as speaking authoritatively — only to founder with non-answers to basic questions about the affair or to have their pronouncements shot down by subsequent disclosures.

For example, on ABC on Jan. 2, in the thick of the period of White House stonewalling that partially ended yesterday with the announcement that the White House would accept an independent counsel, there was George Stephanopoulos confidently assuring America that all relevant documents had been turned over to the Justice Department. In fact, nothing had yet been turned over to the Justice Department, and what would be turned over was governed by a previously unpublicized subpoena worked out between Mr. Clinton's lawyer and Justice Department officials.

Now, some people think Mr. Stephanopoulos was

brazenly lying, but that seems unlikely in light of the subsequent flak the White House took when it corrected him the next day. Why set yourself up for that? More likely is that Mr. Stephanopoulos simply assumed he knew what was going on when he didn't. Perhaps it taught him a lesson. Gwen Ifill of the New York Times described a remarkable scene with him in Tuesday's edition:

"Sitting in his office with a reporter one afternoon last week, [Mr. Stephanopoulos] watched David R. Gergen, counselor to the President, acknowledge to CNN that he did not know the answers to all the questions on the matter. And even though he denied that the Clintons have been less than forthcoming, Mr. Stephanopoulos was soon echoing Mr. Gergen's frustration.

"There are examples, such as in this case, where there is incomplete documentation," Mr. Stephanopoulos said as he tried to answer why the Clintons never claimed as a loss on their income tax returns the \$69,000 they have said the Whitewater deal cost them.

"We're answering as best as we can," he said. "We're getting all the documents we can. We're trying to reconstruct something that happened a long time ago."

Who is "we"? Or, put another way, why is this so hard? Can't Mr. Stephanopoulos and Mr. Gergen and other would-be "damage controllers" just have Mr. and Mrs. Clinton tell them what happened?

It seems they can't. (It likewise seems that some of them are not happy about it). For all the White House's tirelessly repeated assurances that the Clintons "have done nothing wrong," the fact is that no one at the White House knows seems to know what the Clintons have done at all.

# Welfare Plan Places Limit on Cash Grants

By SARA RIMER  
Special to The New York Times

BOSTON, Jan. 13 — Governor William F. Weld of Massachusetts today proposed an overhaul of the state's welfare system that would force a majority of able-bodied welfare recipients into full-time community service after 60 days.

Joining a growing number of other governors who are also pushing new welfare rules, Mr. Weld said in remarks prepared for his State of the State address tonight that his plan would put 50,000 welfare recipients — about half the state's total — to work. The state would continue to provide health insurance and food stamps, as well as day care.

The chief architect for the Governor's plan, Charles Baker, who is the Secretary of Health and Human Services, said there were plenty of jobs available for able-bodied people. Those who can't find jobs after 60 days would have to do community service or forfeit their cash benefits.

The benefits received by those doing community service jobs — like working in a neighborhood school or hospital — would amount to less than the minimum wage. The average grant is \$539 a month for a mother with two children.

The Governor's plan would exempt teen-age mothers — who will be required to graduate from high school and live at home — legal guardians disabled people and people caring for disabled children.

## Pushing an Issue

For a Republican governor with national aspirations, the announcement is a way to leap to the forefront of an issue that many other politicians have only flirted with. A cornerstone of Bill Clinton's campaign for President was his pledge to end welfare "as we know it," but the Clinton Administration is apparently putting welfare on a back burner for now as it wrestles with health care.

With a record 5 million families in America on welfare — slightly more than 14 million people — many elected officials have been talking about getting tough on welfare recipients. In his recent State of the State address, Gov. Mario M. Cuomo of New York advocated increasing a program to detect welfare fraud by fingerprinting state recipients.

Oregon has a proposal awaiting Federal approval that would take all the money now spent on welfare, food stamps and a few other small social service programs and roll it into a work program. Instead of welfare, applicants would get a subsidized job.

Colorado won Federal approval Wednesday to remove welfare recipients from the rolls after two years if

they refuse to take a job or training. Wisconsin won approval in November for its plan to cut off people's welfare checks after two years if they don't work or look for jobs.

If Governor Weld's plan wins Federal and state approval, then all new welfare recipients would be required to find jobs within 60 days. Those who are already on the rolls would have more time — closer to a year — to find employment. The state welfare department estimated that close to 30,000 welfare recipients would find jobs by the end of the first year.

There is considerable debate about how many jobs, and what kind of jobs are out there. Mr. Baker said that one way the state would help people find jobs is by giving them access to the Department of Employment and Training's job listings.

Wallace Graham, the public information director for that department, said there were 13,000 listings, which are primarily aimed at unemployed people seeking to re-enter the work force. "Those jobs are not aimed at welfare people," Mr. Graham said. "We still place people from welfare but that's not the point of this agency."

## No service, no benefits, Weld proposes.

A quarter of the 13,000 listings are for part-time jobs, according to Mr. Graham.

Unemployment in the state is at 6.3 per cent. There were 200,000 unemployed people in the state last month according to the latest figures.

Deborah Harris, a lawyer for the Massachusetts Law Reform Institute, a legal services group, said in response to the Governor's plan: "Where are the jobs? Everyone knows that the jobs are simply not available."

But Mr. Baker said that only a small number of welfare recipients would end up without jobs — and in community service.

Mark Greenberg, a senior staff attorney for the Center for Law and Social Policy in Washington, said that in the past community service programs had been ineffective. "They're administratively difficult," he said. "They cost money, and there doesn't seem to be evidence that they raise employment rates or reduce welfare costs."

nedy, Democrat of Massachusetts, said he planned to introduce legislation "for the protection of human subjects."

Officials from the Department of Energy, the Department of Defense, the National Institutes of Health and the Veterans Administration told the committee that to the best of their knowledge there are no experiments now being done at their agencies that do not meet Federal guidelines for the protection of human subjects.

But a doctor who helped write the current guidelines said that it would be difficult to know what experiments are being conducted without a national board to see that guidelines are met.

## Didn't Know of Radiation

Guidelines that have been adopted over the last three decades require scientists to seek the informed consent of their subjects and to tell them about the possible risks involved.

Charles L. Dyer, one of the former students at Fernald, a state school for the mentally retarded, said that he was never told that radiation was involved. "They said it would benefit us by taking vitamins and stuff, I remember that," said Mr. Dyer, who is now 53. "A lot of us did say, 'Sure, we'll go through with it.' It was a chance for us to get off the grounds. They took us places, here

and there, and they said they were going to have a Christmas party for us. We were young kids, and they took advantage of us."

Mr. Dyer and the other former student who testified, Austin LaRocque, were part of a group of young boys at the Fernald School who were fed minute doses of radioactive minerals by scientists from Harvard University and the Massachusetts Institute of Technology.

The experiments were designed to see if chemicals used in breakfast cere-

## A call for more supervision of tests on humans.

al prevented the body from absorbing iron and calcium. They were sponsored by the Quaker Oats Company, the National Institutes of Health, and the Atomic Energy Commission, according to J. David Litster, the dean for research at M.I.T.

A consent form that the Fernald school sent to parents in 1949 made no mention of radiation.

Professor Litster and Dr. A. Bertran Brill, the research director and professor of nuclear medicine at the University of Massachusetts Medical Center, both told the hearing that the amount of radiation used was very small.

Senator Kennedy asked Dr. Brill, "Why don't they test it on M.I.T. students?"

Dr. Brill said the students at Fernald were chosen because they were at a residential school where their intake could be closely monitored, and added that the tests should not have been

done there. He said they should not have been conducted at Fernald because the subjects were "captive."

## 'Need a National Board'

Dr. Kenneth Ryan, a professor at the Harvard Medical School who was the chairman of a national commission for the protection of human subjects, a government panel active in the 1970's, said that greater government oversight is necessary to monitor experiments conducted by Federal agencies.

"We do need a national board that would look at all of them rather than asking each Federal agency to try and, a sense, watch themselves," Dr.

Ryan said.

Representative Edward J. Markey, Democrat of Massachusetts, who released a report in 1986 called "American Nuclear Guinea Pigs: Three Decades of Radiation Experiments on U.S. Citizens," told the hearing that he had been surprised to learn only last month about the experiments held at the Fernald School. The school is in his district.

"One question I have here today," he said, "is whether the experiments described in the 1986 report constitute the iceberg, and the more recent Fernald revelations are just the tip, or whether the report is the tip and we have yet to find the iceberg."

Mr. Dyer, the former student, shared his concern. "Most of the guys in the Science Club don't want to come forward," he said after the hearing. "I'm hoping it all gets straightened out."

# 2 Tell of Experiments on Them as

## Boys

Special to The New York Times  
WALTHAM, Mass., Jan. 13 — Two former students returned here to the Fernald School today and testified to a Senate committee about radiation experiments performed on them in the 1940's and 50's by researchers who told them that they were joining a science club.

The hearing was the first by the Senate Committee on Labor and Human Resources in its investigation of human radiation experiments that were done after World War II. The chairman, Senator Edward M. Ken-

# A Spreading Light on Radiation Tests

By KEITH SCHNEIDER

Three weeks after Energy Secretary Hazel R. O'Leary directed the Energy Department and its contractors to "identify and gather all of the records that may pertain to human experimentation," long-hidden documents about cold war radiation tests are coming to light around the country.

Yesterday, as Mrs. O'Leary held a public hearing on experimentation in Seattle, officials at the Hanford nuclear weapons plant in central Washington State made public 54 pages of administrative files associated with an experiment conducted in the late 1960's.

In that study, 14 volunteers, many of them plant workers, were exposed to promethium, a substance produced in the manufacture of plutonium for atomic bombs. The documents indicate that the workers were also exposed to another experimental chemical, DTPA, which was being tested to determine its usefulness in cleansing the body in the event that Hanford workers accidentally ingested radioactive materials.

Authorities at Oak Ridge Associated Universities, a consortium of universities that conducts health-related research in Oak Ridge, Tenn., yesterday also made public a chronology of human experimentation conducted in that once-secret atomic city where uranium was fabricated into parts for nuclear weapons.

## Crucial Tests Ahead

While this first round of disclosures seem innocuous in an initial reading, the fact that they are occurring at all is significant. The sensitivity to the subject, and the speed with which the department and its contractors are reacting, is a sharp contrast to previous directives by the Secretary of Energy on matters related to health and safety.

Energy Department officials said that they were pleased at the reaction so far, but that the real test would come as more sensitive documents were prepared for release.

All this week, some of the nation's most important medical research and academic institutions were scouring their archives for information on radiation experiments. Officials of Harvard University, the Massachusetts Institute of Technology and the University of California at Berkeley said researchers were reviewing radiation-related research in their archives.

Such experimentation was conducted by Atomic Energy Commission, the predecessor of the Energy Department, for decades after World War II. Other Federal agencies, among them the Pentagon, the National Aeronautics and Space Administration, the Department of Veterans Affairs and the Department of Health and Human Services were also involved in sponsoring or conducting such studies. In late December, following Mrs. O'Leary's lead, the White House announced that it

would coordinate the investigation. Next week, Congress is scheduled to hold a public hearing on the matter.

## Opening Secret Files

Much of the activity to disclose documents came as Mrs. O'Leary traveled up the Pacific Coast this week to meet with scientists, legal scholars and citizens about her project to open the Energy Department's cold war files. James D. Watkins, the Secretary of Energy in the Bush Administration, continually admonished the agency's contractors to take extra precautions to protect workers from radioactive contamination. But accidental exposure to radioactive substances continued to plague the Energy Department's weapons plants in Colorado and Washington State.

Mrs. O'Leary appears to be having much more success. On Dec. 23, Mrs.

## Long secret records are turning up.

O'Leary sent a directive to all of the department's field offices, directing them to "bring to light as much information as possible concerning the experiments involving human subjects that were performed or supported by the department and its predecessor agencies."

Worried that her staff and the department's contractors would ignore the directive, Mrs. O'Leary is making the project her own personal crusade. Before taking the trip to the West Coast, Mrs. O'Leary told her aides that she would actively campaign to press the department's field offices in the region, and the companies and universities that were involved in bomb making, to conduct searches in their archives with an eye toward quickly making such information public.

The personal style seems to have had the desired effect. After a meeting she had on Wednesday with Jack Peltason, the president of the University of California, Dr. Peltason issued a state-

ment that ordered the university's administrators to dig for evidence. The University of California was heavily involved in human radiation experiments, according to the Department of Energy, particularly through its hospital and medical school in San Francisco.

The University of California also manages the Los Alamos National Laboratory in New Mexico. On Monday, Los Alamos officials made public some 200 pages of documents. Two of the documents, which were declassified in 1960 and 1973, were Air Force reports describing tests in 1950 in which nuclear materials were exploded at Los Alamos National Laboratory and radioactive clouds were tracked by airplane. Radiation from one test was detected 70 miles east of the laboratory in one test. That radiation-tracking experiment was made public last month by the General Accounting Office, but details describing the research had not been public until earlier this week.

Spokesmen for Los Alamos and the other Energy Department installations said the initial disclosures were a start to what they expected would be a far larger project. "These first few pages, it's really the easy part," said Jerry Holloway, a spokesman for Pacific Northwest Laboratory at the Hanford nuclear weapons plant. "We have people searching the files for much more and the next phase of this may not go as quickly."

## Experiments in Boston Area

Another center of human radiation experiments was the Boston area. Archivists are searching radiation-related files at the Massachusetts Institute of Technology, a spokesman said. Harvard University has also opened a search of archives in 12 libraries on campus and in the records of Massachusetts General Hospital. The university is assembling a group of biomedical experts, human rights authorities and radiation specialists to guide the investigation.

"We are looking through any possible files that might lead us to more information," said Joe Wrinn, a spokesman at Harvard. "Everyone involved in this is driven by what is best for the people who were involved in the experiments."

funeral.

It was the third time in less than 10 months Clinton traveled to Arkansas for memorials, having buried his old friend Vince Foster and his wife's father, Hugh Rodham, last year.

Kelley stood in sharp contrast to the demure, colorless, television-era characters who dominate modern politics with her shock of white hair set off against a black bun, eyebrows painted into a thin, high arch and a bold horseshoe-shaped diamond ring on her finger to memorialize her passion for betting on the ponies.

During the presidential campaign, reporters calling her for the first time would often be startled by an answering machine message informing callers that "if I'm not here, I'm probably down at the race track."

"She was a woman who traveled through life at her own velocity, flying her own colors," said Linda Bloodworth-Thomason, the television producer and close Clinton family friend. "She managed to wring every drop of joy she could from her life."

(Begin optional trim)

The life was one in which the joy mixed often with pain.

Her elder son was born four months after his father, William Jefferson Blythe, died in a car accident in 1946. The couple had barely lived together, as Blythe had been drafted into the army shortly after their marriage in 1943.

When her child reached two, she left him in the custody of her parents in the small town of Hope, where her father owned a grocery store, while she traveled to New Orleans to train for a job as a nurse-anesthetist at the city's Charity Hospital.

"Everybody who loses a husband thinks they'll never get married again," she said in the 1991 interview. "I thought, 'my goodness, this child will be looking to me' " for support.

"It was the most difficult thing I ever did," she said, referring to the separation from her son. "I'd be working, putting a child under (anesthesia), and tears would be streaming down my cheeks thinking about my own child."

After completing her training, she returned to Arkansas and shortly married again, to Roger Clinton, a car dealer from Hot Springs, where the couple moved. Clinton was the father of her second child. He beat Kelley during bouts of drunkenness, with the couple divorcing and remarrying during a union that last 17 years until his death from cancer.

A third husband, Jeff Dwire, a hairdresser, died of complications from diabetes after only a few years of marriage.

As for her fourth husband, whom she married in 1982, "I warned him I was probably a jinx," she once laughingly told a reporter. The two lived in a cottage next to a small lake outside Hot Springs along with a large dog that lived out back in a doghouse covered with old Clinton political placards.

(End optional trim)

Kelley was a constant of Clinton's many political campaigns walking precincts to knock on doors, stuffing envelopes, answering phones. During the presidential campaign, she and her husband led a contingent of Arkansans to New Hampshire to canvass the state for her son, and "at every moment while we were down, she would come into campaign headquarters and pump everybody up," recalled Richard Mintz, a former campaign official who is now spokesman for the U.S. Transportation Department.

"When the times were really rough, she would help pump him up too," he said, referring to Clinton. "She was, perhaps, the world's greatest optimist."

\*\*\*\* filed by:LAWP(-- ) on 01/07/94 at 02:09EST \*\*\*\*  
\*\*\*\* printed by:WHPR(162) on 01/07/94 at 03:27EST \*\*\*\*

bc-welfare-plan - a1714

(ATTN: National editors) (Includes optional trims)

Congressional Democrats Plan Welfare Reform Bills (Washn)

By Ronald Brownstein= (c) 1994, Los Angeles Times=

WASHINGTON Disappointed over signs the administration is delaying action on welfare reform, moderate Democrats in both houses of Congress are drawing plans to introduce their own reform bills in an effort to pressure President Clinton to act.

"It's quite possible people on the Hill will move on their own, not against the administration, but to show there is bipartisan support for welfare reform this year along with health care reform," said Sen. Joseph I. Lieberman, D-Conn.

In the House, the Mainstream Forum, an organization of centrist Democrats, is planning to send Clinton a letter, perhaps as early as Friday, urging him to reconsider the apparent decision to delay the introduction of an administration welfare reform bill. "It's clear their feet need to be held to the fire on this," said Rob Herman, an aide to first-term Rep. Eric D. Fingerhut, D-Ohio, a leader in the group.

Aides to House members active in the group which attracted 77 signatures to a letter last October pressing Clinton to emphasize welfare reform met Wednesday to map out options for moving forward on the issue. "We are seriously considering introducing legislation," said one aide who attended the meeting.

Observers agree it would be extremely difficult for legislators to advance a welfare reform proposal without administration support and with the leadership of both houses generally favoring the idea of emphasizing health care over welfare reform in 1994. But a revolt by moderate Democrats could embarrass the president, whose campaign promises to reform the welfare system was a cornerstone of his effort to define himself as a "new Democrat."

Already, the president is under fire from Republican leaders such as House Minority Whip Newt Gingrich, R-Ga., who accuse him of backing down from the issue to avoid a fight with Democratic liberals.

An interagency administration task force has substantially completed recommendations for a major overhaul of the welfare system, including requirements that all recipients work after two years on the rolls.

But over the past few weeks White House officials have repeatedly signaled that the administration intends to delay introduction of welfare reform legislation until later this year to avoid conflict with the health care bill, which is expected to require a vast amount of time and effort in Congress and the executive branch. One ranking White House official said this week that the welfare bill might not be introduced until September.

White House officials have argued that attempting to push welfare and health care reform simultaneously would overload the tax-writing committees in both Houses, which must consider both bills.

In an interview, Lieberman said he will introduce Senate legislation soon that would advance the welfare reform effort "in a step-by-step way." Although the bill isn't in final form, he said he intends to propose that the federal government underwrite intensified experiments in the states with a series of reforms aimed at changing incentives for recipients.

(Optional Add End)

Among them: denying additional benefits to women who have children while already on the rolls; requiring welfare recipients to keep up their children's school attendance; and allowing women who cooperate in obtaining child support awards to keep more than \$50, the share the government gives them now from each payment.

Lieberman said he is also interested in encouraging some state to experiment with conservative author Charles Murray's proposal to cut off welfare benefits entirely for children born out-of-wedlock. Such an experiment, Lieberman said, might start by cutting off welfare solely for teen-age mothers, as proposed in legislation introduced by House Republicans.

\*\*\*\* filed by:LAWP(-- ) on 01/07/94 at 02:18EST \*\*\*\*  
\*\*\*\* printed by:WHPR(162) on 01/07/94 at 03:31EST \*\*\*\*

# Clinton hails 'very good trip'

By Bill Nichols  
USA TODAY

A1

GENEVA — President Clinton is home today after wrapping up an eight-day tour of Europe Sunday by urging new steps toward Mideast peace.

Syrian President Hafez Assad, who met with Clinton here, now says he wants to pursue a "peace of the brave."

Clinton praised Assad's "clear, forthright and very important statement" and said he hopes it will "provoke a positive response from Israel."

Israeli Foreign Minister Shimon Peres said Assad's "tone was too positive to be disappointing and too general to raise satisfaction."

Administration officials hailed Assad's call for "normal, peaceful relations" as the farthest he has gone in showing himself ready for peace.

But Assad pointedly avoided saying whether he will totally normalize relations in exchange for Israeli withdrawal from the Golan Heights — captured during the 1967 war.

Officials said they think Clinton's agreeing to meet with Assad in such a high-level fashion will give added impetus to Middle East peace talks set to resume Jan. 24 in Washington.

Sunday's meeting marked the final stop for Clinton, visibly exhausted after visits to Belgium, Prague, Ukraine, Moscow, Belarus and Geneva.

"I think it was very good trip," he said while relaxing on Air Force in blue jeans and a sweater. "I can say without any hesitation that it (the trip) met all of our objectives."

But his trip to Moscow — where he praised Russian President Boris Yeltsin's commitment to reform — already appeared undercut by the resignation Sunday of Russian Economics Minister Yegor Gaidar, a key reformer.

On Clinton's agenda Tuesday: a full physical exam.

## Plans urging end to welfare draw attention

By William M. Welch  
USA TODAY

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While President Clinton and Congress consider whether to reform welfare, Charles Murray has another idea: Abolish it.

Murray, a conservative author and think tank analyst, argues that the welfare system is causing dramatic growth in rates of out-of-wedlock births by assuring young women the state will help support them and their children.

"My proposition is that illegitimacy is the single most important social problem of our time," Murray says.

His prescription: End payments to single mothers under Aid to Families with Dependent Children, the main federal-state welfare program, and halt food stamps and housing benefits.

Congress is expected to debate welfare reform this year even though the White House would rather wait until its health-care overhaul is approved. And Murray is attracting serious attention in Congress with his proposal and his thesis: that only by restoring economic penalties and social stigma will out-of-marriage births be reduced.

It's a radical idea, unthinkable just a few years ago.

Few in the welfare debate have been willing to climb all the way out on the limb with Murray to support abolishing the system established as part of Franklin Roosevelt's New Deal.

One Democrat, Sen. Joseph Lieberman of Connecticut, plans to introduce a bill this month that would authorize one or more states to try Murray's idea.

House Republicans have incorporated a bit of Murray's thinking in their tough welfare-reform bill, allowing states to cut off welfare for unmarried parents under 18 in certain cases. GOP leaders, including Whip Newt Gingrich of Georgia, have been talking with Murray and are considering toughening their bill with a broader test of Murray's ideas.

Liberals say Murray's statistics and analysis are flawed. Robert Greenstein, director of the Center on Budget and Policy Priorities, accuses Murray of "oversimplification" of the illegitimacy problem and "deceptive numbers juggling" with birth rates.

But the attention Murray's proposal is receiving dramatically demonstrates just how far to the right the debate over welfare has moved in recent years. "There's going to be a lot of opposition to it," Lieberman says of Murray's plan, "but he's pushed the dialogue in a very important way."

Murray, 51, a fellow at the American Enterprise Institute, a conservative think tank, first floated the idea of scrapping welfare a decade ago in a book, *Losing Ground*.

Murray's proposal stems from a set of facts: In 1991, 1.2 million children were born to unmarried mothers, nearly 30% of all live births. That is 4 percentage points higher than the black illegitimacy rate in the early 1960s when Sen. Daniel Patrick Moynihan, D-N.Y. — then a presidential adviser — wrote a groundbreaking analysis that predicted the illegitimacy would lead to a breakdown of the black family and urban society.

Murray concludes that this rise in illegitimacy is due in large part to the ready availability of welfare. Like Moynihan, he concludes illegitimacy's rise is a key contributor to creation of an "underclass," outside the labor force, dependent on government support and linked to crime, drugs and violence.

Greenstein and other critics charge that Murray lets unwed fathers off too easily. Murray would not even require child support payments by unmarried fathers — his way of making it clear to women that marriage is paramount.

"When you actually look at what he's proposing, I think it ultimately will be found unpalatable," Greenstein says.

Murray dismisses Clinton's welfare-reform plan as "essentially a glorified job-training bill" that "avoids the only thing that's going to affect the really important behavior, which is not having the baby in the first place."

## COVER STORY

# Regulators play catch-up with growth

Some recent mishaps have put industry in spotlight

By John Waggoner  
USA TODAY

About 14,000 soldiers — including the 194th Armored Brigade — guard the USA's \$100 billion in gold bullion at Fort Knox.

The mutual fund industry now holds \$2 trillion in assets — 20 times Fort Knox's gold. Guarding the nation's 4,500 funds and more than 80 million investor accounts: just 133 Securities and Exchange Commission examiners. That's one examiner per \$15 billion in assets and 600,000 accounts.

Virtually everyone — from the SEC to major mutual fund companies — says the industry needs tighter monitoring. "Even with the best of regulatory intentions, an inspection regime based on a mere (133) examiners... is a recipe for disaster," said Rep. Edward Markey, D-Mass., at a congressional hearing last year on the state of the fund industry. Industry watchers fear that cracks are beginning to show in the fund industry's rock-solid reputation.

Funds have powerful safeguards protecting investors against fraud and theft. Those have helped keep the industry clean of most scandals common on Wall Street. But investors have been pouring a record \$20 billion a month into

stock and bond funds. Two new funds start each day.

Congress held hearings last fall to determine whether mutual funds needed stricter regulation. Fidelity Investments, the nation's largest mutual fund company, has stiffened the rules governing how money managers trade in personal accounts. And consumer groups have called for new laws to protect consumers who buy funds through banks.

The fund industry prides itself on a clean image. It got it the hard way. Funds were so corrupt in the '20s and '30s that they were the target of multi-year congressional probes. Brokerage firms used funds as dumping grounds for unwanted stocks.

The 1929 stock crash devastated the fund industry. The stock market fell 89% through 1932; many funds suffered even more appalling losses. Reacting to public outrage, Congress crafted the Investment Company Act of 1940. Safeguards in that law, which still governs practices of money managers today:

▶ A separate bank custodian must hold fund assets. That way, fund managers can't run off with money. Fund companies also have insurance to protect shareholders from insider theft. "I couldn't embezzle if I wanted to," says Kenneth Heebner, manager of CGM Capital Development. "I could trade \$200 million a day, but it's just a lot of bookkeeping."

▶ Funds must have a board of directors to oversee operations — and 40% of the directors can't be related to those who run the funds.

▶ Funds can buy securities with borrowed money only under very limited circumstances.

▶ Funds must tally their holdings and price their shares daily. That helps keep funds from buying penny stocks or other securities that have no regular market.

Despite those protections, some major mishaps recently have put the industry under the spotlight:

▶ Friday, a federal jury found former Cooper Cos. co-chairman Gary Singer guilty of illegal inside trading on junk bonds. Singer paid more than \$700,000 to his accomplices — including Keystone mutual fund analyst Albert Griggs, who tipped Singer to the fund's investment plans. Keystone fired Griggs.

▶ John Kaweske, portfolio manager for Denver-based Invesco, was fired Jan. 4 for allegedly violating the company's rules on reporting trades in his personal account. One of the industry's hottest managers, Kaweske drove Invesco Strategic Health Sciences Fund to a 92% gain in 1991. Invesco says the violations weren't major or illegal.

▶ Kemper Financial agreed last October to a \$9.8 million settlement for shareholders of Kemper Option Income Fund and Kemper Investment Portfolios-Option Income Portfolio. Fund manager Thomas Richards helped run Kemper's employee profit-sharing plan. The SEC alleged Richards allocated biggest profits to the profit-sharing plan, not the funds. Kemper did not admit wrongdoing.

▶ Patricia Ostrander, a Fidelity fund manager, accepted from junk-bond king Michael Milken an interest in the limited partnership MacPherson Investment for purchasing high-yield bonds for Fidelity. She was sentenced to two months in prison and fined \$200,000 last year. Fidelity also sued Ostrander in 1990 on behalf of shareholders.

▶ In 1988, the SEC barred Clark Aylsworth, head of the United Services funds, from the industry. Aylsworth was barred because his employee, United Services Fund manager Carl Lazzel, invested the fund's money in fraudulent gold-mining penny stocks. Lazzel went to jail. United Services was sold to new management and repaid investors \$15 million plus interest.

▶ In 1988, David Baker, manager of the 44 Wall Street Fund, settled charges that it misspent the fund's management fees paid by shareholders. A \$10,000 investment March 31, 1983, in 44 Wall Street shrank to \$5,300 after five years. The same investment in the average stock fund would have grown to \$16,900.

The SEC audits money market mutual funds every year, as well as the 100 largest mutual fund groups. But many small and medium-size fund groups haven't been examined in five years. And some new fund groups have never been audited.

The SEC deals with its shortage of examiners by targeting specific areas, and making highly public cases against offenders. Focus now is on questionable trading in personal accounts by portfolio managers. "It's behavior we can't tolerate," says Barry Barbash, head of the SEC's Division of Investment Management, which oversees the funds.

In a typical audit for abusive trading, SEC inspectors demand electronic records of the funds' trading for more than a year. They then match them with the trading records of a manager's personal accounts. The SEC's enforcement agents handle serious offenders.

The SEC also is targeting new, small funds. "Since September, we've changed our focus from the 100 largest mutual fund groups," Barbash says. "We're going to be having more inspections on small and medium-size groups."

Another major worry: The growing number of banks selling funds, highlighted by Mellon Bank's purchase in 1993 of Dreyfus, the sixth-largest fund group. Banks, anxious to give

customers investment alternatives, now have more than 1,000 funds with \$200 billion in assets, vs. 213 funds with \$35 billion six years ago.

Yet almost two in five customers who bought funds at a bank mistakenly think those funds are insured by the federal government, a survey released last week shows. Consumer groups are pressuring Congress to pass legislation that forces banks to:

▶ Stress that mutual funds aren't federally insured.

▶ Sell funds in areas physically separate from where customers open insured deposit accounts.

▶ Keep banks' names and logos off mutual fund literature.

The SEC plans to add 50 fund examiners this year. Eventually, it aims to have a total of 300 examiners in its Division of Investment Management, which oversees funds and all investment advisers, such as stockbrokers and financial planners. (Currently there are 181 examiners in the division — 133 assigned to funds.)

But even that many would be swamped. Funds, brokers and planners run \$9.2 trillion in assets. In contrast, the Federal Deposit Insurance Corp.'s 3,300 bank examiners oversee \$2.6 trillion in insured deposits.

Some help may be on the way from the fund industry. Fund companies know they have much to lose if scandal continues to grow. So they want more money to go to SEC examiners. Funds now pay \$80 million in fees to the U.S. Treasury. About \$24 million of that goes to the SEC. The industry has asked Congress to make Treasury funnel more money to the SEC for fund supervision.

While the funds have a better record for honesty than the rest of the financial-services industry, the long bull market may have hidden some abuses. Few investors complain when they're getting double-digit annual gains on their fund.

And rapid growth can tax even a system that has worked well in the past. "When you have 4,000 funds, the law of numbers kicks in," Heebner says. "As the population grows, there will be more abuses."



# State Welfare Chiefs Propose Requiring Recipients to Work

By William Claiborne  
Washington Post Staff Writer

State welfare administrators added their voices to the cacophony of proposals for welfare reform yesterday by unveiling their plan for overhauling public assistance and making recipients work for their benefits.

Although similar in many respects to President Clinton's ideas for reforming welfare, the proposal by the American Public Welfare Association (APWA) appeared certain to contribute to the debate over what Joseph Califano, former Health, Education and Welfare secretary, has called "the Middle East of domestic policy."

The APWA estimated its plan would add \$15 billion to welfare costs over five years, and in a major departure from current practice, the group recommended that the federal government pay 90 percent of welfare costs and states provide 10 percent. The split for most categories of Aid to Families With Dependent Children, the main existing cash assistance program, is roughly 55 percent federal to 45 percent state.

A. Sidney Johnson III, APWA executive director, said the federal share should be an "uncapped entitlement," with no specific limit.

The administration has not said how much it will spend on welfare reform or where the money will come from. However, like the APWA, it has said changing the system may cost more in the short term but will save money over time.

The plan of the bipartisan association, which represents state welfare commissioners and local welfare agencies from all 50 states, brings to at least six the number of comprehensive welfare reform proposals being thrust at Clinton as he considers how to translate into legislation his campaign promise to "end welfare as we know it."

Other detailed reform plans have been drafted by a White House interagency task force, House Republicans, 84 urban Democrats in Congress, the Mainstream Forum of 77 centrist House Democrats and the conservative Heritage Foundation. In addition, a wide range of welfare advocacy groups and policy study organizations have offered ideas for reforming welfare.

The array of plans, coupled with Republican threats to embarrass Clinton on his prime domestic issue if he does not move on welfare reform soon, has intensified pressure on the president to propose legislation even if it means deflecting attention from health care reform.

Presenting its plan at a news conference, the APWA called for a two-year limit on

welfare benefits, more education and job training for welfare mothers and improvements in collecting child support.

The group also urged streamlining benefit programs, giving states more flexibility to innovate in welfare reform, and "making work pay" by broadening the earned income tax credit, guaranteeing health care coverage and expanding child care for low-income families.

The APWA suggested that parents who apply for welfare be required to sign an "agreement of mutual responsibility" in which they pledge to strive for self-sufficiency and welfare agencies promise to provide necessary services.

Following two years of education and training, welfare recipients would be required to work in the private sector or, as a "last resort," in a public service "community work experience."

The plan would increase spending on the Job Opportunities and Basic Skills (JOBS) program, now set at \$1.1 billion, and would give 75 percent of the created work positions to welfare graduates of JOBS and 25 percent to the working poor who are not on welfare.

Many of the recommendations parallel those in a draft proposal written last month by the 32-member White House welfare reform task force, with the major difference being that the APWA plan for forcing recipients into jobs has no exemptions that would allow people to get out of work or education programs. It also has stronger penalties for those who fail to take steps toward attaining self-sufficiency.

The APWA plan does not address the divisive question of how to reduce the growing number of out-of-wedlock births to welfare mothers, which White House domestic policy adviser William Galston recently called "the most important indicator of welfare dependency."

The White House task force has proposed trying to discourage out-of-wedlock births among young welfare recipients through "disincentives," including reductions in cash assistance for women who have children while receiving aid.

Despite the differences, the White House task force yesterday praised the APWA for doing a "tremendous job."

In a statement, the task force co-chairmen, White House adviser Bruce Reed and Health and Human Services assistant secretaries David T. Ellwood and Mary Jo Bane, said: "We look forward to working with them to create a new system that reflects the basic American values of work, family, responsibility and opportunity."

# Gore Urges Phone, Cable Deregulation

## Plan Requires Firms To Forgo Monopolies

By Paul Farhi  
Washington Post Staff Writer

LOS ANGELES, Jan. 11—Vice President Gore today unveiled a plan that would let telecommunications companies choose to enter new businesses, free of most major regulations, in exchange for giving up the monopolies they currently hold.

Under Gore's plan, if companies seek to compete in markets from which they are now barred, they would come under a new "streamlined" federal law that would do away with such regulations as municipal cable TV franchises and state public utility rate rules.

For example, a cable TV company could begin offering local phone service as long as it faces direct competition in its market from another video provider, such as the local phone company. Conversely, a local phone company could begin selling TV service over its lines if it permits other telephone competitors into its market.

Gore's plan, offered in a speech to executives here, outlined the framework for a Clinton bill to go to Capitol Hill this month, and industry and congressional sources showed general enthusiasm for it today.

The administration proposal incorporates major deregulatory proposals that already have been introduced in Congress, but adds an important wrinkle: that companies choosing not to enter new businesses would continue to be subject to all existing regulations.

Gore's plan is designed to encourage telecommunications companies to invest in new equipment and build systems that will greatly enhance the amount of electronic information—thousands of TV channels, new phone services, computer data—that the average household can receive.

Technology has made it possible for many different kinds of companies to build such competing "information su-

See TELECOM, F9, Col. 1

# Deregulation Plan Unveiled

TELECOM, From F1

perhighways," but state and federal laws and court decrees now limit direct inter-industry competition. These restrictions prevent long-distance phone companies from being in the local phone business, for instance, and vice versa.

Gore launched his plan before a gathering of entertainment moguls and cable and telephone industry executives at a conference on the emerging networks.

True to its setting in the shadow of Hollywood, Gore's address was briefly interrupted by Lily Tomlin, who in character as the telephone operator Ernestine engaged the vice president in some off-the-cuff banter about new forms of telecommunications.

Gore, who said his proposal will be sent to Congress in a few weeks, left many important details out of his speech. He also said other key points would be decided by the Federal Communications Commission after legislation is passed by Congress.

For example, the vice president would leave it up to the FCC to write rules that ensure that all comers are guaranteed open access to a network owned by a company. Some fear that in a deregulated world, a network owner such as a local phone company will discriminate against competitors desiring access to the company's transmission facilities.

Although Gore reiterated his support for extending new communications services to all households, regardless of their location or income, he declined to spell out what services should be guaranteed to all customers. He also did not advance any new ideas for paying for such "universal service," saying instead that "all carriers must be obliged to contribute" to a general fund of some kind. Rep. Edward Markey (D-Mass.) has proposed a subsidy fund in a bill that allows cable and phone companies in each other's business.

However, Gore explicitly challenged the executives in attendance at UCLA to provide free access to advanced communications networks to every school, library and hospital by the year 2000. He cited Bell Atlantic Corp.'s decision, with partner Tele-Communications Inc., to provide schools with free access to enhanced information networks around Washington and in their other service areas.

The speech generally embraced deregulatory moves taken by key legislators. Rep. John D. Dingell (D-Mich.), coauthor of legislation that would let local phone companies into the long-distance business, said, "The vice president has proposed an intriguing and creative new framework for telecommunications regulation."

"It's a good example of regulatory flexibility," said Tom Norris, vice president of public affairs for AT&T. "It's not a straitjacket. A company doesn't have to be afraid to enter a new business because it's in an old business."