



DEPARTMENT OF HEALTH & HUMAN SERVICES

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Welfare-Hope and Fear, 840

The Welfare Future Frightful to Some, Hopeful to Others

WASHINGTON (AP) Imagine a new world of welfare:

More young mothers who live with their parents, more women who delay having children, more families who share incomes and more fathers who provide support.

But also: more abortions, more women who stay with boyfriends or relatives who abuse them, more crowded living conditions.

As President Clinton prepares to sign a bill that gives states unprecedented authority to create their own systems, the question is what the result will be when the nation fundamentally changes a simple idea that grew into one of its most complex and far-reaching.

"I don't know what's going to happen and nobody else does either," said Mickey Kaus of Los Angeles, who studies welfare policy.

Some are hopeful, others worried, as they make drastically different predictions about how states will use new power to write rules, set payments and decide who will and will not be entitled to government checks.

At its core, the welfare bill ends the federal entitlement that guaranteed anyone who was eligible financial support. It sends the federal money to the states and allows them to decide how to spend it.

There are restrictions. The most conspicuous is a time limit that says recipients cannot collect benefits for more than five years over their lifetimes.

That will make the world of welfare look much different in five years, said Rebecca Blank, a Northwestern University economist. She foresaw both good and bad fewer illegitimate births but more abused mothers.

"I personally think it's a very dangerous experiment," she said. "These are potentially rather grave risks."

"In fact, children will perish as a consequence," said David Stoesz, professor of social work at Virginia Commonwealth University in Richmond, Va.

But that assumes most recipients will not be able to find work a hotly debated point.

A study in northeastern Ohio found that most welfare recipients are qualified only for entry-level work and concluded there are nowhere near enough private jobs for them.

"It's easy to say people should get off welfare and get jobs," said Laura Leete, an economist at Case Western University, who studied the Cleveland and Akron job markets.

But the jobs aren't there, she said.

Lawrence Mead, professor of politics at New York University, disputed that. The problem is that welfare recipients do not have enough work experience and often are unreliable employees. Forcing them to keep a job would fix that, he said.

"They know if they drop out they're just going to have to look for another job," he said. "We've got enough jobs."

A healthy, growing economy can easily absorb these workers, many contend. In fact, the economy is showing signs of labor shortages.

And states can get around the five-year time limit by giving state money to people past the limit.

The big question is what the states will do with their new power. Some fear they will end up being punitive when budgetary push comes to shove.

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AUGUST 12, 1996

SIGN IT

In September, 1985, on the twentieth anniversary of the Reverend Martin Luther King Jr.'s March on Washington, the editors of this magazine suggested that the continued social and economic progress of black Americans required acknowledging the existence of

generation upon generation of excluded, hopeless, chronically dependent people... There is an epidemic—the metaphor of pathology is not inappropriate, for what is involved is the health of the black community—of single-parent families, unmarried mothers, deserting fathers... Forty-one percent of black families are headed by women, without husbands present, up almost a third in the last decade... The percentage of black children living in one-parent homes rose from 32 percent to 49 percent in the same period... This is a demographic disaster, nothing less.

That 1985 editorial was moderately heretical, a leading indicator of the general mid-'80s reawakening of Americans to the problems of the largely black, largely urban "underclass." Now, some thirteen years later, concern about the underclass is a political cliché. Yet what has been done? Today, the percentage of black children living in single-parent homes is not 49 percent. It is 69 percent. In 1990, one out of every four young African American men was in prison, in jail, on probation or on parole. Today, the figure is one in three.

This is the context in which President Clinton must decide whether to sign the radical welfare reform measure being sent to him by Congress. Why, after all, do we care about welfare? Not for fiscal reasons; Aid to Families with Dependent Children (AFDC), the main welfare program, consumes only about 1 percent of the federal budget. We care because welfare is implicated in America's gravest social problem, the existence of isolated, depressed neighborhoods, the vast majority either black or Hispanic, where intact families and working fathers are practically nonexistent. You can argue about welfare's role in creating this underclass, but there is little doubt that welfare sustains it.

Change the welfare system, and the underclass will change, too. This has been the great hope of radical welfare reformers, left and right. It was also the hope of Bill Clinton during the 1992 campaign, when he pledged not simply to "end welfare as we know it," but to use welfare reform to "break the culture of poverty and dependence" in the nation's ghettos. Clinton's welfare proposal, belatedly unveiled in 1994, would have required work, even of single mothers, after two or

three years on the dole. If private-sector work was unavailable, community service jobs (and child care) would have been provided.

We supported Clinton's plan and hoped he would pass it before pursuing his ambitious health care reform. He didn't. We wish it were the bill he is now being asked to sign. It isn't. Instead, a Republican Congress is sending him a bill that replaces AFDC with "block grants" for states to spend on aid programs of their own devising. Readers of responsible editorial pages know by now that this block grant approach is "dead wrong" (*The Washington Post*), even "an obscene act of social regression" (Senator Daniel Patrick Moynihan, quoted approvingly by *The New York Times*). Several of our own contributors this week agree (see "Welfare: Where Do We Go from Here?" page 19).

So why should Clinton sign it? Not because all the liberal complaints are unjustified. The bill is, as of this writing, a nasty piece of work in many respects—made nastier by the cynical desire of some Republicans to bait Clinton into a politically damaging veto. But it has one virtue that overrides its flaws: it will, finally, start the process by which America's underclass problem can be solved.

AFDC, the press has noted with some drama, dates from 1935—although Franklin Delano Roosevelt could hardly have imagined that the tiny cash aid program hidden in the New Deal's massive structure would one day sustain more than 4 million single mothers, half of them never married. AFDC is an "entitlement." Congress guarantees that if a poor single mother shows up in State X, the federal government will send State X extra money to pay for the aid (be it welfare or workfare) that mother requires.

Entitlements have their virtues. Unlike a fixed-sum block grant, an entitlement program continuously redistributes money to those states with the greatest need. It automatically spends more money during recessions, helping stabilize the national economy. States are encouraged to set generous benefit levels because the federal government shares any extra cost—blunting the tendency of states to compete at being inhospitable to the poor (the so-called "race to the bottom").

It's also true that most of the current conservative boasts about block grants are far from convincing. We do not believe, for example, that state governments are



so efficient that vast administrative savings will be realized if only Washington butts out of the antipoverty business. Nor are states so different that no "one-size-fits-all" national welfare plan can do the job. ("Wisconsin is not like Delaware," one governor told Congress.) The forces responsible for creating the underclass—racial segregation, the migration of jobs and the middle class to the suburbs—are pretty much the same nationwide. Wisconsin's ghettos are like Delaware's ghettos. In designing a program to employ and assimilate the underclass, there is every reason to expect that one size will, in fact, fit all.

We just don't know what size that is. And there is the single compelling justification for block grants: they allow the sort of radical state experimentation that will, within a few years, tell us what works and what doesn't. In a block grant regime, some states will try replacing welfare with public service jobs, child care and health care, as Wisconsin plans to do. Some will try more of the "human capital" training schemes that Moynihan bet on in his 1988 reform (and that so far have failed). Some will allow recipients a couple of years of cash before work is required. Some will try the Contract with America's "cold turkey" time limit on any sort of aid. It's unlikely, but a state might even end cash aid altogether and spend its block grant dollars on, say, a massive campaign to counsel poor teens against unwed motherhood.

We suspect that something like Wisconsin's costly approach of replacing cash welfare with last resort public jobs will prove the winning formula. But nobody knows for sure because it hasn't been tried. We don't know if a public jobs program will inevitably degenerate into makework. We don't know what portion of the welfare caseload (a tenth? a third?) just can't hack working, even in a public job. We don't know if, as hoped, tough work requirements for single mothers will really cause young women to delay pregnancy until marriage.

And what of the harsher "cold turkey" time limit schemes? Moynihan has predicted "3.5 million children on the streets," largely because the bill contains what appears to be a five-year time limit on assistance. But this cutoff, heavily featured in press coverage, is phony. It bans states only from using federal money to pay for benefits beyond five years. States could use their own money for the benefits and spend the federal dollars somewhere else—an accounting shuffle. (A big flaw in the much-cited administration study predicting a rise in child poverty is its unwarranted assumption that states will actually cut off poor families after five years.)

In all likelihood, even conservative governors will prove relatively cautious when it comes to cutoffs, since voters will not reward politicians whose policies result in women and children living on the streets. The Clinton administration has also won concessions requiring states to keep spending their own money on the poor ("maintenance of effort") and providing a \$2 billion "contingency fund" for use during recessions.

Do the bills contain enough money to replace cash welfare with work? Probably not—though again, no one

really knows. It costs more to provide a single mother with a job, supervision and child care than to send her a check. On the other hand, the mere threat of work may cause people to leave the rolls for private jobs, freeing up some of the necessary money. What is clear is that the bill (as of this writing) contains at least \$2 billion more for work programs than current law. David Ellwood of Harvard, Clinton's former top welfare expert, estimates that there will be enough money to finance real, work-oriented reforms in those states that now spend a lot of their own money on welfare, but not enough in low-spending states. Assuming he's right, many states—New York, California and Michigan among them—will have enough money to give work a chance. If it becomes clear that successful reform requires more cash, low-spending states will begin to demand federal help. Given the current political and budget climate, that is the most realistic strategy for eventually getting adequate funding for work-based reform.

Opponents of the bill claim that states can conduct all the experiments they need under waivers from the Department of Health and Human Services. And it's true that Clinton has given states unprecedented freedom. It's also true that most state governors haven't undertaken even those work-oriented reforms that HHS would clearly permit. But that's the point. In the current regime, governors can make a fuss about minor state-initiated improvements in AFDC while blaming the feds for the larger failure to end the misery of the ghettos. A block grant regime forces each governor, and each state legislature, to take full responsibility for designing a welfare system—and for its impact on the underclass. If the block grant bill fails, on the other hand, there's no guarantee HHS won't stop granting waivers at some point in the future.

Democrats blew their chance at reforming welfare in 1994. Now it's the Republicans' bill or nothing. Putting off the issue until the next Congress means new complications and probably years of delay. If Clinton is re-elected, he will feel less political pressure for reform. Republicans may abandon their fragile block grant consensus and wander off to join Senator Dan Coats's give-the-money-to-private-charity faction. We've postponed radical welfare reform before, and the result has always been that reform never happens.

Clinton should continue to negotiate to correct the worst flaws in the current bill—the excessive cuts in benefits to legal immigrants, the threat (blunted in the Senate version, at least) to the antipoverty floor provided by the Food Stamp program. But ultimately he has to decide. Does he agree to a block grant structure that may cause some hardship, but is likely to point the way to ending the "culture of poverty"? Or does he continue with today's incremental reforms, most of which, even Moynihan concedes, are "not wildly successful"? This isn't an easy decision, but we don't think it is, in the end, a close one. The continuing agony of the underclass is destroying our cities, our race relations, our sense of civility, our faith in the possibilities of government. It's worth taking some risks to end it. *

FAX to Ramm

Clinton Administration still considering Wisconsin welfare plan as 30-day anniversary looms. Tomorrow marks 30 days since the state of Wisconsin's request for a set of Federal welfare waivers appeared in the Federal Register, but officials from that state report little progress on the Clinton Administration's review of the waivers. When Gov. Tommy Thompson submitted the welfare waiver requests, he called on President Clinton to approve the Wisconsin W-2 welfare plan within an expedited 30-day review period, although the Administration has indicated that a required public comment period would make meeting that deadline unlikely.

An aide to Thompson said staff-level negotiations between the Administration and the state are "an arduous task," adding: "They haven't even gotten to the discussion on the entitlement yet. What W-2 does is eliminate AFDC and its entitlement. That's probably going to be the area where the President is going to try and beg off. And they haven't even gotten to that." The aide said Administration officials "try to nickel and dime you on everything," and reduce the changes sought by Wisconsin. "There's three things that are at the core of W-2," the aide said, "One is the elimination of AFDC and its entitlements. The second is an immediate work requirement. The third is a very strict time limit of 5 years [of benefits] for a lifetime. If the President doesn't approve those three things, he doesn't approve W-2 -- that is W-2. It's our fear he'll approve the no-brainer portions of the waiver and not approve the innovative portions of the program, and then try and claim victory." Added the aide: "The whole process is kind of...frustrating. Here we have a law that was passed by the elected people of Wisconsin, overwhelmingly -- Democrats and Republicans. And yet we have to go to these bureaucrats in Washington and ask for their permission to implement our law. It just seems undemocratic." However, an Administration official close to the Wisconsin negotiations said the Administration is "not aware of any frustration on the part of Wisconsin officials," adding: "We're making progress. We intend to get this waiver done as quickly as we can." Asked whether the Administration plans to spend at least another 90 days considering the waiver request, the official said: "It's certainly our goal to do it sooner than that."

Lamm announces presidential bid. Former Colorado Gov. Richard Lamm announced his candidacy today for the presidential nomination of Ross Perot's Reform Party. Lamm said in his speech in Denver Colorado: "America has to ask itself not what it wants, but what it can afford." At another point Lamm said, "The New Deal, in my mind, has become a raw deal for my children." Lamm said his campaign will "be politically traumatic. ... I really want to create a whole new political coalition and dedicate it to reform and renewal. ... What America needs in short, is a 'No B.S. Agenda.'" Lamm promised a campaign that will be fiscally conservative and socially moderate. Lamm has reportedly raised only \$6,000 so far.

Powell stiff arm of GOP said to be overblown. Colin Powell made the evening news of all three television networks last night by making a number of comments which political reporters read to be an attempt to distance himself from Bob Dole and the Republican Party.

Welfare As I Know It

A Virginia Caseworker Tells How Her Clients' Lives Are Already Changing

By Janet Schrader

TACKED TO the cloth partition of my cubicle, directly above my welfare policy manual, is a commentary on welfare reform by Paul Offner, former legislative assistant to Sen. Daniel Patrick Moynihan. In his essay, Offner questions whether states are up to the task of putting welfare recipients to work, because "welfare reform depends on large bureaucracies of poorly paid caseworkers and record keepers, whose track record is mixed at best. If we expect miracles from them, we'll be disappointed."

Funny that Offner should lay the blame on us caseworkers. From where we sit, it seems like it's the policy makers who are

confused about what the welfare world looks like, and what it will take to change it.

I should know. As a caseworker in Virginia, I've been grappling for months with the kinds of changes that the rest of the nation will soon face as it struggles to reform its welfare system.

Virginia's policy, laced with many of the same elements found in the new federal law, requires that anyone receiving welfare start moving toward self-sufficiency by either finding a job or preparing themselves for the day when they can. This may be the best of all possible worlds—getting people to support their own families—but it does not always operate according to script. Like fairy tales, welfare reform theory presumes a happy

See WELFARE, C4, Col. 1

WELFARE, From C1

ending: She got a job, got off welfare and lives happily ever after. Occasionally, I find myself lulled into that story line. But getting a job and attaining self-sufficiency are not the same. What concerns me is welfare recipients' long-term ability to provide for their families—to keep a job, find another quickly if the initial job ends in a layoff or termination; to be able to get a second job if the first is only part-time or doesn't pay enough, to be able to handle a financial setback without going under. Real self-sufficiency requires not only job skills, but initiative, determination, energy, maturity and an understanding of the world of employment and employers.

A few of my clients have gone from the absolute bottom of drug addiction and homelessness to self-sufficiency in two years. (They were also assisted by a corps of social workers.) But others are not faring as well and 24 months may not be enough time for them. Here are a few scenes from the welfare drama in Virginia that have led me to this conclusion.

On a Monday morning in late April, about 20 women assemble in a conference room for an orientation on the state's new welfare law, which has just taken effect in Northern Virginia. Some of the women have just applied for AFDC benefits, others have been receiving public assistance for years. This morning, they will learn that their benefits are temporary (24 months); that they must sign an agreement of personal responsibility in which they agree to abide by the rules of the new program; that they will receive no additional benefits if they give birth to another child while receiving AFDC; that they must search for a job in the next 90 days and that they must participate in 20 to 32 hours of community service per week for six months if they fail to find a job.

I am giving the welfare reform presentation this morning and I've decided to use transparencies and an overhead projector. That way, the grin and sometimes angry faces in the crowd will be focused on the writing on the wall instead of me.

When I get to the part about community service work, I give an example: "For instance, you might be asked to work in the library shelving books."

This notion of community work experience gets the most raised reaction. A woman in the audience comments loudly, "You mean we have to work for nothing?"

"No," I clarify, "you're getting your AFDC benefits and food stamps."

She mutters again that community service amounts to working for nothing. Others, not so vocal, nod in agreement.

I point out that service work can be a way to get on-the-job training that wouldn't be available otherwise. It is also a way to meet people, to network and to show off your skills. Some remain unconvinced, a few seem delighted by the prospect, including one of my clients, who tells me later that she would love to work in a library.

Following the presentation, I interview clients, have them sign the necessary papers and give them instructions on job search.

When it comes time to sign the agreement of personal responsibility, one of the women asks what will happen if she chooses not to sign.

"Your case closes immediately," I tell her.

"For real?" she asks.

"For real,"

She signs.

A motivational trainer, contracted to provide job training, is conducting a mock interview with a woman who will be trying to enter the work force for the first time in years. The instructor is playing the part of the employer. She asks the applicant questions about her work experience, her desire to work for this company, why she thinks this company should hire her and how much she expects to earn. When the applicant in the "hot seat" falters, the instructor turns to a group of other welfare recipients watching from the sidelines. They follow through with the "right answers."

When the interview is finished, the instructor and the "applicant" shake hands, and the instructor moves onto her job search pep talk, ending with an almost religious repetition of: *Do not be denied.* If an employer takes your application and says he'll call but doesn't, call him. *Do not be denied.* If you send a resume but get no response, call the company. *Do not be denied.* "Do not accept no for an answer," the instructor tells the audience, which is looking on in wonderment.

After the sermon, the instructor collects information from each woman on what jobs she has applied for in the past week. One woman's form shows she has sought employment at only three places. Rules require that clients apply for 10 jobs per week, and turn in their job search log weekly.

The instructor fixes the woman with a stare that could pin a fly to the wall. "You applied for only three jobs?"

The woman begins to explain but the instructor cuts her off.

"How had do you want to get off welfare?"

"I want to get off but . . ."

"How had do you want to get off welfare?"

"I want to get off . . ."

"How had do you want to get off welfare?"

The woman promises to do the required 10 applications next week, plus the seven she missed this week.

I am awestruck. I have never seen such an in-your-face, confrontational approach work so well. I later learned that, after a few failed attempts, the woman found a part-time job in a bagel shop.

I'm just trying to make sense of this. I'm just trying to make sense of this."

That's my co-worker in the next cubicle discussing a point of policy with our supervisor. I am trying not to hear this conversation, so I turn up the volume on my desktop radio and continue entering client information into the computer. Over the past two years I have learned (much like Captain Yossarian in "Catch-22," Joseph Heller's novel about the absurdity of institutions and rules) that the more

you try to make sense of policy, to understand it in the context of daily life, the more confusing it becomes. Policy, I believe, is like an idiom: it is not literally translatable. It is also not flexible. Like trying to wrap a board around a pole, I have learned to simply apply the rules without thought to whether they make sense. When circumstances dictate, I fudge.

In the policy discussion that I drowned out, the issue was part-time employment. Virginia's welfare rules require that persons receiving public assistance find a part-time job if they wish to enroll in a training or education program, including English as a Second Language classes. At base, this rule seems reasonable; it sends the message that persons on welfare can better themselves through education and training, but they must also contribute to their family's income.

In some cases, however, this rule defies comprehension. I watch two Somali women—one of whom speaks just a shred of English and the other no English at all—sit in a Job Readiness workshop preparing to find employment that will allow them to attend English language classes. In other words, they're sitting in a class, *taught in English*, that is supposed to help them find jobs, so long as they don't have to speak English to do the work, in order for them to take English classes.

Ms. Schrader, the voice on the phone shrieks. "I just got your letter telling me you're cutting off my check because I missed the Job Readiness class."

It takes me a minute, but I finally recognize the voice. (Rarely do my clients introduce themselves on the phone; they just start talking, assuming I know exactly who it is.) The woman shouting at me had missed more than the Job Readiness class. She also had missed a required orientation program on how the welfare system has changed, rescheduled for another and came an hour late to that meeting. She actually had made one day of the week-long Job Readiness session, but had missed the rest because she said she and her baby were sick. So I rescheduled her for the next round of classes, of which she missed the first two days. In terms of personal responsibility, hers is waiting.

"I couldn't go to that class because my cousin was murdered and the police were here, and my family had to make funeral arrangements."

"You couldn't call me or the Job Readiness instructor to let us know that you would be absent?" I ask. Murder doesn't get you off the hook in this program.

"I don't have a phone. And the people in this building, none of them would let me use their phone."

After the woman calmed down and apologized for shrieking at me, I was able to explain that the letter she had received was a warning, letting her know that she was in jeopardy of having her check suspended for one month if she did not contact me within a week. I told her that she had complied by contacting me, but I would need documentation of her emergency to excuse her from missing her scheduled activity. What I did not tell her was that I am not the person who stops checks—that's another poor-

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ly paid bureaucrat—and that I had read about the murder in the newspaper, so I knew the story was true.

Not all of my phone calls are from near-hysterical clients fearing financial ruin. Some are from women who have found a job. I received one such call on a recent Thursday. A woman whom I had sent to apply for a job opening at a deli was calling to let me know she had been hired for the position and would start the following Monday. I was thrilled until she told me her hours: 6:30 a.m. to 3:30 p.m. How, I wondered, was she going to get her 13-month-old daughter to a day care provider and still arrive on time at her job in the District using public transportation. This job, I knew, was doomed from the start, so I began searching our job listings to find a back-up.

As I feared, the job didn't last a week. Although the woman tried valiantly, the day care provider who had offered to meet the woman at the Metro stop and take her child (a service most day care workers won't provide) showed up late or failed to show up at all some days, causing the woman to miss work. By the following Thursday, she needed the second job referral that I was lucky enough to have found.

This story did have a happy ending, at least for now: The woman got the second job, at a gourmet food shop, which is actually better than the first job because it's in Alexandria and pays more than the first job. This was more than a month ago, and so far so good.

There are several aspects of this woman's case that are worth noting. First, the fact that she was hired at both jobs to which I referred her is highly unusual. More often than not my clients do not get the jobs that I encourage them to apply for.

Second, this woman broke the cardinal rule of job searching—never take your children with you—and still she was hired. She told me later that she had to take her daughter because there was no one to watch her, and the child, who was having a bad day, howled through the entire job interview.

Third, had this woman managed to keep the first job, which paid \$6 per hour, she would have become ineligible for AFDC, so her case would have closed. She would have been considered to be self-sufficient.

In all of our welfare reform literature and presentations, in our Job Readiness Program and Job Search Support Groups, we caseworkers talk about self-sufficiency. In fact, we use the term so much, I'm afraid it has lost all meaning. What exactly does the government mean by self-sufficient? Does it mean just no government assistance or does it mean the ability to truly provide for one's family?

Let's take this woman's case again. Assume that she was able to keep that job in the deli, and that she receives no government subsidies or benefits. Now let's crunch a few numbers. If

she's working 40 hours a week at \$6, she's earning \$240 a week before taxes. Let's call it \$195 after taxes. That's a monthly income of \$750. Deduct \$500 for rent, \$500 for day care (\$25 per day), about \$125 for Metro fare, and whoops! we're already in negative numbers.

Our deli worker could get a part-time job to augment her primary paycheck, but then she would have additional child care costs and she would never see her daughter.

As it happens, this woman is working in retail at about the same hourly wage as the deli paid, and is being considered for subsidized housing. She is eligible for day care assistance, and by working closer to home, she has lower transportation costs. So long as she succeeds in getting subsidized housing and day care, then at \$780 a month, she's better off working than bringing in a welfare check of \$294.

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Ninety days have elapsed for four of my clients who began their job search in April. One woman has found a full-time job at the J.C. Penney's store that recently opened in Landmark Mall. She is earning \$6.25 an hour. Two other women have made the required 10 applications a week but have not been hired. Both are around the age of 40 without a high school diploma or any job skills to speak of. One is a native of South America who would love to work in retail, but her English is just not good enough. The other, who has held only scattered jobs, would like to work in a library or store or home for the elderly.

The third woman who failed to find full-time employment just missed getting her Graduate Equivalency Diploma several years ago and was seriously injured in an automobile accident last year, an injury which has hampered her job search. She would like to be a paralegal.

As required by policy, I referred all three women to the Alexandria Volunteer Bureau, which matches clients to volunteer jobs in the nonprofit sector or in public works projects. Here's how they fared: The woman from South America is working at a local charity thrift store, the aspiring paralegal is working for the Legal Aid Office; and the would-be librarian is shelving books as a volunteer for the Northern Virginia Community College library by day, and from 5 p.m. to 3 a.m. she cleans offices for a paycheck. All are delighted with their assignments.

Of the 87 clients on my caseload, 20 have found jobs that pay enough or offer enough hours for them to leave welfare. Almost all these women have skills in the health care or clerical fields, and most decided on their own to get training and get off welfare. Of the other 67, 10 are in training programs, and the others—with the exception of the three in community service and seven inactive because of medical or family crises—are looking for a primary job or searching for a second to supplement part-time work.

In my conversations with other welfare caseworkers, I have never heard anyone complain about the two-year limit. I think we all believe that deadlines are good for everyone. I have heard no complaints about the community service program. I, for one, am a strong supporter of this component. For women like the three I just mentioned, working as volunteers can prove a nurturing and beneficial experience that can serve as an entry into the world of paid work.

The part of welfare reform that concerns me and my colleagues is of clients' ability to keep jobs and become self-sufficient. We have seen women lose jobs because they did not arrive on time or because their children got sick or because they got into a dispute with a supervisor. We have seen employers reduce hours so that a full-time job suddenly became a part-time job. (This is especially true in retail and food service.) We have seen women opt to care for friends or relatives' children for 30 to 40 hours a week for a meager \$50 or \$75. Because they are working full-time, they are not required to look for a job and they will continue to get some portion of their AFDC check. But what happens in two years when the government check stops?

The part of welfare reform that makes me bristle is the assertion, such as Offner's, that caseworkers are in some way accountable for their clients', and the program's, success or failure. When I need an antidote to this kind of thinking, I consult a page from my Stephen Covey "7 Habits of Highly Effective People" Desk Calendar. My favorite passage is the one that quotes author Marilyn Ferguson: "No one can persuade another to change. Each of us guards a gate of change that can only be opened from the inside. We cannot open the gate of another, either by argument or by emotional appeal." (This is not a new thought. Seventeenth century physicist and philosopher Blaise Pascal concluded that "people are generally better persuaded by the reasons which they have themselves discovered than by those which have come into the mind of others.")

Which means we caseworkers can encourage, threaten, cajole and penalize. But until our clients are physically, intellectually and emotionally ready to take on the burden of supporting their families, or until they get the kind of intensive support, training and counseling to prepare them for this difficult duty, the goal of real self-sufficiency will not be attained.

How Welfare Will Change

Locally, Three Different Policies Will Be Tried

FEDERAL LEGISLATION, signed Thursday by President Clinton, turned the nation's welfare program over to the states. The District, Maryland and Virginia already had charted their own approaches and had received federal waivers to try them. Virginia's approach is the most stringent, while the District's appears the most generous.

It remains unclear how the new federal welfare rules will mesh with the plans in the District and the two states. Here are the broad outlines:

■ **The District:** Last week, the Clinton administration approved a plan that exempts the District from the toughest provisions of the new federal rules, which set a five-year lifetime limit on federal funds for public assistance and mandate that able-bodied welfare recipients find work. Under the plan, adopted by the D.C. Council last year, the city's 70,000 welfare recipients will be able to receive benefits beyond the time limit if they prove they have searched for a job and were unable to find one that pays more than their welfare payments, or if they are enrolled in job-training programs or studying at a community college.

■ **Virginia:** In contrast, welfare benefits to Virginians will be cut off sooner than required under federal law. The state redesigned its program last year, and now requires most of its approximately 166,000 recipients to move off benefits and into jobs within two years. The program also requires most single parents on welfare to go to work in 90 days, compared to two years under the federal law. Virginia's law contains a stiffer version of the federal provision that requires recipients to identify absent parents who should be paying child support. In June, a federal judge temporarily blocked the state's attempt to enforce that aspect of the law against two women.

■ **Maryland:** Maryland's approach falls in between. Under a state law enacted earlier this year, the state is preparing to convert welfare offices into job-placement centers by the end of the year. The state's 208,000 welfare recipients will be entitled to cash benefits only under certain circumstances. They must prove they are going to job interviews every week, and must report absent parents. Maryland has not set a time limit on benefits; as a result, the federal five-year limit will apply.

Welfare escape not simple or final for woman who won Clinton's praise



Associated Press

President Clinton hugs Lillie Harden at the White House in August.

BY FRANK WOLFE
Democrat-Gazette Staff Writer

In recent public appearances, President Clinton has extolled Lillie Harden of North Little Rock as an example of the success he expects to come from welfare reform.

Clinton praised Harden at a White House bill-signing ceremony in August and during a presidential debate earlier this month. He bragged of her work record, her abandonment of welfare programs and the residual successes of her children.

Closer scrutiny of Harden's efforts to shed welfare — including interviews with her, her employers, co-workers and friends — reveals a much more complicated story, one that illustrates how the political rhetoric may conceal the difficult reality of working out of welfare.

Working to provide for herself and her four children without government support has been 42-year-old Lillie Harden's goal, but not yet an achievement.

Clinton has pledged to "end welfare as we know it." On Aug.



Arkansas Democrat-Gazette/STEPHEN B. THORNTON

Lillie Harden (left) has struggled to make ends meet but has managed to help her daughter (swinging Harden's grandson), a North Little Rock High School graduate, become an engineering major at the University of Arkansas at Pine Bluff.

22, Harden and her two daughters were Clinton's guests at a White House ceremony for the signing of the welfare reform bill — the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Harden introduced Clinton,

praising him as: "the man who started my success and the beginning of my children's future."

Clinton said: "When I saw the success of all of her children and the success that she's had in the past 10 years, I can tell you, you've had a bigger impact on me than

I've had on you. And I thank you for the power of your example, for your family's. And for all of America, thank you very much."

He hugged her after signing the bill.

Since coming out of the state's
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welfare-to-work program (WORLD) in 1984, however, Harden has received Aid to Families with Dependent Children, housing subsidies and food stamps at various times. Nevertheless, the president boasted of Harden's freedom from welfare.

The White House admitted Saturday that Clinton knew little about Harden's reliance on public benefits.

"I don't think he knew in great detail other than that there have been a few bumps in the road," said Deputy White House press secretary Barry Toiv.

The president certainly still considers her a success story," Toiv said. "But clearly the transition from welfare to work is rarely an easy one, and this is someone who has worked hard and continues to work hard for her family and to stay off of welfare."

Another White House spokesman, Julie Green, said Thursday that Harden was chosen because Clinton likes to have "real people" at bill-signings.

"He likes to have people who will be impacted by that legislation. Certainly, Lillie Harden is a success story from Arkansas that he remembered," she said.

Clinton contacted Carol Rasco, his chief domestic policy adviser, about inviting Harden to the welfare bill-signing ceremony, Green said. Rasco was on Clinton's staff when he was Arkansas governor. Arrangements were made by Ray Scott, a consultant to the state Department of Human Services and former director of the department, Harden said.

The president met Harden 10 years ago while working on state welfare reform. In August 1986, Harden was Clinton's guest at the annual meeting of the National Governors' Association in Hilton Head, S.C. There, she told the governors that if welfare mothers with children older than 6 refuse to participate in work programs, "then tut 'em off."

Though Harden had been through the state's WORK program, she still needed welfare. Two months after her visit to Hilton Head, Harden began receiving welfare again — a \$183-per-month Aid to Families with Dependent Chil-

Clinton skips detail in police death

The Washington Post

NEW ORLEANS — During a campaign visit last week, President Clinton met with the widow of a police officer who died on the job and later at a political rally cited the man's death as a reason to outlaw armor-piercing bullets.

What he did not tell his audience, however, was that the officer died in an auto accident.

The president raised the case while campaigning in a New Orleans suburb Thursday night. With nearly 20 uniformed officers flanking him onstage, Clinton boasted about legislation he pushed through Congress to put 100,000 more police on the streets and mentioned the first death of one of his program's officers.

"In Lake Charles, I met with

that officer's widow and two beautiful, beautiful young sons," he said solemnly. "And I thought to myself, 'You know, if people like these folks here are going to put their lives on the line for us, the least we can do is tell them if they put on a bulletproof vest, it will protect them from being killed.' That's the least we can do for them."

Neither a bulletproof vest nor a ban on "cop-killer bullets," however, would have saved officer Jerome Harrison Seberry Sr., 35. He was responding to a radio call for backup on Christmas night last year when "he lost control of his vehicle, going too fast... hit a tree head-on and the vehicle burst into flames," said Lake Charles Police Chief Sam Ivey.

dren check after the birth of her younger daughter.

Harden said her caseworker at the state Department of Human Services told her before the birth of her daughter that she should apply for the aid in order to qualify for Medicaid to pay for the birth. Harden said that she received a \$6,000 bill after she gave birth by Caesarean section.

Her caseworker had told her that because of her earnings from the Best Western Cotton Tree Inn and because she had not incurred \$3,000 in medical bills in the three months preceding the birth, she could not get Medicaid without applying for the federal aid, Harden said.

Clinton also mentioned Harden in his presidential debate with Republican challenger Bob Dole on Oct. 16.

"I still remember a woman that I met 10 years ago who said she wanted to get off welfare so her kids could tell — give an answer — when they say, 'What does your mother do for a job?' I met that woman again. She's got four kids. One's got a good job, one's studying to be a doctor, one's in technical school, one's an honor student in high school. I want to make more people like that woman, Lillie Harden. So I've got a plan to do it. And it's just beginning," Clinton said.

But Clinton bungled the re-

sumes of Harden's four children. Harden doesn't have any children currently in high school or technical school, or studying to be a doctor.

Harden's 24-year-old son graduated from Pulaski County Technical College in 1994 after taking classes in auto body repair. He now works as a dishwasher at a Little Rock hotel.

He was jailed for two years for firing a pistol at four students sitting in a car near Ole Main High School (now North Little Rock High School) in 1989.

Harden's 19-year-old daughter is a student at the University of Arkansas at Pine Bluff. She graduated from North Little Rock High School with a 4.0 grade-point average and is majoring in engineering.

A 21-year-old son, whose writings in school were once published in a children's publication, now works for the North Little Rock Sanitation Department as a garbage collector. At one time, Harden said, he had wanted to be a doctor.

The younger daughter is a 10-year-old honors student in elementary school.

Harden has worked off and on as a cook ever since she was 17, moving from job to job.

She worked as a short-order cook at the Little Rock VA Medical Center, North Little Rock Division (formerly known as Fort Roots), be-



President Clinton prepares to sign welfare reform legislation at the White House in August. He praised Lillie Harden (left) of North Little Rock for showing how to work one's way out of the welfare system.

fore she was laid off in the spring of 1982. She received Aid to Families with Dependent Children for two years.

She joined the Job Club under the state's welfare-to-work program, which taught her how to prepare a resume and fill out a job application. With those skills, Harden landed a job as a cook at the Best Western Cotton Tree Inn in the summer of 1984.

Harden earned \$4.25 an hour there. Then living in a public housing complex in North Little Rock, she got up at 4:30 a.m. and an elderly neighbor took her to work. She worked at the restaurant until she quit in September 1986, a month before her younger daughter was born.

Since then, Harden has moved from job to job. She has been the kitchen manager of the North Little Rock Housing Authority's Meals on Wheels program and a cook at three separate restaurants — the D & D Cafe and the Wallace Grill, both in downtown Little Rock, and again at the Cotton Tree Inn in 1993. Since May, she has worked as a cook in the deli section of a Kroger Food Store in North Little Rock.

In 1992, Harden received Aid to Families with Dependent Children for part of the year, records show. She also received unemployment benefits after being laid off last year from the Wallace Grill in downtown Little Rock. She then got a job for

several months at D & D Cafe, where she had worked previously.

But Harden, who was in subsidized housing, did not report any employment income to the North Little Rock Housing Authority in 1992, 1993 or this year, according to records cited by a North Little Rock housing official, though she has worked this year at the two jobs at D & D Cafe and Kroger.

Reported earnings reduce benefit payments.

Within 10 days of changing jobs, those receiving federal rental subsidies in North Little Rock are required to inform authorities of their new place of work and their income.

Harden said in an interview she was uncertain of the exact dates of her employment.

Because of privacy concerns, records of welfare payments, unemployment benefits and housing subsidies are not available for public inspection in Arkansas unless the recipient consents. Harden declined to allow the Arkansas Democrat-Gazette access to records on her benefits.

The Department of Housing and Urban Development paid her \$400-a-month rent to the landlord of a North Little Rock house from 1993 until she moved in September. She sometimes was required to pay \$30 a month. Harden and her children are now living in another rental home — not federally subsidized — in North Little Rock.

make it. She makes \$6.50 an hour working 36 to 40 hours a week at Kroger.

From her paycheck, she says she pays \$300 in rent per month, a \$29 phone bill, a \$23 water bill, a \$35-\$53 gas bill, a \$40-\$100 electric bill, \$125 for a car payment on her 1987 Buick LeSabre, and a \$35 car-insurance payment.

That leaves about \$20 per day for Harden and her 10-year-old daughter. The three older children contributed to their own care.

Harden has at times failed to pay the gas bill to pay the light bill. She has made trips to "Midnight Madness" sales at grocery stores to get marked-down, minute stores 25¢ cans of green beans and corn, 15 pounds of red potatoes for \$1.99 and a seven-month supply of laundry detergent.

This month, Harden received \$151 in food stamps after eight months without them.

Harden receives health insurance at no cost through the United Commercial Food Workers Union.

"I see where so many people abuse it (welfare)," Harden said, sitting on the porch of her gray rental home, shades drawn to shield the house, as a Union Pacific train dunes nearby.

The new welfare legislation limits recipients to five years in lifetime benefits.

"I feel like five years (on welfare) is enough time for them to get their act together, go into training and do something only because I feel like this laying around home — all that's doing is accumulating a larger family," Harden said.

Doing without welfare has made Harden feel better about herself.

"Being off welfare makes you independent. You have self-esteem," she said. "It's something you would never want to go back to. I will do anything other than going back to that." The White House's Toiv said Clinton's signing of the minimum wage law this year and his support of an earned income tax credit — passed in 1993 — would help poor working families like Harden's.

"Some of the other support systems — food stamps and housing benefits — are part of the transition process for people to help them support their families while they are working their way off welfare, often in jobs that do not pay enough to completely support a family," he said.

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Budget Boon: Home-Sellers May Keep More Profits

By TOM HERMAN

Staff Reporter of THE WALL STREET JOURNAL

Tax relief may be on the way for many people on their biggest investment: their home.

But the outlook is much cloudier for stock and bond investors. Even if they finally succeed in their long quest for capital-gains tax relief, it may be significantly less than they had hoped. And they may be trading that relief for a significant new cost.

President Clinton's budget, unveiled yesterday, includes a provision that essentially would eliminate capital-gains taxes for 99% of Americans who sell their homes. The proposal would allow married couples filing jointly to sell their principal residence and keep a profit of as much as \$500,000, tax-free. For singles, the limit would be \$250,000. This exclusion generally could be used every two years.

Tax lawyers and congressional staffers agree that if any significant tax measures are enacted this year, this proposal, or something similar to it, almost surely will be included. "My guess is that you will get a capital-gains tax cut of some sort, certainly for home sales," says Phillip L. Mann, a lawyer at Miller & Chevalier in Washington and chairman-elect of the American Bar Association tax section. Clint Stretch, director of tax legislative affairs at Deloitte & Touche, agrees and also says the odds are better than in decades for broad-based cuts in capital-gains rates.

But betting on broad-based cuts could be hazardous to your wealth. While Congress appears enthusiastic, the big question is: Will President Clinton agree?

Mr. Clinton recently re-emphasized a willingness to compromise, saying that he isn't philosophically opposed, as many of his fellow Democrats are. A Treasury official describes the policy right now as "maximum flexibility" and won't elaborate.

Republican leaders vow to press for broad-based capital-gains relief on two fronts: cutting the capital-gains rate itself (the top rate now is 28%) for most investments, and indexing gains for inflation. They also want to make the changes retroactive to the start of this year. But tax advisers speculate that President Clinton won't agree to make such sharp cuts—and that he may try to limit lower rates to profits on investments made after some future date, rather than on past investments.

Moreover, the president's budget includes a little-noticed proposal that critics say would mean sharply higher capital-gains taxes, more paperwork and greater complexity for many investors. Here are details of the president's proposals, who might be helped and hurt,

and what actions lawyers and accountants are advising clients to consider during the confusing interim.

Clinton's Proposals

President Clinton's plan to eliminate capital-gains taxes for most homeowners enjoys bipartisan support. Not only would it simplify taxes and recordkeeping rules for many people, it also would cost the Treasury very little in lost revenue. That is because most people who sell their home at a profit take advantage of existing tax-law provisions enabling them to defer, reduce or even eliminate capital-gains taxes.

The new plan would be especially good news for people who sell a home that has risen sharply in value over the years and move into a less expensive home, or sign up for a rental. Advocates of the plan point to people who need to move into cheaper quarters because of a job loss, retirement, or divorce.

But the president's proposal also could mean higher taxes for some wealthy people who own homes that have risen in value by more than \$500,000. The Clinton plan would replace a current-law provision allowing owners to defer capital-gains taxes by buying a new home of equal or greater value within a specified time period. It also would replace a separate provision allowing a once-in-a-lifetime exclusion of as much as \$125,000 in profits for homeowners age 55 or older. (Some homeowners, of course, simply may decide not to sell and, instead, leave their home to their heirs, will to their heirs, thus escaping capital-gains taxes.)

The new exclusion would be effective for sales of homes occurring on or after Jan. 1 this year. For sales between Jan. 1 this year and the date of enactment, taxpayers could choose whether to apply the new exclusion or prior law.

Republican Ideas

Congressional Republican leaders want lower capital-gains tax rates on stocks, bonds and many other investments. They also want to "index" certain gains for inflation so you won't owe taxes on profits that result purely from inflation; but you would have to hold such an investment at least three years. Critics reply that indexing might make sense intellectually but would be hopelessly complex for most taxpayers.

Republicans also want to change the law that currently forbids any deductions if you lose money on a house sale. Senate Finance Committee Chairman William V. Roth Jr. of Delaware wants to allow you to deduct losses on the sale of your home just like regular capital losses. That would mean you could offset losses against gains. If you don't have any gains, or if your losses exceed your gains, you could use your losses to offset as much as \$3,000 of ordinary income a year.

A Hidden Kicker

Hidden in the president's budget is a controversial proposal that would raise billions of dollars in revenue by requiring investors to use only one method of accounting for gains or losses. Here is an example of how it would work from Robert Willens, a managing director

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at Lehman Brothers Inc. in New York:

Suppose you bought 100 shares of a stock each year for three years in a row. You paid \$58 a share for the first 100-share block, \$61 a share for block two, and \$91 a share for block three. Now, you sell 100 shares at \$120 a share. Which 100 shares did you sell? Under current law, you could pick the block that would result in the lowest tax bill. Using the last block, at \$91 a share, you would have a \$2,900 profit. Your tax, assuming the top 28% rate, would be only \$812.

But if President Clinton's new proposal becomes law, you would be required to calculate the average cost of all of the shares of that stock you ever purchased. Mr. Willens says. That could be an enormous headache if you haven't done a thorough job of recordkeeping, or if you are confused by how to adjust for stock dividends and splits, or if you received some shares long ago through gifts or bequests. In this hypothetical case, the average cost of all of those shares works out to \$70 a share. Thus, your gain would be \$5,000. And the tax, at today's top 28% rate would be \$1,400, or 72% more than under today's law, Mr. Willens says. Of course, if you sold all 300 shares, the tax would be the same as it is under current provisions.

Little wonder that investment groups are up in arms over this proposal. Even so, it is drawing serious attention this year as a possible bargaining chip in the battle over reducing capital-gains rates. "I've heard about possible linkage" of this proposal to cutting the rate, says Cory N. Strupp, a managing director and assistant general counsel at J.P. Morgan Inc.

What to do now? Nothing is the answer for most investors because the outlook is so unclear. But there are at least two points worth considering:

- If you want to lock in your stock-market gains now and defer the transaction until later in the year when the legislative outlook is clearer, consider "selling short against the box," advises Mr. Willens of Lehman Brothers. In a typical transaction, you call your broker, arrange to borrow shares of a stock you already own, and sell those shares, rather than your own. That enables you to lock in any gains you already have while deferring taxes until you complete the transaction in the future by returning the borrowed shares. Many investors are doing just that. But don't do it daily because President Clinton wants to kill this technique, warns Mark Luscombe, a lawyer and certified public accountant at CCH Inc., a tax information publishing company in Riverwoods, Ill.

- Homeowners who might want to sell but aren't under any immediate pressure to do so probably should consider waiting awhile longer until a better picture of the bill's outlook emerges, says Stephen Driesler of the National Association of Realtors. But if you have an eager buyer on the hook and delay might kill the deal or force you to lower your price significantly, it might be wiser to ignore tax issues and charge ahead with the sale.

As Mr. Luscombe says, never let taxes be the sole issue in an investment.

THE WALL STREET JOURNAL

FRIDAY, FEBRUARY 7, 1997

Elena

Unions Aim to Recruit Workers Entering Job Market Because of Welfare Overhaul

By GLENN BURKINS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The AFL-CIO, in its bid to recruit new members, has set its sights on the people being shunted into the work force by welfare reform.

At its annual meeting in Los Angeles later this month, the labor federation is expected to endorse a plan encouraging its unions to begin recruiting some of the adults coming off the welfare rolls. By some estimates, that number could rise to as high as two million over the next few years, creating a possible showdown between low-wage workers already in unions and those entering the market.

At least one national union already is making inroads. In Baltimore, the American Federation of State, County and Municipal Employees has voted to target more than 1,000 people in Maryland who are required to work in order to get welfare benefits. Most of the targeted workers are employed in low-skilled jobs, earning only 55 cents to \$1.50 an hour on top of their monthly welfare payments.

Gerald W. McEntee, national president, said the union will be especially active in recruiting welfare recipients. In many cases, he said, the new workers will be taking jobs alongside current union members, and in other cases the two groups will be competing for the same jobs.

"We are going to prepare some plans, naturally, to organize these workers," said Mr. McEntee, who also sits on the AFL-CIO's executive council. "These people are entitled to union representation, and there are things the unions can do for them."

Critics say the union leaders are out to sabotage welfare reform. If the unions succeed in organizing those workers, said

Rick Berman, executive director of the Employment Policies Institute, an industry-funded group in Washington, it would drive up wages to "an artificially high level," reducing any incentive for employers to hire welfare recipients.

The institute estimates that as many as 38% of the welfare population is functionally illiterate, unable to fill out a simple job application. Pushing for higher wages "has got to be the worst thing possible for these people," Mr. Berman said.

Despite the critics, labor leaders say they expect organizing drives to begin almost immediately. The Communications Workers of America is eyeing welfare recipients in New York and Mississippi, said Brooks Sunkett, the union's vice president for public and health-care workers.

As states require more welfare recipients to work, the issue of union representation is expected to heat up. Under the law governing welfare reform, many recipients who work for their benefits are left in legal limbo; they aren't automatically protected by laws governing overtime, minimum wage or workplace safety.

If reform efforts are going to work, said David Smith, the AFL-CIO's director of public policy, recipients who are forced to work must be given real jobs with equal rights. "We don't want to get a program that cycles people through dead-end jobs," he said.

Meanwhile, union leaders are predicting a lively discussion over the issue when AFL-CIO leaders meet on Feb. 16. With no experience organizing welfare workers, no one is sure how well the plan will work.

"This is going to cost a lot of money with no guaranteed results," says the CWA's Mr. Sunkett.

First Proof: Driving While Talking on Phone Is Hazard

By GINA KOLATA

Talking on a cellular telephone while driving may not cause brain cancer, as was once suggested, but two Canadian researchers have evidence that it is hazardous to health.

In fact, the investigators report, talking on a cellular telephone while driving is as dangerous as driving while slightly drunk, and for the same reason: the risk of an accident.

Of course, the researchers point out, cellular telephones do have some compensating benefits. Thirty-nine percent of the drivers used their phones to call for help after the crashes.

And, the researchers suggested, it could be the content of the conversations, rather than simply being on the phone, that accounted for the increased risk. A person who is not talking on the phone cannot become distracted by a shouting match with a boss or a significant other.

The study, by Dr. Donald A. Redelmeier, a professor of medicine at the University of Toronto, and Dr. Robert J. Tibshirani, a statistician at the university, involved 699 drivers who had cellular telephones and who had been involved in traffic accidents. The researchers got permission from the drivers to examine their telephone records from the week before their accidents.

After analyzing 26,798 cellular telephone calls, they concluded that the risk of having an accident increased four-fold when drivers were talking on the telephone. Their paper, published today in *The New England Journal of Medicine*, said it was the same risk as when a person's blood alcohol level was at the legal limit. Dr. Redelmeier said that was .10 percent. The legal limit for driving a passenger vehicle in New York State is .06 percent.

"I think people should avoid unnecessary calls and keep their conversations brief," while they are driving, Dr. Redelmeier said. He demurred when asked if drivers should be banned from using their phones while behind the wheel of a car.

"As a scientist, my role is to provide objective data on risks and benefits," Dr. Redelmeier said. "I think a public debate is needed," on whether legislation is desirable.

The Cellular Telecommunications Industry Association, a Washington trade group, concurred with the study's findings but said it did not favor laws to restrict drivers' use of cellular phones. The group said the study was "the broadest epidemiological study to date and the most statistically valid" relating to auto accidents and the use of cellular phone. It also said that "the results of this study follow common sense," but stressed that the study also noted that cellular phones could be beneficial, since they allowed drivers to report accidents or call for help in an emergency.

Dr. Michael Goodman, an engineering research psychologist at the National Transportation Safety Administration, said that although several other countries, including Brazil, Israel and Switzerland, had laws restricting drivers from using cellular phones, there were no such laws in the United States. Dr. Goodman said that there are more than 35 million cellular phones in use in the United States and that more than 80 million of the phones are expected to be in use by the year 2000.

So, he said, "it's a growing problem if it is a problem."

In an editorial accompanying the cellular report, Dr. Malcolm MacLure and Dr. Murray A. Mittleman of Harvard Medical School estimated that accidents caused by cellular phones would account for at least 0.6 percent to 1.2 percent of all traffic accidents by the year 2000 and could cost the nation at least \$2 billion to \$4 billion a year.

The researchers said telephones that did not require drivers to use their hands did not seem to be safer. But in the editorial, Dr. Mittleman said the study of this type of phone was not large enough to determine the possible benefit.

Dr. Mittleman said that although he was not surprised by the result, it was important to have it because "many things that are intuitively obvious and clear turn out when studied to be incorrect."

The study pleased some statisticians because, they said, it so cleverly answered a seemingly unanswerable question. That is, how to determine what looks like truth is true: driving while talking on a cellular phone is dangerous.

Dr. Bradley Efron, a professor of

The reward of a cellular telephone in a vehicle accident: Fast help.

statistics at Stanford University, said he saw the paper early because he knows Dr. Tibshirani well. But, Dr. Efron said, he thought at first that the deciding whether cellular phones are a hazard to drivers "looked like an impossible thing to prove, even it was true." The problems were several: any study would have to determine whether phones were being used at or near the time of car accidents, and whether the confluence of phone use and car crashes was more than coincidence.

Dr. Efron said he changed his mind when he read the paper.

"It was pretty ingenious," he said. "When I saw the evidence, I had to admit it was pretty darn good."

Dr. Howard Wainer, a statistician at the Educational Testing Service

and columnist on statistical issue for *Chance*, the journal of the American Statistical Association, also found the paper convincing and its methodology clever.

Dr. Redelmeier hit on the idea of studying people who he knew had both car accidents and car phones. Then he looked at records of phone usage to see if the connection of conversations and crashes was something other than random.

For Dr. Redelmeier, the study addressed a nagging personal concern.

"One day, at the end of the day, I was returning phone calls and I reached a patient on her cellular phone," while she was driving, Dr. Redelmeier said. In the middle of the conversation, he said, the woman told him she had just been hit from the rear and would have to call him back.

"It was only a fender bender, but boy did it worry me," Dr. Redelmeier said. "I kept thinking of the old cliché, 'Physician, do no harm.'"

"A couple of days later it clicked in my mind that people are not fully aware of the limitations of their attention," he said.

Talking on a telephone, he said, is not the same as talking to a fellow passenger, who might know to stop talking when a driver is about to change lanes or turn left.

The incident, with his patient's accident, led Dr. Redelmeier to initiate his study. With the results in hand, he said that the only thing that had saved nations from a plague of cellular phone-initiated accidents was that the calls were still so expensive.

"As long as the prices stay high," he said, calls will remain "brief and infrequent."

That, he said, "explains why the rapid growth of the technology was not associated with a rapid increase in collision rates."

With the new results, is it possible that drivers who talk on cellular phones will soon be looked upon with the same mixture of horror and disdain as drivers who are drunk? Could it be that cellular phones in cars will go from a status symbol to a hidden vice?

Dr. Wainer, for one, said he hoped so.

By JON NORDHEIMER

In his State of the Union address last week, President Clinton hailed five giant corporations for their pioneering efforts to put welfare recipients to work. But the limited progress of those companies is evidence of the daunting scope of the project.

While the five companies together employ nearly 700,000 workers in the United States, they have hired only a few hundred welfare recipients through targeted efforts since the welfare bill was signed last summer. Most of those workers were put on the payroll by just one company, United Parcel Service of America Inc.

Officials of all the companies — the others are Burger King, a unit of Grand Metropolitan P.L.C.; the Sprint Corporation; the Monsanto Company, and United Airlines, a unit of the UAL Corporation — said they were making a long-term commitment to hire welfare recipients, though market forces would ultimately determine the number of jobs the companies provide.

"This thing is not based on getting 100 people or one million people off welfare," said Joseph Schneider, vice president of human resources for U.P.S. "It's based on our need for employees."

Since signing the landmark legislation in August that ended the Federal entitlement to welfare benefits and requiring most recipients to find work within two years, Mr. Clinton has looked to private business to create those jobs.

"I'd like to say to every employer in this country who has ever criticized the old welfare system, 'You cannot blame the old system anymore,'" the President said in his State of the Union address on Feb. 4. "We have torn it down. Now do your part. Give someone on welfare the chance to work."

The budget Mr. Clinton proposed two days later included an estimated \$600 million in tax credits over the next four years intended to subsidize the hiring of 120,000 or more welfare beneficiaries by private businesses. Employers would get a tax credit of 50 percent of the first \$10,000 paid to newly hired workers who had been on welfare at least 18 months.

Other companies than those cited by Mr. Clinton have more experience in hiring from the welfare rolls; indeed, with the exception of U.P.S., the five employers said they were either just devising programs or were having limited success finding job candi-

Employers' needs may not fill the demand for jobs.

dates who met their standards. But all expressed optimism that the new relationships they were forging with social agencies and community-based groups would bear fruit.

Officials of some business groups said, however, that more leadership was needed from government if the smaller companies that create most jobs are to enlist in Mr. Clinton's campaign.

"It's perfectly all right for the President to put the spotlight on every world-class corporation that wants to do something," said Jeffrey R. Joseph, vice president for domestic policy at the United States Chamber of Commerce, "but I don't think they really accomplish all that much on their own."

The chief executives of the companies mentioned in the State of the Union address were among the participants in a meeting with Mr. Clinton in January on welfare-to-work efforts. The public notice they received was not meant to denigrate other companies that might be doing as much, said Mary Ellen Glynn, the deputy White House press secretary.

Still, officials of one company that went unmentioned, Marriott International, were smarting.

"We were shocked and very disappointed," said Janet Tully, the hotel company's director of community employment and training programs. Long before the welfare bill gained bipartisan support, Marriott had programs to hire welfare recipients, Ms. Tully said.

Marriott's chairman, J. Willard Marriott Jr., was invited to the January meeting with Mr. Clinton but was unable to attend; Ms. Tully said a White House aide told her that was why the company was not mentioned in the President's speech.

At Marriott, the welfare-to-work program typically trains 12 to 18 participants over six weeks in classroom and occupational skills training. The program is financed by Pathways and government sources. After placement in full-time jobs, the trainees are given six months of follow-up support to help promote job retention.

So far, efforts by the five companies mentioned by Mr. Clinton are less well developed.

Sprint, the fast-growing provider of long-distance phone service, said it would hire 25 welfare recipients this year to add to its 47,000 workers. Monsanto, an international chemical and biotechnology company with 18,000 workers in the United States, has given full-time jobs to 5 former welfare recipients and helped 45 others obtain jobs with companies that supply Monsanto with contract services, officials said.

United Airlines and Burger King both said they were still developing programs.

Like other fast-food chains, Burger King, with 7,000 domestic outlets and nearly 300,000 employees, is faced with a huge turnover rate; officials said the company had to replace the equivalent of its entire hourly work force every year. United said it want-

ed to find ways to hire welfare recipients for entry-level jobs like handling baggage and cleaning airplane cabins, as well as jobs requiring higher levels of training, like reservation agents and sales clerks.

U.P.S., with 290,000 workers, signed up last August for a state program in Illinois to help create jobs for people on welfare, becoming the first employer to do so. The company, which is based in Atlanta, gave part-time jobs starting at \$8 an hour for roughly 25 hours a week to 31 residents of the Chicago area who completed a training program.

Similar efforts led to the hiring of 80 workers at the company's Philadelphia hub, about 100 in New York City, and additional workers in other cities, Mr. Schneider of U.P.S. said.

In many parts of the country, he noted, economic growth has created a demand for entry-level manpower. But companies will not hire welfare recipients unless the applicants exhibit personal discipline and meet minimum qualifications for work, Mr. Schneider said.

Indeed, at one of its four pilot job-training sites, Monsanto rejected 11 of every 12 applicants screened by local or state agencies, said Cyndy Rosenbloom, the director of human resources at the company, which is based in St. Louis.

"One of the things we quickly discovered," Ms. Rosenbloom said, "was that a state's standards for employment were not the marketplace's standards. We were being sent people certified by state job training programs who could not do simple math equations, had little sense of grammar and were below standards in performing functions."

Sprint, along with AT&T and Gateway 2000, has agreed to hire graduates from a program recently started at Metropolitan Community Colleges in Kansas City, Mo., close to its headquarters in Westwood, Kan.

The six-week program trains welfare recipients for customer service and telemarketing positions — skills in great demand in the Kansas City area, where the unemployment rate is less than 3 percent.

"Demand is such we could place 300 graduates a month," said Jackie Snyder, the institution's vice chancellor.

But in Kansas City, too, finding welfare recipients with suitable skills has been difficult. The first class has only 6 participants, and the second, due to start next Monday, will have 12, Ms. Snyder said.

"We don't want to put people through the program who would not be hired because they don't have the basic speaking or reading skills needed for success in a call-center environment," she said.

The "juche" policy that Hwang helped to create prevented North Korea from seeking help after flooding in 1995 ruined much of the nation's harvest. Only when the country was about to run out of food did the government in Pyongyang turn to outside relief agencies for help.

This week, the U.N. World Food Program made its third appeal in a year for emergency food for North Korea, this time asking for \$41.6 million in aid. The International Federation of Red Cross and Red Crescent Societies also is seeking food, but the response has been lukewarm. Many governments are unwilling to help North Korea because it has balked at taking part in peace talks with South Korea that would involve China and the United States as well.

Relief workers said that food stocks will run out by March or April. Most people are surviving on handouts from relief agencies and getting by on one-fourth the food requirement of adults. "You can't live very long on that," said Kathi Zellweger of Caritas, a Catholic relief agency in Hong Kong who returned in December from a mission to North Korea.

Welfare changes under way in most states require recipients to earn their benefits or get out and make a living By Vanessa Gallman Knight Ridder Newspapers (KRT)

WASHINGTON States are adopting a get-tough approach to the poor even tougher than the welfare bill approved by Congress last year as they begin implementing the sweeping measure.

Many states have set more-stringent work requirements and tighter time limits. And about half have decided not to increase benefits for a woman who has another child while on welfare, a restriction not required by federal law.

Forty states have submitted to the federal government plans that vary, depending on state priorities and finances. But taken together, they underscore how the country has undergone a dramatic rethinking about how to help the poor.

"What we are moving to is a system that, in its most desirable form, is an effort to push people into jobs and make work pay," said Robert Lerman, an economist for the Urban Institute, a think tank monitoring welfare changes. "The least desirable form will come in a year or two when people start reaching the time limits."

States are beginning to tackle those problems. Most have decided to subsidize some private-sector jobs for recipients, and many will provide more child care and health care to keep them working.

Right now, states are trying to complete plans that must go into effect by July 1. A recent National Governors Association snapshot of plans from 40 states showed action on the following issues:

Time limits. The federal law limits cash welfare benefits to a maximum of 60 months over a lifetime. Twenty-two states have gone with the five-year limits, while 18 have shorter time limits.

Most of the shorter limits, such as Connecticut's 21-month limit, were in place before the federal law was signed in August. Often the shorter limits come with a range of exemptions, and some states use them more as incentives than ways to cut the case loads.

Oregon, for instance, has a 24-month limit. But as long as a family is making progress on a plan to become self-sufficient, "there is no clock ticking," said spokeswoman Janice Babcock.

Work requirements. Recipients must go to work or community service within two years of receiving benefits. Twenty-four states have kept that requirement; 16 states expect work earlier.

Massachusetts has a 60-day work or community-service requirement for able-bodied adults with school-age children. In states such as Tennessee and Wisconsin, recipients must go to work immediately.

In Iowa, recipients work with social workers to set their own work requirements. "Some people are ready to go to work when they come into the door. Some won't be ready in the 24 months," said Ann Weibers, coordinator of the state welfare programs. "We want to keep things flexible."

But that does not mean easy. A total of 5,000 families have been dropped from the welfare rolls for not living up to their plans. Said Weibers: "We have a strong emphasis on expectations with consequences."

Family caps. States can choose whether to increase benefits to welfare mothers who have another child. The average monthly increase per child is \$69. So far, 19 states have indicated they will not increase benefits.

"Not that anybody would go out and get pregnant for the increase. But we just want to have a disincentive," said Lou Ann Burney of the Mississippi Department of Human Services. "By placing a cap on it,

we are clearly saying up-front: Don't expect to have another child for your welfare."

Out-of-state relocations. During the welfare debate, some officials worried that poor families would migrate to states with better benefits. Nine states have decided to treat relocating families differently.

In Georgia, for example, a family moving from a state with lower benefits would receive those lower benefits for the first year. Also, that family's past time on welfare counts toward Georgia's four-year, maximum time limit.

"That's so that if you're in Indiana and stay on five years there, you can't come to Georgia for four years of benefits," said Department of Human Resources spokesman Peter Lee.

Drug felons and drug testing. Overwhelmingly, states have decided to deny aid to those convicted of drug felonies. Only three states—Arizona, Kansas, and Oregon—will provide the benefits.

Arizona considers this a state obligation, especially in light of inadequate drug-treatment programs, said Vincent Wood, assistant director of the state Department of Economic Security. "These people will not go away," he said. "They have needs and families, too."

Yet, almost every state has decided not to engage in drug-testing of recipients because of the potential cost and legal questions. Only two—Ohio and New York—have decided to tackle it.

Ohio's focus is on pregnant women on Medicaid. Doctors can refer them to treatment or they could lose benefits. The sanctions, however, have been deferred so as not to discourage women from getting medical attention.

"People have considered it a punishment for welfare recipients, but what it really is part of a preventive health program," said spokesman Ron Rhodes.

Transitional child care and Medicaid. Under the law, families leaving welfare can get up to a year of child care and Medicaid benefits. Sixteen states will provide more child care to these families; nine states will continue Medicaid longer.

Iowa, for instance, continues child care for two years. "We still feel the state needs to provide the tools to transition off assistance and stay self-sufficient," said Weibers. "And child care is one of those tools."

Subsidized employment. At least 27 states have decided to subsidize private-sector jobs for recipients, mostly in limited programs near urban areas. States contribute the cash benefits and sometimes the cost of food stamps to help employers provide a decent wage.

One of the more aggressive programs is in Kansas City, Mo., where 400 employers have hired 800 former recipients in jobs starting at \$7 an hour. The subsidy could last as long as four years, and a case manager works closely with the new workers to help them juggle the demands of job and family.

"We're not going to count it a success if we just get the rolls slimmed down and we leave people in drastic conditions," said Gary Stangler, director of the state department of social services. "What the American public wants to see is that people go to work every day, just as they do."

Medical and consumer groups launching campaign to improve care of the dying By Lori Montgomery Knight Ridder Newspapers (KRT)

WASHINGTON Spurred by research showing that many people die in pain, hooked to machines, with their wishes to stop treatment ignored, 72 major medical and consumer groups on Thursday launched a national campaign to improve care of the dying.

The effort, called "Last Acts," brings together the American Medical Association, the American Hospital Association, nurses, medical schools, hospice organizations and the American Association of Retired Persons—most of the powerhouse players in the ongoing debate over how best to care for people who are terminally ill.

At a news conference Thursday, coalition leaders, including former First Lady Rosalynn Carter, said the group like many of its member organizations does not support physician-assisted suicide. Two lawsuits seeking to legalize assisted suicide are now pending before the U.S. Supreme Court.

Instead, the group will push for changes in the medical profession, in the insurance industry and in public attitudes to make pain control and home-care for the dying more widely available. Such reforms, the group hopes, will make assisted suicide unnecessary.

"We see requests for physician-assisted suicide as a symptom of the problem," said Steven Schroeder, president of the charitable Robert Wood Johnson Foundation, which is pumping \$1.7 million into Last Acts.

If the campaign succeeds, Schroeder said, "we will find a

Thursday, the union kindled some hope when it offered to accept reduced salaries for pilots flying those regional jets if the company accepted the union's salary and other demands.

The issue of regional jets has emerged as a main focus of the dispute. The company wants to buy about 65 small jetliners and have them flown by the lower-paid pilots of American Eagle; the union bitterly objects, calling it a vital issue of job security.

Within hours, an American spokesman all but extinguished that hope, saying the company could not be competitive if American pilots flew routes now served by American Eagle.

"In reality, these jets are either going to be operated at American Eagle or they are not going to be operated," American spokesman Al Comeaux said.

Nevertheless, the union pressed ahead with its proposal, sharing details of it with the company late Thursday. It didn't work, according to the union.

So, mediators resumed their shuttle diplomacy, first the union, then the company, then back again.

At the White House, President Clinton continued to monitor events. The Transportation Department sent him a report estimating that a strike would siphon up to \$200 million each day from the economy and could strand up to 40,000 passengers.

"It would be quite disruptive," Clinton said Thursday, again urging the parties to "reach out to one another in the best interests of the nation."

The president can intervene by appointing a Presidential Emergency Board, an act that would begin another 60-day cooling-off period and end a strike or a threatened strike.

But the procedure is rarely employed and officials refused to speculate about what if anything the president would do.

The pilots have asked Clinton to remain on the sidelines, but Crandall sought executive action Thursday. "I do not think that strikes are appropriate in the airline business," he told a congressional subcommittee.

The crisis atmosphere extended from the union hall to the corporation's boardroom. And it extended to every corner of the globe touched by American Airlines. The nation's busiest domestic carrier and one of the largest in the world, American carries 200,000 passengers a day.

In Puerto Rico, where American controls 70 percent of the traffic and operates a regional hub, the tourist industry cringed.

"We have no contingency plans," said Brian Gamache, whose company manages and partly owns three hotels. "We're at the mercy of American Airlines. Transportation is our umbilical cord to the world."

With 9,000 local workers, American is Dade's largest corporate employer. It also is the region's dominant carrier, responsible for nearly half the traffic at Miami International and about 8 percent of all passengers at Fort Lauderdale-Hollywood International.

Worse, South Florida's tourist industry is now at the cusp of Presidents Day weekend, the busiest weekend of the season.

To mollify stranded travelers, American was said to be searching for hotel space in Dade, Broward and Palm Beach counties. Lots of luck, hoteliers said. Not this weekend.

The Fontainebleau Hilton in Miami Beach reported an unusual pattern of cancellations, presumably from potential visitors concerned that they could not get into South Florida.

"We also got lots of new bookings," said spokeswoman Lisa Cole, possibly from people who feared they could not get out of South Florida. "Now, we're full."

Back in Washington, union officials said they were willing to create a new layer of pay rates for American pilots who would operate the regional jets, a rate competitive with commuter airlines.

In return, the union demanded that American accept the rest of the pilots' economic package. The union is seeking 3 percent pay increases in 1997, 1998 and 1999, and 2 percent in 2000. The pilots also want options to buy 7.25 million shares of stock at below-market prices.

But even if the pilots' pay rates for the 50- or 70-seat jets are substantially lower, the company said, other staff and support costs would force American to operate those planes at a competitive disadvantage.

Further fueling the pilots' demand to fly the regional jets is their deep-seated distrust of Crandall's management team, which the pilots believe is conspiring to weaken their hold on jobs and their source of power within the company.

Said union leader James Sovich: "I think it's safe to say the pilots do not trust upper management, including Crandall."

And with that, he returned to negotiations.

With only one day to go.

Defection of North Korea official raises questions about that nation's stability By Jennifer Lin Knight-Ridder Newspapers (KRT)

BEIJING The attempt by a senior North Korean official to defect to South Korea on Wednesday has raised the question of whether the reclusive, Stalinist nation is on the verge of collapse.

North Korea is running out of food, its economy has fallen apart and peasants in flood-damaged regions could face famine conditions this spring. Diplomats here said a crisis situation at home could explain why such a senior official would want to escape.

"Things are moving closer to the final act when someone of this stature defects," said a Western diplomat.

Hwang Jang Yop, 72, the most powerful official ever to flee the Communist North, remained sequestered Thursday in South Korea's consular offices in a quiet diplomatic district in Beijing.

More than a dozen unarmed Chinese police surrounded the two-story building after the South Korean embassy complained that North Korean diplomats tried to force their way into the building on Wednesday night.

Hwang is no ordinary defector. One of 11 members of the secretariat of the ruling Workers' Party, he is part of the inner circle of North Korean leader Kim Jong Il. He is married to the niece of Kim's father, the late Kim Il Sung, who ruled the secretive nation as a messianic dictator for more than four decades.

Experts on North Korea say that Hwang is one of the architects of North Korea's reclusive brand of communism, which is grounded in a fanatic philosophy of self-reliance called "juche."

His departure could signal a power struggle at the top, analysts said. The government still unsettled three years after the death of Kim Il Sung is staggering under the crisis resulting from back-to-back years of flooding that have reduced this year's harvest by 40 percent.

The diplomat who said a "final act" might be approaching said that more and more North Korean peasants are fleeing across the border to China in search of food.

Every year, a few hundred North Koreans try to cross the border illegally. "Now it's in the thousands," the diplomat said. Most of the North Koreans who are forced to return are executed, he added.

"The North Korean regime is doing everything it can to prevent people from leaving. Sometimes people are shot, if they're lucky. Otherwise they're burned" alive, he said. Though the diplomat, who refused to be identified, is believed to be well acquainted with events in North Korea, his horrific statement could not be otherwise confirmed.

Not all international observers even agree that the number of refugees is up. It's difficult to get a clear assessment of the situation in North Korea because the country is closed to foreign reporters and has limited diplomatic relations with other countries. Only in the last year have international relief agencies been allowed to distribute aid and only under tight government supervision.

With the collapse of the Soviet Union, North Korea lost a significant source of diplomatic and financial support. Now the defection of Hwang puts China, one of its last allies, in a bind. Under a 1978 treaty, China has agreed to repatriate North Koreans who enter the country without visas or other valid travel documents. But the fate of Hwang leaves the Chinese caught between their old allies in Pyongyang and new financial connections in Seoul.

China renewed diplomatic relations with South Korea in 1992 and has benefited from a windfall of new investment and tourist dollars. If the Chinese government prevented Hwang from going to South Korea, it could severely hurt relations.

Hwang defected here on Wednesday during a transit stop on his way home from an international seminar in Tokyo. A South Korean spokesman said he took a taxi from the airport to the South Korean embassy, where he and an aide sought asylum.

Tang Guoqiang, a spokesman for China's Ministry of Foreign Affairs, told reporters that the Chinese government had not been aware that Hwang would be traveling through Beijing.

"It is hoped that the parties concerned will proceed from the overall interests and treat the matter calmly and handle it properly," Tang said.

Kim Ha-joong, a special adviser to South Korea's foreign minister, arrived in Beijing on Thursday to try to get Hwang out of China.

Because of his high rank, Hwang could provide South Korea with a wealth of inside information on the regime of Kim Jong Il. Kim, who turns 55 this Sunday, has yet to assume the titles of president and general secretary of the Worker's Party, even though he became de facto leader after his father's death.

PERSONAL PERSPECTIVE

Parenting skills crucial to people working way off welfare

By Kerby T. Alvy

SPECIAL efforts at all levels of our society are being made to help welfare recipients find jobs, including President Clinton's recent directive to have government agencies go an extra mile to hire people off welfare.

Finding jobs is certainly a most important step, and all creative efforts must be exhausted. The next crucial step, and one which has yet to receive the public attention it deserves, is the matter of retaining jobs once they have been found.

Retaining jobs in today's work force requires the ability to communicate positively and effectively with employers and fellow workers, as well as the ability to interact and contribute productively to group or team problem solving.

Success on the job also requires the ability to keep intrusions from home — and especially intrusions from one's children — to a minimum. Calls from home, the baby sitter, the child care center or the school from distraught or under-informed children, as well as difficulties in getting to work on time due to a child's anxiety about separating, all place additional stresses on parents, co-workers and employers.

The ability to successfully balance these work and parenting demands are increasingly being recognized as crucial work-related capabilities. Those parents who are moving from welfare to work are particularly

needy in regard to being able to manage these situations, as their relations with their children are already strained by the corrosive effects of poverty.

Poverty within the world's most affluent country — especially when combined with prejudice and discrimination against one's cultural, ethnic or racial group — creates frustration and feelings of relative deprivation, injustice and anger, as well as self-devaluation and hopelessness. This reduces the capacity of parents to be consistent and supportive in raising children and often leads to harsher behavior toward children. All of this speaks to an acute need for parenting education among our country's poor.

Welfare to work transitions can be eased if welfare agencies and the public and private sector employers who hire welfare recipients provide or facilitate parenting education programs.

America possesses the most advanced and effective parenting skill-building programs. These modern programs teach parents how to positively communicate with their children, how to praise and encourage or how to deliver positive "I" messages that pinpoint praiseworthy behavior and convey respect and appreciation.

Many of these programs also teach mutual problem-solving techniques where children's opinions and viewpoints are enlisted and respected. Some teach parents how to conduct family meetings or family councils for mutual decision-making and

problem-solving purposes.

There are now top-notch skill-building programs designed, especially for parents of different aged children — programs for parents of infants and toddlers, for parents of preschoolers, for parents of elementary school children, and for parents of teenage children. In addition, there now exists high quality programs for parents from specific cultural groups that address parenting challenges that are unique to a group's history and status in America.

Research on the effectiveness of these programs show that the majority of parents of all socioeconomic and cultural backgrounds benefit from the skills training and improve the quality of their relationships to children. In addition, parents see the relevance of the skills they are taught to their relationships with their spouses, lovers and other family members.

Many graduates of these programs also find themselves using their newly developed communication and problem-solving skills at the workplace, facilitating peer and authority relationships and diminishing or preventing conflicts. Studies also show that when one's employer is responsible for the parenting training and assistance, workers are more loyal and committed.

It is a wise welfare department, and a wise employer, that provides these types of multiple-benefit training. One state, Louisiana, is already looking into how to do this on a widespread basis with all of its welfare

recipients. Others are sure to follow as they realize how beneficial this type of training can be.

Indeed, it would place our entire country in a more competitive position in today's global economy if all employers and all institutions that prepare employees, including job training centers and colleges and universities, provided or facilitated the types of parenting education discussed here.

Seventy-five percent of all parents are workers, including an increasing number of workers from culturally diverse backgrounds. Stress from parenting reduces productivity and reliability. It also is costly in other ways, as stressed-out employees are more likely to have health problems that require the use of expensive medical benefits.

Thus, by making a national commitment to high quality parenting education, we not only can smooth the difficult transition from welfare to work and increase the chances of former welfare recipients maintaining their jobs. We can improve the overall productivity, loyalty, health and effectiveness of the majority of our work force.

Kerby T. Alvy, a clinical child psychologist and author of "Parenting Training Today: A Social Necessity," is the executive director of the Center for the Improvement of Child-Caring in Studio City, a nonprofit parenting education organization that he founded in 1974.

Welfare-to-Work Plans Show Success Is Difficult to Achieve

By JON NORDHEIMER

KANSAS CITY, Mo. — Deborah C. Washam shook her head with an emotion that appeared to be equal parts sorrow and exasperation.

Of the more than 80 women she has hired over the last 17 months as part of a generous welfare-to-work program sponsored in part by this city's corporate community, fewer than 25 remain on the job. Many of the others quit in a huff over perceived slights to their dignity. — Mrs. Washam calls it their refusal to follow directions.

"I don't think they've had much exposure to structure in their lives," said Mrs. Washam, president and chief executive of Community Home Health Care, a licensed agency that dispatches homemakers to assist elderly and disabled residents of Kansas City's urban core with light housework and shopping.

"As single mothers, they are on their own and think of themselves as

Russia and Chechens Face Unsure Peace

After 20 months of a war that has ravaged Chechnya and profoundly scarred the battered, Russian psyche, the leading military officials from both sides have now announced that the bloodshed is over.

"Now we must think about the peace," says Aleksandr I. Lebed, the Russian national security adviser. But many vexing issues — including the republic's future status — have yet to be resolved.

News analysis, page 15.

BEYOND DEPENDENCY

A special report.

authority figures," Mrs. Washam said. "They won't take routine supervision at work."

President Clinton, in accepting the Democratic nomination on Thursday, declared "a moral obligation" under the Welfare Reform Act he signed two weeks ago to move Americans off welfare and into jobs. But the magnitude of this task seems best appreciated by those already dealing with the challenge.

Overcoming years of dependency on open-ended entitlement programs is daunting, those who administer welfare-to-work efforts say.

Employers express satisfaction with new employees who show initiative and a willingness to learn, even when that has required training in rudiments like the proper way to answer phones. But as the program here shows, business people are frustrated by many welfare veterans. Many among those hired, while the most qualified of those screened, have problems that include absenteeism, lack of discipline about work hours, poor reading and communications skills, and open resentment when given direction. And the current programs have not even reached people on welfare who have more serious problems, like alcohol and drug abuse or low intelligence.

These concerns resonate nationally with business leaders, who are only beginning to figure out employers' roles as the states begin a trek this fall into uncharted territory under mandates that those on welfare must find work or face the loss of

Continued on Page 18, Column 1

By Rick Santorum

PRESIDENT CLINTON campaigned tirelessly for child welfare as we know it by requiring parents to work before the separation, he has returned to the issue on several occasions. In a recent radio campaign promise and a detailed legislative proposal, the president has referred to one of the most fundamental tenets of public policy—opportunity for all.

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, more focus on unconditional welfare payments and making work pay.

On these three, these goals seem appropriate for the president's New Democratic coalition. But it would not be surprising if, at the end of the day, these goals will be left out of the end of welfare law to make welfare. After all, the kind of tough reform implied in the president's promise to end welfare is opposed by a host of interest groups and many Democrats on Congress.

To begin with, the four goals obscure the dirty little question of mandatory work. What's the best way for child welfare agencies to increase the flow of welfare payments 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 undermining the president's core Democratic support—the law must have actually, consistently, and directly to workers work requirements in general and in child support. Everyone agrees that unconditional payments should pay support. But after 20 years of the experiment, we now have a 1,000 child support program designed to locate almost 100,000 child support workers in the state, supported by almost as many regulations and computers. Yet in the past three years the program spent nearly \$300 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 four fathers with children on welfare. Reformers must first re-evaluate the role of child support in the financial security of welfare mothers.

None of these means we should abandon efforts to improve child support. The danger is that the welfare state will use the poor child support records as a reason either to renege on 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 platform refers to making sure welfare mothers get plenty of education. Who could possibly oppose that? Unfortunately, two decades of research fails to show that classroom teachers for welfare mothers significantly increase their success in the job market. Welfare mothers are often school dropouts who are not anxious to be subjected to more failure.

Why can we expect to have a great deal of work done in 1995? Rick Santorum (R-I) is the speaker of the House. He is the author of the bill. He is the author of the bill. He is the author of the bill.

Clinton Talks Tough, but Aides Think to Keep Welfare as We Know It

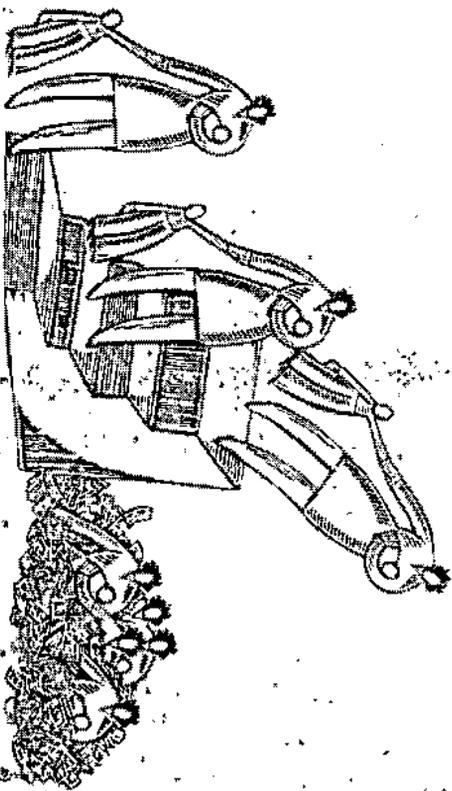


Illustration by Robert O'Neil for The Washington Post

The coming welfare debate about education for "good" jobs. But the single most important welfare reform is not how to work at places like Wal-Mart or McDonald's. And what's wrong with that? Millions of Americans work for \$8 per hour. The reason is often if people have their skills and experience are worth less than their work for a year, show up on time, and then they will have a good chance of moving up.

A recent study by the Congressional Budget Office showed that 75 percent of welfare who entered the labor market at \$5 per hour or less were still employed a year later, that 45 percent had received wage increases, and nearly 20 percent had received job offers. This is a good sign, but it also shows that welfare reform is not a magic wand. It is a process that will take time and effort. It is a process that will require a major expansion of the welfare state. It is a process that will require a major expansion of the welfare state.

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required to work at least 30 hours per week. If they're not, they're not working at places like Wal-Mart or McDonald's. And what's wrong with that? Millions of Americans work for \$8 per hour. The reason is often if people have their skills and experience are worth less than their work for a year, show up on time, and then they will have a good chance of moving up.

A recent study by the Congressional Budget Office showed that 75 percent of welfare who entered the labor market at \$5 per hour or less were still employed a year later, that 45 percent had received wage increases, and nearly 20 percent had received job offers. This is a good sign, but it also shows that welfare reform is not a magic wand. It is a process that will take time and effort. It is a process that will require a major expansion of the welfare state.

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year longer than the government ever provided for most working Americans who never went on welfare. And when the one-year guarantee is up at least half the children in foster welfare families, by our estimates, will be eligible for the Medicaid program we've enacted in the 1990s. The worst mistake the task force could make would be to hold welfare hostage to health reform. It might be a long wait, Messers, if Congress enacts a health bill containing the administration's mandate on business, the supply of low-wage jobs available to welfare mothers might dwindle.

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 Hollerth, 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 a steady increase 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 low-impulse care by themselves than other Americans.

Finally important, the current level of government support for day care is substantial. As with health insurance, another reform 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 pre-school education programs, especially for low-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.

The real danger in the task force's goals is that they may become distractions, diverting the attention of Congress from the fundamental problems of America's welfare program: the collapse of employment. 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 programs are so intertwined that they are impossible to separate. Over the past decade, politicians and students of social policy have increasingly attacked the basic core part of welfare assistance. Why? They say, are some citizens hard on other able-bodied citizens characterized by unemployment benefits? At the very least, reformers need to come think to ban the benefits.

The welfare reform bill of 1993 modified federal policy in this direction. Reform was put under a great obligation to participate in programs obligated to help them prepare for work, and states were obligated to enroll at least some percentage of their welfare caseloads in these programs.

WR - Newsclips



MARY McGRORY

Hillary At the Front

THE FIRST Lady's story making a pass at joining Marines charmed her immediate audience, Women in Military Service. The response got in 1975 from a young Leatherneck recruiter may have been just what she expected: "You're too old, you can't see and you're a woman." The military women, in the long way they have come, thought it was a scream.

But Hillary Rodham Clinton has much more in mind than easy laurels. She made a speech that showed a practiced politician she is, how deftly she embroiders the material. She knows it is elementary to take what she gets in this life. She sees a little opening, and goes for it. She builds on small foundations.

Her mission was to show that she felt at home among the military. In this case WIMSA, Women in Military Service for America Memorial Foundation, of which she is honorary chairman. She was, of course, a Dole country. The Senate minority leader, a decorated veteran, is lionized by fellow vets, as the Clintons could see in their recent European trip. He was also on the program. But serious politicians never cede an inch, and Mrs. Clinton acknowledged the presence of her husband's nemesis, as he acknowledged hers—without, however, greeting her. They both

See McGRORY, C2, Col. 1

Mary McGrory is a Washington columnist.

Welfare Terminator II

How Clinton Can End Reform as We've Known It

By Jodie T. Allen

HAD PRESIDENT Clinton pledged originally not to "end welfare as we have come to know it," but instead to end welfare reform as we have come to know it, he'd have a fair shot at delivering on his promise.

Clinton's pose as welfare terminator was, of course, never really credible. Those inclined to judge him generously accepted the campaign slogan as a wise nod in the direction of voters attracted by his "New Democrat" moderation. Those otherwise inclined, dismissed it as slick deception. But whatever they thought of the candidate, virtually everyone agreed that the end of the welfare system itself was nowhere in sight.

But the end of welfare reform—that just

Jodie Allen is the editor of Outlook.

might be both doable and well worth doing. For if the president is truly able to retain control over the carefully modulated features of his current plan—both as it winds its way through Congress and what is still more important, as it is put in place by the state and local agencies that actually run the welfare system—he will have done both welfare beneficiaries and taxpayers a substantial favor.

History suggests that reforming reform will not be an easy task. Many a president before Clinton has come to office promising a receptive public that he will sharply decrease both welfare costs and caseloads and the misery attendant thereon. The details are then relinquished to an army of analysts, advocates, academics and big-city mayors who iron out their differences by devising a plan that would sharply increase both welfare

See WELFARE, C4, Col. 1

Welfare Terminator II

WELFARE FROM (1)

Costs and conditions (and like as you, the industry attendant thereon.) The package is going up with some stern warnings, "on the grounds" (some assurances being given to the welfare professionals that these will be made enforceable and enforceable, stripped in the future of responsibility and shipped off to Capitol Hill.

After a year or two of hearings and testimony making, both the Congress and the Executive and the generosity of the benefits are multiply increased. When the necessities of the time become suddenly more acute, the Congress would send the next administration. Perhaps you remember the Work Incentives (WIS) program set up in the 1960s. (I had it was planned to be the self-same ambitious program in 1960, WIS provided work opportunities, "employment development" and other supportive services to help create and get "job ready" Americans. It kept a lot of social workers employed.

Half a year ago, however, legislation (Richard Nixon's Family Assistance Plan (FAP)) it was labeled as supporting work incentives and then reduced, operating—through its practical effect would have been to double the size of the welfare rolls. (George McGovern liked the FAP concept so much that, in his disastrous run for the presidency in 1972, he eventually proposed cutting half the nation on the same as his \$1,000-a-person plan.)

After that came restrictions on the FAP theme from the Ford and Carter administrations. Carter, however, really tried to change the way the welfare business works. He proposed that Clinton "has one" a really serious case is a million "has one" jobs to be taken

by increasing not after a two-year hiatus, but after a more definite notice of massive search for a private sector job. But Carter could call them back for his own party in Congress (and then dominated by the Democrats) not even his own welfare analysis. By the time there in the bureaucracy was favored more work had piled up on the pay and price of the job compared—so to make a more comparable with the heightened cash benefits proposed by those who favored more welfare—Clinton found himself announcing a "no-one" message with a net-worth of \$1 billion per year.

Clinton, however, only have announced, however narrowly, to address the welfare situation with preliminary versions of his plan—currently backed by opponents of the get-together approach to synthesize reports—suggesting that decrease all the existing about work and responsibility, most of the money would go to extending cash benefits in the case of "guaranteed child support" and benefits for the "working poor".

In the end, however, that is not what the president decided to do. His plan, constrained by the advanced security of dollars, had in no small measure by the limits of productivity: as well, however, had on what he set on his own to change. At Clinton said his work, "the underlying value of the welfare system. When it comes to changing values by altering programs, however, an army of academics and welfare advocates stands ready to assure the president that he is on a leaf's errand. This peer, they will assure him, are neither stars nor stars, capable to respond to the behavioral variations with which government policy presents them. (This, of course, distinguishes them from the job, who will spare no effort to expand any opportunity afforded by tax and regulatory policy.) And the president has been

The 1961-1962 Report

Welfare Terminator II

WELFARE FROM (2)

by directed to search both his own common sense and the testimony of the people. (I had a meeting with journalists, but such the total of talking with a group of some 120 young people, many of whom had either home or in their fathers who had worked on the welfare rolls. Would it have made a difference, he asked them, if welfare policy had—as he hopes to make it—set a limit on the benefits the young mothers could receive and pressed hard on the young fathers to meet their financial obligations to the families they created. Most of them—maybe 85 percent or more—agreed that cutting benefits would cut them

if you put yourself inside the heart of a teenager today, added Secretary of Health and Human Services Evans, "she's not reluctant to think she's better off on welfare. We want to change that attitude." If it's not a bad idea at all, now and then, let the people who make a profession of designing social programs to get out and look at the real world. Sam Daniel Patrick Murphy, who never fails to check—was fresh—the same however against the changing realities of the welfare world. He has long urged respondents to do just that. And more and more of them, it seems, are taking his advice.

Back when I was in the business—and here I should confess to having been one of those departed souls who, good intentions aside, helped to make both a habit of every year reform effort from Nixon to Carter—I would occasionally be forced into a real-world encounter that let me of my favorite procedure: turn on his ear, I remember especially, when I was working for the Carter administration, he was waiting out to review a "workable" demonstration project that ongoing in Minnesota. The labor department had tipped the program during the Ford administration, but it was out of favor with the current regime. Clinton it required welfare parents to work at

Welfare Terminator II

WELFARE FROM (3)

their welfare benefits instead of being employed at regular wages. Expecting to encounter a group of disgruntled welfare aides, I found instead a remarkably typical set of workers. Most had initially served the program with dignity or even hostility, but now, most allow-fulfilling, they were glad they had been pushed into participating. Some of the women said they would have been too scared even to apply for a job as their own since they couldn't imagine anyone wanting to hire them—a comment I later heard repeated frequently when the Carter administration launched its own welfare reform project. Yet here they were doing research, the jobs and drawing praise from their superiors. Thus, I was obliged to conclude, did not accord at all well with that report of alien workers being that population that work requirements aren't good for much but window dressing.

To hear them tell it anyway, the president's top welfare partners have also reflected their analytical training with a commendable dose of practicality. If Congress gave them the money, would they extend their two-year-old seven-or-more-year requirement, beyond the younger parents to whom it will finally apply under the plan? No, rather Assistant HHS Secretary Mary Jo Bane. Setting up good job programs, both new and most rather probably can't handle a larger caseload well. Though, she adds, States will also be allowed to continue to experiment with "family caps"—limits on the number of children born to a welfare mother for whom she can draw benefits. After all, New Jersey claims, support payments to the century re-educating that it's got has cut welfare rolls by 16 percent in just a few months—a small number when compared to the currently two million or so of those subject to the work requirement. What about all those mothers who have moved to "temporary duty plans" and assurances

that only the "job ready" will be referred for services? Haven't social workers been using those for years to shield their clients from the rigors of self-sufficiency? Look, for recent example, at the Washington State work/welfare demonstration that kept out such parents during such a host of "support services" such as training and day care. Researchers found that the women who participated of employment and day care did better overall. But they also found that fewer of the women actually ended up working than a comparable group of mothers who got no special help at all. (I'm assuming, after all, an even even meaning is truly "job ready"?)

Bury

of these conditions. They do the annual experiments first, and then set out to effect them on humans. Their is no evidence that the patients in special brain tests at the Harvard Medical Hospital were ever told they were being experimented upon. ... being experimental upon the returned as in the



death. Were they part of the radio experiments? On Jan. 15, 1954, at the age of 17, Evans died of a heart attack and was succeeded by W. W. Henry, who was

Sacramento Dec; 8-5-96

To Karen McHugh
from Melissa Skeliff

Reach out on welfare reform

The welfare system that everyone had come to hate is headed for oblivion. Whether its demise leads to better lives for poor parents and children, or to more suffering, depends in part on the commitment that California, its citizens and its leaders make to shape a replacement that better reflects our values and economic realities. Even before the ink dries on the now federal welfare reform bill, the state needs to set in motion a broad-based process to begin that work.

Planning a reformed welfare system is too big a task to be left to the Legislature or to state bureaucrats alone. In no state does the welfare reform puzzle have more intricate moving pieces than California: It has more welfare recipients, more children in poverty, more legal resident immigrants and more swiftly declining wages for lower-skilled workers than any other state. Putting together the pieces in a humane and effective way requires expertise and experience, qualities in dwindling supply at the state Capitol, where term limits are slimming the ranks of lawmakers and staff well-versed in social policy issues.

California would thus benefit by following Michigan's example of setting up a broad-based commission to plan a redesign of the state's social safety net.

Last year, in anticipation of federal welfare block grants, Michigan Gov. John Engler set up several advisory task forces broadly representing those with a role or

stake in welfare reform: business, labor, social workers, charities, churches, academics, economists, advocates for the poor, local government officials, legislators.

The advisers conducted hundreds of focus groups around the state. They helped identify the barriers to welfare reform, including the shortcomings of the welfare bureaucracy, and the issues the state needed to address. Although they didn't reach agreement on everything, their recommendations helped shape the reform plan eventually approved by the legislature there and built a broad base of support for the new system.

The Wilson administration made a show of reaching out earlier this year, when the Department of Social Services put together an advisory steering committee to discuss the welfare plan the governor had already proposed, then largely ignored its work. Now that Aid to Families with Dependent Children is gone and federal support for the poor has been sharply reduced, pro forma outreach isn't good enough.

Reversing the decline of underclass communities, ending dependency in favor of work and creating hope for poor children are the toughest policy tasks California has ever faced. The right way to begin is by broadly enlisting the energy, ideas and experience of a wide segment of Californians to map a path toward reform.

4TH STORY of Level 1 printed in FULL format.

Copyright 1996 McClatchy Newspapers, Inc.
Sacramento Bee

August 4, 1996, METRO FINAL

SECTION: EDITORIALS; Pg. F04

LENGTH: 774 words

HEADLINE: PRESIDENT WIMP

BODY:

In this election season, it seems clearer with each passing day that President Clinton is now driven largely by one principle: to please as many voters as possible, and to offend as few as can be managed.

That was demonstrated again last week by Clinton's pathetic capitulation on a welfare bill that he knows will put another million-plus children into poverty -- those same children for whom he pleads so often -- and that will create much other hardship, both for individuals and the nation's cities and counties. It will provide little support to enable recipients to get into real jobs, which is what welfare reform was supposed to be. The Republicans are claiming credit for the bill. By all rights, he should let them have it.

But the welfare surrender was only the most recent in what has become a series of waffles and capitulations. A few months earlier, he signed the Helms-Burton bill, which seeks to punish all citizens of foreign nations connected to businesses and facilities seized by the Cuban government from U.S. citizens and from Cubans who have since become U.S. citizens.

That's a secondary boycott that violates all sorts of free trade principles: What would the United States do if some other nation sought to punish Americans dealing with businesses seized from its nationals by the Chinese -- or the Russians or the Nigerians or the Mexicans? The Helms-Burton policy is already causing the United States difficulties with its allies and trading partners, but for the time being, Clinton is not concerned with them; he is concerned only with the Cuban vote in Florida's Dade County, which he may lose anyway.

Ditto for the terrorism bill, which, when it was finished, had little to do with terrorism but made it far easier to throw noncitizens out of the country without even informing them of the grounds for their deportation. Worse, in the limitations it placed on the authority of federal courts to protect habeas corpus rights under the Constitution, it was a major blow to civil liberties in America. As a one-time teacher of constitutional law, Clinton surely knows that as well, but here again, principle meant less than the need to posture in getting something. And here again, the Republicans in Congress, who have long wanted to limit the appellate rights of prisoners, got more than he did.

Clinton has learned that his eloquence and command of issues enables him to walk around some of those difficulties. He tried it again Wednesday with his "last best chance" disquisition on the welfare bill. But in the end, it was nothing more than a fancy version of smoking marijuana but never inhaling. He

Sacramento Bee, August 4, 1996

will sign the bill but protect the nation against its ugly provisions with future legislation. If he expects to do that, why not veto the thing in the first place?

Clinton deserves credit for his statesmanship in strongly pushing for the North American Free Trade Agreement in the face of strong labor union opposition; for his successful push for deficit reduction in 1993 (something that cost him politically); for resisting a defense bill loaded with Star Wars and other dubious programs; and for vetoing cuts in a long list of domestic programs last winter. That resistance, ironically, raised his standing with the voters and lowered that of a Republican majority that was prepared to shut down government to get its way. As a result he's far ahead in the polls. Couldn't he have risked some of that lead for principle, and for the children he professes to care so much about?

LANGUAGE: ENGLISH

LOAD-DATE: August 5, 1996

5TH STORY of Level 1 printed in FULL format.

Copyright 1996 St. Louis Post-Dispatch, Inc.
St. Louis Post-Dispatch

August 4, 1996, Sunday, FIVE STAR LIFT Edition

SECTION: EDITORIAL; Pg. 2B

LENGTH: 289 words

HEADLINE: LEADERSHIP OPPORTUNITIES

BODY:

Though welfare abuse pales in comparison with Pentagon waste or pork barrel spending, Americans almost universally believe they are being robbed by millions of lazy welfare queens who don't want to work. Instead of explaining to the nation that this picture is largely a myth, President Bill Clinton has helped to reinforce it by agreeing to sign a Republican bill masquerading as welfare reform.

Mr. Clinton said he was willing to sign the legislation because it was an improvement over the Republican-controlled Congress' two previous welfare bills, which he vetoed. The more likely explanation is that he wanted to deprive the Republicans of an easy-to-demagogue campaign issue. And Republicans seemed inadvertently to prove that politics, not authentic welfare reform, is what this bill was all about. The GOP's almost certain nominee, Bob Dole, and other top Republicans ridiculed Mr. Clinton for accepting the bill, whereas one would have expected them to praise him for finally seeing the light.

For the past six months or so, Mr. Clinton has been pre-empting the Republicans on issues they took for granted were theirs. From school uniforms to violence on television, from a balanced budget in seven years to reducing the gasoline tax, Mr. Clinton has obliged the Republicans to the point of infuriating them. And he has left everyone else wondering about his rubbery political principles. Is he nothing more than a finger-in-the-wind politician?

Welfare reform is an example of the hard, complicated issues that require leaders who refuse to pander and have the courage to lead the country away from short-sighted solutions. Mr. Clinton did not rise to the challenge this time. What will he do next time?

GRAPHIC: Color Photo from AP - Charging Ahead Sheryl Swoopes of the U.S. Olympic women's basketball team drives past Australia's Robyn Maher during Friay's semifinal in Atlanta. The United States won 93-71 and plays Brazil on Sunday for the gold medal.

LANGUAGE: English

LOAD-DATE: August 4, 1996

VIEWPOINT

Reality bites

In the end, Bill Clinton's decision on welfare reform was a showdown with the primitive instinct to secure food, clothing and shelter for a family — his, in the White House for four more years.

And the reality is that all those who know how bad the welfare reform bill is know how much worse it would be if Bob Dole were to take over the job Mr. Clinton is trying to keep.

So, the President, who slapped his veto on two previous welfare reform bills and knows he should do the same to this one, has made what is most likely the right political decision, even if it turns out to be the worst kind of policy.

He will probably keep most of the constituency that has him leading Bob Dole in the polls. By keeping his vow to "end welfare as we know it" he takes away one of the Republican's juiciest campaign themes: that the President doesn't deliver on his promises.

He will probably pick up votes from taxpayers who are angry about "those people on welfare." For all Dole's attempts to convince those taxpayers they have Republicans, specifically Bob Dole, to thank for welfare reform, what the taxpayers see is Clinton and Congress working together. And what they get is the subliminal message that nothing got done until Dole got out of the picture.

Some of those taxpayers may also remember that at the time when they were worried about welfare reform and bombs going off in planes and parks, Dole chose to deliver a major address on the movies.

But instead of listening to Dole or Clinton, we should be listening to Wisconsin's Governor Tommy Thompson, who is neither Democrat nor liberal and is often seen at the right hand of Dole. His state is one of those experimenting with welfare reform under waivers granted by the Clinton Administration. Dole and Clinton have been fighting over which of them should get credit for state-sponsored welfare reform like Wisconsin's, a fight that has made it hard for a lot of folks to hear what Thompson has been saying, which is this:

When it comes to moving people off welfare and onto payrolls, when it comes to providing job training and education that makes that movement possible, when it comes to creating jobs by subsidizing employers who hire welfare clients, welfare reform will not cost less. It will cost more, at least for a while.

And that is the dimension we enter now, the realm of "a while." For when the bill is signed and the clock starts ticking on the two years welfare parents have to get a job, the states will be getting less money and figuring out how to use it for both welfare grants and all those things needed to secure jobs for the welfare clients added to the not so short list of people in the job hunt.

And the main problem with this welfare

change, as we know it now, is the assumption that the road between welfare and prosperity is a one-way ride, that those who have jobs are in no danger of slipping down, that those who want to move up can, and can get far enough on the first try that they never need pass that way again. That is at the heart of the rule that says five years of benefits is all anyone ever gets for a lifetime.

It ignores the reality described by "Kids Count," the Anne B. Casey Foundation study done earlier this year: More than one-third of the nation's poor children live in a family with one or more working parents pulling at least 50 hours a week and still not making enough to pull the family over the poverty line.

They are hanging on for dear life at the end of a pole that could get very crowded and very slippery come welfare reform.

12TH STORY of Level 1 printed in FULL format.

Copyright 1996 Madison Newspapers, Inc.
Capital Times

August 2, 1996, Friday, ALL EDITIONS

SECTION: Editorial, Pg. 12A

LENGTH: 646 words

HEADLINE: ROLL CALL OF SHAME

BODY:

As President Clinton's pen hovers over a welfare reform bill that his own staff admits will throw a million more children into poverty, Americans of good conscience must honestly ask themselves: Has this man no shame?

The welfare reform bill that Clinton now says he will sign is so extreme, and so very dangerous, that not even Ronald Reagan dared to propose such a plan. But Clinton, who piously claims to 'feel your pain,' is actually putting the wheels in motion to cause America untold pain.

And for that pain, Americans will get nothing. The president claims the bill that is headed for his desk will replace welfare checks with paychecks.

The president is wrong.

More than 40 states are exempted from requirements that jobs be found for welfare recipients within two years, and the Congressional Budget Office tells us that the bill fails to provide the \$ 12 billion needed to create a workable job training program. Translation: This is not welfare 'reform,' this is safety net elimination.

As Hugh Price, the very moderate president of the National Urban League, says, 'It's almost as if Washington has decided to end the War on Poverty and begin a war on poor children.'

That Clinton has embraced what Catholic Charities U.S.A. labels a 'dreadful bill' comes as little surprise. He has never hesitated, in the heat of political battle, to sacrifice principle.

What is so very troubling, however, is that the president has found willing allies among supposed progressives for his war on the poor.

Health and Human Services Secretary Donna Shalala, who so proudly poses for photographs surrounded by children, has been reduced to defending a plan she once labeled wholly unacceptable. Shalala and her aides, including former Wisconsin Democratic Party Executive Director Hannah Rosenthal, must ask themselves whether they can in good conscience continue this political charade. Their continued presence in the Clinton administration makes them foot soldiers in what veteran Rep. Charles Rangel, D-N.Y., has called 'the most radical and mean-spirited attack against the poor that I have witnessed during my service in government.'

Capital Times, August 2, 1996

But the roll call of shame does not end in the executive branch.

U.S. Sens. Russ Feingold and Herb Kohl, Wisconsin Democrats who backed the Republican welfare reform bill, have linked themselves to the most racist and sexist elements in American society. So too have Scott Klug, Mark Neumann and the remainder of the Wisconsin congressional delegation -- with the notable, and noble, exception of Milwaukee Democrat Tom Barrett.

And don't forget Wisconsin politicians, including Gov. Tommy Thompson, Assembly Minority Leader Walter Kunicki and Senate Majority Leader Chuck Chvala, all of whom said Clinton made the right decision in deciding to sign what the New York Times calls "a bill that creates child poverty."

Rabbi David Sapperstein, the director of Reform Judaism's Religious Action Center, has asked, "How can senators and congress persons (and now a president) reconcile their support for legislative proposals which leave more children, more disabled people, more legal immigrants in hunger and poverty, with the clear biblical mandate to care for the most needy of God's children?"

The answer, tragically, is that no act of wrongdoing is beneath a politician when election day approaches. Clinton, Shalala, Feingold, Klug and the lot of them have shamed their names and their offices with their support of this evil bill.

Eventually, in the dark night of their waning careers, when they are remembered more as opportunists than leaders, perhaps these politicians will ask themselves the question put by veteran civil rights leader John Lewis in the midst of the welfare reform debate:

"What does it profit a great nation to conquer the world, only to lose its soul?"

GRAPHIC: Bill Clinton; Donna Shalala; Tommy Thompson

Janyce Weaver and Paul Kachelmeier are in training so they can walk and bike long distances to raise money for Habitat for Humanity.

LOAD-DATE: August 03, 1996

1ST STORY of Level 1 printed in FULL format.

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The Columbus Dispatch

August 4, 1996, Sunday

SECTION: EDITORIAL & COMMENT, Pg. 2B

LENGTH: 915 words

HEADLINE: LANDMARK BILL;
WELFARE REFORM EXTENDS HAND, NOT HANDOUT

BODY:

President Clinton's promised signature on legislation to remake the nation's welfare system will represent the most significant accomplishment of his term - and of this congressional term.

The measure, approved last week 78-21 in the Senate and 328-101 in the House, portends the most sweeping change in U.S. social policy since the New Deal.

As a presidential candidate in 1992, Clinton accurately gauged the depth of Americans' frustration with a welfare system that had failed to make progress against poverty and had spawned generation upon generation of people more dependent than ever on the government handout.

At the start of the 1990s, liberals and conservatives alike found it impossible to defend the welfare program, which over the decades had been transformed from its original design as a safety net into an expansive system of entitlements.

A solid majority of Americans came to see this sense of entitlements replacing a sense of responsibility. A pattern of permanent dependency began to supplant the time-honored purpose of welfare programs: to provide a temporary helping hand for those most in need.

Responding to such strong public sentiment, Clinton the candidate promised to 'end welfare as we know it.'

That promise was much in question when Clinton vetoed two earlier (and similar) welfare-reform bills sent to him by the Republican-controlled Congress. But now that he is deep into his re-election campaign mode, Clinton apparently felt compelled - albeit reluctantly - to honor his 1992 commitment.

Politically, the decision is a master stroke. It removed from the campaign debate the most potent issue that presumptive GOP presidential candidate Bob Dole hoped to exploit. Dole was left on the sidelines, dourly and disingenuously claiming credit for adoption of the plan.

Although Clinton's re-election motives surely provided the stimulus, the agreement between a Republican Congress and a Democratic president to overhaul the nation's welfare system still represents a historic achievement of bipartisan cooperation.

The Columbus Dispatch, August 4, 1996

Thanks to the persistence of the GOP-controlled Congress, which met many of Clinton's stated objections with the two earlier plans, compromise was reached. The result is a refreshing and responsible plan. The legislation fundamentally changes the 61-year-old Aid to Families with Dependent Children program, the cornerstone of today's welfare system. Established by the Social Security Act of 1935, AFDC was intended to provide cash grants to mothers and children in families in which the father had died or was disabled. It was an outgrowth of the widows' pension movement of the Progressive era.

The bill ends the system of federally guaranteed entitlements, which have allowed recipients to receive cash grants for as long as they met eligibility criteria. Instead, federal funding will be sent to the states in the form of block grants.

States will get broad authority to create and manage their own welfare programs. They will be able to write their own rules and set their own eligibility criteria and payment rates.

The legislation, however, includes some important restrictions all states must follow. Welfare recipients will be required to begin working within two years of receiving aid. And recipients will be limited to five years of benefits over their lifetimes, regardless of whether jobs were available. The five-year limit could be avoided if states use their own funds.

Over the next six years, states will get about \$ 55 billion less than they would have received under current rules. About half the savings is estimated to come from denying benefits to noncitizens.

The bill increases funding for child care, to help recipients move into the work force. It has provisions to improve child-support enforcement and to give states incentives to reduce out-of-wedlock births.

Because governors and state legislatures will have unprecedented flexibility in dealing with welfare, the states will be challenged to create cost-effective systems that encourage work and discourage dependency. Within a few years, experimentation across all 50 states should yield plenty of evidence of what works best.

In fact, for several years the states have been ahead of the federal government in pushing welfare reform. Many governors, including Ohio's George V. Voinovich, have had programs ready to go but stalled by federal rules and roadblocks. With those about to be removed, the full-scale experimentation can begin.

"This bill re-establishes the connection between work and income - the time-honored idea that people should work to get income," said U.S. Sen. Mike DeWine, R-Ohio. "People do need a hand up, and this welfare bill gives them a hand up."

Indeed, for much too long federal welfare policies fostered an environment that encouraged dropping out of school, shunning entry-level jobs and having out-of-wedlock children. All three behaviors have contributed to the growth of poverty. Over the past three decades, \$ 5 trillion in welfare spending has

The Columbus Dispatch, August 4, 1996

failed to counteract these disastrous trends. Clearly, a fundamental change in direction was overdue.

In Columbus and throughout much of the nation, employers are begging for workers. Jobs are available, and many employers are willing to provide the training for those who lack skills but are eager to work.

The nation's new welfare system, to be developed state by state, should represent a landmark improvement.

LOAD-DATE: August 5, 1996

3RD STORY of Level 1 printed in FULL format.

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Los Angeles Times

August 4, 1996, Sunday, Home Edition

SECTION: Opinion; Part M; Page 4; Opinion Desk

LENGTH: 547 words

HEADLINE: AMID CAPITOL HILL'S TORPOR, A WEEK OF ACCOMPLISHMENT;
HISTORIC ACTIVITY, YES, BUT THE BIGGEST ISSUES REMAIN

BODY:

No one had thought that much would be done in Washington during this presidential election year, but Congress has just wrapped up a historic week.

The Republicans and Democrats took on welfare reform, health care and the minimum wage, each for their own political reasons. They will head home during the August recess to trumpet their achievements. Like it or not, the practical effect of their legislative initiatives will be change across America. And nowhere will that change be more profound than in California.

As Congress pats itself on the back for getting something done, members should not get carried away with their self-congratulations. After all, the Republican-controlled Congress and the president left untouched the two biggest entitlement programs, Social Security and Medicare, two emotional issues that directly affect middle-class voters and desperately need reform.

The White House and congressional politicians concentrated their horse trading on exploiting issues like welfare on which there was broad agreement on the need for change. The president was anxious to fulfill his campaign promises, especially the one about ending welfare "as we know it." The Republicans, worried about their reelection prospects with so little achieved under their "contract with America," needed to rack up some accomplishments. Both sides wanted to go home with some dramatic results, and hardball gamesmanship delivered the package.

So millions working at the minimum wage will get an increase because Republicans backed the Democratic proposals in exchange for some tax cuts. After much jockeying on health care, the two sides reached agreement on health insurance, ensuring that workers will not lose coverage when they change jobs.

When it came to welfare, it was the Democrats who were backed into a corner. The president had vetoed two welfare bills and the Republicans were ready to send him another to reject so they could crow about it in the fall presidential election campaign. But then Republicans, openly nervous about Bob Dole's low standing in the presidential campaign polls and unwilling to be branded as purveyors of more legislative gridlock, started trading with Democrats.

The welfare compromise was fashioned largely on the backs of nonvoters--legal

Los Angeles Times, August 4, 1996

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The nation now embarks on a journey of change.

The Congress and President Clinton got some real work done last week; let's hope that in the next congressional session the nation's leaders will possess the courage and resolve to do more than nibble around the edges. They should face up to the formidable task of reforming the biggest entitlement programs.

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SATURDAY, AUGUST 3, 1996

Reform it right

Oregon's only vote against welfare bill has some legitimate concerns behind it

Newly elected Democratic Rep. Earl Blumenauer was the only member of Oregon's congressional delegation to vote against the welfare reform bill that President Clinton says he'll sign.

Clinton is right when he says the good in the bill outweighs the bad. It's a place to start meeting the challenge that everybody agrees is before us: ending welfare dependence and getting people back on their feet.

But Blumenauer is also right to be worried about the bill's effects on children and legal immigrants, and about a shortfall in money to pay for assistance so states can meet the bill's employment requirements.

This is where the real work begins — making sure that this effort proceeds as sincere and compassionate welfare reform and not as an exercise in punitive budget-balancing.

Failure will plunge us into deeper trouble than ever.

Blumenauer describes the potential human misery by referring to Oregon's decision to deinstitutionalize the mentally ill, which he called his worst vote as an elected official. That was cast as reform, he said, but in tough times, the state failed to keep its commitments. People suffered and continue to suffer.

On welfare, fortunately, Oregon has a head start in several key respects. It recognizes the need for people to have health care and child care before they can concentrate on training and jobs, and it helps provide that education and employment. An important part of the welfare bill keeps intact the federal waiver that authorizes Oregon's program.

The uncertainty that surrounds this welfare bill is undeniably troubling. Both the White House and Congress must keep a close watch on its effects and fine-tune it quickly and appropriately — even if it requires more spending.

Clinton must push immediately for the fixes he says he wants: exempting legal immigrant children and legal immigrants who are disabled after they arrive here from bans on public assistance, and restoring excessive cuts in food stamps that affect working families.

The entire issue of denying benefits to legal immigrants should be re-examined and narrower solutions to any abuses crafted. Meanwhile, Clinton is rightly committed to expediting naturalization for legal immigrants who wish to become citizens.

Officials must monitor whether the bill offers sufficient safeguards for people who are unable to work and whether more funding is required for employment assistance and child care.

The bottom line is that we may have to spend more at first to get real reform down the road, but it's a matter of priorities.

For example, the Congressional Budget Office estimates that the bill is \$13 billion short of the assistance needed for states to meet the goal of moving half their welfare recipients into jobs during the next six years. But Blumenauer points out that the extra money Congress gave the Pentagon over its original request would pay for that shortfall.

It will be a historic day when Clinton signs this bill, but we are all obliged to ensure that it's historic for the right reasons.

ON WISCONSIN EDITORIALS

[On Wisconsin Main Page](#)

[On Wisconsin News Main Page](#)

Now make the best of this flawed reform

From the Journal Sentinel

August 2, 1996

The welfare bill that President Clinton has promised to sign into law is horrible for children because it ends the legal duty government had to cushion their fall into poverty. In fact, the measure promises to make more than one million additional children poor, according to the Clinton administration's own estimate. Because poor kids lack political muscle, however, the bill will become law -- a fact that the measure's opponents must now accept.

The next stage in the struggle must be to minimize the harm of the new law and to maximize its chances of doing good -- a cause to which both opponents and proponents of the welfare overhaul must rally.

Republican governors strongly backed the measure. Now they must prove wrong the critics who complained that the bill was merely license to abandon poor families. Not reassuringly, California Gov. Pete Wilson cheered the soon-to-be law because, he said, it will allow his state to cut grants.

States, particularly those with GOP governors, wanted more control over welfare. Now they have it. They called the present welfare system a trap that actually caused poverty. Now they need to show they can design a system that will reduce poverty.

They will get fewer funds from the feds and get the option of putting up less of their own money. But they will gain greater flexibility, so perhaps they can do more with less.

A dire fear voiced in the debate over the legislation was that the states would use their newfound freedom to compete with each other in reducing benefits, to avoid becoming welfare magnets. The states must give lie to that fear.

Instead, they should design programs to connect poor parents to work. They must demonstrate the innovation they said was possible but for federal restrictions.

Wisconsin won't be as shortchanged by the new federal block grant as other states will be. The level is pegged to past federal welfare spending, which has been high here.

This state also has another edge -- an early start on overhauling welfare with its own plan called Wisconsin Works. The new federal law will make much of W-2 permissible without special waivers from the feds. Gov. Tommy Thompson and his administration now bear the duty of ensuring that W-2 lives up to its lofty promise.

The Miami Herald

JOHN S. KNIGHT (1894-1981)

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Welfare as nobody knows it

The best praise that can be offered for the historic new welfare bill is that it's not nearly as bad as the two previous versions, which President Clinton vetoed. By agreeing on Wednesday to

sign the House-Senate conference committee's final version, Mr. Clinton achieved three things helpful to his reelection campaign. Whether his and Congress's handiwork actually will help the nation's 12.8 million welfare recipients remains to be seen.

In accepting the bill, Mr. Clinton essentially kept his 1992 campaign promise to "end welfare as we know it." It's true, as the Republicans assert, that the president's promise is kept in GOP language. The Republicans — notably Rep. E. Clay Shaw of Fort Lauderdale — actually wrote the legislation ending 61 years of federal welfare policy. But it's also true that the president's two earlier vetoes forced the GOP to drop most of its original legislation's most onerous, punitive provisions.

Second, by accepting Congress's compromise, Mr. Clinton shrinks Bob Dole's potential campaign cudgel to the size of a golf tee. Mr. Clinton can say, and will, that the bill bears his clear imprint, which it does.

Third, and most important, the bill does redirect U.S. welfare policy in profound ways. This 1996 redirection will be just a beginning to true welfare reform.

But at least it's a *beginning*. No one is happy with the present welfare system's flaws and omissions. Nor is anyone entirely happy with this legislation's approach to remedying them. So subsequent Congresses inevitably will have to make changes, perhaps substantial changes, to sculpt a policy that protects the nation's most vulnerable while prodding off welfare those who can get and hold a job.

SEA-CHANGE NEW LAW Epochal bill promises certain hurt to legal immigrants, uncertain benefits to the nation.

For Florida, the new law poses an opportunity that Gov. Lawton Chiles welcomes. It also imposes a heavy burden on the state, and especially on Dade County, because of Congress's callous unfairness to legal

immigrants.

Says Mr. Chiles: "We are particularly pleased in Florida that we can move ahead with our landmark, bipartisan welfare-reform efforts," the 1996 WAGES law — for Work and Gain Economic Self-Sufficiency. It requires adult welfare recipients to work part-time. It limits welfare to 48 months and, for most, to 24 consecutive months within any 60 consecutive months. Mothers who get a job and leave welfare can get two years of transitional child care.

But the cushion for South Florida's legal immigrants is filled with stones. About 125,000 legal immigrants in Dade and Monroe Counties receive food stamps. The Broward figures weren't immediately available. About 60,000 poverty-level Dade legal immigrants, and 6,000 more in just four Broward cities — Fort Lauderdale, Hollywood, Pompano Beach, and Sunrise — receive Supplemental Security Insurance. All of those people face a cutoff of benefits.

The families of many are themselves struggling, and some people facing loss of aid have no families here. What will happen to these, the poorest of the legal-immigrant poor? How will the state's social-services budget — slashed by the 1996 Legislature — and South Florida's service agencies cope with this anticipated flood of people in desperate need?

For these people, their families, and those who try to help them, it's probably just as well that neither President Clinton nor the GOP can claim total credit for this new welfare bill. Those being thrown to the wolves can justifiably blame both sides.



EDITORIAL

Loose talk

President Clinton's decision to sign federal welfare reform legislation is largely irrelevant here in New Jersey. The Whitman Administration was certain it would receive Washington's approval to proceed with its own Work First program in at least some counties, if not statewide. Clinton's signature on the federal bill will only expedite reforms that were inevitable anyway.

Critics, predictably, are foaming at the mouth about all of this.

The main contention is that a five-year limit on welfare assistance — a condition of both federal and state reform efforts — amounts to a virtual guarantee that a few years hence New Jersey's streets will be filled with starving homeless people, many of them innocent children. As Odette Ramos, policy chief at the Center for Nonprofit Corporations in Princeton, put it just the other day, "We've already taken a stance in saying that we don't like the time limit."

What's going to happen to people who can't find a job, she wondered?

Actually, as she revealed just seconds later, she knows the answer: Such cases are rare.

"Granted, there aren't very many families that reach (the five-year limit)," she conceded, "but those that do, what's going to happen with them?"

Our best guess is that those few families would be covered under a provision of the federal legislation which permits hardship exemptions for up to 20 percent of welfare recipients, a provision conveniently glossed over by those calling down hell fire and brimstone on the measure.

As to the implicit assumption that hundreds, if not thousands, of people are going to be left to fend for themselves with no assistance whatsoever from the state, a bit of recent history is instructive.

Back in 1992, the Republican-controlled state Legislature went and did an especially dumb thing. Lawmakers included language in the state budget which had the effect of cutting off welfare benefits after six months in any one-year period. Worse, the timing meant that benefits for many would cease in January — the very heart of winter.

That this was a patently bad idea was immediately apparent to everyone once the oversight had been exposed. Result? Lawmakers undid the mistake by appropriating emergency funding. No one froze to death; no one starved.

It is probable that any effort at welfare reform will have some unforeseen consequences. There may be a glitch here or there. But for critics of such efforts to imply that recipients will be cast off the dole with not a second thought for their well-being is both wrong and unsubstantiated.

Those who would like to end the welfare subculture are not heartless beasts. They are not without compassion. The goal is simple: Get people used to working instead of collecting a check from the government every month. If something goes awry along the way, history has demonstrated it will be fixed.

FRIDAY, AUGUST 2, 1996

NEW YORK POST

America's oldest continuously published daily newspaper

Welfare's end as we know it

It won't surprise readers to learn that we support President Clinton's decision to sign the welfare reform bill. Indeed, we would have liked it if the President had signed earlier bills he chose to veto. But we congratulate Bill Clinton on his determination to stare down the foes of welfare reform both in the Democratic Party and within his own administration. It's clear the President decided finally that he no longer wanted to stand in the way of an idea whose time had come. In his 1992 campaign, Clinton promised to "end welfare as we know it." Now, he's done just that.

Critics who claim that the President is animated by political expediency miss the point. Effective politicians are always attuned to popular sentiment. In fact, the growing national impatience with the existing system created the climate that facilitated this measure.

For the last 48 hours, scowling liberals issuing vitriol-laced remarks have occupied center stage in the media. Marian Wright Edelman, an ostensible FOB (Friend of Bill) and a self-proclaimed children's advocate, claims the Clinton decision "will leave a moral blot on his presidency and our nation."

As we see it, such words from this particular source should comfort the President: An attack by Marian Wright Edelman — an architect and leading proponent of the failed status quo — is a sure indication that Clinton's on the right track. Actually, whatever the shortcomings of this particular bill — and there is no such thing as perfect legislation — the vast majority of its critics are longtime champions of the welfare system now in place. Few, in other words, favor welfare reform of any sort.

Most, moreover, are entirely untroubled by all that the welfare status quo has spawned: an illegitimacy rate

higher than that in any developed country (among blacks it's reached a genuinely catastrophic 70 percent) and a transgenerational cycle of dependency. The current welfare regime has produced adults who've never themselves held jobs, whose parents never worked and whose kids aren't likely ever to work.

Why such a system was morally defensible long escaped us.

There is no doubt that the new bill — which terminates welfare's status as a federal entitlement — will give rise to some rough sledding. Under the existing system, New York City had become an international welfare mecca: More than a million city residents receive federal welfare benefits in one or another form. And while the state will secure block grants in place of current programs, a reduction, for example, in payments made to immigrants is certain. Mayor Giuliani and Gov. Pataki have a right to worry about securing the dollars needed to see New York through this transition period. But it's well to note that they themselves aren't foes of the reform effort.

It's also worth bearing in mind that both men inherited a massive welfare legacy. After all, many who dwell in the precincts of the left consider widespread illegitimacy and welfare dependency a normal component of the social order — under the Dinkins administration, in fact, top HRA officials actually budgeted for "growth" in the number of welfare recipients, as if they were running a business trying to expand its customer base.

The legislation to be signed by the President renders this sort of attitude obsolete.

And not a day too soon.

NEW YORK POST, THURSDAY, AUGUST 1, 1994

HISTORIC WELFARE REVOLUTION

WELFARE REFORM BILL

Gov: State

E5

TUESDAY, JULY 30, 1994

NY 27 254 YAG

NEW YORK POST

America's oldest continuously published daily newspaper

Sign the welfare-reform bill

We're not inclined to try to read President Clinton's mind as he decides whether to sign or veto the welfare-reform legislation soon to reach his desk. The White House is sending out contradictory signals, claiming to support some of the bill's measures while warning publicly that it will "harm children."

The newest feature of the anti-welfare-reform campaign is the complaint that the legislation will reduce federal welfare payments to legal immigrants. It seems that immigrants benefit from welfare programs in greater proportion than their percentage in the population.

As we see it, the question of immigrants and welfare might best be tackled by reforming the immigration laws — first by ensuring that sponsors are held financially responsible for immigrants whose entry they facilitate (via the family reunification program); second, by adjusting existing criteria so that fewer immigrants — who lack the skills and attitudes needed to function in a modern economy — are granted entry here in the first place.

In the end, however, if welfare reform prompts a few resident aliens who came here believing that American taxpayers would support them indefinitely to return home, this strikes us as a price worth paying.

In any event, the social impact of welfare reform on legal immigrants is a decidedly minor issue. Indeed, the effort to raise it suggests that proponents of the status quo are fighting a last-ditch political battle on each and every open front.

The main reason for the hue and cry against the new bill is that it will take power from Washington and send it — via the block-grant mechanism — to the states.

No one yet knows which reforms will yield the best results. Some states are

likely to push recipients into public-service jobs. Others will channel welfare mothers into job-training schemes, or experiment with out-and-out "cold turkey" cutoffs. It's not yet clear, after all, how many welfare recipients will refuse to work no matter the nature of the incentives.

But one thing is plain: It's time to scrap the present system. As Charles Murray points out in the current *Weekly Standard*, 1994 saw the National Center for Health Statistics report its biggest ever one-year jump in the percentage of children born out of wedlock.

For black Americans, the new numbers hike the illegitimacy rate to 70 percent; among whites, an all-time-high single-year increase of 1.8 percent raises the rate to 25.4 percent.

The end result is that nearly one American child in three is now born out of wedlock — a fact with devastating implications for the well-being of millions of American children.

Critics who protest that reforming the welfare system will "hurt children" would do well to contemplate the meaning of such statistics.

Over the past 80 years, Washington has pioneered the novel strategy of paying unmarried women to have babies. The unsurprising result has been a massive increase in the number of children born into such circumstances, along with a concomitant rise in crime and other social pathologies.

There is no reason why the federal government shouldn't seek to change this state of affairs, by discarding a manifestly failed — counterproductive — program. Congress has done its part by preparing bipartisan legislation. We hope the President does his — by signing it.

Welfare, 1935-1996

Rest in Peace

NY Daily News 8-1-96
TRAPPED POLITICALLY in a box he built in the 1992 campaign, President Clinton took the only practical way out: He agreed to sign the welfare bill and actually "end welfare as we know it," as he said four times yesterday.

Yet even though Clinton was surely inspired by politics (96 days 'til Election Day), this is one of those historic occasions when good politics is also good policy. The bill has flaws, but it's good enough to earn a presidential signature. Especially when the only other option is the disastrous status quo.

Clinton is nothing if not resourceful, claiming that the bill was the result of his 1992 pledge. In truth, the real credit goes to the GOP Congress, which forced him to sign the bill or defend a third veto. He chose wisely, for himself and the nation.

The main provisions aim to return welfare to what it was supposed to be, a temporary safety net for people unable to fend for themselves — instead of a way of life.

The primary cash program, Aid to Families with Dependent Children, will be transformed from an automatic check-writing machine in Washington to one of state-based, limited assistance built around work. As New York City has proved with its workfare program, everyone — taxpayers and welfare recipients — gain when work is part of the welfare deal.

Because states will get a little less money but much more say in how it's used, 60 competing systems should produce innovative approaches. At the very least, no one will have Washington to blame anymore, a fact Clinton noted yesterday as he challenged the states to make the program work.

The key is the requirement that half the recipients in each state be working within two years or that state gets less money. There are carrots as well as sticks: States will get extra funds if they reduce illegitimate births. The bill also includes stronger penalties for deadbeat dads and statutory rape — a prime cause of teen pregnancy. Time limits are also a momentous shift. The five-year maximum has safety valves, but basically, if states choose to allow people to remain on the dole longer, they must pay for it themselves.

Yet the bill is not really about saving money. Welfare is only 1% of federal spending, and over the next six years the bill will save \$55 billion, a relative pittance. But maybe it will save people from lives of dependency.

For sure, the bill isn't perfect. The stripping of benefits from fully legal immigrants is sheer xenophobic meanness, and the cuts in food stamps threaten people's basic nutrition. Neither is worth the small savings and Clinton has rightly said he'll try to get rid of both with subsequent legislation.

But he's also right not to let those flaws stand in the way of this landmark opportunity to fix a system that is profoundly broken.

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Los Angeles Times

August 4, 1996, Sunday, Home Edition

SECTION: Opinion; Part M; Page 4; Opinion Desk

LENGTH: 547 words

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Los Angeles Times, August 4, 1996

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LANGUAGE: English

LOAD-DATE: August 4, 1996

San Francisco Chronicle; 8-1-96

An Imperfect Reform Of a Failed System

WITH KEEN reservations and doubts, we support President Clinton's decision to keep his 1992 campaign promise to "end welfare as we know it" by signing the welfare reform bill as a first step in overhauling a failed and discredited system.

"Today we have an historic opportunity to make welfare what it was meant to be: a

The welfare system needs to be fixed, but it will not be easy or painless. This bill is a start

second chance, not a way of life," Clinton said yesterday. "So I will sign this bill, first and foremost because the current system is broken."

The president's signature will mark the beginning of the end of a 61-year-old federal program designed during the Great

Depression as a safety net for the nation's most needy, especially poor families with children who are certain to suffer most from any cuts in Aid to Families With Dependent Children (AFDC), food stamps and Medicaid, all programs under the knife.

Currently about 4 million adults and 9 million kids receive about \$195 billion a year in public assistance — \$23 billion in AFDC; \$28 billion in food stamps and \$144 billion in Medicaid.

During the next six years federal welfare spending will be cut by about \$55 bil-

lion, most of it coming from the food stamp program and federal aid to many legal immigrants, which will hit California particularly hard.

Despite the enormous welfare costs, poverty prospers and millions of people remain captive to a system that fosters dependence and discourages individual enterprise. The palpable evidence of the system's abject failure is evident in the hopeless slums of every major city in the nation.

The welfare system obviously needs to be repaired, but it will not be done easily, painlessly or with these reforms alone. Yet this bill is a start.

In the recent past, we urged Clinton to veto two previous Republican-sponsored welfare bills, because of their mean-spirited nature and fears that children would bear the brunt of the cutbacks.

However, the GOP measure passed yesterday by the House contained just enough compassionate concessions to be acceptable as a starting point for reform. Even with the concessions, the bill is a stern one that would limit welfare benefits to five years and require able-bodied recipients to work after two years.

Once the bill becomes law, it will be up to the president and Congress to ensure that the reforms are put into place in a humane way that does not do further damage to our most vulnerable.

That should be America's mission — on both the federal and state levels — as we begin to repair welfare and undo the harm created by this well-meaning, but broken system.

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Chicago Sun-Times

August 2, 1996, FRIDAY, Late Sports Final Edition

SECTION: EDITORIAL; Pg. 29

LENGTH: 298 words

HEADLINE: Reform bill no cure-all for welfare woes

BYLINE: Editorials

BODY:

President Clinton ended weeks of wavering Wednesday by announcing he will sign legislation for sweeping welfare reform. By supporting the compromise bill that was passed 328-101 by the House and 78-21 by the Senate, Clinton has finally kept one of his major campaign promises of 1992.

The president vetoed two harsher versions of the Republican-supported reform, but says he will sign this version even though it has "serious flaws," adding, "I believe we have a duty to seize the opportunity it gives us to end welfare as we know it."

The bill indeed will put an end to six decades of guaranteed cash payments to the poor. It will limit lifetime benefits to five years and require able-bodied adults to work after receiving benefits for two years. Although we agree that welfare should not be a permanent entitlement, we have strong doubts about replacing Aid to Families With Dependent Children with block grants to states.

Each state will get a lump sum of federal money and the authority to design its own welfare programs, creating a hodgepodge of eligibility requirements and benefit levels. It also creates an incentive for the poor to move from state to state for the best benefits.

As critics said, children in needy families not eligible for assistance could slip through the cracks. State officials and their watchdogs must be vigilant to make sure that doesn't happen.

Clinton said, "We have to make sure that in the coming years, reform and change actually result in moving people from welfare to work."

That will not be easy. After all, it has taken 61 years to bring welfare to its current unacceptable state. But although this legislation is not perfect, it provides an opportunity to return welfare to a safety net instead of the trap of dependency.

LANGUAGE: English

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CHICAGO SUN-TIMES (IL)

AUGUST 2, 1996

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August 1, 1996 Thursday, NORTH SPORTS FINAL EDITION

SECTION: EDITORIAL; Pg. 22; ZONE: N

LENGTH: 484 words

HEADLINE: HISTORY LESSONS AND WELFARE REFORM

BODY:

Everyone is familiar with the famous aphorism of the philosopher George Santayana: "Those who cannot remember the past are condemned to repeat it."

But fewer people know the lines that immediately precede that one: "Progress, far from consisting in change, depends on retentiveness. When change is absolute there remains no being to improve and no direction is set for possible improvement: and when experience is not retained . . . infancy is perpetual."

That excellent statement of conservative principle would seem to argue against the sort of bold--radical?--new experiment in welfare reform on which the Republican Congress and the Democratic president have finally agreed. Washington would never have become involved in welfare in the first place--and devolution would be unnecessary--if the states had been able to manage adequately alone.

But history's lessons don't all go one way. The fact is that under Washington's hegemony, "relief" metamorphosed into welfare, an institutionalized system that fosters dependency, distortion and dysfunction in a disturbingly large minority of its recipients.

The time has come for change. The new welfare bill is, as President Clinton said Wednesday, far from perfect. But to demand a perfect, risk-free bill is to demand the impossible. Let this legislation be the start of a reconstruction of the system along new, wiser lines.

Critics of the new bill assert that it will drive more than 1 million children into poverty. That could happen, but it is not inevitable. It could happen if states use their new freedom to erect crude, mean, degrading programs. It could happen if welfare parents abdicate their responsibilities and simply refuse to take the opportunity to work. History suggests some of each group will make just such bad decisions.

On the other hand, other states could follow the lead of Wisconsin, which is moving to remake its welfare system into a jobs system (and in the process fulfilling the old liberal ideal of a guaranteed job for everyone who wants to and is capable of working). And parents, appreciating that children are nourished not just by bread but by the wholesome example of those closest to them, could demand the opportunity to work that a Wisconsin-style system would offer.

There can be no minimizing one huge flaw in this legislation: the repeal of the national commitment to public assistance for poor children. That six-decade-old pledge is one of our nation's glories; its repeal is cause for

Chicago Tribune, August 1, 1996

shame.

Defenders of the repeal say it doesn't matter, that the moral commitment remains. So be it. The onus is now on all of us--the press, the voluntary sector, business and government--to assure that that commitment is kept, as it is on the states to give us new ways of helping the poor that are an improvement on the old. Let us be guided by history--and by our consciences.

LANGUAGE: ENGLISH

LOAD-DATE: August 1, 1996

THE TOPEKA CAPITAL JOURNAL Saturday, July 27, 1996

WELFARE

Reform in some form

Former Kansas Sen. Bob Dole has said the welfare bill approved by the Senate this week is "one last chance" for President Clinton to deliver on his promise to "end welfare as we know it." Of course, it is not a last chance. But it may be a lost opportunity if he vetoes it.

It's not a last chance to reform welfare because the American people want reform enough that it will resurface until it passes. And even if the bill does become law, there will be some tinkering to do. It's doubtful, for instance, that even the cruelest lawmaker would throw a child out on the street because his or her parents had exhausted their five years of welfare eligibility under the bill. All of us need assurances that won't happen — perhaps by a non-cash voucher system to provide life's essentials for such children.

But, as Democratic Sen. Joseph Lieberman of Connecticut noted recently, millions of children are already mired in poverty in large part because of government programs that eliminate the need and incentives for their parents to work.

Welfare also has virtually eliminated the need for fathers; provided disincentives for marriage; removed financial considerations — which the rest of us must face — in decisions over how many children to have; and created a mindset that the world owes one a living.

Welfare dependency must end.

The bill is estimated to save \$57.2 billion over six years. But for most Americans, the amount of money involved isn't the most important factor in the need for reform — it's how

■ The Senate plan isn't perfect — children need more of a safety net. But this bill is salvageable.

that money is spent. It's a cinch Americans would be willing to even pay more in benefits to help their fellow countrymen raise families between jobs rather than simply pay them to sit at home and have children. The difference is as profound as can be.

Too many American children have never been exposed to the work ethic because of the culture of welfare.

Besides sending a strong message that aid is temporary, the Senate bill:

- requires unwed teen mothers to be under adult supervision and to receive education or job training to receive benefits;

- requires more teen pregnancy prevention programs;

- rewards states that crack down on statutory rape;

- provides funds for programs that discourage unwed parenthood;

- provides child care funds.

Is the bill perfect? No. Besides lacking a safety net for children, it may cut benefits too much to legal non-citizen immigrants.

But in politics, you have to take what you can in increments. And at least recipients will be required to work within two years or risk losing benefits.

Defenders of the status quo don't realize how deeply most Americans feel about this issue: They feel they've been taken advantage of for years.

And they want it to stop.

THE BOSTON HERALD

8-1-96

BOSTON HERALD

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Editorial Page Editor**Clinton finally does his duty**

President Clinton's decision to sign the welfare reform bill is again proof there's nothing like the approach of an election to make a politician get serious.

The calculation of the man who campaigned to "end welfare as we know it" may have been that he comes out ahead if he buries an issue with much promise to attract independents and many Democrats to his opponent.

Clinton did, after all, win over many voters with his campaign promise, voters who were dismayed by his two vetoes of previous reform bills.

Yesterday the president noted differences between this bill and the previous two, implying that his vetoes produced an acceptable bill. That's an expectable claim.

In fact, though, the heart of the bill hasn't changed much, and could have been achieved months ago. The automatic entitlement will end; the states get lump-sum grants to design their own programs. No one may stay on welfare for more than two years straight, or five years total, *using federal funds*. The states have plenty of room and funds to handle special hardship cases.

What is "welfare as we know it?" A generator of endless dependency, crime, illegitimacy, promiscuity, idleness and chaos. The president was right when he said he had "a duty to seize the opportunity [the bill] gives us to end welfare as we know it."

As always, we welcome a president's performance of his duty.

cc: Monahan
S. Segenheimer

Denver Post 8/1/96

Clinton moves closer to fulfilling welfare vow

With the announcement yesterday that he will sign a Republican welfare-reform bill, President Clinton moved one step closer to honoring his campaign promises to "end welfare as we know it."

The bill passed the U.S. House 328-101 yesterday afternoon and is expected to be approved by the Senate today. When it then moves to the president's desk, we hope and expect that he will finally fulfill his 1992 pledge.

The bill doesn't satisfy anyone completely. Clinton has said he wants to correct excessively deep cuts in food stamps and benefits for legal immigrants. Nonetheless, it means the nation can, at last, start fixing a system that is patently broken.

The reform proposals would replace open-ended assistance to the poor with aid tied to work requirements. Although some hardship exemptions would be allowed, total assistance would be limited to five years per family, and able-bodied adults would be required to work after two years.

Make no mistake, the bill is tough — sometimes too tough. While we support its general philosophy and welcome the promised savings in tax dollars, we regret that the final package eliminates a \$3 billion work program designed to help move people from welfare

into the workplace.

One of the bill's most important moves is converting several major welfare programs, including Aid to Families with Dependent Children, into block grants to be run by the states. It's significant that while liberal Democrats in Congress have deplored the bill, the Democratic Governors' Association has praised it, calling the measure "a victory for all who believe welfare must provide a second chance but not a way of life."

The final conference-committee package reflects solid accomplishment — if not victory — for the Republican leadership and for moderates on both sides of the congressional aisle.

It is important that no one can claim a clear win here. As the nation's long debate over welfare draws to its conclusion, we need to remember that the middle course is often the soundest course. "Without the political center, there is no majority in the democratic system," said then West German Chancellor Willy Brandt. "Anyone who throws away the center sacrifices his capacity to govern."

With his decision to take the difficult middle road on welfare, Clinton has enhanced his ability not only to win reelection but to govern effectively should the voters give him a second term.

115TH STORY of Level 1 printed in FULL format.

Copyright 1996 Denver Publishing Company
Rocky Mountain News

August 2, 1996, Friday

SECTION: EDITORIAL; Ed. F; Pg. 52A

LENGTH: 414 words

HEADLINE: New beginning on welfare

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THE ISSUE: The new welfare bill

OUR VIEW: The safety net is not being destroyed

BODY:

To hear the lamentations of some, you would think the nation's welfare programs were about to be shredded and that President Clinton and Congress - the doers of this deed - cared not a whit about the human anguish that will soon ensue.

In fact, welfare is not being destroyed. With a multitude of strings still attached, it's being handed over to the states by way of block grants. But it is also being dramatically changed; the legislation Clinton has now said he will sign, for instance, in most cases will limit lifetime eligibility to five years. But poor people will still have a safety net. Over the next six years, federal spending on welfare programs will increase from \$ 99 billion annually to \$ 128 billion.

The impetus for the legislation was far less the cost of the current welfare system than the human degradation it has facilitated. Programs initially meant to serve emergency needs have instead become a way of life for millions. Welfare has not been the only or even the primary cause of a number of social evils - fathers deserting their children, an astonishing increase in out-of-wedlock births, a sharply rising crime rate by teenage boys in the inner city - but it has aided and abetted these pathologies.

A constantly voiced fear is that welfare mothers will either refuse or won't be able to find decent jobs when their welfare eligibility has expired under the new rules. Even though states will be permitted to grant exemptions in 20% of the cases, many critics of the legislation now parrot - as if it were a demonstrated fact - that 1.1 million children will be thrown into poverty. It's a prediction based on questionable assumptions and one that underestimates the compassion and ingenuity outside the city of Washington, D. C. It also fails to allow for the fact that Congress can change the law if the worst predictions begin to come true.

Somehow this society must confront the problem of long-term welfare dependency. The new law at least gives states a chance to innovate more freely and more productively than before and removes the props from what can and often does become a debilitating lifestyle.

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SATURDAY, AUGUST 3, 1996

Reform it right

*Oregon's only vote against welfare bill
has some legitimate concerns behind it*

Newly elected Democratic Rep. Earl Blumenauer was the only member of Oregon's congressional delegation to vote against the welfare reform bill that President Clinton says he'll sign.

Clinton is right when he says the good in the bill outweighs the bad. It's a place to start meeting the challenge that everybody agrees is before us: ending welfare dependence and getting people back on their feet.

But Blumenauer is also right to be worried about the bill's effects on children and legal immigrants, and about a shortfall in money to pay for assistance so states can meet the bill's employment requirements.

This is where the real work begins — making sure that this effort proceeds as sincere and compassionate welfare reform and not as an exercise in punitive budget-balancing.

Failure will plunge us into deeper trouble than ever.

Blumenauer describes the potential human misery by referring to Oregon's decision to deinstitutionalize the mentally ill, which he called his worst vote as an elected official. That was cast as reform, he said, but in tough times, the state failed to keep its commitments. People suffered and continue to suffer.

On welfare, fortunately, Oregon has a head start in several key respects. It recognizes the need for people to have health care and child care before they can concentrate on training and jobs, and it helps provide that education and employment. An important part of the welfare bill keeps intact the federal waiver that authorizes Oregon's program.

The uncertainty that surrounds this welfare bill is undeniably troubling. Both the White House and Congress must keep a close watch on its effects and fine-tune it quickly and appropriately — even if it requires more spending.

Clinton must push immediately for the fixes he says he wants: exempting legal immigrant children and legal immigrants who are disabled after they arrive here from bans on public assistance, and restoring excessive cuts in food stamps that affect working families.

The entire issue of denying benefits to legal immigrants should be re-examined and narrower solutions to any abuses crafted. Meanwhile, Clinton is rightly committed to expediting naturalization for legal immigrants who wish to become citizens.

Officials must monitor whether the bill offers sufficient safeguards for people who are unable to work and whether more funding is required for employment assistance and child care.

The bottom line is that we may have to spend more at first to get real reform down the road, but it's a matter of priorities.

For example, the Congressional Budget Office estimates that the bill is \$1.9 billion short of the assistance needed for states to meet the goal of moving half their welfare recipients into jobs during the next six years. But Blumenauer points out that the extra money Congress gave the Pentagon over its original request would pay for that shortfall.

It will be a historic day when Clinton signs this bill, but we are all obliged to ensure that it's historic for the right reasons.

111TH STORY of Level 1 printed in FULL format.

Copyright 1996 Guy Gannett Communications, Inc.
Portland Press Herald

August 2, 1996, Friday, CITY EDITION

SECTION: EDITORIAL, Pg. 8A

LENGTH: 389 words

HEADLINE: WELFARE STOPS PAYING PEOPLE TO HAVE NOT;
A LAPSE IN FAIRNESS FOR LEGAL IMMIGRANTS REMAINS TO BE FIXED.

BODY:

Poor children, who like all kids expect the best of their country, will find their safety net weakened under the welfare reform bill favored by Congress and accepted by President Clinton. So will poor adults.

Added risk for the needy will be inescapable.

Also inescapable, however, is this fact: Welfare, as a federal entitlement program, does not work. At least, it does not work as intended.

For six decades the federal government has been paying poor people to have not.

The financial cost and the loss in human achievement, deadened hopes and unrealized fulfillment have proved astronomical.

Left behind decades ago was the motivating concept of welfare as a brief, temporary bridge from bad times to long-term self-sufficiency. In its stead, welfare stipends have become for many a permanent system of public support, dollars as routinely expected and spent as a family paycheck.

That is why, despite pain, error and dislocation - and the reform bill carries all three - Clinton has to keep his 1992 campaign promise to "end welfare as we know it." Republicans this election year have insisted upon it.

Still, let's not flinch from recognizing that no system as deeply entrenched as federal welfare entitlements can be reshaped without pain. No matter how regrettable, pain is the price of any meaningful welfare reform.

Nor should Americans ignore a major error in the pending law. No nation that values its self-respect can take from legal immigrants in taxes, then deny them the protection of its social services when it is needed. That is a moral lapse in the reform legislation that Clinton says he will seek to correct.

Finally, no major change in welfare at the federal level can be accomplished without shifting policy and financial burdens to the states. That is a dislocation that governors must deal with.

On the plus side, the responsibility to set eligibility requirements, benefits and programs comes with block grants and flexibility that governors and legislatures are likely to welcome.

Portland Press Herald August 2, 1996, Friday,

Ultimately welfare reform will be judged less by the limits it imposes on cash assistance, Medicaid and food stamps than by whether those limitations tied to pressure to obtain jobs and to avoid teen-age pregnancy - improve the lives of millions of people.

That's the real public test.

LANGUAGE: ENGLISH

LOAD-DATE: August 3, 1996

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Copyright 1996 Charleston Newspapers
Charleston Daily Mail

August 02, 1996, Friday

SECTION: News; Pg. P4A

LENGTH: 379 words

HEADLINE: EDITORIALS

BODY:

Freedom

- Welfare reform should free millions

from the trap of government handouts

AFTER years of rewarding self-destructive behavior, members of

Congress finally came to their

senses and ended welfare as we know it.

Hallelujah. Welfare reform will shift responsibility for the poor back

to the states and to the people themselves.

The welfare state has mocked the working poor by coddling dropouts who

refuse to accept a free education and others who refuse to acquire

marketable skills.

A trillion-dollar experiment in social engineering failed miserably.

Not only did it not create a Great Society, it encouraged the growth

of social pathologies.

Despite near universal access to birth control and abortion, a million

babies are born out of wedlock each year. It will take a couple of

generations to recover from this mass insanity.

Drug abuse is more widespread now than ever before. Homicide rates

easily doubled in most cities. Gangs control the streets to the point

where many people are prisoners of public housing, afraid to leave

their apartments or even sit near their windows.

Charleston Daily Mail, August 02, 1996

Food stamps are so abused by drug dealers and other lawbreakers that they have become a second national currency. That nonsense must end. No, the welfare reform package will not prove to be perfect. It's unrealistic to expect that Congress will get every detail right the first time.

But give Republicans as a party and many Democrats as individuals credit. They have listened to taxpayers who see the money they earn squandered by well-intentioned programs that go nowhere.

Reformers face false accusations of hurting children. That's a laugh. What hurts children is to be born deliberately into welfare.

Voters should rally behind those who have the courage to say illegal aliens are lawbreakers who are not entitled to a dime of taxpayer money, who have the courage to say that able-bodied adults should expect to work, who have the courage to say that parents of kids who simply misbehave in school are not entitled to Supplemental Security Income.

America is the land of opportunity. Rewarding people who waste that opportunity has proved to be very poor social policy.

LOAD-DATE: August 03, 1996

73RD STORY of Level 1 printed in FULL format.

Copyright 1996 The Atlanta Constitution
The Atlanta Journal and Constitution

August 2, 1996, Friday, JOURNAL EDITION

SECTION: EDITORIAL; Pg. 14A

LENGTH: 395 words

HEADLINE: Nation revives the value of personal responsibility

BODY:

BOTH THE PRESIDENT and House Speaker Newt Gingrich have used the word historic to describe the welfare reform legislation that Congress is sending to the White House.

While it may be hyperbole to suggest that this legislation ends welfare as we know it, it is unquestionably historic. For one thing, it ends any legal entitlement to welfare.

For 30 years, Congress has guaranteed benefits that were intended to lend a hand out of poverty. Instead, welfare for many has become a seductive trap ensnaring generation after generation. This legislation has time limits and incentives for the able-bodied to go to work.

While acknowledging the significance of this bill in reversing the nation's course on welfare, we had urged reform that is much more far-reaching. Medicaid, for example, accounts for 20 percent or more of each state's budget; welfare accounts for about 4 percent. Medicaid remains a costly and inefficient way to deliver indigent health care. This legislation, too, still imposes Washington's rules on the states, determining, for example, who gets welfare and for how long.

Nonetheless, Congress' action is historic. Since the New Deal, the ethic in Washington is that government is the foundation for the good life enjoyed by Americans. This legislation begins to shift the emphasis. States are being asked to design programs that encourage individuals to take responsibility for their own lives. The primary objective is not to save money, but to change behaviors.

For the states, the task is daunting. Georgia has not done a very good job of evaluating its welfare experiments ---the Peach program, for example, which is intended to prepare aid recipients for work. We should know not only how many get jobs, but how many are employed in six months or two years, and how many are working at the job for which they were trained.

Georgia has lagged behind states such as Michigan and Wisconsin in developing comprehensive solutions, though some of its individual experiments show promise. In the last session of the General Assembly, Democrats refused, however, to allow a package of reform proposals offered by Republicans to come out of committee.

State officials have asserted for years that they are more innovative and their solutions more effective. When the president signs this bill, the ball is clearly in their court.

10A Friday, August 2, 1998

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New York faces challenge from welfare reform law

Some elements of Congress' welfare reform legislation embraced by President Clinton do indeed signal a positive "end to welfare as we know it." But we wish the president success in his intention to seek corrections to what he continued to call "serious problems."

Reasonable time limits on benefits and specific welfare-to-work goals for states firmly establish public aid as a temporary measure. It will be the task of the states, which will have much more flexibility to devise their own programs, to ensure that they offer resources to help people willing to work their way out of poverty. Additional child-care funding, an important aspect of that effort, was one of the improvements made to earlier congressional versions of reform.

The administration was able to stave off some other draconian proposals, preserving a guarantee of food

stamps for the poor and Medicaid health coverage for families on welfare. Some "get tough" provisions deserve their place in the package. States will also be pushed to track down deadbeat parents who fail to provide child support and encouraged to cut off benefits for drug offenders who fail to seek treatment. Others deserve the administration's targeting for modification, principally the denial of benefits to legal immigrants.

The immigrant provision is particularly worrisome to New York. No state will have to work harder to make the new rules work without punishing poor children, as critics warn, than New York, whose constitution mandates care for the needy. Gov. George Pataki will have to set his own administration to work immediately to fulfill that mandate in the face of a new welfare reality.

65TH STORY of Level 1 printed in FULL format.

Copyright 1996 The Tribune Co. Publishes The Tampa Tribune

The Tampa Tribune

August 3, 1996, Saturday, FINAL EDITION

SECTION: NATION/WORLD, Pg. 14

LENGTH: 460 words

HEADLINE: Ending welfare as we know it

BODY:

After 60 years, welfare as we have known it is coming to an end. President Clinton has reluctantly endorsed the legislation that will do what he promised so eloquently during his 1992 campaign.

The current welfare system started as a compassionate response to the massive unemployment and economic dislocation of the Depression years. It had one program, Aid to Families with Dependent Children (AFDC), which supported widows and their children, and it was meant to be temporary. That's the way it worked for the first 30 years.

But what started out as an effort to help people get through tough times burgeoned into something else. It has grown over the years to include housing subsidies, Medicaid, Head Start, food stamps, job training programs and child care. For far too many current recipients, the system suffocates ambition, incentive and hope.

The original promise of welfare to be a bridge between bad times and better times has become, instead, a way of life. And in many instances it has produced generational dependency that has accelerated the breakdown of the family, out-of-wedlock births, increased drug use, more violent crime, less discipline in schools - and the list goes on.

That is why 90 percent of people polled - liberal and conservative, Democrat and Republican - believe there should be fundamental change in the way we approach helping those in need. Welfare reform is long overdue.

But many opponents of the bill keep talking about the "1 million children who will be thrown into poverty."

For years children have been used as a heat shield to block attempts to reform the system. In the meantime, many more children have been born into poverty because of the perverse incentives that "welfare as we know it" provides.

The nation is still compassionate, but compassion cannot be measured by money alone. The main evil of the welfare system is not the tax dollars it swallows up, but the human potential it destroys. Most Americans would gladly increase aid to the poor if they thought it would do any good. But trillions in government aid during the past 30 years have produced nothing but more poverty and misery.

The Tampa Tribune, August 3, 1996

Even the most optimistic welfare reformer must realize that our welfare mess took 50 years to create. It would be extraordinarily unrealistic to expect the problem of welfare dependency to be solved in one congressional session or even a single decade. That is why any viable plan should include both short-term and long-term goals.

Welfare reform is a multistep process and the new legislation is just a first step. But it is an important one. The Republican Congress should be congratulated for pressing ahead with this historic measure. In the long run it will improve many lives.

TYPE: EDITORIALS

LOAD-DATE: August 4, 1996

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Copyright 1996 Sun-Sentinel Company
Sun-Sentinel (Fort Lauderdale)

August 3, 1996, Saturday, ALL EDITIONS

SECTION: EDITORIAL, Pg. 14A

LENGTH: 641 words

HEADLINE: BEGIN SHIFT FROM WELFARE TO WORK, JUDGE IMPACT, CHANGE TO FILL NEEDS

BODY:

Florida was three months ahead of Washington, D.C., on welfare reform. When Congress and President Clinton finally reached agreement this week on historic changes in welfare, it freed Florida to put into effect a comprehensive law passed by the Legislature this spring.

The pluses and minuses of Florida's welfare reform mirror the new federal law, and the connections between them demonstrate the strengths and flaws of the shift of responsibility from Washington to Tallahassee. Overall, both reflect an overwhelming national consensus that the current welfare system has failed miserably, leaving millions of Americans trapped in a depressing cycle of dependency while their basic needs are financed by taxpayers.

There's more agreement on the problem than on the solution, which is an experiment relying on the ability and willingness of 50 governors and 50 state legislatures to carry out a shift from welfare to work. In Florida, the startup is encouraging because successful pilot programs already have a two-year track record in Escambia and Alachua counties.

Florida also will benefit because the federal block grant - the new way of financing direct-cash benefits to welfare recipients - is based on 230,000 welfare recipients. That number, however, has fallen to 200,000 as the state's economy improved, so Florida will have a \$ 60 million cushion at the start.

Those numbers point to two worries about the new welfare plan. First, are there enough jobs, in Florida and other states, to provide employment for welfare recipients?

Right now, in Florida, the answer could be yes because of a growing economy, and Democratic Sen. Bob Graham cited that as one reason for changing his mind and voting for the final welfare bill on Thursday. When a recession comes, as it inevitably will, how many welfare mothers will be told to find jobs, only to learn there are none?

A 20 percent exemption in the federal law could help. It allows but doesn't compel states to continue giving cash assistance to 20 percent of welfare recipients after they exhaust a five-year limit.

In Florida, the lifetime limit of cash assistance is four years, and adult recipients must work, be in job training or be seeking jobs during that time. The exemption could cover recipients who are too old or infirm to work, or with poor job skills. Florida's exemption is 10 percent of the welfare caseload the first year, 15 percent the second, and 20 percent thereafter.

Sun-Sentinel (Fort Lauderdale), August 3, 1996

One sharp criticism of the new law is that it supposedly will push a million or more children into poverty as their mothers are forced to take low-wage jobs. Graham's response is that the new minimum wage will boost incomes. Still, no one knows whether that pessimistic prediction will come to pass.

One questionable provision of the federal law deals with legal immigrants, newcomers who observe this country's rules - they work hard, pay taxes, obey the law - but who haven't become citizens. Many of them haven't been in the U.S. long enough, five years, to qualify for citizenship.

The law unfairly strips most benefits from these play-by-the-rules newcomers, although the final version allows Medicaid health insurance for legal immigrants who are already here - but not for those who arrive from now on. In Florida, with a large number of legal immigrants, it's an especially troubling issue. Clinton says he will try to modify this unwarranted punishment in future legislation.

On balance, the new welfare approach is a necessary step, and Republican Rep. E. Clay Shaw of Fort Lauderdale deserves credit for persevering through two presidential vetoes to make sure the bill, which bears his stamp, became law. But it's not the final step.

As this complex law takes effect, its real impact will become apparent. Then more changes certainly will be needed.

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Copyright 1996 Sentinel Communications Co.
THE ORLANDO SENTINEL

August 4, 1996 Sunday, METRO

SECTION: EDITORIAL; Pg. G2

LENGTH: 506 words

HEADLINE: THUMBS UP, MOSTLY, ON WELFARE;
YOU COULDN'T EXPECT A BILL ON WELFARE REFORM IN A POLITICAL YEAR - TO BE
PERFECT. STILL, THE POSITIVES OUTWEIGH THE NEGATIVES.

BYLINE: Brown

BODY:

Despite unlikely odds, welfare reform is about to happen. Lawmakers in both houses of Congress have passed, and President Clinton has promised to sign, a historic bill that will change the way welfare is handled.

That's progress - with a caveat. You couldn't expect a bill on such a contentious issue - and in a political year - to be perfect. It's not.

The problems must be addressed. Those include insufficient attention to the special interests of high-growth states, such as Florida, and the denying of needed benefits to legal immigrants.

First, though, the positive side of the welfare bill deserves attention. It represents the biggest effort thus far to deal with a system that is wasteful, too expensive and doesn't encourage people to be sufficiently responsible for themselves. The bill will:

Alter the way welfare is viewed, ending a six-decade policy of entitling the needy to welfare benefits.

Give states leeway to design their own programs, while not ending the federal-state partnership. The feds will provide block grants, or lump-sum payments.

Limit lifetime welfare assistance to five years. Able-bodied adults will have to work after two years.

Keep hardship cases from falling through the cracks by allowing exceptions to the lifetime limit for as much as 20 percent of a given state's caseload.

Continue Medicaid as a benefit to those who are on welfare, providing an ongoing government safety net.

Those were legitimate reasons for the bill to draw bipartisan support and the president's approval. The only other option would have been to debate the issue for another year. Meanwhile, the welfare problem would have festered.

Also, the final bill includes some improvements from earlier versions that make it more palatable. For example, it will allow vouchers for children in cases in which parents can't get jobs and are terminated from welfare. Also,

Orlando Sentinel Tribune, August 4, 1996

it will allow states the option of providing Medicaid services to legal immigrants who now live in the United States.

Those changes helped win the support of Sen. Bob Graham. Still, he is right to propose a commission to study how the welfare bill will be financed.

One lingering concern is whether fast-growing states such as Florida will get their fair share of federal money. Essentially Florida will receive the same amount for the next six years, but that's not enough.

A related concern is what would happen in the event of a recession, hurricane or other emergency.

The welfare bill's contingency fund, at \$2 billion, is too small.

Another problem is that the bill will cut spending for legal immigrants by about \$18 billion to \$20 billion during the next six years. Some savings are warranted, but that exaggerated amount will shortchange people who play by the rules, observe the nation's laws and pay taxes.

Those problems do not, however, undermine the importance of the overall welfare-reform measure. It's a constructive approach to move people from welfare to jobs, from dependency to personal responsibility, from despair to hope.

LANGUAGE: ENGLISH

COLUMN: Goals '96
A secure safety net

LOAD-DATE: August 4, 1996

1ST STORY of Level 1 printed in FULL format.

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The Columbus Dispatch

August 4, 1996, Sunday

SECTION: EDITORIAL & COMMENT, Pg. 2B

LENGTH: 915 words

HEADLINE: LANDMARK BILL;
WELFARE REFORM EXTENDS HAND, NOT HANDOUT

BODY:

President Clinton's promised signature on legislation to remake the nation's welfare system will represent the most significant accomplishment of his term - and of this congressional term.

The measure, approved last week 78-21 in the Senate and 328-101 in the House, portends the most sweeping change in U.S. social policy since the New Deal.

As a presidential candidate in 1992, Clinton accurately gauged the depth of Americans' frustration with a welfare system that had failed to make progress against poverty and had spawned generation upon generation of people more dependent than ever on the government handout.

At the start of the 1990s, liberals and conservatives alike found it impossible to defend the welfare program, which over the decades had been transformed from its original design as a safety net into an expansive system of entitlements.

A solid majority of Americans came to see this sense of entitlements replacing a sense of responsibility. A pattern of permanent dependency began to supplant the time-honored purpose of welfare programs: to provide a temporary helping hand for those most in need.

Responding to such strong public sentiment, Clinton the candidate promised to "end welfare as we know it."

That promise was much in question when Clinton vetoed two earlier (and similar) welfare-reform bills sent to him by the Republican-controlled Congress. But now that he is deep into his re-election campaign mode, Clinton apparently felt compelled - albeit reluctantly - to honor his 1992 commitment.

Politically, the decision is a master stroke. It removed from the campaign debate the most potent issue that presumptive GOP presidential candidate Bob Dole hoped to exploit. Dole was left on the sidelines, dourly and disingenuously claiming credit for adoption of the plan.

Although Clinton's re-election motives surely provided the stimulus, the agreement between a Republican Congress and a Democratic president to overhaul the nation's welfare system still represents a historic achievement of bipartisan cooperation.

The Columbus Dispatch, August 4, 1996

Thanks to the persistence of the GOP-controlled Congress, which met many of Clinton's stated objections with the two earlier plans, compromise was reached. The result is a refreshing and responsible plan. The legislation fundamentally changes the 61-year-old Aid to Families with Dependent Children program, the cornerstone of today's welfare system. Established by the Social Security Act of 1935, AFDC was intended to provide cash grants to mothers and children in families in which the father had died or was disabled. It was an outgrowth of the widows' pension movement of the Progressive era.

The bill ends the system of federally guaranteed entitlements, which have allowed recipients to receive cash grants for as long as they met eligibility criteria. Instead, federal funding will be sent to the states in the form of block grants.

States will get broad authority to create and manage their own welfare programs. They will be able to write their own rules and set their own eligibility criteria and payment rates.

The legislation, however, includes some important restrictions all states must follow. Welfare recipients will be required to begin working within two years of receiving aid. And recipients will be limited to five years of benefits over their lifetimes, regardless of whether jobs were available. The five-year limit could be avoided if states use their own funds.

Over the next six years, states will get about \$ 55 billion less than they would have received under current rules. About half the savings is estimated to come from denying benefits to noncitizens.

The bill increases funding for child care, to help recipients move into the work force. It has provisions to improve child-support enforcement and to give states incentives to reduce out-of-wedlock births.

Because governors and state legislatures will have unprecedented flexibility in dealing with welfare, the states will be challenged to create cost-effective systems that encourage work and discourage dependency. Within a few years, experimentation across all 50 states should yield plenty of evidence of what works best.

In fact, for several years the states have been ahead of the federal government in pushing welfare reform. Many governors, including Ohio's George V. Voinovich, have had programs ready to go but stalled by federal rules and roadblocks. With those about to be removed, the full-scale experimentation can begin.

"This bill re-establishes the connection between work and income - the time-honored idea that people should work to get income," said U.S. Sen. Mike DeWine, R-Ohio. "People do need a hand up, and this welfare bill gives them a hand up."

Indeed, for much too long federal welfare policies fostered an environment that encouraged dropping out of school, shunning entry-level jobs and having out-of-wedlock children. All three behaviors have contributed to the growth of poverty. Over the past three decades, \$ 5 trillion in welfare spending has

The Columbus Dispatch, August 4, 1996

failed to counteract these disastrous trends. Clearly, a fundamental change in direction was overdue.

In Columbus and throughout much of the nation, employers are begging for workers. Jobs are available, and many employers are willing to provide the training for those who lack skills but are eager to work.

The nation's new welfare system, to be developed state by state, should represent a landmark improvement.

LOAD-DATE: August 5, 1996

The Miami Herald

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Welfare as nobody knows it

The best praise that can be offered for the historic new welfare bill is that it's not nearly as bad as the two previous versions, which President Clinton vetoed. By agreeing on Wednesday to

sign the House-Senate conference committee's final version, Mr. Clinton achieved three things helpful to his reelection campaign. Whether his and Congress's handiwork actually will help the nation's 12.8 million welfare recipients remains to be seen.

In accepting the bill, Mr. Clinton essentially kept his 1992 campaign promise to "end welfare as we know it." It's true, as the Republicans assert, that the president's promise is kept in GOP language. The Republicans — notably Rep. E. Clay Shaw of Fort Lauderdale — actually wrote the legislation ending 61 years of federal welfare policy. But it's also true that the president's two earlier vetoes forced the GOP to drop most of its original legislation's most onerous, punitive provisions.

Second, by accepting Congress's compromise, Mr. Clinton shrinks Bob Dole's potential campaign cudgel to the size of a golf tee. Mr. Clinton can say, and will, that the bill bears his clear imprint, which it does.

Third, and most important, the bill does redirect U.S. welfare policy in profound ways. This 1996 redirection will be just a beginning to true welfare reform.

But at least it's a *beginning*. No one is happy with the present welfare system's flaws and omissions. Nor is anyone entirely happy with this legislation's approach to remedying them. So subsequent Congresses inevitably will have to make changes, perhaps substantial changes, to sculpt a policy that protects the nation's most vulnerable while prodding off welfare those who can get and hold a job.

SEA-CHANGE NEW LAW Epochal bill promises certain hurt to legal immigrants, uncertain benefits to the nation.

For Florida, the new law poses an opportunity that Gov. Lawton Chiles welcomes. It also imposes a heavy burden on the state, and especially on Dade County, because of Congress's callous unfairness to legal

immigrants.

Says Mr. Chiles: "We are particularly pleased in Florida that we can move ahead with our landmark, bipartisan welfare-reform efforts," the 1996 WAGES law — for Work and Gain Economic Self-Sufficiency. It requires adult welfare recipients to work part-time. It limits welfare to 48 months and, for most, to 24 consecutive months within any 60 consecutive months. Mothers who get a job and leave welfare can get two years of transitional child care.

But the cushion for South Florida's legal immigrants is filled with stones. About 125,000 legal immigrants in Dade and Monroe Counties receive food stamps. The Broward figures weren't immediately available. About 60,000 poverty-level Dade legal immigrants, and 6,000 more in just four Broward cities — Fort Lauderdale, Hollywood, Pompano Beach, and Sunrise — receive Supplemental Security Insurance. All of those people face a cutoff of benefits.

The families of many are themselves struggling, and some people facing loss of aid have no families here. What will happen to these, the poorest of the legal-immigrant poor? How will the state's social-services budget — slashed by the 1996 Legislature — and South Florida's service agencies cope with this anticipated flood of people in desperate need?

For these people, their families, and those who try to help them, it's probably just as well that neither President Clinton nor the GOP can claim total credit for this new welfare bill. Those being thrown to the wolves can justifiably blame both sides.

ON WISCONSIN EDITORIALS

[On Wisconsin Main Page](#)

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Now make the best of this flawed reform

From the Journal Sentinel

August 2, 1996

The welfare bill that President Clinton has promised to sign into law is horrible for children because it ends the legal duty government had to cushion their fall into poverty. In fact, the measure promises to make more than one million additional children poor, according to the Clinton administration's own estimate. Because poor kids lack political muscle, however, the bill will become law -- a fact that the measure's opponents must now accept.

The next stage in the struggle must be to minimize the harm of the new law and to maximize its chances of doing good -- a cause to which both opponents and proponents of the welfare overhaul must rally.

Republican governors strongly backed the measure. Now they must prove wrong the critics who complained that the bill was merely license to abandon poor families. Not reassuringly, California Gov. Pete Wilson cheered the soon-to-be law because, he said, it will allow his state to cut grants.

States, particularly those with GOP governors, wanted more control over welfare. Now they have it. They called the present welfare system a trap that actually caused poverty. Now they need to show they can design a system that will reduce poverty.

They will get fewer funds from the feds and get the option of putting up less of their own money. But they will gain greater flexibility, so perhaps they can do more with less.

A dire fear voiced in the debate over the legislation was that the states would use their newfound freedom to compete with each other in reducing benefits, to avoid becoming welfare magnets. The states must give lie to that fear.

Instead, they should design programs to connect poor parents to work. They must demonstrate the innovation they said was possible but for federal restrictions.

Wisconsin won't be as shortchanged by the new federal block grant as other states will be. The level is pegged to past federal welfare spending, which has been high here.

This state also has another edge -- an early start on overhauling welfare with its own plan called Wisconsin Works. The new federal law will make much of W-2 permissible without special waivers from the feds. Gov. Tommy Thompson and his administration now bear the duty of ensuring that W-2 lives up to its lofty promise.

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The Houston Chronicle

August 4, 1996, Sunday, 2 STAR Edition

SECTION: OUTLOOK; Editorials; Pg. 2

LENGTH: 705 words

HEADLINE: CAPITOL HILL;
All in all, Congress has had a momentous week

BYLINE: Staff

BODY:
The Republican-controlled Congress had a momentous week as it wound down its session - passing three major pieces of legislation President Clinton has indicated he will sign. We hope he will.

The most significant was the landmark welfare reform bill that ends the federal government's policy of guaranteed aid to the poor that has existed for the past 61 years. Its passage marks a sea change in the way the nation looks at welfare recipients by placing limits on the extent they will be helped. Basically, it turns control of welfare over to the states, limits welfare to five years per family and requires able-bodied adults to work after two years.

Congress also reached agreement on the first major health bill since Clinton's universal health plan died in 1994. A bipartisan compromise guarantees access to coverage of people who lose their group insurance in changing or losing their jobs. In a deal worked out between U.S. Sen. Ted Kennedy, D-Mass., and Republican House Ways and Means Chairman Bill Archer of Houston, it also sets up an experimental four-year program to test tax-deferred medical savings accounts. Up to 750,000 people working for firms of fewer than 50 employees or self-employed will be eligible to shelter income from taxes to pay medical bills under the test program. This will allow citizens to sock away funds to pay for medical expenses.

The third major congressional action was the bill that cuts taxes on small businesses by providing improved ways to write-off some capital costs. This will enable small businesses to expand and hire more employees.

The worrisome thing about this bipartisan compromise bill is that it includes a provision to raise the federal minimum wage in a two-step process from \$ 4.25 per hour to \$ 5.15 on Sept. 1, 1997. The results could mean the loss of many low-wage jobs.

But all in all, it was not a bad week's work. It should boost this Congress' marks for productivity. Archer deserves a lot of credit, along with other Republicans and moderate

The Houston Chronicle, August 4, 1996

Democrats.

But, of course, not everyone is happy with the legislation.

The need for welfare reform is something with which a vast majority of Americans agreed, including many members of the House and Senate who voted against this particular legislation. Some on welfare may be hurt by the changes, but we believe the condition of most will be helped by being encouraged, even forced, to go to work to take care of themselves and their families.

The truth is that welfare as practiced for the last six decades has failed. It has contributed to the break up of families and to the rise in illegitimate births and crime. It has not only cost taxpayers excessively, it has fostered a numbing culture of dependency in one generation after another.

Many welfare recipients have been robbed of their ambition, their self-respect and their hope for a better tomorrow.

And welfare abuse and fraud have helped create a disconnect between hard-working taxpayers and those receiving the government checks.

The changes, painful though they may be for some, are not going to be the end of civilization, as critics of the legislation bemoan. Neither are the reforms going to be a panacea.

Some additional changes will undoubtedly be required. Special care, for example, is needed in protecting children. And legal immigrants, who, statistics show, are not on welfare in any greater proportion than the general population, are being dealt with a bit too harshly, we believe.

Nevertheless, six-decades of welfare enslavement will be ended when the president signs the reform bill into law. Fine tuning can, and likely will, be done on it next year.

One other thing. Clinton came to office in 1992 pledging to "end welfare as we know it." Then he vetoed two previous Republican welfare plans. Now, to the horror of liberal Democrats, he says he will sign this plan into law. He knows he must or give campaign ammunition to Republicans to use against him.

While we are grateful that the president has agreed to sign onto welfare reform, his decision to do so once again demonstrates that political expediency is his guide post.

LANGUAGE: ENGLISH

75TH STORY of Level 1 printed in FULL format.

Copyright 1996 Daily News, L.P.
Daily News (New York)

August 04, 1996, Sunday

SECTION: Editorial; Pg. 54

LENGTH: 809 words

HEADLINE: SIGNING A NEW SOCIAL CONTRACT

BODY:

AS THE SENATE BEGAN its final vote on the monumental welfare reform bill, protesters in the public gallery knew that approval was inevitable. Pointing fingers at the polls, they hollered, "Shame, shame, shame!"

The irony is inescapable. If shame had not become a lost commodity in this country, radical changes wouldn't be necessary.

Sixty years ago, when welfare was born, America subscribed to a moral code, one acknowledged throughout society. Maybe the poor couldn't send their kids to college, but they could teach them right from wrong. They could instill personal responsibility. Help was accepted with gratitude, and it was temporary.

Somewhere along the way, those values got lost. Morality itself was redefined. Suddenly, the "immoral" were the allegedly compassionless, sexist, racist (pick an adjective) people who dared say "Get a job" to anyone on the dole.

As Sen. Phil Gramm (R-Tex.) put it, "When we started the current welfare program, two-parent families were the norm in poor families in America. Today, two-parent families are the exception. When we started the current welfare program, the illegitimacy rate was roughly one-quarter of what it is today."

In New York City, 50% of all births are illegitimate. In the Bronx, the figure is 66.5%. No, women don't have babies just to get welfare. But welfare does cushion the economic blows. If daddy won't provide, Uncle Sam will.

Far too often, daddy doesn't provide. Or even show up. The taxpayer is expected to pay up and shut up, even when welfare is passed from generation to generation, like a family heirloom.

That's not to say that everybody on welfare is undeserving. With states now having full responsibility, governors must devise ways to make sure those who cannot care for themselves are protected. And President Clinton rightly wants changes to protect food stamps for children and aid to legal immigrants.

But the new regulations will force a return to the concept of personal accountability for one's choices. Government isn't punishing poor children; it's demanding that their parents be their primary providers. Not a revolutionary idea except in a country that has become addicted to handouts.

When able-bodied welfare recipients are forced to work for their benefits, amazing are the results. N.Y.C.'s rolls are down 155,000 from 18 months ago, when workfare and tighter screening started. That's 155,000 individuals who

Daily News (New York) August 04, 1996, Sunday

suddenly discovered they could make it on their own. The angels sing.

So-called advocates for the poor are condemning Clinton and Congress for violating a social contract. Untrue. A legitimate contract entails mutual obligation. Welfare has been one-sided thus far. The reform bill simply makes it a fairer deal.

Those who honor it will be the biggest winners, for they will learn how to earn their own way. That's a genuine accomplishment, the essence of life, liberty and the pursuit of happiness.

Milking Adelphi

Adelphi University President Peter Diamandopoulos has run the Long Island college into the ground while stiffing students and taxpayers for a jetset lifestyle that would make Robin Leach envious. Where was the state Board of Regents?

Asleep. The Regents have the power to replace a university's board for misconduct. If lavishing Diamandopoulos with millions in perks and a \$ 500,000 salary doesn't qualify, nothing does. Especially as enrollment plummeted and the college was forced to drop courses, shut dorms and lay off staff.

Diamandopoulos, the highest-paid college president in America, has headed Adelphi for 11 years. But the Regents took no action until last week, when, acting on a complaint, they began hearings. With Adelphi receiving \$ 6 million in state and \$ 1.5 million in federal aid, it was the Regents' duty to safeguard public money. Not to mention the students'.

During Diamandopoulos' tenure, tuition skyrocketed by 138%, to \$ 14,000, and enrollment dropped by 35%, while his salary swelled from \$ 95,000 to more than \$ 500,000. Hardly merit pay.

Trustees also provided Diamandopoulos with an \$ 82,000 Mercedes-Benz, a luxurious campus residence, a \$ 400,000 condo and a \$ 1.2 million Manhattan apartment. An unlimited expense account allowed him to buy \$ 1 million in art. And on top of all that, the trustees promised to pay Diamandopoulos \$ 90,000 a year for 10 years after he leaves.

Somebody has to tear a hole in that golden parachute and bring Diamandopoulos and Adelphi University back to earth. Fast. Given the facts, that shouldn't be hard to do.

Covering all bases

Weather report heard on a local radio station:

Chance of thunderstorms Saturday afternoon and continuing into Sunday. There'll be no rain all weekend. Things should start drying out by Monday.

Obviously, this is one forecaster who is always right.

LOAD-DATE: August 06, 1996

30TH STORY of Level 1 printed in FULL format.

Copyright 1996 The Durham Herald Co.
The Herald-Sun (Durham, N.C.)

August 05, 1996, Monday

SECTION: Editorial; Pg. A8;

LENGTH: 354 words

HEADLINE: WELFARE REFORM Smooth the rough edges

BODY:

What is about to come rolling down the pike from Washington rates as political expediency as much as "ending welfare as we know it," but there can be no denying its importance. With President Clinton's signature on the welfare reform bill, 60 years of liberal social policy are being reversed.

The mainstay of federal welfare policy, the much-maligned Aid to Families with Dependent Children (AFDC) program, a legacy of the New Deal, will be replaced by block grants to the states. No longer will Washington provide cash assistance to welfare families, which in almost all instances now consist of single mothers and their children.

Welfare reform is supposed to save \$ 55 billion over the next six years, and some of that saving will be achieved through the block grants. The Congressional Budget Office is estimating, however, that the block grants will leave the states with a collective welfare deficit of up to \$ 12 billion. (North Carolina, which is experimenting with its own welfare reforms, has 281,600 AFDC recipients who received \$ 334 million in 1995.)

The president said he was signing the welfare bill with misgivings, though he vetoed two earlier measures as too harsh on aid to children, nutritional programs, legal immigrants and Medicaid. Clinton got some money put back into the bill for child care and Medicaid, but reductions in some child nutritional programs and aid to legal immigrants remain.

Few Americans would argue, of course, that the existing welfare system is a social and economic disaster. But cleaning it up must not come at the expense of the nation's neediest and most vulnerable children -- the children of the poor.

With some justification, the president is taking heat from his fellow Democrats for embracing a GOP-crafted welfare bill in the interest of re-election. Politics aside, however, Clinton was right when he said this propitious moment may not come again for many a year.

Still, Clinton and the GOP must smooth the rough edges of an otherwise historic piece of legislation. The trick, as always, is to do no harm to those who cannot fend for themselves.

LOAD-DATE: August 05, 1996

107TH STORY of Level 1 printed in FULL format.

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The State Journal-Register (Springfield, IL)

August 4, 1996, Friday, EARLY AND CITY EDITIONS

SECTION: EDITORIAL, Pg. 12

LENGTH: 517 words

HEADLINE: Deeply flawed welfare system to get overhaul

DATELINE: ATLANTA

BODY:

AFTER MORE than three years of refusing to honor his campaign promise, President Clinton is poised to sign a landmark welfare-reform bill that would end six decades of open-ended assistance to the poor.

The seismic policy shift will enable states, rather than the federal government, to develop and deliver programs to welfare recipients, most of whom are single mothers.

Like any major undertaking, this one is a calculated leap into the dark.

It's also being oversold by supporters and unfairly savaged by opponents.

Rep. Clay Shaw, R-Fla., the measure's primary author, characterizes it as "the greatest rescue mission on the face of the earth." Sen. Daniel Patrick Moynihan, D-N.Y., views it as "the most brutal act of social policy since Reconstruction."

THE TRUTH lies somewhere between the hyperbole on both sides.

The measure is designed to overhaul a deeply flawed welfare system that nearly everyone concedes has been a colossal failure. Will the states do a better job of tending to the poor? It's hard to imagine their doing much worse than the current system.

What began 61 years ago as a modest plan to prevent the truly needy from falling through the cracks has become a tangled web of mandates, perpetuating a multigenerational underclass dependent on government handouts. And what does this country have to show for the trillions of dollars it has spent on a slew of anti-poverty programs? An unprecedented epidemic of teen-age pregnancies, children born out of wedlock and abused youngsters.

The reform measure would continue cost-sharing for welfare programs between the federal and state governments. But each state would craft its own rules and regulations on how best to transition recipients from welfare to work.

THE STATES, it should be noted, would still be held accountable in two important respects: At least half of their adult recipients would either have to be working or providing community service within two years. And recipients would be limited to five years of government assistance during their lifetimes, for specific hardship cases. Failure to meet these standards could result in a state losing federal funds.

96TH STORY of Level 1 printed in FULL format.

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The Providence Journal-Bulletin

August 4, 1996, Sunday, ALL EDITIONS

SECTION: EDITORIAL, Pg. 10D

LENGTH: 965 words

HEADLINE: Welfare reform

BODY:

The historic welfare reform bill passed last week by Congress and to be signed into law by President Clinton sends America into a new era of social policy. The legislation contains several ill-conceived elements. However, the welfare status quo had become so insupportable that trying out a somewhat flawed set of reforms was better than doing nothing.

Should the unfortunate provisions cause serious problems, Congress can make the alterations needed. And, of course, it should also keep assessing the need for additional reforms that did not get through this time.

The consequences of limiting the time that a mother may stay on welfare to five years over a lifetime - and requiring beneficiaries to seek work after two years - are as yet to be known. The great hope is that changing the rules will deter many more poor women from embarking on single motherhood. Americans are dismayed at families now in their fourth generation of welfare dependency, and a new crop of children who never see an adult in the household go off to a job.

Of course, there has been much debate about how much the nation's soaring illegitimacy has been caused by the easy availability of a government check for unwed mothers. However, it has become increasingly difficult to accept the assertion that subsidizing single motherhood has not led to a significant percentage of the increase. Some poor women themselves admit as much. In any event, we are about to see that theory put to the test.

Several of the legislated changes are excellent. To receive any benefits, an unmarried teenager must stay in school and live with an adult. Helping teenagers to move into their own apartments and to set up a grownup life - on the condition that they get pregnant without the benefit of marriage - has long ago been exposed as folly.

Another provision, requiring a woman on welfare to identify the father or lose 25 percent of her benefits, is also good. It takes two people to make a baby, and irresponsible fathers have been all too pleased to have the government support their children. We suspect that once states force unmarried fathers to pick up the bills of child-rearing, many in this group will think twice before leaving matters of birth control with their (often teenage) sexual partners.

But one aspect of the legislation that leaves us very uneasy is the cut in the Food Stamp program. Unlike the main welfare program - Aid to Families with Dependent Children (AFDC) - Food Stamps have remained popular among some conservatives as well as most liberals. The stamps help poor people, including low-income workers, buy groceries.

Providence Journal-Bulletin, August 4, 1996

The bill would limit Food Stamps for unemployed workers without children, in an effort to cut projected spending on food stamps by \$ 24 billion over six years. Another \$ 3 billion in savings would come, oddly, from denying Food Stamps to legal immigrants. We cannot regard this program as a proper place to find savings.

But the centerpiece of the welfare bill is to end the federal guarantee for aid to anyone who has met certain criteria. Washington will instead give states money in the form of block grants to spend as they see fit, providing that they follow some federal guidelines. What will happen during recessions, when welfare rolls normally swell, remains to be seen.

Fortunately, Bill Clinton stopped Congress from similarly ending the federal entitlement status of Food Stamps. Like AFDC, funds for Food Stamps would have been given to the states in lump payments. Each state would have designed its own plan for spending its money. However, despite the program's imperfections, our country should not leave the matter of subsidizing food purchases for the poor to the vagaries of different state rules.

The bill lays down new challenges for the states. Many are now trying to figure out how the legislation will affect welfare changes that they have already put into effect. Reformers often cite Wisconsin's success in reducing welfare caseloads by 40 percent since 1988. However, that program, put in place by Republican Gov. Tommy Thompson, was notable for (properly) spending large sums of public money on child care, community service jobs and health care. And, it must be noted, the state's economy has been strong.

Many argue that many welfare recipients will be unable to find decent jobs. However, we think that concern is exaggerated. Employment opportunities exist. Indeed, several parts of the country are suffering labor shortages. It may become necessary for some unemployed people to move out of depressed areas and into better economies. But that's what laid-off working people who have no intention of going on welfare had been doing for decades.

It may be true that a large number of people on welfare have little experience as reliable workers. We suspect that the lack of a welfare alternative will force many of these individuals to become acceptable employees. And if low-skilled jobs don't pay very well, then, all the more reason to train for something better.

No one can predict with certainty whether the overhaul of welfare will encourage many women to delay childbearing until marriage or send large numbers of poor families into destitution. There may be some casualties as the rules change, but the current system has created its own victims.

We believe that the most essential of these new changes, which will end the option of using welfare as a lifelong financial support, are long overdue. Congress will probably have to revisit some of these issues to undo the less-enlightened provisions, particularly ones that deny benefits to legal immigrants, but that can be accomplished later. And additional proposed reforms can also be considered later. Basic welfare reform could wait no longer.

LOAD-DATE: August 6, 1996

63RD STORY of Level 1 printed in FULL format.

Copyright 1996 Madison Newspapers, Inc.
Wisconsin State Journal

August 5, 1996, Monday, ALL EDITIONS

SECTION: Opinion, Pg. 5A

LENGTH: 489 words

HEADLINE: WELFARE BILL A GOOD START BUT...

BODY:

Reformers have been predicting the "end of welfare as we know it" for years. Their wish is about to come true.

Last week's 78-21 vote in the U.S. Senate completed congressional action on a welfare reform bill that ends six decades of open-ended government aid to the destitute. The bill, which awaits President Clinton's signature, sets a lifetime limit of five years of welfare per family and requires most able-bodied adults to work after two years.

It also passes federal money back to the states in the form of "block grants" to run the revamped welfare programs, and it gives the states more rule-making authority.

Both Wisconsin senators -- Democrats Herb Kohl and Russ Feingold -- voted for the bill. They did so because they recognize the status quo fosters dependency. They want to break that cycle by replacing welfare guarantees with a system that requires recipients to work.

Much of the credit for the historic change goes to the nation's governors and state Legislatures, who have been pressing for reform for years. If not for the vision and perseverance of governors such as Wisconsin's Tommy Thompson, Congress might not have seen the urgency of change.

As it was, Congress stopped short of the mark by not doing enough to ensure that welfare recipients can afford to work once they find jobs.

The federal bill does not do enough to help the so-called "working poor" find health insurance or child care. Some welfare recipients may figure they've lost ground if they're forced to work but cannot afford child care and lose the Medicaid coverage they received under the old system.

That's why Thompson is continuing to seek federal approval for his idea to allow the working poor to retain Medicaid coverage, at a modest price. He's also asking for a federal waiver that would give the working poor greater access to child care.

Both ideas are part of the "Wisconsin Works", or W-2, welfare reform plan submitted to the Clinton administration by Thompson and the Legislature. Now that Congress has approved its own welfare reform plan, the danger is that Clinton declare the job done and forget about W-2 and other state proposals in the wing.

Wisconsin State Journal, August 5, 1996

Already, members of Congress are saying there's nothing more to be done. "The governors ought to stop bellyaching," said House Budget Committee chairman John Kasich, R-Ohio, after Thompson and New York Gov. George Pataki voiced concerns.

It's not "bellyaching" to aspire to make a good bill better. The reform bill sent to Clinton is a great start because it compels welfare recipients to work. It could be made even better if Clinton would give states such as Wisconsin the flexibility to institute follow-up programs.

It's one thing to tell people to get a job; it's quite another to give them the right tools to keep that job. Congress and the White House can do so by helping the states keep people at work once they find it.

GRAPHIC: Tommy Thompson

The nine- to 11-year ruffed grouse cycle should hit its peak in the next few years, perhaps as soon as this autumn.

LOAD-DATE: August 06, 1996

Paying for Welfare Promises Proves the Hard Part

By JASON DePARLE
Special to The New York Times

WASHINGTON, Feb. 21 — Something strange happened last week in the office of Leon E. Panetta, the White House budget director, and it illustrates the topsy-turvy forces now shaping the Administration's welfare plan.

Desperately seeking ways to pay for it, Democrats began talking about cuts in the food stamp program. Big cuts. Cuts as large as the ones Ronald Reagan proposed.

Mr. Panetta seemed skeptical of the idea, which was brought by an aide, and when word spread later in the week, his spokesman ruled it out. But across the Government similar conversations are occurring daily.

Democrats, straining to finance President Clinton's welfare promises, are searching for the money in the same anti-poverty programs they spent the last decade defending.

Facing Tough Bind

For some people involved, the revenue hunt has become the equivalent of eating their young, and the process is aggravating nerves, tempers and the occasional friendship.

The Administration is in this bind because it is striving to avoid tax increases, a decision that has left some officials disgruntled. They point to a memorandum that Robert B. Reich, the Labor Secretary, sent President Clinton in December.

The memo suggested that tens of billions of dollars could be raised by changing provisions it called "tax breaks" for the prosperous. Mr. Reich, for instance, suggested reducing interest deductions for expensive homes or raising taxes on inherited stock.

But the subject of taxes is so sensitive that a call to the Labor Department on the matter brought an unsolicited response from the White House.

"This is not a memo that's under serious consideration, I just want to tell you," said Gene Sperling, a White House economics adviser. "We want a no-tax budget."

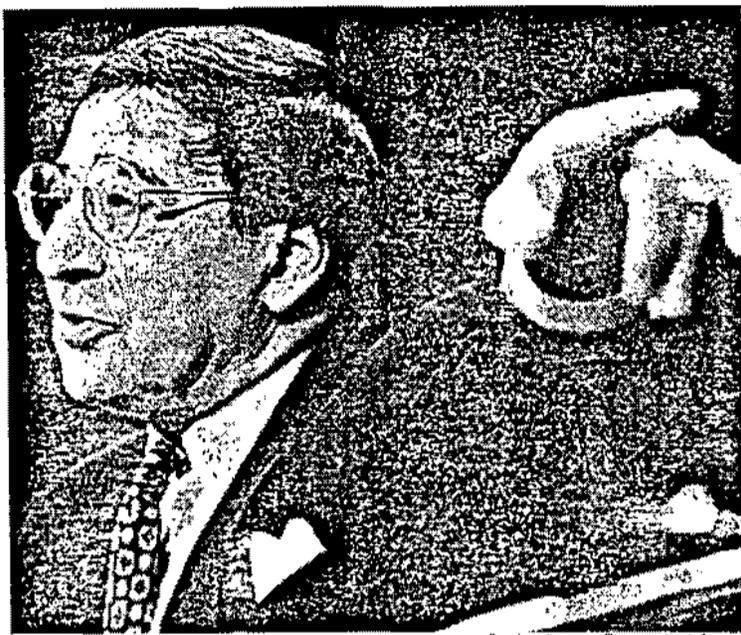
Choices Are Uninviting

The failure to find a politically acceptable solution would doom one of Mr. Clinton's most popular campaign promises. He has pledged to expand training opportunities for welfare recipients and then force those still unemployed after two years to join a work program. His aides have said that the plan could cost as much as \$7 billion a year when fully carried out.

Antipoverty programs can, of course, become as fat or flawed as any others. "Just because a program is targeted on the poor doesn't mean we shouldn't touch it," said one Administration official. "It might not be doing a good job."

But the biographies of those involved are not ones of typical budget cutters.

David T. Ellwood, an assistant secretary at the Department of Health and Human Services, came from Harvard University, where he was a prominent



Leon E. Panetta, the White House budget director, whose office has come under pressure to find ways to pay for the Clinton welfare plan.

Democrats look for money where they once put it to fight poverty.

advocate for low-income people. Wendell E. Primus, his chief assistant, had been a Capitol Hill legend for finding money for antipoverty efforts.

Isabel V. Sawhill, a White House budget aide, was an academic specialist on rising income inequality. Dorina E. Shalala, the Secretary of Health and Human Services, was chairwoman of the Children's Defense Fund.

Now they are thinking about cutting disability payments, denying help to legal immigrants and reducing homeless prevention programs. But they are not discussing it. "Some of these ideas may be distasteful to the people who draft them," said Avis Lavelle, a spokeswoman for the Department of Health and Human Services.

A Binding Deficit

The process also shows how a Government can spend \$1.5 trillion a year and still consider itself broke. The 1990 budget law requires any new spending to be paid for with offsetting taxes or cuts.

Dee Dee Myers, the White House press secretary, would not flatly rule out a tax increase to pay for the welfare plan. But on Friday she repeated

the guiding assumption: the proposal, which Mr. Clinton pledged to deliver to Congress this spring, "would be paid for by offsetting cuts in other programs."

And since welfare is an "entitlement program," the budget law requires the cuts to come from similar programs. Social Security, which costs \$335 billion a year, is the largest. But the Administration has already shot down a suggested \$1.2 billion trim, fearing the reaction from the elderly lobby.

Medicare and Medicaid, which together account for \$273 billion, are the next two largest. But President Clinton is trying to restrain their growth to finance changes in health care.

Most of what is left affects poor people, and since those programs are much smaller, the cuts loom larger in proportion. Welfare, officially called Aid to Families with Dependent Children, costs about \$23 billion a year. Food stamps cost about \$24 billion. The Supplemental Security Income program, which provides payments to the indigent elderly and disabled, account for about \$22 billion.

Making Some Suggestions

In outlining possible tax increases, Mr. Reich was suggesting ways to get more money for the domestic agenda in general, not for the welfare plan. In his memo to the President he took pains to write that these were suggestions rather than firm recommendations.

Mr. Reich, for instance, took a dim view of the law that allows homeowners tax deductions for the interest on mortgages of up to \$1 million. He wrote

that "lowering the cap to \$500,000 would raise about \$4 billion over 5 years." He also talked about ending what he called tax breaks for companies with foreign subsidiaries and those involved in mergers and acquisitions.

A copy of the memo was provided by a White House official who argued that the hunt for revenue should be broadened. "Most of the things on that sheet are giveaways to rich people," the official said.

Mr. Reich, who was traveling, could not be reached. But Eugene Steuerle, a Washington tax expert, said many ideas on Mr. Reich's list had been proposed in the past, only to die from political opposition and technical complexity.

Mr. Ellwood and Mr. Primus, the human services officials, presented their proposed cuts at a meeting at the White House on Jan. 25. One still being considered is a plan to curb S.S.I. and Medicaid payments to legal immigrants until they become citizens. The move could raise \$1.8 billion a year.

Several other items on the list have already been ruled out. After learning that the White House was thinking about taxing welfare benefits, Representative Robert T. Matsui, a California Democrat who is on the Ways and Means Committee, called the idea "just damn stupid."

Mr. Clinton, who is courting allies like Mr. Matsui for his health plan, publicly buried the idea last week with a single word. Asked if he would consider it, he said, "No."

The scene in Mr. Panetta's office last week captured the difficult dynamics that may continue to play out in the weeks ahead.

Ms. Sawhill, the budget aide, suggested giving fewer food stamps to people who get housing aid. There is a fairness argument involved. People who get housing assistance have arguably more money left over for food than other low-income people, but they receive the same amount of food stamps.

The idea was opposed by Thomas J. Downey, a former Democratic Congressman from Suffolk County, and Robert Greenstein, an advocate who ran the food stamp program under Jimmy Carter.

Mr. Greenstein gave Mr. Panetta a memo that called the cuts devastating.

"About two million households would have their food stamps terminated or cut," said the memo, which has circulated at the human services department, the Agriculture Department, and the Department of Housing and Urban Development. And 60 percent of the families with children affected "have cash incomes below half the poverty line."

Mr. Greenstein would not comment on the issue, saying that his discussions with the Administration were confidential. But his strategy seemed to work. Barry Toub, the budget office spokesman, said on Friday that the food stamp idea had been "ruled out."

Clinton Weighs Cuts to Finance Welfare Reform

Some Immigrants' Benefits As Well as Housing Aid Are Said to Be Targets

By RON SUSKIND

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — The White House is considering cutting \$2 billion in benefits for elderly immigrants to help pay for welfare reform, according to administration officials.

While cutting off the supplemental-security-income benefits to the parents of legal aliens is high on the administration's list, cuts also could come in the emergency-housing assistance program. In addition, the administration is exploring what savings could be achieved by ferreting out fraud in the recently expanded earned-income tax credit for low-income families.

The administration's challenge is to find enough money to fulfill the president's politically popular pledge "to end welfare as we know it" in a time of tight federal budgets. Mr. Clinton's domestic policy advisers have spent the past several weeks floating spending proposals, in some cases only to see them swiftly shot down.

Reform to Cost Billions

The president wants to allow people to stay on welfare only two years. But the White House says welfare reform will require between \$4 billion and \$7 billion annually once it is fully phased in by 1999. Those funds would pay for job training and placement, child care and a work program for welfare recipients who can't find jobs after benefits run out. Because of spending caps enacted in 1990 and the need for funds to finance health-care reform, money to overhaul welfare must come almost entirely from other programs that aid low-income Americans.

The White House hasn't yet figured out how to raise the money that welfare reform demands. Administration officials are busy bringing expectations in line with budgetary reality.

"You could phase this program in over the next decade and you'd still be ending welfare as we know it, as long as you're sending a clear signal to the generation that's coming into the program," says Bruce Reed, a top domestic policy adviser to the president who is supervising the welfare-reform effort. "I don't think that how much money we spend is the only measure of our ambition."

At a White House meeting on Jan. 25, as President Clinton prepared a State of the Union address that highlighted welfare reform, two top officials from Mr. Clinton's interagency working group on welfare presented cabinet officials with a buffet of ideas to raise between \$6.5 billion and \$7.8 billion.

Taxing of Benefits Considered

Among the options discussed, according to a New York Times article yesterday, was the taxing of welfare benefits, food stamps and housing assistance. That idea could raise as much as \$4 billion a year. But several administration officials, including Mr. Reed, say the logistical and political difficulties of such a plan make it unlikely.

Also dropped was the idea of cutting \$1.2 billion from a Social Security provision that increases benefits by nearly 50% to retired fathers of young children. Numerous members of the working group considered that idea the most sensible of the lot, but it was discarded because it would force the White House to say it was cutting Social Security to pay for welfare reform.

What's left are spending cuts amounting to between \$2.5 billion and \$3 billion, and plans to check into other areas that might yield more.

The immigrant-aid cut would focus on

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legal aliens who bring their parents to the U.S. Currently, they must promise to support them for as long as five years. Once that time period expires, however, the immigrant parents are eligible for supplemental-security income. As a result, noncitizens have grown to account for 20% of all the elderly on supplemental-security income.

The administration's proposal — that the elderly be prohibited from collecting such benefits until they became citizens — would bring in only \$2 billion because it would deal only with new people coming into the program. A similar proposal by Republican lawmakers could save as much as \$7 billion by making the citizenship rule retroactive. That would throw thousands of elderly immigrant recipients off the rolls.

Another \$1 billion in annual spending by 1999 might be cut from emergency cash assistance funds that pay for homeless shelters and go to low-income Americans who face eviction or termination of utility services. Administration officials complain that states have taken advantage of these federal funds for programs that once were backed by state budgets.

Meanwhile, officials at the Department of Health and Human Services are busy examining how much might be saved from identifying fraud and duplication within a \$16 billion annual tax credit for low-income families. Of special interest: a father who might be collecting the earned-income tax credit while the mother of his child is receiving welfare. Savings might amount to another \$500 million, administration officials said, though the estimates are preliminary.

A similar area of investigation is limiting the number of drug and alcohol abusers who get supplemental-security benefits on the grounds their addiction is a disability. Among the ways of narrowing the number of such recipients is the idea of providing benefits only to people who enter certain types of treatment programs. It's unclear how much money that change would save.

Clinton Plan Allows Police To Tap Into Data Highway

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Clinton administration is readying a bill that would require telecommunications companies to make sure that law-enforcement officials can continue to monitor conversations on their new systems as communications technology evolves.

The draft bill, which would affect the converging telephone, computer and cable-television industries, is being circulated among the Federal Bureau of Investigation, the Commerce Department and the National Security Council.

A similar bill was proposed by the Bush administration but fell victim to opposition from telecommunications companies and civil-liberties groups. A Clinton administration official said the new bill, described in Saturday's New York Times, would ease several concerns raised by these groups.

For example, the official said, the new bill would exempt several kinds of communications that were included in the earlier bill, including in-house telephone communications and most forms of electronic mail.

Law-enforcement authorities would be required to get court orders to monitor conversations on noncellular, cordless telephones, a protection that doesn't exist today, the official said.

U.S. Plans Crackdown On Delinquent Farm Loans

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Agriculture Secretary Mike Espy said the government would resume foreclosing on farm loans with the start of a program to root out what his department termed shortcomings of the lending program.

"We want to analyze why loans are in trouble, eliminate procedural errors and implement a tracking system for new loans," said Michael Dunn, head of the Agriculture Department's Farmers Home Administration.

Secretary Espy suspended foreclosures of unpaid loans last March and began a review of loan practices. The focus now, according to Mr. Dunn, is to "collect as much as we can" from outstanding loans. He added the department expects to have "those [delinquent] loans not on appeal or under litigation" made current within two years.

The Farmers Home Administration has come under fire for failing to seek repayment from farmers and ranchers, especially wealthy ones, who have outstanding federal loans. Recent legislation banned the agency from making loans of more than \$500,000.

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velers in front of Parliament on the day Mr. Meshkov's victory was announced, the bearded Mr. Los explained that "this is not Yugoslavia" because "people are smarter here."

Some foreign observers note hopefully that Mr. Meshkov has been watering down his rhetoric since the elections, playing up hopes of economic union with Russia and ducking questions about his promised referendum. "He's mellowing out," says Ian Brzezinski, a consultant to the Ukrainian Parliament's council of advisers.

Keeping Promises

But Mr. Meshkov faces intense pressure from voters and pro-Russian politicians to keep his word. "No compromise with Kravchuk and Ukraine," says the Russian Society's Mr. Los.

Another deputy to Crimea's Parliament, Aleksandr Kruglov, says that in the March 27 elections, "the main purpose is to bring as many Russian patriots as possible to the Crimean Parliament, to make Meshkov fulfill all his programs." The Russian-born Mr. Kruglov believes that "Russian troops should be sent to Sevastopol if necessary" to reclaim Crimea. He says it would be worth the risk of conflict, because "we will suffer less from war than Ukraine."

In practice, Russian armed forces are massively present in Sevastopol right now, under the flag of the old Soviet Black Sea Fleet. Aboard one submarine support ship, moored along a Sevastopol wharf, Captain First Class Vladimir Vasukov warns, "We are armed to the teeth." He then sorts out his loyalties: "I'm Russian. I live in Ukraine. I serve the Black Sea Fleet." He hits the bottom line: "I'm registered as a Russian officer. And Russia pays me."

Kiev's weakening hold over Crimea is underscored by the fate of Mr. Meshkov's rival in the Jan. 30 two-man presidential runoff election, pro-Ukrainian Mykola Bagrov. A veteran Ukrainian apparatchik from Kiev, and speaker of the Crimean Parliament until he resigned last week, Mr. Bagrov was the architect last fall of the legislation that created a presidency in Crimea. His aim in setting up the office was to appease Crimeans demanding autonomy by turning the peninsula into a somewhat more independent pro-Kiev enclave, run by himself.

Democracy vs. Nationalism

But he lost. Mr. Bagrov's program gained him only 23% of the final vote, coming mainly from the frightened minorities of ethnic Ukrainians and Tatars.

The Tatars are indigenous to Crimea, and their leader, Mustafa Cemiloglu, is most worried by the pro-Russian movement. "Democracy in Russia usually stops where nationalism starts," says the wizened 50-year-old. His Tatar people, who would like their own semi-autonomous state in Crimea, reluctantly backed the pro-Kiev Mr. Bagrov. They fear a repetition of their past bitter experience of Moscow rule. In the 1940s, Stalin deported Crimea's entire Tatar population of about 400,000 to Central Asia.

Some 250,000 Tatars recently have returned to Crimea, Mr. Cemiloglu among them. Speaking from his small family home in the Crimean town of Bakhchisarai, Mr. Cemiloglu says that Ukraine must fight for Crimea "if Ukraine wants to remain an independent state."

Ethnic Ukrainians in Crimea share his anxieties. "The situation is very similar to before World War II, when the West couldn't stop Hitler," says Yuri Ilyin, chairman of the Sevastopol branch of a Ukrainian cultural society. An oceanographer working in an icy, fuel-starved research institute by the Sevastopol harbor, Mr. Ilyin shows off the sunset view of his weapon-filled city and sums up, "I am afraid."

The Outlook **A1** Clinton's Health Plan Is a Fiscal Dice Roll

WASHINGTON

It didn't make the headlines, but the message implied in the delicately worded final chapter of the Congressional Budget Office's review of President Clinton's health plan is alarming:

This plan represents the federal government's biggest fiscal gamble since Ronald Reagan simultaneously cut taxes and increased defense spending.

CBO didn't put it that way, of course. The explosive warning is buried in a chapter demurely titled "Other Considerations" under the unwieldy heading "The Effects and Sustainability of Controls on the Rate of Growth of Premiums." But it's there nonetheless — and taxpayers should view it as a big red flag.

The CBO report estimates that over the next six years the Clinton plan would cost the government \$130 billion more than the White House says. But that assumes Mr. Clinton's caps on the growth in health-care spending hold. If they don't, the cost to taxpayers will be substantially more.

The fundamental question about the Clinton plan, the one that most troubles several of Mr. Clinton's economic advisers, is: Will those caps hold? Reading between the lines, CBO suggests they won't, but the report explicitly says only that the caps are likely to create "immense pressure and considerable tension" in society and the health-care system. Pressed by Republican Sen. John Danforth of Missouri to elaborate, CBO Director Robert Reischauer ducked. "The real issue," he said, "is whether the institutional and political structure of the nation can withstand those pressures. And we have no ability to judge that."

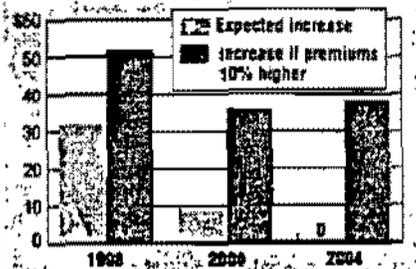
The White House estimates that health-insurance premiums employers pay for their workers will rise 9% annually in coming years if there is no health-care reform. Mr. Clinton proposes a law to cut that rate of increase in half. He describes this as a "backstop" in case "managed competition" fails to slow the growth in health costs. CBO figures the caps are about the only thing in the Clinton plan that will actually work to slow the growth of health-care spending. It accepts them because Mr. Clinton would write a law with teeth to enforce them.

But laws last only as long as Congress and the public support them. "If the reliance is placed on premium caps . . ." says Sen. Danforth, "it's the political problem of having the will to stick with those caps." CBO predicts that the first problems will surface when Mr. Clinton's new National Health Board sets different premiums for different regions to reflect existing differences in health costs. Boston's premium could easily be twice the one set for El Paso, Texas. Americans tolerate wide regional disparities in private markets, but such disparities are hard to justify when determined by government. That's why Social Security benefits are the same across the country despite differing living costs.

The pressure to spend more money will likely grow in the second year when the

What If?

Increase in deficit resulting from Clinton health plan under CBO's best guess and if premiums turn out to be 10% higher, in billions of dollars



Source: Congressional Budget Office

board sets growth rates for different regions, and the congressman from El Paso discovers that even though premiums there are lower than in Boston, they might be allowed to rise only by the same percentage. And if the regional caps survive that battle, there's still the substantial risk that the spending caps in and of themselves will provoke enough hospital closings, disgruntled doctors, long waiting times and horror stories to force Congress to raise them.

Lifting the caps would cost taxpayers billions of dollars a year in additional subsidies to low-wage workers and small companies. How much? Lewin VHI, a health consulting firm in Fairfax, Va., estimates that if the Congress decides that cutting the annual growth of health costs from the currently projected 9% to roughly 4½% is too tough and settles for a 6½% growth rate, the government will have to spend an additional \$17 billion annually by the year 2000 on health-care subsidies. That equals the Justice Department's annual budget.

Congress will have three choices if the caps come under attack, as the CBO predicts they will. It can hang tough, which will mean angry doctors, infuriated hospitals and enraged constituents who will say they are being denied the health care they were promised. It can lift the caps, and pay for that with higher taxes or spending cuts somewhere else. Or it can lift the caps and let the deficit widen. But, as CBO warns, there isn't any free lunch.

The Congressional Budget Office may be wrong. Mr. Clinton and Ira Magaziner, the architect of his health plan, may be correct when they argue that their "managed competition" will squeeze out waste and slow the increase of rising costs without producing unsustainable pressures. But the fiscal risks they propose to take are enormous, and they give no hint where they would get the money to pay for their error if they are wrong.

—DAVID WESSEL

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CLINTON PLAN SEES WELFARE COSTING \$6 BILLION A YEAR

FUEL FOR CAPITOL DEBATE

Preliminary Proposal Outlines Important New Spending on Child Care and Training

By JASON DePARLE

Special to The New York Times

WASHINGTON, March 9 — A draft of the Administration's welfare plan offers the first cost estimates of President Clinton's pledge to "end welfare as we know it," outlining significant new expenditures on child care, training and work programs.

The projections are preliminary and could undergo major changes as Mr. Clinton and his aides resolve several policy issues still in dispute. But the \$6 billion annual cost of the plan, and the means of financing it, are likely to be central points in the debate when Congress takes up the volatile issue this year.

Welfare rolls are at record highs; the Government now spends \$23 billion a year on Aid to Families With Dependent Children, the main Federal welfare program. Democratic and Republican leaders in Congress have pledged to introduce sweeping bills that would force welfare recipients to join work programs. While the public may hear those calls as promises to save money, both parties have said they will increase spending in the initial years.

G.O.P. Plan Compared

If adopted as outlined, the Clinton plan would spend \$15 billion in the first five years. That is actually \$5 billion less than a rival work plan for welfare recipients put forward by 162 House Republicans in the House. The work plans came at some cost because the Government must hire extra administrators and provide child care to the single parents in the program.

The annual cost of the Administration's program, as outlined, would grow to \$6 billion by 1999. But because the program is being phased in over more than a decade, that figure significantly underestimates the eventual costs, which will begin escalating in the sixth year and beyond.

The draft does not say how the money will be raised. Budget laws require new spending to be offset by program cuts or tax increases, and some officials say the painful hunt for revenue may force a smaller program.

Later Costs to Escalate

The costs of the Clinton plan escalate sharply in later years because by then increasing numbers of welfare recipients will exhaust a time limit and be forced to work. Because Congressional budget rules have a five-year accounting period, the Administration is not forced to explain how those later costs will be borne.

But past attempts to overhaul the welfare system have faltered when the

Continued From Page A1

money ran low, and long-term financing is crucial.

"It's a real concern," said Sid Johnson, director of the American Public Welfare Association, which represents state welfare officials. "You have to keep your eye on the long-term ball, and what you're committing yourself to."

Alte Denies 'Budget Games'

David T. Ellwood, a co-chairman of the group drafting the President's plan, expressed confidence that future financing would keep pace. "We're not playing budget games," Mr. Ellwood said. "We're going to do the right thing."

Mr. Clinton's pledge to "end welfare as we know it" was among his most successful campaign themes, and he has promised to deliver a bill this spring. The plan would expand training programs and then require parents still unemployed after two years to work.

The draft of the plan, which was circulated among Cabinet members last week, also outlines policy disputes that have begun to divide the Administration. One of the most important is: should mothers who work part time at low-wage jobs be allowed to collect supplementary welfare payments after the two-year limit expires?

The officials favoring that provision are led by Mr. Ellwood. They say part-time work is the first step out of dependency, but it often is not enough to support a family. Depriving part-time workers of supplementary welfare payments, they say, would force some mothers either to increase their work hours, and thus spend less time with their children, or fall deeper into poverty.

"The notion of going immediately from nonwork to full-time work is unrealistic in some cases," said Mr. Ellwood, an Assistant Secretary of Health and Human Services, who agreed to

discuss the issue only after a reporter obtained a copy of the paper.

The officials expressing concern about the supplementary payments are led by Bruce Reed, a White House aide who is also a co-chairman of the group drafting the plan. They contend that continued welfare payments to part-time workers could encourage people to remain dependent on government help. And they have said it could also make the public question whether Mr. Clinton had kept his promise to "end welfare."

In an interview, Mr. Reed, a former campaign aide, argued his concerns were less political than substantive. "I want to make sure that everything we do steers people toward self-sufficiency as quickly as possible," he said.

A copy of the draft was provided by an Administration official who feared the plan could wind up hurting poor families. The issues it describes are sufficiently sensitive that the Administration scheduled an unusual briefing today in response to questions about the paper from The New York Times.

Officials distributed the draft to other reporters on the condition that they not quote from it, and the officials spent an hour praising the provisions, on the condition they not be identified.

Little Noticed Provisions

The \$6 billion annual spending contains several provisions that have escaped much notice. It includes \$945 million, for instance, in additional welfare payments to two-parent households, as an incentive to keep families together. It also includes \$2 billion for child care to working poor families who are not on welfare, as a means of keeping them off the rolls. And it includes \$250 million for a demonstration project in which the Government would make child support payments if an absent parent fails to do so.

In addition, the plan projects potential cost savings, including \$150 million a year if states are allowed to deny additional cash to families who conceive additional children while on welfare, and \$50 million a year by requiring mothers under the age of 18 to live at home.

But the plan would spend only \$690 million a year on the work program itself in 1999.

THE NEW YORK TIMES, THURSDAY, MARCH 10, 1994

Continued on Page A23, Column 1

With Boss Besieged, Gergen Minds Himself

By RICHARD L. BERKE
Special to The New York Times

WASHINGTON, March 9 — David R. Gergen was hired to salvage President Clinton's reputation. Now he is trying to salvage his own.

The former Republican aide who basked in accolades, perhaps overblown at times, for turning the Democrat President's fortunes around last summer has become the man most mistrusted by the most fervent Clinton loyalists in the White House. As he went underground during the heat of the Whitewater affair, apparently forsaking his role as chief White House spin doctor, the President's counselor also became the target of a whispering campaign unusual for a Presidential team that is fairly collegial by Washington standards.

Now, after weeks of keeping out of sight, Mr. Gergen has re-emerged on television and has resumed defending Mr. Clinton. But more important, the self-described knight errant of last summer, a man whose job it was to make Richard Nixon, Gerald Ford and Ronald Reagan more appealing to the public, is trying to preserve his own reputation.

When a reporter asked him for an interview on where he had been all these weeks, Mr. Gergen sought to persuade him to write about newly aggressive efforts by Thomas F. McLarty 3d, the White House chief of staff, to contain the Whitewater affair. "This is not a story," Mr. Gergen said. "The real story is Mack taking charge."

Then Mr. Gergen tried a different tack. In a demonstration of his skills at damage control, Mr. Gergen depicted his few remaining, albeit powerful, allies in the Administration. From the Vice President to the Chief of Staff and on down, they besieged a reporter with phone calls and offers for in-

terviews so they could extol Mr. Gergen's virtues.

"I think he's extremely valuable to the President," said Vice President Al Gore, "and gives both depth and breadth to the overall team supporting the President."

Mr. McLarty, who came up with the idea for the President to hire Mr. Gergen, said, "The President has felt that David was totally committed to this Administration."

Uncharitable Whispers

Despite such compliments, the questions about Mr. Gergen have been rife over the past several weeks: What happened to him? Why wasn't a veteran of the Watergate scandal front and center in protecting the President on this one?

As is always the case with Mr. Gergen, the answer is not so simple. He says that he was not included in the inner circle of Clinton aides on the Whitewater affair. His friends say the veteran campaign aides now at the White House don't trust Mr. Gergen and they shut him out.

The response (always in private) from the many White House officials who Mr. Gergen did not ask to talk about him today is not particularly kind. The most common accusations: He is not loyal to the President and First Lady. He intentionally stayed clear of the Whitewater matter. He will soon leave the White House and cash in on his connections. He leaks negative information to the press. He tries to tug the President to more moderate positions. He is a self-promoter who tries too much to get in the picture with the President (staff aides call it "pulling a Gergen").

Mr. Gergen has heard many of these charges again and again ever since he became a part of the Clinton White House. Sitting for an interview today in his favorite wing chair in his basement office, under the signed photograph of him surrounded by former Presidents Nixon, Reagan, Ford and Jimmy Carter (the only one he didn't serve), Mr. Gergen put in motion the lesson he learned so well in the Nixon White House: to dispute the attacks point by point.

What Long Knives?

Playing down the criticism as unavoidable, Mr. Gergen said: "Former member of the press, former participant in Republican Administrations, close to the so-called establishment. Three strikes and you're out."

While his friends say he is frustrated by the attacks, Mr. Gergen insists he is not. Speaking of his service for Republican Presidents, he said: "I have seen knives flash in the night that have been much longer and much more dangerous than the knives around here. It would have been foolish and naive to come in thinking I would be a welcome player for everyone who worked their heart out for Bill Clinton in the campaign."

In a bit of self-congratulation that was also a jab at his critics, Mr. Gergen said, "The sentiment was, once we got out of the ditch, now that we're doing so well, why do we need him around?"

Mr. Gergen, who is 51, only hints at why he thinks some of his associates are out to get him. His defenders say the attacks are from younger liberals in the White House who resent that he was hired in the first place and view with disdain his position as a member of the Washington political/media establishment.

"There are a lot of liberals and a lot of 20 somethings on the White House staff who don't appreciate that a guy with his ideas is that close to the President," said Ben J. Wattenberg, a conservative Democrat who is an an-

alyst at the American Enterprise Institute. "He is much more substantive than 98 percent of journalists in Washington, and this is not true of every 20-something kid working on the Clinton White House staff."

Perhaps because he holds more moderate views than Hillary Rodham Clinton, Mr. Gergen was cut out of involvement on health care, the President's biggest domestic initiative. And Harold M. Ickes, the deputy chief of staff, who seems to have replaced Mr. Gergen as the White House's rescuer, is heading the Whitewater damage control effort.

Mr. Ickes is a liberal who is closer to the Clintons than Mr. Gergen and is well liked by aides who are not close to Mr. Gergen, like George Stephanopoulos, the senior adviser. But Mr. Gergen's detractors said that even before Mr. Ickes's arrival, Mr. Gergen was slow to involve himself in the Whitewater murass. (Mr. Gergen's backers are quick to note that he had argued for the White House to be more forthcoming on Whitewater from the start.)

Mr. Ickes angrily denied to a reporter that he was battling over turf with Mr. Gergen. But Mr. Gergen's comment about Mr. Ickes was less than effusive. "Harold and I have formed a better relationship," he said.

Delving Into Foreign Affairs

Because of his history as a Republican, Mr. Gergen also said he had taken himself out of the White House political operation during the midterm campaign season. That has left him to spend much of his time on foreign policy and military matters, producing friction with Anthony Lake, the national security adviser.

As politically attuned as he is, Mr. Gergen has at times seemed to expose himself to criticism, as when he invited John D. Ehrlichman of the Nixon White House and Watergate fame to lunch at the White House mess last November.

"I'm not walking away from my friends," Mr. Gergen said. "The President wouldn't want me to do that." Defiant on that score, Mr. Gergen made a point to say he was having lunch today with Kenneth M. Duberstein, who was a chief of staff for Mr. Reagan.

More recently, there were rampant rumors that Mr. Gergen planned to jump ship to become Washington bureau chief for ABC News. Mr. Gergen denied that he is negotiating with ABC, and said that looking for a job while he is serving the President would pose a conflict of interest.

Mr. Gergen insists that he has no intention of departing before the end of the legislative session this year — and said he may hang on into next year. And even his detractors admit that he has been valuable in bringing perspective to the White House, and playing the role as the President's ambassador to the establishment.

Whenever Mr. Gergen does leave, he won't be welcomed with open arms into the Republican fold. Even Mr. Reagan, speaking at a recent dinner here, joked about Mr. Gergen's switched allegiance to a Democratic Administration. Much like the liberals in the White House, Republicans gleefully exchange gossip about the troubles of a man who has long been a master at putting himself in a flattering light through carefully placed quotations in the newspapers.

Mr. Gergen's performance on "Nightline" Monday night was a classic display of this talent, as Republicans and Democrats sought to put their spin on his quotations. As an example, when Mr. Gergen said, "I've come out of hibernation tonight to be on your show," many people interpreted that to mean that he had nothing to do with the Administration's handling of Whitewater.

Continued on Page A20, Column 1

THE NEW YORK TIMES, THURSDAY, MARCH 10, 1994

Welfare: A plan in waiting

Health-care reform gets top priority

By William M. Welch
USA TODAY

The Clinton administration is undecided how quickly and vigorously it will press Congress next year for reform of the nation's welfare system.

President Clinton has not signed on to detailed proposals prepared by a White House task force on welfare reform.

House Speaker Thomas Foley and Majority Leader Richard Gephardt have urged Clinton to move slowly on welfare reform, and caution it may be impossible for Congress to pass a welfare bill next year.

Foley made no mention of welfare reform in a statement Monday looking ahead to "critical national issues" facing Congress next year. He named health care, crime, jobs and the economy.

Their reluctance, expressed to Clinton personally in a White House meeting last week, reflects a growing unease among Democrats that the welfare issue threatens to divide the party and interfere with the push for health-care reform.

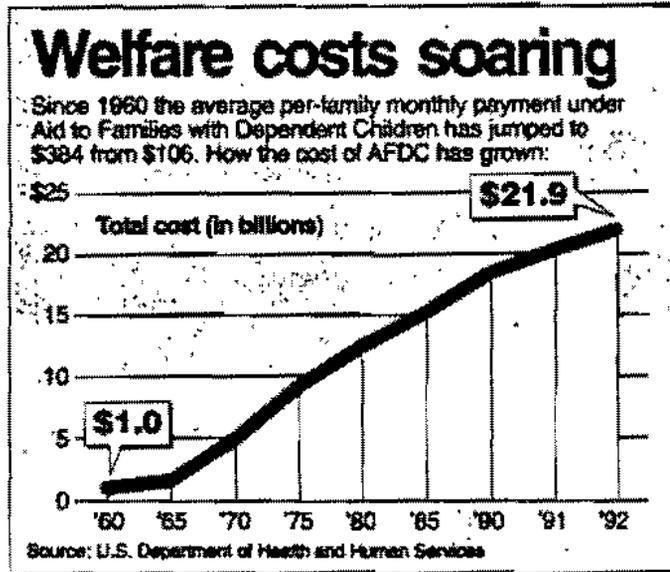
"Health reform is the No. 1 priority for 1994, but we want to move forward on welfare reform as well," says Bruce Reed, a White House adviser on welfare.

Overhaul could put cash in hands of working poor

Working poor could receive regular cash payments from the government as part of the Clinton administration's welfare overhaul.

The proposal, one of many under consideration, would provide advance refunds under the Earned Income Tax Credit, the benefit Congress expanded this year as a way of helping low-income workers reach the poverty line.

How it works: The Internal Revenue Service would project earned-income refunds, then



"No decision has been made as to the timing of the legislation because the president still has a number of decisions to make," Reed said. "There's general agreement that we don't want anything to overshadow health reform."

Some Democrats contend reforming the welfare system has an irresistible political appeal and could take on a life of its own in the next Congress, just as anti-crime legislation did this fall. They warn that if the White House appears to be stalling next year, it will open the door to GOP proposals for stronger limits on benefits.

"I think the situation in Congress is quite unstable, and in the Senate we could have a welfare-reform bill tacked onto other pieces of legisla-

tion," says Doug Besharov, analyst at the conservative American Enterprise Institute. "The Senate could move as quickly on welfare reform as it did on crime."

The Clinton administration does not have a welfare-reform bill ready, but its task force has been circulating 31 pages of proposals and options. Reed says Clinton has reviewed the document.

The recommendations are built around a two-year general limitation on welfare benefits, with a requirement that most recipients would then have to work — a concept Clinton supported and which proved popular during his presidential campaign.

But the document includes more controversial proposals

— such as making welfare easier to receive for two-parent families.

Administration officials say Clinton is certain to highlight the issue in his State of the Union speech in January. But Republican critics question Clinton's commitment to welfare reform.

"My view is the White House is floating these ideas around now to signal to everybody they haven't forgotten about it, and then they're going to promptly forget about it," says Rep. Rick Santorum, R-Pa. He's the ranking Republican on the House Ways and Means panel that handles welfare.

Jurisdiction as well as ideology complicates the issue in Congress. The same House and Senate committees competing for influence over health care will have claim to welfare, as will some of the same key lawmakers and staff members.

A group of 89 House liberals, led by Rep. Patsy Mink, D-Hawaii, and Rep. George Miller, D-Calif., wrote Clinton this month opposing the time limit as "simplistic and thoughtless."

On the other side, a group of Democrats led by Rep. Jim Slattery, D-Kan., has written Clinton urging he move strongly to impose such a limit.

As a result, Clinton likely will have to pursue a bipartisan strategy similar to the one on trade this year. Opposition of liberal Democrats would force him to rely on a large bloc of GOP votes — and possibly alienate the liberal Democrats he needs for health reform.

send out payments.

"It has the effect of making a \$4.25-an-hour job pay \$6 an hour," says David Ellwood, assistant secretary of Health and Human Services.

The proposal is a 31-page option paper. Others amount to expansions of benefits, although the intent is to encourage work and reduce dependency by establishing a two-year limit. Others would:

► Make it easier for families with both parents present to collect benefits, even when the

father and mother are not married. Supporters say current laws encourage breakup of the family by making it difficult for two-parent families to qualify for assistance. But critics say the change would discourage work and expand the number of families on welfare.

► Establish a minimum child support payment by the government for every child in a one-parent family.

► Cut off welfare payments to teen-age mothers unless they live with a parent or other re-

sponsible adult.

► Expand tax subsidies to companies that hire or find jobs for welfare recipients.

► Allow states to limit benefit increases when additional children are born to parents already receiving welfare under the Aid to Families With Dependent Children program.

The White House hasn't put a price tag on the proposals, but officials acknowledge it will cost money to create public service jobs.

— William M. Welch

The first lady on first year

From wire reports

First lady Hillary Rodham Clinton scoffed Tuesday at reports she has interviewed candidates for administration jobs.

"We ought to put out a Top 10 list of the major inaccuracies" reported about her role in the White House, she said.

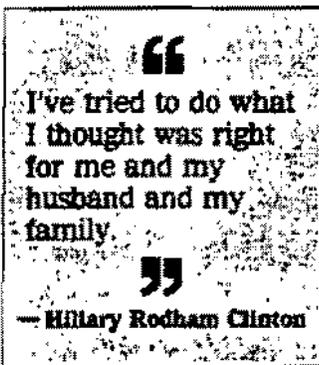
Mrs. Clinton said her husband seeks her advice, but she played down her influence on his decisions. "I wish I kept ... my batting average."

Mrs. Clinton discussed her first year in separate interviews with two news services, The Associated Press and Reuters. They took place in the Diplomatic Reception Room, a small salon in the residential part of the White House.

Asked what was the hardest part of the year, Mrs. Clinton said: "Learning about what a big stage this really is."

She said her greatest satisfaction was "that my family has gotten settled in," and her husband's economic achievements "are being appreciated by the American people."

On other topics, Mrs. Clinton:
▶ Said a sales tax on guns



may no longer be necessary to pay for her health care plan.

But she expects action on the health overhaul. "I think the pressure is going to keep building and I think that the administration and the Congress is going to respond to that and we will have a health care reform package in the next year."

▶ Praised the news media for giving daughter, Chelsea, 13, and Vice President Gore's four children "their own space to be able to grow up as who God meant them to be."

▶ Noted with pleasure that her husband has spent more time with Chelsea than he did while governor of Arkansas.

"It's like living above the store because in many ways the fact that the president's office is just down the corridor means that he's home for dinner more, means that Chelsea can run over there to have him help with her homework, means that we can see each other during the day."

▶ Joked that she has no sense of style but has learned to enjoy the attention for her hair or clothes.

"It is to me just kind of funny and amusing that people do invest so much interest in issues like that, but I'm just going to have fun with it while I'm in this position — enjoy it."

For the record, she was wearing a bright red jacket and black slacks during the interviews. Her hair was pulled straight back.

Summing up her first year, she said, "I've tried to do what I thought was right for me and my husband and my family."

"I was gratified to learn that no one who's ever been here feels like they were fully prepared."

▶ Defending her husband, 1A

As rumors swirl, aides turn to familiar strategy

By Adam Nagourney and Bill Nichols
USA TODAY

When Bill Clinton first found himself confronted with allegations of womanizing, his advisers kept his profile low, put Hillary Rodham Clinton out front, and proclaimed the charges a meaningless "distraction."

It worked then, in the midst of the January 1992 New Hampshire primary, evidenced by the fact Clinton survived charges by Gennifer Flowers that the two had a 12-year affair.

As Clinton confronts a new round of more extensive womanizing claims — this time by two Arkansas state troopers — his advisers have used almost an identical strategy.

Hillary Clinton has gone out front, giving indignant interviews defending her husband. Clinton has stayed away from reporters.

And the president's advisers are dismissing the charges with words strikingly similar to language they used two years ago — attacking the charges, but not quite denying them.

"We're going to do our work," said senior adviser George Stephanopoulos. "People can make up their own mind; the president is not going to be distracted by this stuff."

But there are some differences.

The most noteworthy is Clinton made a personal effort to quash the stories, calling troopers in a move that stunned his aides and raises questions about why Clinton was so concerned about a story his aides have dismissed as "ridiculous."

That effort was assisted by his longtime friend and trouble-shooter, Bruce Lindsey, and R.L. "Buddy" Young, the former chief of Clinton's



By Gary Cameron, Reuters
AT ARLINGTON CEMETERY: In the president's only public event of the day, he meets Nicholas Bright, 6, whose father died in the bombing of Pan Am Flight 103. (Memorial, 1A)

security detail, who now has a \$92,000 federal job.

Young denied he pressured either trooper not to go public.

Young said he did call trooper Roger Perry after hearing Perry had been offered a lucrative book contract. "I called him as a friend ... I probably said something along the lines of, 'This is something you should really consider. You're talking about the president.'"

On the charges jobs were offered to the troopers to keep quiet, Young says: "Nothing of this type of conversation has ever occurred between me and the president, me and Bruce Lindsey or any member of the White House staff."

▶ Hillary Clinton talks, 1A, 6A

Unions Fear Job Losses in Welfare Reform

Public Employee Groups Intensify Efforts to Slow Plan to Require Community Service

By William Claiborne
Washington Post Staff Writer

Public employee unions, fearful that their members will lose jobs to welfare recipients who are forced off public assistance into community service work, are intensifying their pressure on the Clinton administration to move slowly on welfare reform.

The unions' lobbying is one of many pressures on President Clinton to ease off his campaign pledge to "end welfare as we know it" by making public assistance a transitional entitlement and requiring recipients to work in community service jobs after two years of benefits.

Administration officials say they will send a comprehensive welfare reform bill to Congress this year, but less clear in the eyes of welfare reform advocates, is how hard the measure will be pushed because of the concurrent battles over health care reform and budget cuts needed to finance welfare reform.

An outline of Clinton's fiscal 1995 budget contains no start-up costs for a welfare reform plan, and the president has not emphasized the subject recently.

However, Bruce Reed, a White House domestic policy adviser and co-chairman of an interagency welfare reform task force, said yesterday, "This administration has no intention of delaying welfare reform legislation. We are going to introduce it this year, and we want Congress to pass it."

Nonetheless, supporters of welfare reform said they are concerned that Clinton may feel obliged to satisfy the unions' demands to slow welfare reform because of resentment by organized labor over the North American Free Trade Agreement.

Unions opposed NAFTA because they said it would depress wages here and encourage U.S. manufacturers to move their operations to Mexico.

"After NAFTA, something has to be given back to the unions. I'm a little afraid that will affect welfare reform," said Patricia Farnan, director of policy development of the Employment Policies Institute, a



research group involved in expanding entry-level employment opportunities. The institute supports welfare reform, but favors placing former recipients in private sector jobs.

The public employee unions warned that hundreds of thousands of their members could be displaced by persons forced off the welfare rolls after two years and required to accept community service jobs.

"We're saying, 'No welfare reform without health care reform first.' We're pushing ahead full steam on that, because they [the administration] could enact something very quickly if they decided to," said Peggy Connerton, public policy director of the Service Employees International Union, half of whose 1 million members are public employees.

Marie Mourad, associate public policy director of the 1.3 million-member American Federation of State, County and Municipal Employees (AFSCME), said her union had met repeatedly with administration officials in recent weeks and had "asked them to slow things down" because of potential job displacement.

"Our concern is how to make any work assignments decent jobs and not just replace one low-paid worker with another low-paid worker. There needs to be significant funding to do that, and we have to be involved in this process as it moves along," Mourad said.

Reed, however, said, "There has always been strong anti-displacement language in welfare reform legislation, and there will be again."

A draft proposal prepared by the task force suggested limiting welfare to two years, after which recipients unable to find work in the private sector would be required to accept public work assignments for at least 15 hours a week at the minimum wage.

Alternatively, recipients who reached the two-year time limit for cash assistance would be enrolled in a "community work experience program" to continue receiving benefits. In either case, there is a potential for displacing public service jobs, welfare experts say.

Administration and union officials agree that it is impossible to estimate how many public-sector jobs would be displaced by the proposed

reforms because no decisions have been made to determine how many recipients would be forced off the welfare rolls.

Factors involved include financing education, day care and job training programs that would affect the number of recipients finding private-sector jobs before the end of two years; the number of exemptions for recipients with disabilities or other grounds for not working; and the length and manner of a gradual phase-in of time-limited welfare.

About 5 million families receive Aid to Families With Dependent Children (AFDC), the main cash assistance program, and estimates of the number of AFDC recipients who will reach the two-year time limit without finding a job have ranged from a few hundred thousand to 2 million.

"The key is how much money they intend to spend on the front end for services that will help people find jobs before the end of two years. Since they [task force members] didn't want to discuss financing with us, we have no way of knowing how many jobs would be displaced," Connerton said.

In testimony to the task force last year, Loe A. Saunders, assistant to the president of AFSCME, predicted that 1.2 million to 2 million "workfare" positions would have to be created, depending on what kind of exemptions are offered.

In comparison, Saunders said, the ill-fated Comprehensive Employment and Training Act (CETA) enrolled 739,000 persons at its peak and accounted for 20 to 30 percent of the regular work force of some local governments.

"There is absolutely no way so many positions can be created without displacing regular public-sector jobs even with strong anti-displacement rules," Saunders said.

Administration officials said they have also made no decisions on the timing or phase-in of the program, although they promised to consult with the unions again before introducing a welfare reform bill, Connerton said. She said that later this week her union will submit formal comments on the task force's draft report to the White House.

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Woman Linked to Clintons in Land Venture Faces California Charges

By Howard Schneider
Washington Post Staff Writer

A former partner of President Clinton in an Arkansas real estate venture has been charged in California with embezzling nearly \$200,000 from conductor Zubin Mehta and his wife, Nancy.

Susan McDougal pleaded not guilty last week in a Los Angeles court to forgery and grand theft charges stemming from her employment as the Mehtas' personal bookkeeper from 1989 until July 1992. McDougal was a part-owner of the Whitewater Development Corp. along with her ex-husband, James, and the Clintons.

A complaint filed by the Los Angeles district attorney and a separate civil action brought by the Mehtas allege that McDougal forged nearly 300 checks on the Mehtas' account to pay personal restaurant, hotel and other expenses. Following a brief arraignment, she was released on \$35,000 bond and allowed to return to her current home in Tennessee.

The charges are the latest twist in what has been a roller coaster ride for McDougal. During the early 1980s she was well-known

in Arkansas as James McDougal's savvy partner in the operation of his Madison Guaranty Savings & Loan, where she was a stockholder, board member and head of the thrift's once-extensive marketing operation.

This fall, however, a national warrant was issued for her arrest as authorities in Los Angeles sought her on the forgery charges. She eventually was located in Tennessee and appeared voluntarily in California for a Dec. 29 arraignment.

She also emerged in recent weeks as an important figure in the ongoing federal investigation of Madison—a probe that is looking in part at the flow of thrift funds to Whitewater, other businesses and Arkansas politicians, including then-Gov. Clinton in connection with his 1984 reelection campaign. Sources close to the investigation said Susan McDougal had authority to write checks on Whitewater's account, and that she therefore may hold key information about where the company's money came from and where it went. The Clintons have said they were only passive investors in Whitewater and lost nearly \$70,000. They sold their interest in the company back to James McDougal late last year.

Susan McDougal's marketing company also took out a \$300,000 small business loan in early 1986 that is being examined by federal investigators. The loan was made by

During the early 1980s, Susan McDougal was well-known in Arkansas as her husband's savvy partner in Madison Guaranty Savings & Loan.

Little Rock Municipal Judge David Hale, who owned a small finance company backed by the federal Small Business Administration to support disadvantaged entrepreneurs.

When he was charged with defrauding the SBA last summer in connection with an

unrelated transaction, Hale alleged that James McDougal and then-Gov. Clinton pressured him to make the loan to Susan McDougal. He said they told him the money was needed to take care of problem loans at Madison that federal regulators had begun questioning. Susan McDougal never repaid the loan. The McDougals later said that some of the money was used to buy land for Whitewater.

The White House has denied that Clinton ever discussed the loan with Hale. After granting two telephone interviews last fall, Susan McDougal, through her attorney and through friends, has refused further interview requests posed to her recently in writing.

Leonard Levine, a criminal attorney hired to defend McDougal against the California forgery and theft charges, said she is "trying to put her life back together" and concentrating on the upcoming criminal case. Levine said he is confident that a handwriting analysis and other evidence will prove the questioned checks were either written by Nancy Mehta herself, or with her permission.

"I think she would like to put all this be-

hind her," Levine said, while acknowledging that with federal investigators still delving into Madison's affairs, "I guess that is not going to happen."

Although in interviews Susan McDougal claimed she had little direct knowledge of Madison's affairs, federal regulators concluded differently. From 1983 to 1986, Susan McDougal's marketing company collected \$1.5 million in fees to prepare print and broadcast advertisements, some of which featured McDougal herself promoting Madison real estate developments.

When Madison failed, Susan McDougal moved to California, divorced her husband and was eventually hired by the Mehtas, said their lawyer, G. Grant Gifford.

Gifford said she served as a "jack of all trades" for the family, shopping for groceries and managing several rental properties while the conductor and his wife were away from Los Angeles.

She was not, however, authorized to sign Nancy Mehta's name on checks, Gifford said. So when checks bearing Mehta's name turned up at the couple's bank while they were in Italy, Gifford said they became concerned.

bc-welfare times - a1609

(ATTN: National editors) (Includes optional trims)

States Want to Sing Welfare Reform Tune, But Not Pay Piper (Washn)

By Ronald Brownstein= (c) 1994, Los Angeles Times=

WASHINGTON The association of state welfare administrators Tuesday endorsed President Clinton's call for a two-year time limit on welfare, but warned that states will resist paying much of the cost for reforming the public assistance system.

In what several observers called a sign of widening consensus, the American Public Welfare Association endorsed many of the ideas under consideration by the administration's internal welfare reform task force, including the central recommendation that most welfare recipients be required to accept work after two years on the rolls.

"It's a strong sign that the states want serious welfare reform," said White House policy aide Bruce Reed, co-chairman of the administration's welfare reform group.

But the welfare association said that states should be required to pick up only 10 percent of the expense of moving to such a work-based system which it estimated could cost more than \$15 billion over the next five years. The distribution of costs between the states and the federal government will be "a crucial issue," in the welfare reform debate, said Sid Johnson, the association's executive director.

On many issues, the group's recommendations track the proposals contained in the working paper completed last month by the administration's task force on welfare reform. The president has not yet reviewed the recommendations and the White House has signaled repeatedly in recent weeks that it may delay the introduction of a welfare reform bill to avoid conflict with the pending health care reform legislation.

Like the administration task force, the association called for granting states greater flexibility to conduct experiments in welfare reform, stepped-up efforts to collect child support payments and a shift in the focus of welfare offices toward seeking work for recipients "from the very beginning of their receipt" of public assistance. The report also calls for phasing in the work requirement by imposing it first on new recipients and guaranteeing welfare recipients public employment if private work is not available.

(Optional add end)

The support for a mandatory work requirement represents a significant evolution in the state welfare administrators' views, observers said.

"It's a statement that a system that has been consumed with determining and maintaining eligibility should shift its focus to supporting and providing work," said Mark Greenberg, a staff attorney at the Center for Law and Social Policy in Washington.

For all the agreement, the report also highlighted some of the likely areas of contention once the welfare reform debate begins in earnest.

Although the administration task force focuses heavily on measures aimed at deterring out-of-wedlock births, the task force report is virtually silent on the question. Audrey Rowe, the commissioner of social services in Connecticut, said that the American Public Welfare Association "could not reach a consensus" on whether the federal government should encourage states to take steps to deter illegitimacy, such as preventing minors who receive welfare from establishing their own households. The administration task force recommended that states be required to adopt such a rule.

The distribution of cost could be an even thornier problem. Currently, the federal government generally pays between 60 percent and 70 percent of the costs for state job training and mandatory work programs. The report says that states should only be required to maintain their existing expenditure on such programs about \$400 million in 1992 with the federal government assuming 90

percent of the additional costs of requiring all welfare recipients to work after two years.

library, hospital and clinic to the information superhighway by the end of the decade.

(Optional Add End)

Replied Ted Harbert, president of ABC Entertainment: "Schools can't even afford chalk, and they are talking about putting a personal computer on every desk."

Others were more receptive.

Time Warner Chairman Gerald R. Levin said Gore's call to wire all the schools, libraries and hospitals was in fact largely a reality. "We are much of the way there already," he said, noting that more than 80 percent of schools within Time Warner cable systems service area were already hooked up. "We don't want to see an information aristocracy," he said.

Despite the Clinton administration's goal to encourage the telephone and cable TV companies to build a "national information infrastructure," there were indications that a brutal competition is in store.

"The ability to create this electronic highway is the easy part," assured Richard C. Notebaert, president of Baby Bell Ameritech. But he predicted there would be a lot of "road kill" as companies struggle to "determine what consumers want."

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**** printed by:WHPR(162) on 01/12/94 at 03:59EST ****

Sen. Kassebaum expects major changes in affirmative action policies By Donna St. George and Mary Otto Knight-Ridder Newspapers

WASHINGTON The chairman of the Senate committee that will hold hearings on affirmative action said Monday that she expects Congress will make major changes in current policies aimed at increasing the number of women and minorities in the workplace.

Sen. Nancy Kassebaum, R-Kan., said she opposes government-set goals, quotas and contract set-asides three central parts of the affirmative action programs that have been established by the federal government over the last few decades.

Kassebaum, chairman of the Senate Labor and Human Resources Committee, said she supports outreach programs to improve access to jobs for women and minorities, but objects to numerical preferences.

Her comments were significant because some backers of affirmative action have been looking to Kassebaum to defend the programs from attacks by more conservative congressional Republicans.

While Kassebaum stopped short of advocating a wholesale dismantling of affirmative action programs, her criticisms made clear that she is prepared to challenge government mandates about the composition of the workforce.

In an interview with Knight-Ridder editors and reporters, Kassebaum also said that the Clinton administration should never have nominated Dr. Henry Foster to be surgeon general. Her committee will hold hearings on Foster's confirmation this spring.

Kassebaum said Foster's nomination has been unnecessarily divisive and she criticized the Tennessee gynecologist and obstetrician for suggesting that objections to his confirmation may be racially motivated.

During hearings on affirmative action this summer, Kassebaum said she will probe for alternatives, asking: "Are there other ways that we can make sure equal opportunities continue to exist?" She added: "It may mean changing some of the programs."

Among the possibilities, she said, would be eliminating goals and quotas or "in some way at least eliminating penalties for not having done so."

"A woman who wants to be truckdriver, she should ... go through all the tests that are there. Or a plumber. But does that mean," Kassebaum asked, "that you should say 10 percent of the truckdrivers should be women?"

"A goal (that) is set by the (government) of say 10 percent ... to have women as truckdrivers, I'd have a problem with that," Kassebaum said.

She also raised objections to giving tax breaks to companies for affirmative action goals a current government practice.

Nonetheless, Kassebaum urged a careful review of affirmative action and warned that, if politicized, "this is an issue that can become very divisive."

Her comments followed recent attacks on affirmative action by Senate Majority Leader Bob Dole, a fellow Republican and Kansan, who has called for "a colorblind society" and argued that "the race-counting game has gone too far."

President Clinton also has ordered a White House review of the 30-year-old government policies, which landed in the political spotlight after critics in California announced plans for a ballot initiative to end affirmative action altogether in that state.

On Monday, Kassebaum contended that affirmative action has been reviewed very little in its history and allowed to "slip into (a practice of) quotas."

The embattled practice of "set-asides" in which the government literally "sets aside" a part of contracts for firms owned by women or minorities is in spirit a

method of quotas, she said.

"I think where there is real frustration on the part of the business community, as well as others, is where the procedure has been unfair from the standpoint of preferences given rather than just access," she said.

Although affirmative action was needed in the beginning, "I think that in the process now we've constructed as many barriers as existed before," Kassebaum said. "I think that we really have to ... help it to be a better process for everybody involved."

Regarding the Foster nomination, Kassebaum said he has unfairly "become a pawn" in a national debate over abortion. Nevertheless, Kassebaum said the White House "should have taken into account ... the sensitivity on this issue" before nominating Foster.

Foster has drawn heavy fire from anti-abortion forces for admitting that during a career spanning nearly 40 years he performed 39 abortions and once oversaw research on a suppository used to terminate pregnancies.

Kassebaum said she did not know whether Foster would be confirmed, or whether, as surgeon general, he would be able to transcend controversy and address the nation's broader health issues.

She criticized Foster for introducing "race into the issue" of his nomination during an appearance last week at the National Press Club. She said that Foster implied there were "racial connotations for those who were opposing his nomination."

"I think that is not the case," she said "and I regret having that happen."

Senate is likely to ignore House welfare-reform effort and start from scratch on its own version By Vanessa Gallman Knight-Ridder Newspapers

WASHINGTON Disregard all the huffing and puffing that will occur this week as the House moves toward passage of a welfare reform bill.

The Senate is probably going to ignore everything the conservative Republican House majority does about this race-and-class-tinged issue and start from scratch.

Already, Sen. Daniel Patrick Moynihan, the New York Democrat renowned for his work on welfare and poverty issues, has called the major House proposals "draconian" and "incoherent."

And Senate Majority Leader Robert Dole, R-Kan., commenting specifically on plans to deny welfare aid to legal immigrants, has said flatly: "That's not going to happen."

The House "has lost its focus" on the welfare debate, said Sen. John Breaux, D-La., by focusing on "side issues" such as punishing teen mothers.

The result: The Senate Finance Committee isn't even likely to use the House bill as a framework most notably ignoring its plan to give the states control over the welfare system.

If this seems a strange way to conduct the public business, William Schneider of the conservative American Enterprise Institute isn't surprised by it.

"The House quite deliberately passes the most extreme steps in radical reform," he said, "because they know the Senate will moderate it. That's the way the game is now being played."

Whatever the Senate and House wind up passing, differences between the two bills will, as always, have to be ironed out by a conference of members from both sides.

But just what they will be conferring on is yet to be seen.

For instance, Breaux and Sen. Hank Brown, R-Colo., introduced a brand new idea in the welfare reform debate Monday a proposal that encourages states to give welfare recipients vouchers they can use with private job-training programs.

"The best social program is a good job," Breaux said.

The Senate has always been a more deliberative body than the hair-trigger House, but its intentions in the face of the House welfare bill have given new hope to critics of the House plan.

Opponents of the bill have gone months, they said, feeling their objections have not been heard. At the same time, House Speaker Newt Gingrich, R-Ga., "can call a press conference about a hang nail and get coverage," said Katharine McFate, welfare expert at the Joint Center of Political and Economic Studies, which focuses on issues relevant to blacks.

"All we had in the House was ideological debate," she said. "In the Senate, you have the sense that they really want to do the right thing."

The two major tenets of the House bill that the government no longer guarantee aid to those in need and that states take the lead in welfare reform have much less appeal in the Senate.

Sen. Bob Packwood, R-Ore., chairman of the Finance Committee, has said he supports giving states almost total control over welfare programs, except for an annual audit. But the others on the committee were much more tepid in their willingness to consider more state control.

"We have to remember that the federal regulations are there for a reason," Sen. John H. Chafee, R-R.I., said during a recent committee hearing. Often, he said, states have not adequately met those standards, with 20 of them under court order to improve their foster-care and child-protection programs.

The differences in the House and Senate toward state control was evident in the behavior of one of the country's most prominent Republican governors during a recent Senate committee hearing.

Earlier, Wisconsin Gov. Tommy W. Thompson had told House members to get out of the way of progress on welfare reform and leave that job to the states. But before the Senate, he took a quite different tack.

Instead of the chest-beating he did before House committees, he told senators that he would like total control, but he would accept some broad federal goals for the states.

The fact that welfare reform will soon be in Senate hands is also comforting to the Clinton administration, engaged in a guerrilla war of press releases against the House bill.

Many Democrats and children and family advocates have complained that President Clinton has been too laid back while House Republicans stole the welfare issue from him.

But administration officials say it is still early in the process, and they point to the addition of tougher child-support enforcement in the GOP welfare plan as a sign that their efforts are working.

"It's moving in front of our eyes," said Health and Human Services Secretary Donna Shalala. "And in some cases, it's moving in directions that we think are positive."

Holding power for the first time, South Carolina Republican tries to play hard ball on defense

By Charles Pope Knight-Ridder Newspapers

WASHINGTON As chairman of the House National Security Committee, Floyd Spence has been pushing for big increases in defense spending.

Surprisingly, the new Republican leadership is pushing back.

After years of being viewed as little more than a pedestrian lawmaker and a living footnote in medical history, Spence this year gained real power for the first time in his 25-year career and started displaying a tougher, more partisan edge.

The South Carolina Republican has been taking on Democrats he considers soft on defense, the Pentagon's civilian leadership and even the president. He's advocating big increases in military spending at a time when most other budgets are being cut.

But the Republican leadership has forced him to accept less than he had been seeking for defense spending. And the House last month rebuffed his attempt to fund a missile-defense system that would shield the entire nation, indicating that the budget-cutting mood in Congress, even among Republicans, is outweighing any effort to build up the military budget.

The 66-year-old Spence, who faintly resembles Lyndon Johnson and survived a rare double lung transplant in 1988, insists that he has the legislative clout and the political skills needed to pass his agenda.

"When it comes to defending my country, I can play hard ball. I always have," he says.

But Spence has already lost two major battles, with the most recent coming this past weekend. House Republicans have agreed to limit defense spending to \$270 billion a year for the rest of the decade. That is an \$8.6 billion increase over the amount proposed by President Clinton, but far less than Spence wanted.

The proposal, announced by Budget Committee Chairman John Kasich, R-Ohio, would spend \$48 billion more than Clinton's proposals through 2001. But that spending wouldn't offset inflation.

Spence wanted enough money so that the Pentagon budget would increase in real terms. But he lost out to Kasich and his deficit-cutting allies, including House Speaker Newt Gingrich, R-Ga.

For many, the showdown with Kasich reinforced a general impression that Spence is too nice to fit easily into the House's more partisan environment. He is not part of the aggressive group of younger lawmakers like Kasich and others who constitute Gingrich's inner circle.

Spence instead belongs to an older and shrinking class of lawmakers who hold strong positions but are willing up to a point to accommodate and compromise.

"Floyd has a huge reservoir of good will," says Rep. John Spratt, D-S.C. who serves with Spence on the National Security Committee.

"He is viewed as evenhanded and fair. But Floyd occasionally gets (partisan). He has to prove to Gingrich and the House leadership he can hang tough," says Spratt.

Taking the full measure of Spence will most likely come when the committee's most important work the military budget begins taking shape in the coming months.

He wants money to improve military readiness, purchase more C-17 transport planes and develop the F-22 fighter. That effort alone could take decades and cost \$100 billion, according to some estimates.

Yet for all the difficulties, this is Spence's moment in the job he's always wanted. An ardent Pentagon supporter with service in the Navy and Navy Reserve, Spence understands military affairs.

"I see a threat to our country and a lot of people don't see it," Spence said. "I was elected by the people to provide the necessary tools to defend this country, and that's what I'm going to do."

Fewer Guns, Not More

By now, lawmakers here and across the nation should be well aware of the public's growing weariness with statements and policies that countenance gun use rather than discourage it. Though some still don't get it, many do—and that's good news for a crime-besieged America.

In Los Angeles on Tuesday the City Council's public safety committee approved an ordinance to tighten local requirements for buyers and sellers of ammunition. And in Sacramento on Wednesday members of the Assembly Public Safety Committee courageously turned back misguided and dangerous legislation by William J. (Pete) Knight (R-Palmdale) that would have allowed more Californians to carry concealed weapons by loosening regulations for gun permits. A bill like that is not what this state needs.

The victory in the Legislature for advocates of gun control is an appropriate one, especially given the strong reluctance of localities to liberalize their concealed weapons laws. Within the

last year alone, Stockton, Fresno and Redondo Beach all rejected aggressive attempts to turn each into another Dodge City.

The Los Angeles ammunition measure, which is similar to one approved earlier this year in Pasadena, requires record-keeping at the point of sale on the brand, type and amount of bullets. The new regulations must still clear the full council. Given the gun violence that plagues this city, it would be awfully hard to justify anything but approval.

Predictably, the bullet ordinance has become a target for angry critics who call it nothing more than "feel-good" legislation. It's true that new laws won't end gun violence. We also need aggressive enforcement and appropriate punishment in the justice system, especially when it comes to urban gangs that think nothing of slaughtering innocent bystanders.

No law is a cure-all. But without real effort there's no hope. More and more Americans are starting to make that effort.

Clinton Must Hold Firm

President Clinton has warned the GOP not to cram the mammoth and complicated welfare overhaul into a budget bill that would be "fast-tracked" at the expense of amendments or full debate. In this battle, the President is right.

The Personal Responsibility Act, as passed by the House, is too harsh on children. It should not be shoved down the throats of the poor, many of whom would lose substantial parts or even all of their benefits; sadly, the young would suffer the most. The bill should become a foundation for an overhaul intended to end welfare dependence without endangering poor children.

The White House plan would require work, set a time limit for receiving benefits, strengthen child support enforcement and provide job training and other support to help poor parents make the transition from welfare to work.

The President doesn't reject all of the Personal Responsibility Act. He recognizes that some of it is good.

While governor of Arkansas, Clinton

crafted welfare reform that helped poor parents make the necessary transition. To do that, he needed flexibility from Washington. Now, as President, he favors greater federal flexibility for states without giving up all standards or denying help to all who are eligible.

Clinton insists on a stronger work requirement. Throughout his presidency he has preached the value of work to organize a life and provide for a family. Along with work he advocates job creation, a reduction in the unemployment rate and a push to raise the minimum wage. He argues, persuasively, that people who work should be paid a livable wage. A decent wage would encourage more of the poor to work.

President Clinton has set a July 4 deadline for welfare reform. Republicans and Democrats agree on the need to make welfare a temporary form of assistance, not a way of life. The White House and Congress should find common ground, but Clinton should hold firm to welfare-reform principles proven to work.

O.C. WATCH

Handle With Care

Wall Street traditionally has regarded institutions such as city and county governments as savvy investors that know their stocks from their derivatives and need little help in figuring out what is risky and what is safe.

But when Orange County declared bankruptcy last December after losing \$1.7 billion, then-county Treasurer Robert L. Citron said he was a financial naif. Merrill Lynch, which had sold Orange County many securities and now is being sued by the county, scoffed at Citron's claim and denied any wrongdoing. But even before the Orange County fiasco, local governments across the country were admitting that their investment portfolios were shaky; as a result, the Government Finance Officers Assn. sensibly asked for help in protecting its members from themselves.

This week the National Assn. of Securities Dealers finally ended its resistance and proposed new rules to guard against brokerages selling unsuitably risky securities to government agencies. The proposals, which must be approved by the federal Securities and Exchange Commission, require brokerage firms to consider factors such as the size of the government agency's bankroll before plunging into deep water and whether the agency is buying a financial instrument largely because the brokerage is hustling it. Similar rules are already in effect for individual investors.

Stockbrokers and buyers alike need to remember that government investments are made with taxpayers' money. Losing it can cause deep, widespread pain. These are small steps, but noteworthy.

LOS ANGELES TIMES

THURSDAY, APRIL 20, 1995

What Manner of Evil Can This Be?

The hate and ignorance of callous cowards

Can one find any meaning in the blast that ripped away nearly half of the nine-story Alfred P. Murrah Federal Building in downtown Oklahoma City? What political cause, what religious zeal, what personal grievance could possibly have benefited from killing so many civilians, including children playing in a day-care center? The heart aches at the stupefying hate and ignorance of the callous and—as President Clinton aptly put it—“evil cowards” who planted this terrible bomb and ran.

From the smoking rubble presumably will come clues to the motive. There was speculation, given the similarities to the 1993 bombing of the World Trade Center in New York, that the crime was a terrorist attack by Islamic extremists. Others noted that the explosion came on the second anniversary of federal agents' deadly assault on the Branch Davidian religious sect in Waco, Tex., 275 miles away. The Oklahoma City building housed the offices of the FBI and the Bureau of Alcohol, Tobacco and Firearms that coordinated the Texas raid.

Whatever the motive, this apparent spread of terrorism to the heartland, far from such centers of financial and political power as New York and Washington, is chilling. Who would have expected Oklahoma City, a quiet state capital of 450,000 where selling a mixed drink was illegal in most circumstances until the 1980s, would be the site of the worst terrorist attack ever on American soil? The bomb, thought to have weighed more than 1,000 pounds and to have been hidden in a vehicle parked in front of the federal building, was more powerful even than the one that killed six and injured hundreds at the World Trade Center.

Coming so soon after the deadly sarin nerve gas attack in the Tokyo

subway and Wednesday's apparent release of phosgene gas in the Yokohama subway, the Oklahoma explosion serves to underscore the vulnerability of modern cities. Though Los Angeles lacks the urban density of a Tokyo or a New York, it is no less vulnerable to terrorist massacres.

All manner of lessons will be drawn from the Oklahoma City outrage. Perhaps the most absurd comes from the president of the National Treasury Employees Union, who saw a connection to the complaints of Congress members “who feed the ugly notion that federal employees are responsible for all this nation's ills.”

Such embarrassments aside, until the perpetrators are convicted no far-reaching conclusions can be drawn. What is clear is that Americans, urban and rural alike, will have to get used to tougher security measures. (Some European countries have by now become accustomed to Draconian security at airports and to having no sidewalk trash cans in which bombs might be hidden.) Clearly, federal buildings at least will have to tighten security, especially those measures aimed at preventing car bombings. Authorities around the nation, including in Orange County, were properly cautious after Wednesday's bombing, temporarily evacuating some federal buildings after bomb threats were received.

For now, the bombers have gained what they almost certainly wanted—a measure of fear and confusion. But these feelings are temporary. Americans cherish their rights of movement and of access to government agencies—rights that ironically make it easier for terrorists who would destroy their freedoms. We will not be cowed.



What can justify an attack on innocents?

LOS ANGELES TIMES

THURSDAY, APRIL 20, 1995

Carol - This is actually the price Mack was referring to. Patty

OPINION USA

End welfare for single women having children

System may not cause illegitimacy, but it makes out-of-wedlock births economically viable, say William Bennett and Peter Wehner.

In a recent *Wall Street Journal* article, social scientist Charles Murray called for ending the current welfare system. It had an explosive effect and set off a chain reaction that in a dozen weeks has transformed the welfare debate. We are now at one of those rare political moments when a fundamental, even radical, and positive change in public policy is possible. That reform of this magnitude is even possible can be explained by three things:



USA TODAY
By William J. Bennett (above), co-director, and Peter Wehner, policy director, Empower America.

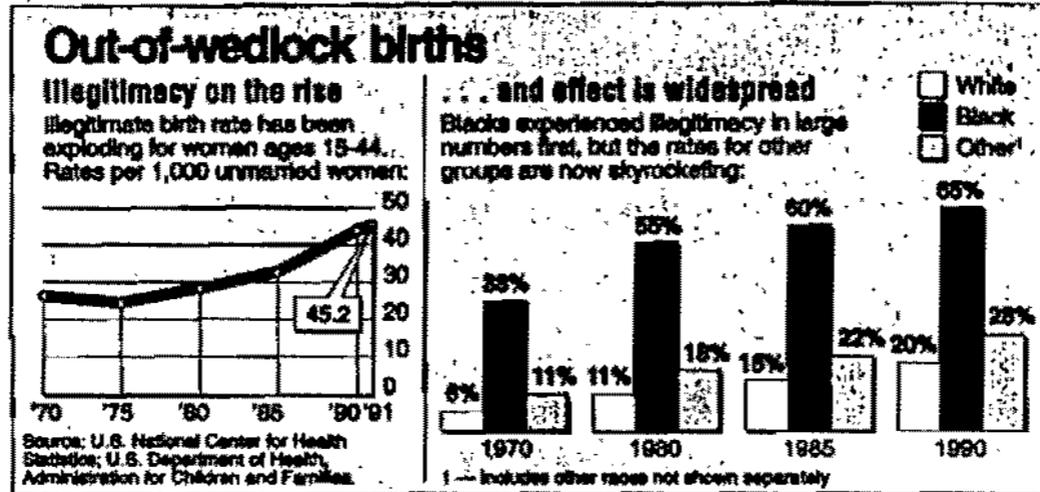
► Widespread acceptance of overwhelming empirical evidence: The current system is a complete failure. We have spent enormous sums over the past three decades on welfare programs and what do we have to show for it? An underclass which is much larger, more vi-

olent, more poorly educated and which consists of many more single-parent families.

Reaction to Murray has been overwhelmingly favorable, including positive reaction from unlikely places. Here's what President Clinton said in a recent interview about welfare's fiercest and most prominent critic: "(Murray) did the country a great service. I mean, he and I have often disagreed, but I think his analysis is essentially right. ... There's no question that (ending welfare for single mothers) would work. The question is ... is it morally right?"

Clinton's firm embrace of the Murray analysis means the intellectual debate over welfare policy is essentially over; we are now debating the relative merits of changing the current system vs. dismantling it.

► Acknowledgment among experts in the field that a strong link exists between social pathologies, exploding rates of illegitimacy and welfare payments to single mothers. By the end of the decade, according to the most reliable projections, 40% of all American births and 80% of minority



births will be illegitimate. These numbers have frightening social implications.

Welfare may not cause illegitimacy, but it does make it economically viable. There is hardly any question anymore that illegitimacy rates would fall, probably dramatically, if payments under the Aid for Families with Dependent Children program were stopped. Welfare is illegitimacy's economic life-support system.

► Agreement on an important moral principle: Having children out of wedlock is wrong — not simply economically unwise for the individuals involved, or a financial burden on society, but morally wrong.

Even Secretary of Health and Human Services Donna Shalala, she of impeccable liberal credentials, said in a recent interview that "I don't like to put this in moral terms, but I do believe that having children out of wedlock is just wrong."

Unfortunately, it is not at all clear that politicians, including most Republicans, are willing to propose legislation that is intellectually consistent with the arguments and analysis. Most proposals now on the table miss the essential point of welfare reform — not to ensure tougher work provisions and job training but to go after, root and branch, a system that fosters illegitimacy and its atten-

dant social pathologies.

Republicans should propose in this congressional session to end welfare for anyone having a child out of wedlock. Our preference is to end, one year after the legislation is passed, all forms of economic support for single mothers who have new children, including AFDC payments, subsidized housing and food stamps; further, end at a date certain all forms of assistance for those single mothers currently on welfare, end visitation rights of illegitimate fathers and change tax codes to make them more favorable to marriage and children.

The specifics are less important than the end game; some-

time soon we want welfare to end, and when it does we can judge these policies, and their broad social consequences, against reality.

Making adoption easier is an essential and compassionate part of this effort. Adoption is the best alternative we have to protect a child's interest in a post-welfare world. The demand is virtually unlimited, but society has made adoption exceedingly difficult. Lifting restrictions on interracial adoption and easing age limitations for adoptive parents will, among other measures, help ensure that large numbers of children will be adopted into good, stable, loving homes. And for older children, we must invest generously in the kinds of orphanages and group homes that provide order and care.

Ending welfare in this way is prudent, humane and politically smart. It is prudent because the social science evidence is in: Illegitimacy is the surest road to poverty and social decay. And welfare subsidizes and sustains illegitimacy.

It is humane because many more people would live far better lives if we scrapped an entire system that subsidizes out-of-wedlock births. Here's "tough love" on a large scale: End welfare, and young girls considering having a baby out of wedlock would face more

deterrents, greater social stigma and more economic penalties arrayed against them if they have babies. There would therefore be far fewer births to unwed mothers, and far greater life opportunities for those girls.

It is politically smart for Republicans because anything less than calling for an end to welfare will probably ensure that the debate will be conducted on Bill Clinton's terms. That's a sure political loser. On the other hand, calling for the complete abolishment of AFDC is an opportunity for Republicans to make a clean, principled break with an old, failed system; seize the mantle of true reform; and help return our nation to an older, better time, when moral common sense was the touchstone of social policy.

Our welfare system is the most pernicious government program of the past quarter century. (It is also, ironically, one of the most well-intentioned.) We have lost large parts of an entire generation because of the terrible human wreckage left in its wake. Enough is enough. It's time to pull the plug.

William J. Bennett is former secretary of Education and federal drug czar and is author of *The Book of Virtues*.

Clinton Vetoes Welfare Measure That Would Have Shifted Power to States

By Judith Havemann
Washington Post Staff Writer

President Clinton last night vetoed the landmark welfare bill that would have turned the care of the poor over to the states, saying the congressional measure was "burdened with deep budget cuts" and "does too little to move people from welfare to work."

"We remain ready at any moment to sit down in good faith . . . to work out an acceptable welfare reform plan that is motivated by the urgency of reform rather than by a budget plan that is contrary to America's values," Clinton said.

Echoing the language used repeatedly by the Republicans during the past year to ex-

plain the need for their plan, Clinton said, "The current welfare system is broken and must be replaced, for the sake of the taxpayers who pay for it and the people who are trapped by it."

But the congressional measure, he said, not only makes \$60 billion in budget cuts but makes "massive structural changes in a variety of programs including foster care and adoption assistance, help for disabled children, legal immigrants, food stamps and school lunch."

Clinton said it would be a "tragedy for this Congress to squander this historic opportunity" to act on the bipartisan consensus around the country for real welfare reform. He said several elements were vital to welfare re-

form's success, among them "sufficient child care to enable recipients to leave welfare for work [and] . . . the guarantee of health coverage for poor families."

Almost immediately after the veto, the 12th of Clinton's presidency, the deep rift among Democrats over welfare surfaced in comments by Sen. John Breaux (D-La.), a conservative on welfare issues, and Sen. Daniel Patrick Moynihan (D-N.Y.), an author of the last welfare overhaul in 1988. "This isn't over," Breaux said of the campaign for welfare reform. "We can do better than the bill that was presented to the president. Welfare reform is still a critical issue in the budget talks, but this bill was bad for kids. We need a bill that is tough on work and good for kids."

Moynihan said he was "glum" because Clinton had proposed, during balanced budget negotiations with Republican congressional leaders, to eliminate the main welfare program, Aid to Families with Dependent Children (AFDC), and to limit aid to welfare recipients to no more than five years.

"This bill would have begun the dismantling of the Social Security Act of 1935," which requires the federal government to match state payments for AFDC, Moynihan said. "We have avoided that, but on other hand, the administration appears to be ready to let it happen as part of the bargaining over the budget. This would be devastating."

The welfare bill, approved on almost straight party-line votes, would have ended

the federal guarantee of payments for all eligible Americans and have granted states vast new authority to design welfare programs.

The House Ways and Means Committee, which crafted the original bill, said that by vetoing the bill, Clinton was "protecting the welfare status quo."

"Welfare will remain a way of life for millions of families. There will be no five-year time limit on cash welfare benefits. Without this restraint, many families will have no incentive to get off welfare, meaning that nearly 5 million families will be allowed to draw taxpayer provided cash benefits for an average of 12 years," the committee said in a statement.



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Putting Welfare On the Clock

Setting a time limit for welfare benefits is an easy idea to sell. But nobody is quite sure how it would work.

BY PENELOPE LEMOV

Talk about consensus: The vote in the Republican-controlled Iowa House was 99 to 1; in the Democrat-led Senate, it was unanimous. This was not on a question of whether motherhood was good for the state of Iowa. Rather, it was on the very touchy question of welfare reform in general and a controversial approach to that reform in particular. The Iowa legislature was voting to limit the length of time a family can stay on the welfare rolls.

Welfare time limits are turning out to be a legislative hit everywhere they come up. Besides Iowa, they have been part of welfare reform proposals enacted in four states this year. Wisconsin, Colorado, and Florida are all seeking waivers from the federal government to move ahead with demonstration programs in which adults would have two years to receive benefits before they had to get a job and be off welfare. Vermont has already received a federal waiver for a 30-month welfare time limit. Iowa got a waiver this summer for its plan to impose a flexible limit that will be set by social workers on a case-by-case basis. Meanwhile, several other states have placed the time-limit issue on their agendas for the coming year.

All of this is going on while the Clinton administration labors to draw up its own federal welfare reform bill to be sent to Congress sometime next year. The president has cited time limits repeatedly as a possible means by which the federal government and its state partners could, as the president has pledged, end welfare as we know it.

The states are not, however, slowing down to stay behind Washington's lead. They have a strong fiscal incentive for proceeding on their own—they pay 50 percent of the freight for

Aid to Families with Dependent Children (the basic "welfare" grant) and about that much for Medicaid, the health care coverage that accompanies AFDC. There is also a strong political incentive. Voters are angry. They are convinced that the welfare system is broken, that welfare recipients should accept more responsibility in exchange for their benefits, and that the states are as responsible as anyone—perhaps most responsible—for cleaning up the mess. "Joe and Sally Smith don't know the feds run welfare," says Kathy Keeley, of the Corporation for Enterprise Development, who has been running focus groups on the subject all over the country. "All they know is that they have to deal with the problems that welfare and poverty create."

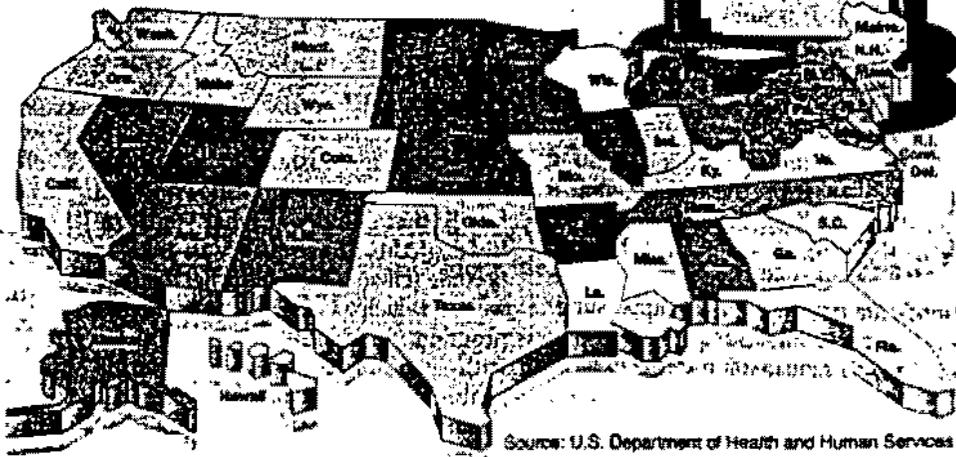
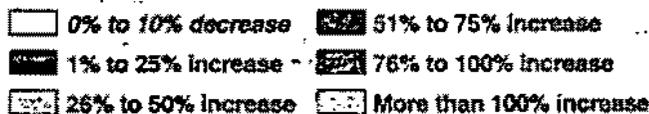
Welfare reform as a national issue has never really gone away, and it surged to public consciousness in the late 1980s with passage of the federal law that

keyed in on providing education, training and child care so welfare recipients could seek decent jobs. But the current wave of interest in time limits and tougher standards was born at the state level in 1991, when three big-state governors all proposed ways to deal with their rising caseloads through strict new rules that moved far beyond the largely painless incentives contained in the 1988 law.

In Maryland, Governor William Donald Schaefer proposed, and the legislature eventually passed, a bill that reduced welfare payments if parents did not pay their rent, keep their children in school and keep up childhood vaccinations. California considered a plan by Governor Pete Wilson to award teenage parents higher benefits if they attended high school—but also to reduce benefits if they dropped out. Then came New Jersey's bombshell: The legislature voted to eliminate the increase in a mother's AFDC grant if she gave birth to an additional child after she went on the welfare rolls. "Once it became clear that these three governors could propose drastic changes in welfare programs without being labeled anti-poor,

WELFARE AS WE KNOW IT

Percentage change in AFDC caseloads, July 1989 to June 1993



Source: U.S. Department of Health and Human Services

racist or worse, politicians in other states followed," says Douglas Besharov of the American Enterprise Institute. "The proverbial cat was out of the bag."

Since then, the focus all over the country has been on what is now being called the "new paternalism"—plans that revolve around personal responsibility and use fiscal bonuses and penalties to reward and punish behavior.

TIME LIMITS, IN THEIR WAY, represent a marriage of the new paternalism and the 1988 federal law. They can be seen as a way of adding some powerful sticks to go alongside the carrots that law produced.

But at the moment, for all their political popularity, they are a concept without a blueprint. No one knows what a tough time-limit law would actually do. And there are troubling questions. Will there be enough jobs in the private sector to accommodate all the people forced off welfare who will be looking for employment? If not, as seems more likely, will the states create subsidized work in return for welfare benefits, or will they just kick a family off the rolls? If the only job available doesn't pay the rent, food and clothing bills, will the state step in and subsidize incomes? In the end, might it actually be more expensive than "welfare as we know it"?

"People need to be off welfare rolls and they need to work—everyone agrees with that," says Larry Jackson, Virginia's commissioner of social services. "But it won't cost less. It's cheaper in the short run to hand out a welfare check." Jackson notes that a single mother with two preschool children who works 40 hours a week at a minimum-wage job would earn \$8,500 a year. In Virginia, that's \$3,500 below the poverty level. It is unlikely that this single mother will be able to afford child care, health care, and transportation to work, all out of the skimpy paycheck. "Do we really believe that this can be done on a minimum-wage job with no subsidy at all from the government?" Jackson asks. "The numbers don't add up."

It seems inevitable that, under a time-limited welfare system, governments at various levels will have to be into the jobs business more intensively than they are now. And they will have to get better at job creation and training. "That's a critical part to running a time-limited

system," says Judith Cueron, president of Manpower Development Research Corporation, which evaluates the effectiveness of many state programs.

Some lessons are already being learned from the jobs programs that states began crafting with the enactment of the 1988 federal law. One especially worth looking at is in California's Riverside County, where the results have been impressive. In part, this is because the county has had a strong labor market. But it is also because of the program's message: Riverside encourages quick entry into the labor force. Rather than tilt heavily toward education and training, as most job-placement efforts do, Riverside has concentrated on job-search assistance. Its philosophy has been, in effect, that people on welfare should get a job, any job, because even low-wage employment can lead to better opportunities somewhere else.

Even in a program widely acknowledged to be successful, however, many participants remain unemployed. A study by Manpower Development Research found that as many as 46 percent of the welfare recipients assigned to Riverside's program would have exceeded a two-year time limit had one been in effect. So switching to a strict two-year limit would require hard decisions and probably additional spending in Riverside; it would likely require an even more painful adjustment in a community that had not been working as hard at job creation before the limit was adopted.

IOWA DID NOT CHOOSE THE strict two-years-and-off rule other states have voted for. Instead, the state will develop a contract or plan with each family that spells out what steps the head of the household will take to become self-sufficient and what the state will do to help. Under the existing jobs program, the state has allowed those with "good cause"—a transportation problem or a lack of child care, for instance—to use that as a reason for not getting a job. The new approach will

eliminate good cause and focus on solving the problem rather than exempting the person from work. Among the tools that will be used to accomplish those goals are one-stop "work force development centers" and expanded versions of the school-to-work programs that have junior high and high school kids whose families are on welfare working with local businesses.

When the clock runs out, there has to be a job available that will pay the rent, food and clothing bills.

Iowa has 37,000 families on public assistance, out of a state population of 2.7 million people. The state will make an initial investment of \$3.5 million in its new program. If all goes well, the state anticipates that enough people will be moved off welfare and into jobs that the system will start saving the state \$10 million annually by the third year and close to \$60 million annually by its 10th year.

But those savings will depend heavily on four factors. One is the wellbeing of the Iowa economy, which has everything to do with the state's ability to place people in private-sector jobs. The others are health care reform, which could provide affordable health insurance; the availability of state funds for child care; and the effectiveness of a child-support payment recovery program that could add significantly to the income of single mothers.

There are no easy solutions when it comes to welfare. Time limits may not be a solution at all. They may, as Iowans are beginning to realize, create new problems at least as complex and expensive as the ones they were meant to solve. All those problems could be complicated by the federal reform effort, which has the potential to put any state's effort out of sync with new law.

But so far, at least, such fears are not enough to stop the new paternalism from evolving and winning converts in a wide variety of places. As Kathy Keeley, fresh from her focus groups, notes, "Politicians are reframing what they have to sell their constituents. It doesn't matter politically what the feds do. Locals are accountable. People want welfare changed." ■

Beasley's office denies welfare reform finished

Associated Press

COLUMBIA — A statewide welfare reform project was approved Friday, according to federal officials and two South Carolina lawmakers in Washington. But a spokeswoman for Gov. David Beasley said nothing has been settled yet.

U.S. Sen. Ernest "Pete" Hollings and U.S. Rep. John Spratt, both Democrats, sent out news releases announcing that President Clinton had waived restrictive federal guidelines so that South Carolina could proceed with the Family Independence Act.

"This plan for South Carolina combines tough time limits and sanctions with incentives to work," Hollings said.

Beasley spokeswoman Ginny Wolfe, however, said state officials are still looking over the waivers and the deal has not been finalized. "The fact of the matter is, nothing has been agreed to," she said.

"Beasley, a Republican, wants to review what the Clinton administration proposes. He's committed to true welfare reform — not welfare reform that's in name only," Wolfe said.

"I just want to reiterate that all these press releases are coming from Democrats who have fought true welfare reform tooth and nail," she added.

Michael Kharfen, a spokesman with the U.S. Health and Human Services Department, did not immediately return a phone call seeking comment.

Democratic News

Democratic National Committee

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FOWLER PRAISES PRESIDENT CLINTON FOR SOUTH CAROLINA WELFARE WAIVER

WASHINGTON, DC - Democratic National Chairman Don Fowler today, praised President Clinton for leading a waiver giving South Carolina the ability to pursue the statewide Family Independence Act, the second welfare waiver given to the state under the Clinton Administration.

"In state after state, President Clinton is keeping his word to end welfare as we know it," said Fowler. "States must have flexibility, and we must have reasonable work requirements and adequate child care assistance to end the cycle of dependency. Thanks to President Clinton's leadership, that's what we're working on. I'm proud of the President, and I'm proud of South Carolina."

The Family Independence Act makes participation in a job search a requirement to receive federal welfare benefits, ends benefits after two years, and takes other steps to encourage people to move off of welfare and into the work force.

Fowler, a Columbia native, is a former Chairman of the South Carolina Democratic Party. Prior to his election as DNC National Chairman, he headed his own advertising and public relations firm in Columbia, and was a professor at the University of South Carolina. He retired as a Colonel in the U.S. Army Reserve.

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DEPARTMENT OF HEALTH & HUMAN SERVICES

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32 THE GREEN SHEET

San Diego Union-Tribune; 4-22-96

Welfare juggernaut

White House dawdles on reform measures

The San Diego County Board of Supervisors has taken a baby step in trimming welfare benefits for able-bodied recipients. But substantial savings will never come about until President Clinton and Congress give state and local governments the funds and, more important, the freedom to run public assistance programs more efficiently.

Last week, the supervisors pared payments for general relief and Aid to Families With Dependent Children by 2.3 percent. The board's action comes in the wake of a protracted battle with the Clinton administration, which took more than 18 months to review and grant a federal waiver for the payment reduction.

This cumbersome process is designed to discourage states from straying too far from federal guidelines. It also symbolizes the hopelessness of a fundamentally flawed welfare system.

Nearly everyone, starting with President Clinton, concedes that the welfare system needs an overhaul. But despite his rhetoric about "ending welfare as we know it," the welfare juggernaut keeps rolling along, fueled by billions of taxpayer dollars. Meantime, Clinton seems maddeningly indifferent to the financial hardship on the states.

California is a case in point.

Gov. Pete Wilson has put forth a credible plan to help curb runaway welfare costs. He called a special session early this year to force the issue by blocking an automatic \$1.2 billion increase in benefits. He also hoped that Congress and the White House would permit the

states more flexibility to experiment with programs to help counter the crippling cycle of dependency.

Wilson also has proposed a family cap that would prevent automatic benefit increases when welfare mothers have additional babies. The state applied for a federal waiver to impose the cap and then waited 18 months for the feds to act.

In the end, the Clinton administration denied permission, even though 14 other states have similar programs. The Department of Health and Human Services frowned on California's wanting to include first babies born to teen-agers whose own mothers were on welfare.

Because of HHS's rejection, coupled with President Clinton's failure to follow through on his promise to overhaul the welfare system, California is staring at a \$1.6 billion budget shortfall during the next two years.

Last year, Congress approved a bill that would have enabled states to implement and fine-tune their innovative welfare reforms through block grants. Clinton vetoed the measure.

More recently, the National Governors' Association put forth a consensus proposal to promote greater flexibility, which looked promising. But it seems to have faded in the face of White House opposition. Now there is talk among some lawmakers of combining welfare and Medicaid reform, which could prolong the stalemate.

When will Washington stop posturing on welfare reform and start doing something?

Fax to Bruce Reed - would you like us to respond to this, or leave it alone?
Melissa

Let it go for now.

BR

Welfare: An Albatross for Young Mothers

By DOUGLAS J. BESHAROV

The chances that the president and the Republican Congress will agree on a welfare reform bill grow dimmer each day, but the often heated political debate has obscured a remarkable shift in its content. Gone is a single-minded focus on job training programs and, in its place, has come a much heavier emphasis on mandatory work and other efforts to get recipients into actual jobs.

Some attribute this change to growing voter hostility to welfare programs and the pressure to cut federal spending generally. But there is more to it than that. Important new studies have undermined the faith that welfare experts—on the left as well as the right—have had in traditional job training programs. Older research indicates that job training works for some more-motivated mothers—usually older, divorced women with work experience. But more recent research suggests that it does not help those at the heart of the dependency problem—young, unwed mothers.

Beginning in the late 1980s, three large-scale demonstration projects designed to help these most disadvantaged parents were launched. Although the projects had somewhat different approaches, they all sought to foster self-sufficiency through a roughly similar combination of education, job training, counseling, health-related services, and, in two of the three, family planning.

- **New Chance** was aimed at young recipients (ages 16 to 22) in 16 sites across the country who had their first child as teenagers and were also high school dropouts. The program attempted to remedy the mothers' severe educational deficits, primarily through the provision of a Graduate Equivalency Degree (GED) and by building specific job-related skills.

- **The Teen Parent Demonstration** required all first-time teen mothers in Camden and Newark, N.J., and the South Side of Chicago to participate in specified education and training programs when they first applied for welfare. Participation was enforced by reducing a mother's welfare grant for nonattendance.

- **The Comprehensive Child Development Program (CCDP)**, still operating, seeks to break patterns of intergenerational poverty by providing an enriched developmental experience for children (from birth to age five) and educational services for their parents. The majority of participating families are headed by single mothers.

These three projects represent a major effort to break the cycle of poverty and to reduce welfare dependency. The Teen Parent Demonstration, involving 2,700 families at three sites, was the least expensive at \$1,400 per participant per year. The most expensive is the CCPD, which serves 2,200 families at 24 sites for \$10,000 per family per year. These costs are in addi-

tion to the standard welfare package, which averages about \$8,300 per year for Aid to Families With Dependent Children, food stamps, and so forth.

All three projects served populations predominantly composed of teen mothers and those who had been teens when they first gave birth. A majority grew up in families that had spent some time on AFDC. Unfortunately, despite the effort expended, none of the demonstrations came anywhere near achieving their goals. In all three, the families in the control groups (which received no special services but often did receive services outside of the demonstrations) were doing about as well, and sometimes better, than those in the programs.

Only the Teen Parent Demonstration program saw any gains in employment. Its mothers were 12% more likely to be employed sometime during the two years after the program began and, as a result, averaged \$23 per month more in income. In most cases, however, employment did not permanently end their welfare dependency. Nearly one in three of those who left AFDC for work returned within six months, 41% within a year, and 65% within three years.

All three demonstrations were relatively successful in enrolling mothers in education programs. About three-quarters more New Chance participants received their GEDs than did their control group counterparts. But receiving a GED did not seem to raise a mother's employability—or functional literacy. Jean Layzer, senior associate at Aht Associates, which evaluated the CCPD, explains that, rather than honing reading, writing and math skills,

GED classes tend to focus on test-taking: "They think that their goal is the GED because they think it will get them a job. But it won't—it won't give them the skills to read an ad in the newspaper."

Results were disappointing on other dimensions as well. Despite free family planning classes (mandatory in the Teen Parent Demonstration), rates of subsequent births were unaffected—almost 50% of all the mothers had another child within two years. Moreover, mental health services had no measurable impact on the high levels of clinical depression among the mothers. And remedial efforts specifically targeted at the children did not improve their physical health, cognitive development, or social-emotional development.

All in all, a sad story. But what is most discouraging about these results is that the projects, particularly New Chance and the CCPD, enjoyed extremely high levels of funding and yet still seemed

unable to improve the lives of these disadvantaged families. For these mothers, voluntary education and job training programs may simply be the wrong strategy.

The lesson from this new research is not that voluntary educational and job training programs should be abandoned. They seem to help welfare mothers (often older and divorced) who are ready to improve their lives. But, by themselves, they seem unable to motivate the majority of young, unwed mothers to overcome their distressingly dysfunctional situations.

This should not be surprising. After all, besides living in deeply impoverished neighborhoods with few social (or familial) supports, many of these mothers suffer severe educational deficits and are beset by multiple personal problems, from high levels of clinical depression to alcohol and drug abuse.

More mandatory approaches are needed for this group, an increasing number of experts (as well as voters) have come to believe. And that, more than budget concerns, is why the Republican bill—and Bill Clinton's ill-fated 1994 bill—contain mandatory work rules, backed up with the specter of terminated benefits. It's called being mugged by reality.



Mr. Besharov is a scholar at the American Enterprise Institute and a visiting professor at the University of Maryland School of Public Affairs. Karen N. Gardner, a research associate at AEI, helped prepare this article, a longer version of which appears in the current issue of the Public Interest.

Fax this page
to Rahm, Ken

Health Bill

Continued from Page 1

mittees, with the measure put together at the Rules Committee later this month.

House Ways and Means Health Subcommittee ranking member Pete Stark, D-Calif., said he and other Democrats on the Ways and Means Committee — whose portion of the bill includes MSAs many Democrats oppose — plan to offer the Kassebaum-Kennedy bill as a Democratic alternative at the Ways and Means markup, also scheduled for Tuesday.

"We've all co-sponsored Kassebaum-Kennedy and I presume that we'll

offer that," Stark said. "We have all agreed that we'll offer it."

However, Stark did not preclude other Democratic amendments in addition to the bipartisan Senate bill.

The Ways and Means portion of the bill, released Wednesday, includes a provision phasing in over several years increased tax deductibility of health insurance costs for the self-employed. The current 30 percent deduction will be raised to 35 percent as early as 1998, to 40 percent as early as the year 2000 and to 50 percent by the year 2002, according to the bill.

Meanwhile, the new executive vice president of the American Medical As-

sociation Wednesday indicated the organization might be willing to see medical liability reforms — heretofore AMA's top legislative priority — jettisoned from a healthcare portability bill if it would jeopardize the rest of the measure.

"Those issues are very near and dear to us," John Seward, a former AMA board chair serving his second day as the organization's top staff member, told reporters about the malpractice provisions House leaders plan to include in their health reform package. "But access to care is exceedingly important."

A legislative alert to AMA members notes the organization is supporting a clean Senate bill "at this time."

Debt Bill May Carry Line Item Veto, Earnings Limit

GOP congressional leaders are focusing on attaching either the line item veto or legislation lowering the Social

BUDGET Security earnings test to a long-term extension of the debt ceiling, Senate Majority Whip Lott and House Republican Conference Chairman John Boehner of Ohio said Wednesday.

"Those are the two we've been discussing the past day or two," Boehner told reporters following a meeting of House and Senate Republican leaders.

Both Boehner and Lott said no final decisions have been made. But another Republican at the meeting said no other options were discussed.

In an attempt to give a bipartisan group of governors more time to work out details on their Medicaid and welfare proposals, Republicans last week passed a clean short-term extension of the debt ceiling to March 29. GOP leaders continue to say they have not ruled out attaching the governors' plans, but sources acknowledge there is little chance either of the proposals will be added.

However, House Speaker Gingrich was set to be briefed by Republican governors late Wednesday night and other GOP leaders will meet with the governors this morning. Aides said they expect a decision to make today on which provisions to add.

A group of House Republican freshmen — backed by House Budget

Chairman Kasich — pressed leaders Wednesday to attach the line item veto to the long-term debt ceiling bill.

"It is time to move this thing," said Rep. Zach Wamp, R-Tenn., adding it is "downright sinful" that GOP leaders have let the bill languish for more than a year.

Several of the GOP freshmen said adding the line item veto significantly increases the chances that a long-term debt ceiling increase would pass the House. Many Republicans are opposed to passing clean debt ceiling legislation.

Dems Warm To Govs' Welfare Plan

The bipartisan governors' welfare reform proposal may not be as far from acceptable to President Clinton as some of his officials have suggested in congressional hearings, White House Chief of Staff Panetta indicated Wednesday.

HUMAN RESOURCES After meeting with members of a House Democratic welfare task force, Panetta told *CongressDaily* the governors "really have come our way" from the original GOP bill that Clinton vetoed, but said "more needs to be done."

A one-page list of Democrats' bottom-line demands does not call for any major or drastic change to the governors' proposal.

The list shows the Democrats do not deviate dramatically from the governors' plan in most areas — including state funding. The governors would require states to spend 75 percent of what they spent in 1994 on welfare programs; the Democrats are calling for an 80 percent state maintenance-of-effort provision.

The governors already have met some of the Democratic demands through recent changes, including a requirement that states only be allowed to tap contingency funds if the state's welfare spending is at 100 percent, and a requirement that states provide matching funds in order to get additional child care monies.

"It looks pretty good right now," Panetta said of the governors' plan.

As for the prospects of Clinton signing a bill this year, Panetta said, "I think there's a good chance."

Like the governors, House Democrats want the welfare proposal free of any version of a food stamps block grant. There is still considerable disagreement between House and Senate Republicans over whether states should have an option of getting their federal funding for food stamps in a block grant.

The Democrats also listed an overall savings target of \$40 billion, just \$5 billion short of what the governors would save in their plan.

Mass. funds for welfare threatened

Federal proposal could result in annual cash loss of \$175m

By Peter G. Gosselin
GLOBE STAFF

WASHINGTON - Massachusetts would stand to lose more than \$175 million a year, or one-third of its federal cash welfare funds, under a proposal being advanced by Southern and Western lawmakers on Capitol Hill.

The threatened loss, which comes as the commonwealth is seeking to launch its ambitious - and conservative - welfare overhaul plan, is one measure of the powerful centrifugal forces that have been unleashed by the Republican drive to dismantle or recast the nation's basic social safety-net programs.

And lawmakers, administrators and observers say that the welfare battle is only a prelude to a series of much tougher political fights over programs such as Medicaid and Medicare that will occur this summer and fall, and in which Massachusetts has billions of dollars at stake.

Even top aides to Republican Gov. Weld, who has appeared casually confident until now about the state's ability to weather the national

GOP's cutback drive, were up in arms last week over the attempt by Southern and Western states to claim more federal welfare funds at the expense of states like Massachusetts, New York and California.

"It's crazy. If they get on that course, it's unlikely we'll see an acceptable form of welfare reform this year," said Gerald Whitburn, the Weld administration's Health and Human Services secretary.

But the other side is hardly backing down. Asked to react to Whitburn's comments, Republican Sen. Kay Bailey Hutchison of Texas, a leader in the drive to change how Washington hands out welfare money, said Friday: "If that's his attitude, his prophecy will be fulfilled. If one side says, 'Any change and we're going to kill it,' then it could die."

The fight over Washington's current formula for distributing welfare funds to the states occurs at a particularly uncomfortable time for both Weld and Massachusetts.

Weld has wanted to implement a new welfare plan passed by the state Legislature this year that would demonstrate both his toughness in

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Plan in Congress would cost Mass. \$175m for welfare

WELFARE

Continued from Page 1

demanding that able-bodied recipients work for their benefits and his ability do more with less federal help. Now he may be forced to engage in the very sort of parochial maneuvering to protect the state's share of the federal pie that he has so assiduously sought to avoid.

Meanwhile, the state risks another demonstration of its diminished political stature in Washington as its overwhelmingly Democratic congressional delegation tries to cope with newly empowered Republicans.

The formula fight is the latest in a series of clashes that have come to characterize this year's welfare debate, and that have left liberal and conservative analysts groping to understand where the new GOP majority is headed on the issue.

Since January, according to these analysts, congressional leaders have embraced several not altogether consistent goals in trying to craft legislation that meets the voters' demand to spend less on and require more of its disadvantaged.

Focus expanded

They started the year focused on what has been of growing concern to Republicans and Democrats — how to impose greater work requirements on those getting more welfare recipients off the dole. But they quickly expanded their focus to include three other issues — reducing unwed pregnancy, shifting power back to the states and balancing the budget. The fit among the four has been difficult from the start.

"These things are not consistent," said Lawrence M. Mead, a visiting professor at Princeton University and until recently a guru to Republican advocates of welfare overhaul. "If you make states responsible for welfare, you have given up federal power to attack illegitimacy or impose work requirements. If you cut the budget alone, you haven't reformed welfare."

Such divergent goals are quickly becoming central fixtures in the 1996 presidential contest and especially the trench fight between Sen. Phil Gramm of Texas and Senate Majority Leader Bob Dole of Kansas.

Gramm has sought to make inclusion of a House-passed ban on cash welfare for unwed mothers under 18 and their children a conservative litmus test for Dole.

But Republican moderates and many governors object to the ban as punitive and at odds with the idea of turning power back to the states. The dispute has forced Dole to delay a Senate vote on welfare until at least the middle of the month and has set off a furious, back-room search for compromise.

"It's like a divorce"

In such circumstances, many lawmakers are greeting the fight over which states will get what as if it were an old friend. "It's like a divorce. You fight over the dollars because it's easier," said GOP Rep. E. Clay Shaw of Florida, the chief architect of the House welfare bill.

At immediate issue is how to distribute the \$16.8 billion a year that Washington now spends on its share of the nation's chief cash assistance program, Aid to Families with Dependent Children.

The House welfare bill and a similar, although narrower, Senate Finance Committee measure propose ending AFDC and using the money for block grants that states could use as they see fit. And both propose to distribute that money in the same proportions as AFDC does.

But Southern and Western senators complain that such a distribution would lock in dramatic differences in what states now receive from Washington for cash welfare. They argue the money should be allocated according to how many poor children a state has, an arrangement that they say would send funds where they are most needed and, not incidentally, boost the amounts their states receive at the expense of

states like Massachusetts.

Supporters for changing the welfare funding formula are no small parochial clique. Hutchison has assembled 30 of 100 senators, including a number of Democrats, behind her "Children's Fair Share Plan." And although she said in an interview Friday that she is "not in concrete" on the details, she asserted that her group will have to be accommodated or it will block legislation.

"We're getting ready to do a major welfare reform that is supposed to reflect the changing times and to use the old funding pattern doesn't do that," Hutchison said.

Opponents' position

Opponents of the change are no less adamant about their position and for what they consider, three nearly unassailable reasons.

First and foremost, the Hutchison group's proposal violates a cardinal, if largely unspoken, rule of Capitol Hill, that legislative fights should not produce outright winners and losers. It would produce them because Congress is seeking to freeze Washington's cash welfare spending for the next five years. The only place Southern and Western states could get extra federal money would be to take it from Northeast and West Coast states.

According to estimates released by Hutchison's office, Texas would see its share of federal welfare dollars rise 50 percent from its current \$507 million a year to \$761 million. Meanwhile, Massachusetts would watch its share fall 36 percent, from \$487 million to \$311 million.

Opponents' second argument is that current differences in what states receive from Washington for welfare are not the result of a jury-rigged formula that favors the Northeast and West Coast over the South and West, but a reflection of how generous each state is with its poor. That is because states can now generally decide what they will provide in benefits, and Washington will automatically cover at least 50

Changing welfare funding

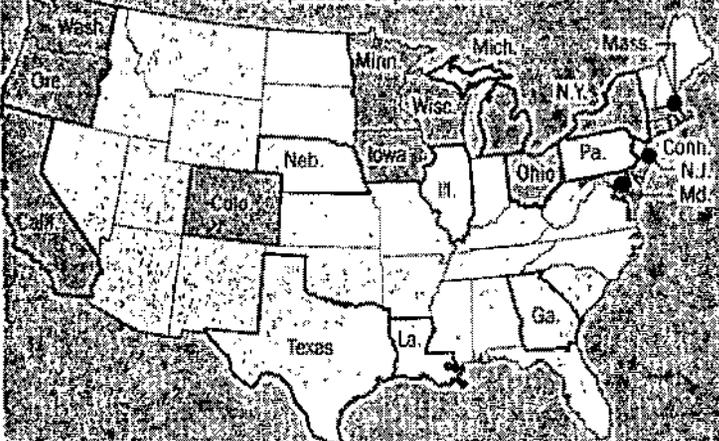
Congressional leaders are considering replacing cash assistance to poor families with block grants to the states. Southern and Western lawmakers led by Sen. Kay Bailey Hutchison, Republican of Texas, argue that the size of state's block grant should be based on its number of poor children.

This change would cut funding to states like Massachusetts that traditionally have spent more on welfare — and therefore received more aid from Washington.

Advocates of the change have proposed adding "small state" benefits to attract their senators' votes.

Effects of the change

- States with more funding under the Hutchison plan
- States with less funding under the Hutchison plan
- Top 10 populations of poor children



low much they stand to lose	billions of dollars of annual federal funding
California	\$804
New York	\$749
Massachusetts	\$176
Washington	\$172
Michigan	\$68
Wisconsin	\$55
Connecticut	\$47
Ohio	\$31
Maryland	\$29
Minnesota	\$22
Oregon	\$17
Iowa	\$16
New Jersey	\$13
Colorado	\$12

States with the most poor children	average number, 1991-93
California	2,147,450
Texas	1,253,170
New York	1,133,593
Nebraska	674,600
Illinois	670,907
Ohio	565,610
Michigan	563,113
Pennsylvania	501,923
Louisiana	420,110
Georgia	387,620

SOURCE: Congressional Quarterly, June 24, 1995. GLOBE STAFF GRAPHIC/S. McNAUGHTON

ent of the amount, and up to 80 percent for poorer states.

Over time, the gap between what richer states provide and what poorer states receive from the federal government has widened. Whitburn said the federal government now provides a poor mother with two children \$184 a month in cash assistance. Massachusetts offers them \$579.

What this is all about," Whitburn said of the Hutchison group's proposal, "is an effort on the part of states that have had a history of providing a very modest level of benefits

to backfill with federal money at our expense."

Finally, opponents say, the formula fight over welfare portends a larger and, in their eyes, more dangerous battle over how Washington will distribute nearly \$90 billion a year in Medicaid funds.

Welfare is "just small potatoes compared to Medicaid," said Sen. John Chafee of Rhode Island, a moderate Republican who opposes Hutchison's plan. But "it lays the groundwork" for what comes next, he said.

TRB

FROM WASHINGTON

Workfare wimp-out

Call me naive, but I almost believed House Republicans when they pledged in their "contract" to reform welfare through "a tough two-years-and-out provision with work requirements." Making welfare recipients work, after all, is wildly popular (if it weren't, it wouldn't be in the contract). Newt Gingrich's political action committee once even listed "workfare" as one of the "Optimistic Positive Governing Words" it recommended to fellow revolutionaries. I figured Gingrich himself had talked so much about the need for a "mandatory requirement of work for everybody" that he might actually mean it, or at least would be too embarrassed to admit he didn't mean it. I underestimated him.

House Republicans unveiled their welfare reform plan on February 10. Most welfare-watchers expected the new bill to dilute somewhat the contract's work provisions. But few expected the abrupt abandonment of any credible attempt to require work. Yet that's more or less what Representative Clay Shaw, the lead Republican on welfare reform, announced. The new GOP bill, which has cleared Shaw's subcommittee, is not only weaker on the work issue than President Clinton's welfare proposal, it is in some respects weaker than the current welfare law Republicans deride.

It's certainly a long way from the Contract with America. The contract would have required work by those who had received welfare "for at least twenty-four months." Work meant "an average of not fewer than thirty-five hours per week." No funny business. By 2003, 50 percent of the welfare caseload (which currently consists of more than 5 million households) would be working.

The rationale behind these provisions was obvious: If potential welfare recipients (mainly young women) knew they were really going to have to work after two years, they might think twice before doing the things (mainly becoming single mothers) that put them on welfare in the first place. But Republican gover-

ners, it turns out, don't like work requirements much—in part because putting a welfare mother to work costs money (an extra \$6,000, over and above the cost of benefits, to pay for supervisors and day care, according to the Congressional Budget Office).

Why raise state taxes to make welfare recipients perform community-service work—annoying public employee unions in the process—when you can do what Michigan's Republican Governor John Engler does: cycle recipients through inexpensive education and "job search" programs while claiming to be a great reformer? Engler's inflated reputation was recently punctured by journalist David Whitman (see "Complex Engler," *THE FEBRUARY 6*). But that didn't stop him from leading the charge to gut the contract's work requirements when House Republicans decided, after the election, to negotiate with GOP governors over replacing the federal welfare program with a "block grant" to the states.

Engler's mission was successful. Look first at the numbers. The bill unveiled by Shaw requires that, in 1996, states place 2 percent of the welfare caseload "in work activities." The requirement rises to 20 percent—not the contract's 50 percent—by 2003. In meeting this requirement, governors could count the 6 percent of recipients who already work at least part-time. Another 5 percent are already required to work by a 1988 reform law now in effect (which the Republican bill would repeal). That makes 11 percent already working. With a little creative bookkeeping—say, by counting all those who work, even for a few days, over the course of a year—most governors could meet the 20 percent "work activity" standard without doing anything they're not already doing.

But creative bookkeeping won't be necessary, because the Shaw bill lets the states decide what a "work activity" is. It needn't be actual work. Under the bill, a governor could declare, as Engler has, that checking a book out of a library counts as a "work activity." Leafing through the want ads might also qualify, or circulating a résumé or attending a "self-esteem" class.

Republicans criticized President Clinton's ill-fated two-years-and-work plan because it only would have required approximately 500,000 recipients, or about 10 percent of the caseload, to be in a work program by 2003. But at least in Clinton's plan those 500,000 people would really have to be working. (An additional 900,000 or so would be in education and training programs.) The House Republicans say they will put "at

least 1 million cash welfare recipients in work programs by 2003," but the "work" could be completely phony. Workfare, you might call it.

It is all the more likely to be fake because the Shaw bill provides no money to make it real. The Contract with America, in a fit of honesty, earmarked \$9.9 billion to pay for its work programs. The new bill contains no new funds. It does retain language that seems to require states to make recipients work—sorry, "engage in work activities"—after two years. But GOP aides admit this provision is "mostly rhetoric" not meant to be obeyed. There are no penalties for states that ignore it. (If it were obeyed, a lot more than 20 percent of the caseload would wind up "working.")

House Republicans don't even try very hard to pretend they haven't caved on the work issue. It was the price, they argue, of getting the governors to agree to a stingy "block grant," and to accept the contract's cutoff of aid to young unwed mothers. Priorities! Bizarrely, the Newtolds sacrificed the popular parts of the contract ("make 'em work") to save the unpopular parts ("cut 'em off"). It was too much even for some conservatives. Robert Rector, the Heritage Foundation's welfare expert, called the Shaw work provisions a "major embarrassment." Jack Kemp issued a statement warning that Republicans were squandering welfare reform in the pursuit of a decentralized "funding mechanism."

Shaw now says he will try to shore up the work provisions—specifying what counts as a "work activity," for example. But it may be difficult to convince the governors to endorse a major tightening—after all, the chief virtue of Shaw's bill, for them, was that it let them weasel out of the contract's work requirements.

It also may be too late. The premise of the GOP's new state-based welfare bill is that the nation's governors are reformist tigers who need only to be unleashed by the bureaucrats in Washington. But the governors have now shown their hand, and it's obvious to all that they have no appetite for radical reform, especially reform based on work. Instead, they have with great effort turned the contract's ambitious plan into a bill that allows them to preserve the status quo. Even the controversial cutoff of young unwed mothers may be mainly an accounting trick. (States can simply pay the benefits out of their "own" funds.) The Republicans' welfare reform is looking less like a menace and more like a fraud.

NICKY KATZ

The Economist

MARCH 25TH - 31ST 1995

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Containing the nuclear threat

EXECUTIVE OFFICE BUILDING
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 WASHINGTON DC 20500

Argentina	8 00 Pesos	France	FFr25	Hong Kong	HK\$135	Italy	Lire 7,000	Pero	S/ 16 40	South Africa	Rand 15 50
Bahrain	C 34 50	Germany	DM7 50	India	R270	Japan	¥850 (¥100)	Russia	US\$3 50	UK	£2 00
Canada	CA\$ 40	Guyana	G\$525	Israel	₪17	Panama	US\$5 50	Saudi Arabia	Rials 25	USA	\$3 50

build the bomb is worthless unless outside inspectors are given the tools to do a better job. This has been amply proved by Iraq, whose nuclear cheating was carried out under the noses of western intelligence agencies and inspectors from the International Atomic Energy Agency. Next week, the IAEA will present its proposals for overhauling safeguards—using environmental monitoring and other bits of technical wizardry, requiring fuller disclosure of information about nuclear activities, more use of no-notice inspections, etc. All this will not come cheap. In the safeguards business you get only what you pay for.

But, though arms-control add-ons and safeguards bolt-ons can bolster the NPT bargain, only an indefinite, unconditional extension of the treaty can keep that bargain intact. The nuclear haves need an indefinite treaty in order to have the confidence to pursue more ambitious cuts; the have-nots cannot expect the benefits of civilian nuclear power to continue to flow their way unless their suppliers can be sure that safeguards will be main-

tained indefinitely, indeed reinforced.

However, even if the treaty emerges from next month's summit unscathed, there are other political traps ahead. The resolve of the UN Security Council to make Iraq hand over its nuclear (and chemical and biological) secrets helped mend the damage Iraq had done to the anti-proliferation cause. Yet when the IAEA later blew the nuclear whistle on North Korea, the council could summon the collective will for no more than a mild slap on the wrist. America was left to cobble together an inadequate deal as best it could. Now even that looks like coming unstuck. If North Korea—or the rule-bender after that—is prepared to go to the brink of war in order to conceal its cheating, will the Security Council back off again?

Upholding the NPT will bring some spine-prickling moments. But a treaty with a half life would be as dangerous as the materials it seeks to control. The safety of the world demands the political will to uphold this precious document.

This change costs money

America's Republicans want to reform welfare. Their ideas are cheap, not radical

THIS week America's House of Representatives took up one of the central clauses of the Republicans' Contract with America: welfare reform. Sexually charged, racially loaded, touching on beliefs about work and responsibility, welfare is the most polarising of issues. The debate was bound to be loud and often bitter. Democrats accused Republicans of punishing poor children; Republicans replied that they were ending the culture of dependency. The only thing both agreed on was that the bill the House was poised to pass by the week's end would, in Bill Clinton's phrase, "end welfare as we know it."

And so it would. The Republicans in the House of Representatives propose to reshape America's social safety net in dramatic fashion: by shifting the authority over most federal welfare programmes to the states, and by imposing tough new restrictions on those programmes' beneficiaries. The aim is to save taxpayers billions and at the same time to promote work and discourage illegitimate births. These goals are all worthy; unfortunately, they also conflict with each other. Efficient welfare reform would cost money, not save it. By pretending otherwise, the Republicans risk bungling their chance to do welfare reform in a way that is right rather than merely right-wing.

States of disarray

At the heart of the House Republicans' bill is a plan to replace most federal welfare programmes—from subsidised school lunches to Aid to Families with Dependent Children (AFDC)—with lump-sum block grants to the states. Republican governors claim that, by freeing them from federal red tape, this would free them to devise welfare schemes more efficient and more innovative than the despised federal one now in place.

There are reasons to question the governors' commitment to genuine welfare reform. The states already have some authority over welfare systems; and, although they can easily get still more authority from the federal government, few governors have sought waivers for reforms even as bold as those laid out last year by Mr Clinton. Yet the principle of devolution is

sound: if some states innovate, all can learn. Even if only some states discover successful reforms, surely that is better than a nationwide system which functions badly everywhere. The states, in short, can bring a new and desirable degree of experimentalism to welfare—if they are given the freedom, and have the money, to do it.

That is the rub. There is more to the Republicans' fit of devolutionary fever than a commitment to the new federalism. For, in exchange for greater control, the governors have agreed to accept less cash. That in turn will help Congress's Republicans to cut programmes for the poor (including food stamps) by \$65 billion over five years—a healthy sum at any time, but an essential one when the party is desperate to pay for \$190 billion in largely middle-class tax cuts. If turning welfare reform into an accountant's game seems crass, consider the welfare bill's single biggest source of savings: \$17 billion from denying most federal benefits to legal immigrants who are not yet citizens. No matter that these people pay taxes. No matter that they are playing by the rules. Seeking to justify this provision, the chairman of the House welfare subcommittee, Clay Shaw, says only: "If we're going to cut taxes and balance the budget at the same time, that's money we just can't do without."

Hard as it is to believe, the legal-immigrant cut-off (which, fortunately, the Senate is likely to kill) is not the strongest evidence that Republicans are more interested in saving money than in reforming welfare. That comes from some new requirements which the bill would force states to impose: a five-year limit on AFDC, which today sends cheques to single mothers indefinitely; a requirement that recipients work after two years of assistance; and a cut-off of cash relief for mothers under 18 and their children. The idea is to send a message to women (and especially to teenage girls) that having a baby out of wedlock is a bad idea. But attaching such requirements to the welfare reform also sends a message to the states: do welfare on the cheap, and do it within bounds set by Washington.

The Republicans cannot have the benefits of state experi-



mentation if they insist on setting the terms in Washington. Teenage mothers have children for many reasons, only some of them economic. So it is not clear what effect a cash cut-off would have on illegitimacy, and the short-run effects might be terrible for many of the neediest children. The truth is that no one knows what kind of welfare system will work best, and in any case there is no reason to think that the same system will work everywhere. Better to let some states try the cash cut-off that Washington's Republicans prefer while others try what may well be a better idea: replacing welfare with work, thereby making it plain that the dole can no longer be a way of life.

Putting welfare mothers into work programmes after two years is expensive, however. Supervisors must be paid; day care must be subsidised. With rare candour, the Contract with

America proposed to spend \$10 billion to make its work requirements real. The House Republicans' plan contains not a cent for such a purpose.

Mr Shaw's first version of the welfare bill dealt with this by laying out work requirements so riddled with loopholes that one conservative welfare expert called them a "major embarrassment." Now the requirements have been tightened. But how would governors live up to these mandates while labouring under the constraints of their stingy block grants? They wouldn't. As written, the House bill simply creates a meaner version of the current welfare regime—which is why it will not be enacted. If state experimentation is to rescue welfare, then the states must have freedom and money to experiment properly. Welfare reform must be radical, certainly; but not cheap.

A yen for action

The Bank of Japan should cut interest rates and the Fed should raise them

EACH time the dollar hits new lows against the yen, or the European exchange-rate mechanism strains at its seams, up pops a politician to call for internationally co-ordinated action to stabilise currencies. The latest is Jacques Santer, president of the European Commission. Will he and his kind never learn? The difficulties of achieving exchange-rate stability within Europe are formidable enough. They are as nothing compared with the challenge of stabilising the D-mark's parities against the dollar and the yen. In the past, the "co-ordinated" policies that governments have adopted to that end have usually done more harm than good. The best idea for governments worried about the dollar's admittedly exaggerated movements remains the simplest: they should do what already happens to be in their best domestic interests.

Calls for international policy co-ordination rest on the belief that policies required to calm the currency markets will conflict with domestic objectives. A rise in American interest rates, for example, might buoy the dollar; yet the American economy, it is argued, is slowing and could easily be strangled. Likewise, with their economies now recovering, German or Japanese interest-rate cuts that would bolster the dollar might be inappropriate. Yet on closer inspection, this supposed conflict between domestic and external goals does not stand up. The only partial exception might be Germany, where the economy's robust growth and a higher-than-expected wage settlement in the engineering industry both argue against monetary loosening. The D-mark's appreciation may help; by, in effect, tightening monetary conditions, it could have headed off an early rise in interest rates to check inflationary pressures.

Continental divide

Policy advice is simpler for America and Japan, since for both countries domestic and exchange-rate considerations are now pointing in the same direction. The best cure for a sickly dollar is for America to cut its budget deficit (so boosting domestic savings and trimming the current-account deficit) and to raise its interest rates. The risk that higher interest rates might kill the expansion is overblown. Indeed, the economy may not be slowing by enough to prevent a rise in inflation. The recent

drop in the dollar's value amounts to a loosening of monetary policy; given short-term interest rates (6%) that are modest by historical standards, America's monetary policy could hardly be called tight. Thus the Fed should raise interest rates again, if only to strengthen its anti-inflationary credentials.

Japan's monetary policy also looks wrong. Japan's inflation rate is close to zero; its economic recovery remains fragile, with GDP growing by a mere 1% in the year to the fourth quarter; the yen has risen by 20% against the dollar and by 13% in trade-weighted terms over the past year. The drag that the rising yen puts on Japan's economy is, admittedly, often exaggerated. Japanese companies have been quick to cut costs to remain competitive (in 1986 exporters said their break-even dollar exchange rate was ¥210; now it is around ¥100). But the strong yen suggests that monetary conditions are still too tight.

Japan's official consumer-price index rose by 0.6% in the year to January, but thanks to measurement errors and changes in the pattern of consumer shopping, it is reckoned to overstate true inflation by at least two percentage points. In other words, prices are actually falling. And deflation can be just as harmful as inflation. A fall in the price of a video-cassette recorder, say, may benefit consumers. But a drop in the overall price level can depress the economy. It swells the real value of company and household debts; it encourages consumers to delay purchases in the expectation of lower prices in future; and, most serious of all, it can lead to needlessly high real interest rates because interest rates can never be negative.

The Bank of Japan's official discount rate of 1.75% is at an all-time low; but if Japan's true inflation rate is minus 1-2%, say, real interest rates are as high as in America where, in contrast to Japan, firms are operating at close to full capacity. Combined with the yen's rise, this suggests that Japan should loosen monetary policy. The Bank of Japan has resisted cutting its discount rate further for fear of repeating the mistakes of the late 1980s, when its loose monetary policy (also meant to support the dollar) created a bubble in financial markets. But the economy is now far less robust; two wrongs do not make a right. The Bank should cut interest rates.

