

# Scapegoating Women on Welfare

By Mimi Abramovitz and Frances Fox Piven

The Clinton Administration is making a grand show of touring the country and holding public hearings about "welfare reform." We should be on guard. Johnnie

Abramovitz is professor of sociology at Hunter College School of Work. Frances Fox Piven is co-author of the newly revised "Regulate the Poor."

1960's, used to call the welfare system "The Man" because, she said, it ruled women's lives. The term still fits. Men are the welfare "experts," and the system they have designed is increasingly abusive of poor women struggling to raise children.

For 20 years, a long line of male policy wonks have been complaining that welfare "dependency" is America's major problem. By the wonks' reading, it's all right for people to receive money from Social Security or defense contracts or bank bailouts. Only Government largess to poor mothers ruins character, breaks up families, weakens the economy and bloats the budget.

To listen to the male critics, you

would think the welfare rolls were mushrooming and spending was spiraling out of sight. In fact, the welfare rolls stabilized in the early 1970's at about 3.6 million families and began to grow only with the 1989 recession. Even now, Aid to Families With Dependent Children accounts for only 1 percent of the Federal budget, or about \$22 billion a year. And rather than supporting families so generously as to encourage "dependency," the grants are painfully low, averaging \$370 a month in 1992. No state brings families up to the poverty line, even when food stamps are included.

But desperate poverty under government auspices is not the critics' main problem. "Dependency" is, and

their solution is to force women to go to work. Not surprisingly, given high unemployment and plummeting wage levels for unskilled workers, the much-vaunted welfare-to-work reforms and experiments under way can claim only marginal gains.

Workfare is just one way in which "The Man" is trying to make women

## Why the wonks want workfare.

shape up. Wisconsin's "learnfare" reduces the checks of welfare mothers whose children are truant; Maryland's "healthfare" docks mothers when their children don't receive health checkups or immunizations; New Jersey's "welfare" offers a bonus to women who marry, while its "family cap" lowers the grant to women who have an additional child while on the rolls. And some politicians talk about making Norplant, the contraceptive implant, a condition for receiving A.F.D.C. money.

In other words, poor women are supposed to become adequate providers and better parents by dint of welfare sanctions. But even if there were jobs for unskilled women that paid enough to support a family and cover child and health care besides, does it really make sense to force poor mothers into a labor market flooded with other desperate job seekers? Is it sane policy to force women to leave their children for jobs flipping burgers or mopping floors? What will this really do to their ability to be good parents, especially in neighborhoods plagued by drugs, crime and poor schools?

If there were good job training, adequate child care and decent wages at the end of the road, many women would eagerly leave welfare. But such programs would cost upward of \$50 billion, so that is not what Government is doing. Instead, the harassment of welfare mothers in the name of reform continues.

Welfare mothers make good scapegoats at a time when politicians and experts need scapegoats. Welfare is a code word for women and for blacks. It singles out the most vulnerable people in our society. As the certainties about family and prosperity that once anchored life for most Americans crumble, our leaders, having little substantive to offer, point the finger of blame at poor women. □

# Washington Outlook

EDITED BY STEPHEN H. WILDSTROM

## HOW CLINTON COULD 'END WELFARE AS WE KNOW IT'

Ever since the 1992 campaign, Bill Clinton has been struggling to convince the nation that he's different from the tax-and-spend Democrats of old. Now, the President is picking a fight that may finally allow him to establish his credentials as a New Democrat.

Clinton is determined to deliver on a campaign pledge to "end welfare as we know it" in an effort to break "the permanent culture of dependence." That promise helped him win the votes of many erstwhile Reagan Democrats. But tackling welfare will embroil the President in a major fight with party liberals, who still tend to dismiss talk of reform as thinly veiled racism. "This is really going to test his mettle," says Representative E. Clay Shaw (R-Fla.), co-author of a GOP welfare plan.

A task force is due to present welfare-reform recommendations to Clinton by Jan. 1, and it looks as if the centerpiece will be a cutoff of benefits after two years unless a recipient is seeking education or training. And the Clintonites appear to be backing away from a huge program of public jobs for former recipients. In part, that's because they lack the money. But the Administration also believes that the solution to the welfare morass may lie with business, not government. "Reform wants to move people from welfare into jobs, and we much prefer private-sector jobs," says one official.

**EXPERIMENTS.** To achieve that goal, the Administration will attempt to "build bridges" to business, says one Clintonite. Ideas being mullied include expanding an existing tax credit to give employers a bigger break for hiring former welfare recipients; providing tax inducements for training at the job site; and creating public-private partnerships to make sure that those leaving welfare are trained for real jobs.

The Clintonites also hope to learn from state and local experiments such as New York City's contract with America

Works, a company that helps welfare recipients find training, transportation, day care, and jobs. And they're watching a new Virginia program that gives employers a bit of the former benefits of welfare recipients they hire.

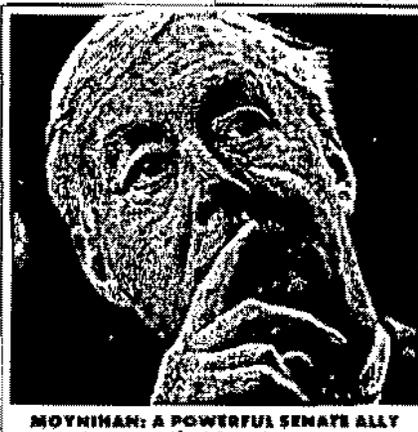
Business groups are encouraged, but they are waiting to see more details. "There is a desire on the part of the Administration to make welfare reform real, but they've got a shortage of specifics," comments Lisa M. Sprague of the U.S. Chamber of Commerce.

Not surprisingly, many liberals are apoplectic. "There is a fear that this will simply become nothing more than a windfall for business," says Mark Greenberg, attorney for the Center for Law & Social Policy, an advocacy group. On Nov. 24, 89 House Democratic liberals sent Clinton a tough letter warning him not to punish the poor. "The progressives need to step up and set our limits that we will not move beyond," says Representative Lynn Woolsey (D-Calif.), the only former welfare mother in Congress.

But the liberals may well be outgunned. In the Senate, the Administration will have a powerful ally in Finance Committee Chairman Daniel Patrick Moynihan (D-N.Y.), a fervent reform advocate for 25 years. Seventy-seven members of the House Democrats' Mainstream Forum have signed a letter urging President Clinton to stick with the two-year limit. And White House thinking is not that far away from a House GOP plan that has attracted 160 co-sponsors.

Liberals aren't admitting defeat. They warn that the fight could cripple Clinton's campaign for health-care reform. But for now, Clinton seems prepared to take on the Democratic left. Given the public disgust with "welfare as we know it," it's a battle the White House is convinced it can't lose.

By Richard S. Durkin, with Mike McNamee



MOYNIHAN: A POWERFUL SENATE ALLY

### CAPITAL WRAPUP

#### THE WHITE HOUSE

A reshuffling of the White House staff is falling into place as Clinton girds for the political battles of 1994. With the staffing of the Administration nearly complete, Clinton intimate Bruce R. Lindsey is giving up his role as personnel director to become a counsel without portfolio. One adviser says Lindsey, a former Little Rock attorney, will act as "the President's political eyes and ears." Philip Lader, deputy director for management at the Office of Management & Budget, is taking charge of the personnel office. But two big vacancies still remain open. Aides are still searching for re-

placements for Deputy Chief of Staff Roy M. Neal and chief lobbyist Howard G. Paster. Three veteran Democratic political operatives have emerged as top contenders for Paster's post: Martin D. Franks, now a CBS Inc. executive; Democratic lobbyist Michael S. Bernant; and Wendy H. Sherman, assistant secretary of state for legislative affairs.

#### ENVIRONMENT

Elevation of the Environmental Protection Agency to Cabinet rank was supposed to be a no-brainer for Clinton. After all, legislation giving the EPA new status without changing its powers nearly passed in the final

months of the Bush Administration. But a flurry of amendments to other legislation strengthened or weakened the new department caused the Senate-passed bill to stall in the House. It won't be taken up again until February, and even then enactment isn't assured.

The greatest threat is an amendment, sponsored by Representative John L. Mica (R-Fla.), requiring the reconstituted EPA to produce a cost-benefit analysis for all regulations. Environmentalists would rather see the EPA remain as it is than see an upgraded department born crippled. So the stalemate may continue. "Time is definitely on our side," comments an aide to Mica.

CLINTON CONTACT NEWS

## 2-Year Limit On Welfare Is Proposed

### Clinton Panel Outlines Options

By William Claiborne  
Washington Post Staff Writer

President Clinton's task force on welfare reform has proposed to make welfare a transitional program that would limit benefits to two years and then force recipients into either private sector jobs or community service.

The panel has not said how the potentially costly jobs and other social programs accompanying the reforms would be financed, other than to say that changes would be phased in gradually and would not increase the deficit.

Health and Human Services Secretary Donna E. Shalala said the reforms should not require new taxes and the administration is prepared to recommend cuts in federal entitlement programs to pay for the job training and child care programs. She did not identify programs that might be cut.

Addressing a Democratic Leadership Council conference, Shalala said, "This is a town in which no one believes you can do anything new without passing a tax, without finding a new revenue source. But before one new dime is spent... we need to look strongly at how we are spending existing money."

The task force, in a "draft" See WELFARE, A.1a, Col. 4

## Panel Proposes 2-Year Limit on Welfare

### WELFARE, From A1

discussion proposal," offered two detailed options for putting people to work in community service jobs after the planned two-year limit on public assistance benefits expires. Both appear certain to add to the cost of existing job programs for the poor.

The task force left open the question of what will happen to poor families who, after exhausting their time limit on assistance, are unable to find jobs in the private sector and live in states without enough public service jobs to go around.

But the suggested reforms do reflect a commitment by the president to convert the costly cash dependency system now in effect to a broadly expanded job program based on principles of self-sufficiency, a key pledge of his campaign.

The "working" group includes some of the nation's leading experts on welfare, including David Ellwood, assistant secretary for planning and evaluation at the Department of Health and Human Services; Mary Jo Bane, another HHS assistant secretary; and White House Budget aide Isabel Sawhill.

The report offers the first look at Clinton's effort to translate his campaign pledge to "end welfare as we know it" into a working program.

Under the first job program option suggested in the confidential discussion paper, welfare recipients would be placed in a work program where they would be paid the minimum wage for 35 hours of work each week.

Each state would be required to create a minimum number of work assignments, based on the federal funding it receives, and to supplement a worker's earnings if they are not equal to Aid to Families With Dependent Children (AFDC) benefits.

Under the task force's second option, recipients who reach the two-year assistance time limit would be required to participate in a "community work experience program" to keep receiving AFDC benefits. The required hours of work in community service would be calculated by dividing the AFDC grant by the prevailing minimum wage, up to a maximum of 35 hours a week.

In its 29-page report, which task force officials emphasized has not been presented to Clinton, the White House group recommended that everyone entering the welfare system write, with a caseworker, a contract detailing the obligations of both the recipient and the state. Obtaining employment would be "the explicit goal of each contract," the report said.

The report said two out of three persons who enter welfare leave the

system within two years, but an unacceptably high number stay on welfare because of a lack of incentives to find jobs that would pay less money than assistance.

"Most of the people on welfare want to work, and these reforms would give recipients a better chance to find employment and ensure that it makes economic sense to take a job," the report asserted.

Calling welfare a "discredited system," the task force proposed making the JOBS programs from the 1988 Family Support Act the core of public assistance, while "changing the culture" of welfare offices from one of enforcing eligibility and payment rules to one that encourages people to find jobs and self-sufficiency.

The report stresses a prevention strategy for cutting teen pregnancy, making fathers accountable for their financial obligations and supporting two-parent families. It proposes to broaden support for working families through expanded child care programs, health care reforms and the already-enacted Earned Income Tax Credit.

Among the options for enforcing child support is a bonus of \$50 or more per month in AFDC payments to families who establish paternity, and a reduction of federal matching funds to states that fail to establish paternity after mothers cooperate.

An aggressive effort to reduce the pregnancy rate among unmarried teenagers—a key contributor to welfare dependency—will be a major component of reforms, a White House aide said yesterday. "We cannot afford not to act aggressively in this field," said William Galston, who has been involved in preparing a formal set of welfare reform options for presentation to Clinton later this month.

Coupled with new programs for establishing paternity at birth—before the father can elude financial obligations—and strictly enforcing child support laws, the campaign to ease teen pregnancy will dominate the family-oriented aspects of welfare reform, Galston told a symposium held at the Capitol by the Employment Policies Institute.

Work and family, he said, echo a theme that Clinton has sounded: are the "two great forces of organizing society" and must be addressed in tandem in any reform program.

The task force report suggested as one option requiring underage mothers to live in their parents' households unless there are exceptional circumstances, and including parental income in determining eligibility for benefits. The report also suggests letting states limit additional welfare benefits for children conceived while on welfare.

# The Washington Post

AN INDEPENDENT NEWSPAPER

## A Beginning on Welfare Reform

**T**HE CLINTON administration has been going through a nightmarish process to find the money to finance a significant reform of the welfare system. The goal is to give welfare recipients the education and training they need to enter the work force—and then to find them jobs, supply them with child care and provide the other support they need to make the transition. That costs more money than simply writing a welfare check. Even House Republicans, not notorious as big spenders, have offered a welfare proposal that would consume an extra \$7.3 billion a year in new spending.

But where in a tight budget will the money come from? The Republicans would make major cuts in other programs for the poor, and especially for immigrants. President Clinton's welfare reform task force has considered and shot down all manner of ideas, including taxes on the money poor people get from existing government programs.

But there is another way to get at the cost problem that is beginning to win favor in the White House. Instead of starting with a program covering every single welfare recipient, the administration is considering a plan that would affect only new applicants and those recipients born after 1970—they would be 25 or younger in 1995, when the program would begin if it were passed this year. This group would receive the

various training and education benefits and be required to get off the rolls and into jobs after two years. According to administration estimates, there will be 4.7 million families on welfare in 1999. About 2 million would have been on long enough to be affected by the work requirement. By limiting the program to young and new recipients, the government would have to find jobs for only about 300,000 people, a figure the administration sees as within the federal government's ability to finance. Over time the number affected by the reform would grow, and the program could always be expanded if it were working well.

The proposal, built around an idea offered in the New Republic magazine by Paul Offner, Sen. Daniel P. Moynihan's top aide on the welfare issue, has a lot going for it. It would send an immediate signal to all who contemplate going on the welfare rolls that the system was about to change. It would give the government a chance to try out different approaches to education, job training and job creation with a large but limited group of people. It would focus on the this generation, which has rightly been at the center of other administration initiatives for the poor. On welfare reform, the administration needs to balance boldness and prudence, and this approach may give it a chance to do just that.

# PENNSYLVANIA AVENUE

By Morton M. Kondracke

## GOP Still Could Force Clinton's Hand on Welfare

**O**ffered by President Clinton in the budget work, Republicans still could salvage a welfare reform victory, but they may forgo the opportunity in order to hold onto a campaign issue.

In hopes of having something to show for the GOP revolution, some House Republicans want to revive the bipartisan Senate version of welfare reform, figuring that the GOP wins whether Clinton signs or vetoes it.

Other Republican leaders argue, though, that two previous Clinton vetoes of welfare bills have given the GOP a campaign issue

that it would lose if Clinton signed the bill. A welfare strategy is caught up in a larger debate over whether Republicans should strive this year to pass significant pieces of legislation that Clinton might sign or serve up "vote bait" in order to lay the ground for campaign attacks.

Indications are that the veto-bait strategy is favored by House leaders, who seem to have rejected the idea of making major compromises with Clinton to secure "half a loaf."

The Senate welfare measure, which Clinton praised when it passed 87-12 last September, definitely represents more than "half a loaf" for the GOP.

As the GOP advocates, it would eliminate Aid to Families with Dependent Children as an entitlement, create a five-year limit on welfare eligibility, require recipients to work, and

create a welfare block grant to states. However, it does not contain the "family cap" to discourage illegitimacy that Republicans passed at a House-Senate conference report, which Clinton vetoed in December as part of a GOP balanced budget proposal and again on Jan. 9 as a free-standing bill.

Rep. Clay Shaw (R-Fla.) and other advocates of so-called "win-win strategy" say that if Congress passes the Senate bill and Clinton signs it, then Republicans will have fulfilled their promise to enact welfare reform and Clinton probably will infuriate liberals, splitting the Democratic party.

If Clinton vetoes it, the Shaw group argues, then Republicans will have a stinging issue to use against him in November, charging him with being a liberal despite his centrist pose. After Clinton passed the Senate measure

and indicated he would sign it, it was attacked by Marjorie Wright Edelman, head of the Children's Defense Fund, and other liberals, who argued that eliminating welfare as an entitlement would slash support for poor children.

And some Senate Democrats who voted for the bill have since backed away from it. While House aides say that Clinton might try to get the bill amended, that probably would sign it since it appears that Medicaid, another key entitlement for the poor, will remain intact.

Advocates of "win-win" point out that Clinton challenged Congress in his State of the Union speech to pass a "bipartisan welfare bill" and promised that if it did, "I will sign it immediately."

One of Shaw's allies, Rep. Jimmy Hayes (R-La.), remarked that "you can't get much more bipartisan than 87 votes," suggesting that Clinton would be hard-pressed to veto the Senate bill.

But sensible as the win-win strategy may be for the GOP—even though it might prove devastating to the poor—reviving the Senate bill is opposed, sources say, by officials at the Republican National Committee and Sen. Bob Dole's (R-Kan.) presidential campaign.

Both are said to be planning TV ads contrasting Clinton's two vetoes of the tougher

### High Speed Rail & The Northeast Corridor

# 1

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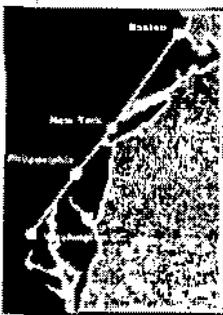
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But both the Dole campaign and the RNC reportedly oppose any attempt to revive the Senate welfare bill. Instead, they're preparing campaign ads blasting Clinton for vetoing it.

GOP welfare conference report with his repeated promise to "end welfare as we know it," and they don't want to give him a chance to sign a bill and win back the house.

House Speaker Newt Gingrich's (R-Ga.) press secretary, Tony Blawie, says that Gingrich has not made up his mind which side he's on, but other GOP aides fear he's been swayed against the win-win strategy by Republican National Committee chairman Haley Barbour.

Dole's chief of staff, Sheila Burke, reportedly favors win-win, while campaign chiefs oppose it. Where Dole himself stands isn't clear.

Welfare is one area where it's possible for Republicans to salvage "half a loaf" or more of their agenda. On the budget, Medicaid and Medicaid reform, and even Blawie admits, the GOP strategy now is to settle for "slices of bread — no, it's more like donuts."

Instead of achieving an agreement to balance the budget in seven years, saving about \$600 billion in expected spending, Republicans now are considering just a "debt payment" involving savings measured in the tens of billions.

And instead of cutting taxes by \$250 billion over seven years, they hope to pass a family tax cut worth about \$30 billion covering part of 1995 and 1996, plus a capital gains tax reduction that's even smaller.

These "slices" of the original GOP plan would be attached to a measure extending the federal debt ceiling, along with spending cuts adding up to slightly more than the tax cuts.

After that, according to House leadership aides, the GOP will pass another balanced budget act, the cuts, an immigration bill, and other measures likely to be vetoed by Clinton.

At this rate, what will Republicans have to show for their revolution? Pledges for campaign ads, but not much more.

FYI - Castle

# Clinton seems ready to abandon welfare reform, too

President Clinton's last major unbroken promise — to impose a two-year limit on welfare benefits — appears to be going the way of the rest of his election-campaign pledges.

As Congress puts the finishing touches on specific programs for the federal budget year starting Oct. 1, more spending, not less, is planned for welfare.

The only major initiatives in that category in the mammoth 1994 "reconciliation bill" that will control spending are Clinton's requests for \$7.3 billion more for food stamps and \$1.5 billion more for family-preservation services.

Because both are entitlement programs, the amounts cover five years. How much is drawn down in 1994 depends on how many people take advantage of the more liberal food-stamp rules and how many



**GEORGE EMBREY**

state and local agencies dip into the family-preservation funds.

Clinton's top welfare-reform planner, David Ellwood, assistant secretary of health and human services for planning and evaluation, said recently he still is working on some of Clinton's ideas. But Ellwood's work has produced nothing for 1994, which would

push off any prospect of action on welfare reform until 1995.

When he emerged from the pack of Democratic candidates in 1992, then-Arkansas Gov. Clinton defined himself as a new kind of Democrat in several specific ways. One of the most convincing was his pledge to "end welfare as we know it." Welfare should be temporary relief for most clients, he said.

Specifically, Clinton promised to notify all welfare clients who could work — including young mothers of

small children — that they would get education, job training, day care and medical benefits. In return, after two years, they would have to leave the welfare rolls for a real job or take government work.

Clinton had a lot of credibility on this issue. During his 13 years as governor, he had emerged as a leader in welfare reform in the National Governors' Association. He teamed up with Republican Michael N. Castle, then governor of Delaware, as co-chairman of the governors' task force on welfare reform.

In 1988, the governors worked out a deal with then-President Ronald Reagan and got a limited welfare-reform package enacted by Congress. It had no mandatory two-year limit. But its extra benefits, designed to prepare clients to get off welfare, only served as a honey pot to entice more folks to sign up.

In March, the Health and Human Services Department reported that a record 5 million families were consuming \$22 billion a year in the main federal-state welfare program,

*The Health and Human Services Department reported that a record 5 million families were consuming \$22 billion a year in the main federal-state welfare program.*

Aid to Families with Dependent Children.

Now a U.S. House member, Castle said last week that he is disappointed at the way Clinton has taken a "180-degree turnaround" on his main campaign pledges, particularly in failing to put welfare reform in his first year's budget.

Clinton had promised the governors association in an address Feb. 2 that he would appoint his White House welfare-reform group within 10 days. As of last week, the idea was still gathering dust in the Oval Office. No one has been appointed.

Republicans think Clinton may have been scared off by powerful Democrats in Congress.

House GOP Whip Newt Gingrich of Georgia said Clinton has been warned he could not get a two-years-

and-out reform package out of committee. "Rep. Harold Ford (D-Tenn.), chairman of the Human Resources Subcommittee of Ways and Means, said the other day he won't even hold hearings on welfare," he said.

Rep. Maxine Waters, D-Calif., an influential member of the Congressional Black Caucus, said last month she thinks it is "not plausible that Americans will stand by and watch hungry children starve because their mothers did not meet a two-year deadline."

"Basically, I'm not so much for 'two years and you're off' but 'show up Monday morning for work if you want money,' and that would include child care and a variety of services," Gingrich said.

Gingrich said that while Clinton

dithers on his own plan, a number of Republican governors and local officials already have put in place major welfare reforms that include work requirements.

Gingrich cited Mayor Bret Schundler of Jersey City, N.J., one of the nation's poorest, who ended 75 years of Democratic control in a special election in November and was re-elected in May.

"His goal is that anyone seeking assistance from the city must either work cleaning up the city streets or the city parks. You're going to be actively at work immediately, not two years ... immediately," Gingrich said.

He told of Bob King, the elected executive of Rochester County, N.Y., who held a sign-changing ceremony last week. The old Welfare Office sign now reads, "Office of Temporary Relief." "The point being that welfare should not be permanent," Gingrich said.

*George Embrey is chief of The Dispatch Washington bureau.*

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JANUARY 1993

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# Moynihan Presses Welfare Reform

*White House Warned Not to Defer Issue Because of Health Care Debate*

By William Claiborne  
Washington Post Staff Writer

Sen. Daniel Patrick Moynihan (D-N.Y.) complained yesterday that the administration was moving too slowly on welfare reform and suggested he might hold up President Clinton's health care reform bill if welfare is not made a priority issue by the White House.

"We don't have a health crisis in this country. We do have a welfare crisis. And we can do both," said Moynihan, one of Congress's leading advocates for welfare reform.

Moynihan, who as chairman of the Senate Finance Committee would play a key role in advancing both bills, said that at a meeting at the White House last Monday, administration officials said they "won't have time for welfare until we get this health care bill."

Speaking on NBC's "Meet the Press," Moynihan said yesterday, "That won't work. We promised in that last presidential campaign that we would address the issue of welfare."

Asked if he would block health care reform until the administration sends a welfare reform bill to Congress, Moynihan replied, "I think we have their attention." He said he was assured by presidential adviser George Stephanopoulos on Saturday that welfare reform was "coming along," but, the senator added, "It's been a year now and we still have no bill."

Clinton, whose promise last year to "end welfare as we know it" was one of the most popular issues in the campaign, appointed a 32-member interagency task force on welfare reform, which last month completed a working draft of a plan to overhaul the nation's public assistance programs.

Among scores of reforms suggested by the task force is a plan to make Aid to Families with Dependent Children (AFDC), the main cash assistance program, a transitional benefit limited to two years, after which recipients would have to work. If they could not find jobs in the private sector, they would be required to earn benefits through community service work.

Although details of the task

force's draft proposals have been known for weeks, Clinton has said little about welfare reform publicly, while health care reform has occupied center stage. This has led many welfare reform advocates to conclude that the White House has put welfare reform on a back burner.

Moynihan said he believes Clinton is more serious about welfare reform than his aides. "No, he is serious. He's dead serious. He's got, he's appointed a lot of people who aren't as serious as he is," the senator said.

Bruce Reed, a White House domestic policy adviser and co-chairman of the task force, last week denied in an interview that the administration had decided to hold up welfare reform in favor of health care. "We will introduce a bill this year and we will push it," Reed said.

Clinton has come under intense pressure from House Republicans, who have drafted their own welfare reform measure and have threatened to embarrass the president by pushing more aggressively than him on one of his own key campaign promises if he fails to move quickly on welfare reform.

The Mainstream Forum, a group of 77 centrist House members, is expected to introduce a welfare reform bill when the House convenes Jan. 25. In addition, a group of urban Democrats in the House is preparing legislation aimed at softening some of the harsher aspects of the administration's time-limited benefits proposals and calling for more spending for education, day care and job training for welfare recipients.

MONDAY, JANUARY 10, 1994 THE WASHINGTON POST

## POLITICS

### FEC Hearing on 'Personal Use' Of Campaign Funds Is Big Draw

Most proceedings at the Federal Election Commission are cut-and-dried affairs that draw little attention from the political world. Not so with the hearing scheduled for Wednesday. FEC insiders say the commission rarely has had as much interest—not to say implied pressure—from Capitol Hill as it is getting on this subject.

Why? The commission has invited comment on rules for carrying out the long-unenforced ban on "personal use" of campaign funds. The stricture has been in place for almost 20 years, but no one has ever been charged or fined for violating it.

The public interest lobbying group Common Cause, citing reports of Super Bowl tickets and formal wear purchases, to say nothing of meals in Indonesia, told the FEC in a preliminary memo that it should crack down on politicians who are "living off their campaign funds."

One measure of the sensitivity of the subject for members of Congress is the planned joint appearance Wednesday of two election law experts who usually take opposing sides before the commission. Jan W. Baran, formerly counsel to the three main Republican campaign committees and George Bush's presidential campaign, and Robert F. Bauer, who has had similar positions with Democratic campaign committees and the presidential bid of Rep. Richard A. Gephardt (D-Mo.), have linked arms on this issue.

Their advice to the commission: You "should not impinge on the appropriate discretion of candidates to determine which expenditures are campaign-related."

Said one FEC official, in a reference to the mem-

bers of Congress: "Our big brothers and sisters are watching us on this one."

### Carrying the Candidate's (Under-Eye) Bags

■ He ain't heavy, father, he's my candidate.

Or so it sounded when Darry Sragow, campaign manager for California gubernatorial candidate John Garamendi, attempted to counteract impressions that Garamendi was looking tired last week.

Democrats Garamendi, the state insurance commissioner, and Kathleen Brown, the state treasurer, are competing for the right to challenge Gov. Pete Wilson (R) later this year, and the two appeared jointly to respond to Wilson's State of the State Address on Wednesday.

A few reporters apparently told Sragow that Garamendi "looked tired and was off his game a bit" that night. Well, don't you believe it, Sragow wrote in a "Garamendi Gram" faxed to "interested parties" on Friday.

Garamendi had been up at 4 a.m. the day before the appearance and was still campaigning across the state at midnight, Sragow reports. The next morning "the crack of dawn brought breakfast with local leaders and party activists" before Garamendi worked as a teacher's assistant, had another meeting or so and flew to Sacramento to respond to Wilson.

"So if the question is, 'Is Garamendi tired?' the answer is yes," Sragow wrote. And he added, "Get used to it." The 18-hour days, and apparently the bags under the eyes, will be a staple of the Garamendi campaign. Sragow also challenged reporters to put aside their preconceptions and join Garamendi on the trail, warning they must be in "adequate physical condition" to keep pace.

Now, do you think they sound defensive?

—Dan Balz and David S. Broder

# Mexico Says Catholic Church Fomented Peasant Rebellion

By Tod Robberson  
Washington Post Foreign Service

A1

**SAN CRISTOBAL DE LAS CASAS, Mexico, Jan. 9**—A steadily progressing battle between peasant revolutionaries and the Mexican military has provoked a harsh backlash against the Catholic Church, which the government accuses of fomenting unrest and encouraging an armed uprising here in the southern state of Chiapas.

As in the civil war in El Salvador in the 1980s, the church finds itself immersed in political controversy sparked by the local resurgence of "liberation theology," a controversial doctrine that encourages the poor and dispossessed to struggle for justice and end their passive acceptance of oppression and abuse.

In Chiapas, scene of a revolt by Mayan Indian peasants, Catholic Bishop Samuel Ruiz has become the target of government wrath because he allegedly advocated protest marches and other acts of civil disobedience before the New Year's Day uprising by the Zapatista National Liberation Army.

President Carlos Salinas de Gortari's government has said the Zapatista movement, unknown before the revolt, has been organized, trained and armed by non-indigenous "professionals of violence" who include a large foreign element. However, little evidence has sur-

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MEXICO, From A1

facted to back the government's assertions.

Stopping short of identifying Ruiz by name, an Interior Ministry report on Friday said rebels "have been supported by certain ideologues and religious men, acting individually, from distinct denominations."

At the base of the Zapatista recruitment structure, the report said, is a group of radical lay ministers trained in Ruiz's diocese, whom the government accused of working in the countryside and "pressuring entire families into becoming new members of their violent cause."

Cultural anthropologists say the Catholic Church exercises a particularly strong influence over this impoverished state, particularly among the 900,000 Mayan Indians who comprise nearly 30 percent of the population. Ruiz's influence, they say, extends far beyond his own diocese. Even Protestant evangelical leaders call him a hero of their social causes.

But the controversy surrounding Ruiz has caused even the Vatican to raise concerns. Last November, it threatened to remove him from his diocese because of his alleged support of radical indigenous causes.

Late Saturday, Mexican media reported that the Zapatistas have called on Ruiz and Nobel Peace Prize recipient Rigoberta Menchu, a Quiche Indian from Guatemala and an Indian human rights advocate, to mediate an end to the fighting. Ruiz has accepted, but the government has not accepted him as a mediator and has said the rebels must surrender their arms before any talks can begin.

Part of the government's reluctance stems from its stated belief that the church was an instigator of the conflict.

The bishop's defenders say he is being made a scapegoat by a central government caught by surprise and embarrassed by an uprising that has shattered Mexico's international image of rising prosperity and development. Ruiz's supporters already are comparing him to Salvadoran Archbishop Oscar Arnulfo Romero, an architect of liberation theology who was assassinated by right-wing militants in 1980.

Today in his Sunday homily, Ruiz repeated his condemnation of violence and lamented the loss of life on all sides during the conflict. Despite his denial of involvement in the rebellion, Ruiz referred to the Zapatistas as "our rebel brethren" who, because of an "accumulation of aggression," had reached their limit of tolerance and decided to fight back. He also condemned the widely reported acts of discrimination and human rights abuses against the Indians, saying the violence "can be understood without looking for external causes."

More than 130 people are believed to have been killed since fighting erupted Jan. 1. The Mexican military has acknowledged in communiqués that, although fighting is less intense, the rebels are spreading across the countryside—well beyond the four towns they seized and then abandoned on Jan. 1 and 2.

Refugees from San Antonio de los Baños, a mountain hamlet roughly five miles south of here, told reporters Saturday that nearly half their community, including two teenage girls, had left to join the Zapatistas last week. The military said 400 guerrillas stormed nearby San Felipe Ecatepec on Thursday. Fog and rain this weekend have prevented the military from conducting aerial surveillance of the rebels.

In news conferences and written statements, Ruiz has said the uprising is the result of

chronic poverty, oppression and discrimination against Indian peasants.

In a statement issued Jan. 1 with two other bishops of the region, Ruiz said the church does not condone the use of arms to solve social problems, but the violence "should serve as a warning of the danger inherent in the abandonment of marginalized groups."

Businessmen and activists of the ruling Institutional Revolutionary Party here assert that Ruiz has had more than a passive role in the rebellion. "He is the comandante," said Ernesto Reidwyl, a San Cristobal restaurateur. "He did everything but tell them to take up arms. You could hear him on any Sunday telling them things like, 'The only way to end your misery is to take action. Rise up and take control.' What did he expect them to do?"

Last November, Ruiz was called before the Mexican Bishops' Conference in Mexico City to explain his teachings and defend himself against rising state government criticism of his theological practices.

The controversy brought him into direct public confrontation with Vatican envoy Girolamo Prigione, who is trying to maintain friendly relations with a Mexican government deeply wary of the church. Mexico and the Vatican restored diplomatic relations only 15 months ago after a 100-year split.

Vicar General Gonzalo Ituarte, a top aide to Ruiz, said the bishop is being unfairly blamed for violent developments beyond his control. He added that Ruiz's version of liberation theology is nothing new. "This has been his message for the past 34 years. He has been . . . denouncing the gigantic disequilibrium between rich and poor, condemning the extreme poverty of the indigenous people."

MONDAY, JANUARY 10, 1994 THE WASHINGTON POST

9-24-95

**ROBERT A. JORDAN**

## Protect children from GOP plan to 'save' them



WHEN A DEMOCRATIC senator, before the US Senate vote to end welfare as an entitlement, said of the GOP sponsors, "Now they're coming for the children," a Republican Senator acknowledged they were indeed coming for the children — to

save them.

Perhaps unwittingly, that response was a reminder of a saying from the Vietnam War era: "We have to destroy the village in order to save it."

The GOP-led Senate appears bent, and the US House appears even more so, on "saving" children by destroying them, since both House and Senate bills would result in ending a poor child's only guarantee of food, clothing and shelter.

While the Senate bill would be potentially destructive to families, especially the children on Aid to Families with Dependent Children, the House version would be clearly destructive to single parents on AFDC and their children.

The Senate bill would still allow states to write their own guarantees that families on welfare would continue to receive benefits. The House, on the other hand, would forbid any such guarantees. Both bills are likely to result in more families being denied benefits, and made homeless.

Since each bill would turn federal welfare money over to the states in the form of block grants that can be used for purposes other than welfare payments, it is more than likely that a number of states would take that option.

Even if some states — such as Massachusetts — passed a bill that would guar-

antee welfare benefits, the federal bills would cap the amounts spent. If the state ran into a recession, a lot more unemployed families may find themselves in need of welfare and, unlike today, there might well not be enough to go around.

The Senate and House bills would require that all families on welfare be limited to five years on AFDC during their lifetime. If a single mother was on welfare for two years, then was off for 10 years, and later returned to the welfare rolls, she would have only three years left before she was on her own.

Both bills also would end welfare benefits for teen-age mothers. There will still be unwed mothers — just without money to feed their children. And both bills would end cash benefits to any child born to a mother on welfare.

Legal immigrants under the House bill would also be ineligible for benefits — even, for example, immigrant women whose husbands abandon the family.

Betsy Wright, head of the Massachusetts Human Services Coalition, is not optimistic about how the House and Senate will resolve their differences. "A compromise between a terrible bill and an extremely terrible bill would still result in a terrible bill," Wright says.

Some Democrats, such as US Sen. John Kerry, supported the welfare — or more accurately, *anti-welfare* — effort, for whatever reason. The sponsors are, for the most part, Republicans who argue that ending entitlement to welfare will actually result in mothers finding jobs and becoming responsible citizens. That is, to put it politely, pure propaganda.

Under the thin veneer of "saving" children is perhaps a more sinister motive for this assault on welfare and the poor. In these days of corporate consolidation and

downsizing, it is not far-fetched to suggest that corporate financiers of GOP campaigns are quite happy to have their beholden legislators continue to target welfare recipients as the nation's scapegoats.

With an increasing number of working people in the United States losing or becoming insecure about their jobs, their futures, their benefits and other aspects of economic security, many are wondering who is to blame.

The GOP, particularly its right wing, has been successful in directing the anger and fear of the economically insecure at such easy targets as the poor, welfare recipients, immigrants and beneficiaries of affirmative action — instead of at the corporate decision-makers truly responsible for their unease.

People have been persuaded by the GOP and other groups to blame welfare recipients for the high taxes they pay. But, as Wright points out, welfare subsidies are 1 percent of the federal budget and only 3 percent of the Massachusetts budget.

What this nation needs is not for people to ask less for the poor and the disadvantaged, but to ask more for themselves. They need to direct their anger at the corporations and businesses that have cut jobs while increasing profits, turning full-time jobs into part-time or temporary jobs — or forcing people to work without health insurance.

When working American families and individuals finally see through this charade of the GOP right — both inside and outside of Congress — there is a chance that their economic circumstances will change for the better.

*Robert A. Jordan is a Globe columnist.*

Sub to  
Welfare Reform

# Weld set to OK Clinton's welfare deal

By Doris Sue Wong  
GLOBE STAFF

Gov. Weld this week will formally accept a partial federal waiver that allows Massachusetts to launch most of its sweeping welfare overhaul plan as soon as Nov. 1.

Weld backed off, for the time, from his insistence on a two-year limit for the benefits, hoping to enforce it when a federal overhaul of welfare is approved by the Republican-dominated Congress.

Weld aides said he made his decision, ending a two-month standoff with the Clinton administration, based on the conviction that national welfare reform is just around the corner.

"The governor is confident that true welfare reform is imminent and that the president will sign the congressional welfare bill," according to the Weld administration source.

WELFARE, Page 9

# Weld set to accept Clinton's welfare deal

## WELFARE

Continued from Page 1

"The battle over the two-year limit is over because both congressional bills allow Massachusetts to implement our own plan."

The Massachusetts welfare reform plan targets able-bodied recipients, denying them extra cash assistance for children born into welfare and limiting cash benefits to two years in any five-year cycle. It also requires them to work or perform community service.

About 92,500 families in Massachusetts were in the program, called Aid to Families with Dependent Children, as of August. In February, when there were about 10,000 more families in the program, Weld had estimated that as many as 22,000 families would be affected by the overhaul.

Officials in the Weld administration released news of accepting the waiver in return for an agreement that it be embargoed until this morning, and that reporters not seek comment from other officials.

In July, after the hard-fought reforms were approved in Massachusetts, Weld forced a confrontation with the Clinton administration — which must waive federal regulations before Massachusetts could begin imposing the changes.

While approving most of the state's long-debated plan, the Clinton



GOV. WELD  
Sees reforms ahead

administration insisted that the two-year time limit be relaxed to guarantee that assistance is not cut off for recipients who want to work but cannot find jobs.

Weld balked at the condition, saying it would allow people to remain on welfare indefinitely and remove the incentive to move off welfare and into the workforce.

Until recently, the Clinton administration appeared to hold all the cards, not responding to an appeal by Weld last month to reopen negotiations.

But last week, the US Senate approved a bill that would end the 60-

year-old federal welfare entitlement program and replace it with block grants that would give states wide berth in designing their own welfare programs. A similar measure was passed by the House earlier in the year.

On Friday, state Health and Human Services Secretary Gerald Whitburn had a "preliminary conversation" with Assistant US Health and Human Services Secretary Mary Jo Bane about a partial implementation — dropping the two-year limit — and found her "amenable," said the source.

Paperwork to formalize the agreement, which will not include the two-year limit on benefits, are expected to be exchanged this week.

In initially rejecting the partial approval, Weld came under intense fire from Democrats on Beacon Hill and Capital Hill, who accused the governor of political grandstanding by picking a fight with Clinton to raise his own national profile and to curry favor with Republicans in Washington.

Shortly after the standoff developed, Weld went to Washington, D.C., for a press conference with Sen. Robert Dole to publicly offer Massachusetts as "Exhibit A" for Dole's welfare reform bill.

But the administration source insisted that Weld rejected the original waiver because he "did not want

to accept a bad deal for the taxpayers and a phony time limit," and he only reversed directions because "now we don't have to."

Rep. Joseph P. Kennedy 2d had criticized Weld in early August for wanting to cut off even recipients who couldn't find jobs.

"With the unemployment rate close to 6 percent, there are tens of thousands of people who want to work and cannot get a job," Kennedy said. People "would have to beg, go hungry or go homeless."

In mid-August, 16 State House Democrats led by Anne M. Paulsen (D-Belmont) and Jay Kaufman (D-Lexington) signed a letter to President Clinton, urging him to stand his ground and not bend to Weld's demands for a unilateral two-year limit.

"With regard to the two-year time limit, Gov. Weld is wrong, and you are right," the legislators wrote. "We urge you to hold fast to the principle that there must be in our society a safety net for those citizens who have done all they can to find work and are unsuccessful in their efforts."

Sen. Therese Murray (D-Plymouth), a leading architect of the state's proposed welfare changes, had said that if the Weld administration rejected the waiver, "they are not serious about welfare reform."

Read - by

# Labor Is Pushing Clinton to Make Sure Changes In Welfare System Won't Threaten Union Jobs

By RON SUSKIND

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The moment President Clinton's aides sat down with honchos from the American Federation of State, County and Municipal Employees, civility ended in the debate over welfare reform.

The giant public-employees union read the riot act to the president's welfare-reform working group at the mid-December meeting, a Clinton aide says. The labor officials complained that they'd been frozen out and disregarded by the White House, and that labor's demands had to be considered if welfare reform was to become a reality. "Our people left the meeting in a daze," the Clinton aide says.

That was just the start. As Mr. Clinton maps out precisely what he will propose to deliver on his promise of a welfare-reform initiative this spring, he is already encountering a vigorous lobbying effort by organized labor, which fears that low-cost welfare recipients put to work under the jobs component of any reform package could displace unionized workers.

The unions' concerns represent a real dilemma for Mr. Clinton. After all, he just finished fighting with much of the labor establishment over the North American Free Trade Agreement, and badly needs union support in the impending battle over health-care reform.

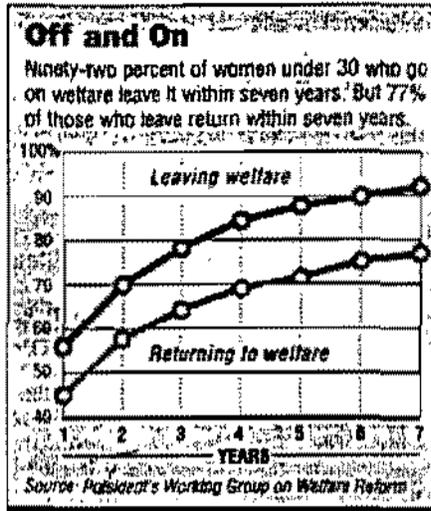
## Democratic Pressure

Yet the president is also under pressure from Senate Finance Committee Chairman Daniel Patrick Moynihan and from his own "New Democrat" political advisers to push a bold proposal "to end welfare as we know it." And the core of Mr. Clinton's expected proposal, a two-year limit on welfare benefits, requires some sort of program to move recipients off of welfare and into jobs, while allowing those left behind to collect checks in exchange for work.

White House officials insist that a collision with labor over welfare reform is far from inevitable. "We'll work it out," says Bruce Reed, a top domestic policy adviser to the president. "We have plenty of shared goals." Mr. Clinton, he insists, never intended to recommend the type of "giant federal jobs program" that labor most fears. "It won't be necessary, we won't do it, we can't afford it," he says.

His task of deflating expectations about welfare reform has been made more difficult by a recent New York Times report that as many as 2.3 million people could be subject to work requirements once they've reached the two-year limit on benefits. That report set off alarm bells, not only in the labor movement but in Congress, where it stirred fears of a budget-busting public-jobs proposal.

Mr. Reed, though, insists that the latest drafts of the president's reform plan envi-



sion only about one-third that many community service-type jobs, once the program becomes fully phased in five or six years from now. That modest estimate, he says, stems from one huge exemption expected to be included in the president's proposal: Nearly two million of the projected 5.6 million welfare cases in 1999 wouldn't face any work requirements. Specifically, the exempted recipients would be those who are disabled, have small children or special needs, or cases in which abandoned or immigrant children are being raised by someone other than their parents.

On the positive, and maybe overly optimistic side, the administration also expects nearly two million recipients to leave the welfare rolls if universal health-care and child-care coverage are added to the already enacted earned income tax credit.

That leaves the problem group of about 1.5 million to 1.8 million cases. The administration's plan will call for these people to be pushed into an intensive two-year job training and placement effort, while employers are offered incentives to hire them.

"There will be pressure from across the spectrum to move these people into meaningful private-sector jobs," says David Ellwood, a leading antipoverty researcher who is co-chairman of the president's welfare working group with Mr. Reed. "Everyone, including labor, shares that goal." But the administration's current projection that nearly half those people will actually get jobs is a notion that many welfare experts consider fanciful.

"It's pie in the sky," says Douglas Besharov, a resident scholar at the American Enterprise Institute. "There is no verifiable evidence that any jobs program has ever succeeded in getting a significant number of welfare recipients into work. The administration is diving into this thing

without any clear idea where it will end up, or how much it will cost."

Cost is indeed one of the major imponderables. The 1970s-era Comprehensive Employment and Training Act jobs program cost the federal government nearly \$10 billion a year at its peak. Many outside experts suggest that a meaningful welfare-reform plan these days could cost \$25 billion to \$30 billion a year, vastly more than the administration's current estimate of \$4 billion to \$7 billion. "To do welfare reform right, you have to help welfare recipients while making sure you don't hurt the working poor, many of whom are in (public-sector) unions," says Sar Levitan, director of the Center for Social Policy Studies at George Washington University. "Of course, that costs the kind of money no one is willing to commit."

What most concerns unions, though, is that a failed training and placement program will leave more than a million welfare recipients at the two-year limit, an able-bodied avalanche moving into a loosely defined array of minimum-wage, community-service work or jobs with non-profit organizations such as hospitals, States and cities, struggling under tight budgets, might turn to this work force instead of to workers they'd ordinarily hire at union wages, labor leaders say. Or worse, they say, government officials may discontinue public programs in expectation of later filling them with low-cost former welfare recipients.

## Lessons Learned

AFSCME lobbyists, in daily calls to the White House, are pushing labor's time-honored solution: Make sure the community-service jobs are "the types of things no one would ever hire someone to do," says Arnold Packer, who ran CETA programs as an assistant labor secretary in the 1970s. But administration officials argue that such a solution would defeat the purpose of community work, which is to build skills that will eventually make the recipient attractive to some private-sector employer. Indeed, observes Mr. Packer, in CETA, "We found that experience raking leaves or picking up garbage doesn't offer much of a leg up in the job market."

AFSCME officials believe they are well-positioned to influence the White House in their direction. Gerald McEntee, the union's president, is arguably Mr. Clinton's strongest loyalist in labor; although the AFSCME opposed NAFTA, it didn't do so as vigorously as other unions. Beyond that, the union's former lobbyist, Jerry Klepner, is now assistant secretary of Health and Human Services for legislation and will have a key role in negotiating welfare reform.

But the American Enterprise Institute's Mr. Besharov thinks those ties won't be enough. "Listen, because labor will be so opposed to welfare reform, the administration will simply have to move to the right and rely on Republican support to get it passed," he predicts. "In the end, it'll look like the NAFTA coalition all over again."

# U.S. Will Seek End of Weapons Around Sarajevo

## NATO to Be Asked to Set Deadline for Removal, Use Air-Strikes Threat

By CARLA ANNE ROBBINS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The U.S. and France will ask NATO to set an early deadline for the withdrawal of all heavy weapons from around Sarajevo, and back it up with the threat of air strikes.

At the same time, the Clinton administration will try to bolster the Bosnian Muslims' diplomatic hand and revive the near-moribund negotiating process, by offering to play a new, "high-profile role" in peace talks.

The U.S. dispatched two top officials to Europe last night to outline the new diplomatic initiative, which includes sending a special U.S. envoy to Sarajevo to help the Muslim government craft a peace proposal that then would be championed by the U.S.

The U.S.-French proposal for ending the siege of Sarajevo would give the Bosnian Serbs and the Muslim-led government about a week to withdraw their artillery, mortars and tanks, or face allied air strikes. In practice, however, the Serbs, who have the overwhelming majority of the firepower, and who have been doing most of the killing, would bear the brunt of the demand. The proposal will be presented today in Brussels at a meeting of the North Atlantic Council, the political arm of the North Atlantic Treaty Organization.

NATO has threatened air strikes before, but failed to follow through mainly because of fears of provoking Serbian retaliation against European and Canadian peacekeepers. Anger over last weekend's slaughter of 68 people in a Sarajevo market has gone a good way to shift opinion in the alliance. But U.S. officials acknowledged that the plan could be radically altered or even rejected today.

The U.S. is hoping that its diplomatic initiative will strengthen its credibility among the allies and bolster the joint proposal. France, which originated the proposal for securing Sarajevo, could prove even more persuasive. Foreign Minister Alain Juppe threatened to withdraw French peacekeepers from Bosnia unless NATO agreed on "specific and forceful action."

As part of the joint proposal, U.S. officials say the Bosnian government would be allowed to place their heavy weapons under United Nations monitoring while the Serbs would be required to withdraw their weapons altogether. "There is no chance that [the Muslims] would be the first to be punished," for any violation, said a senior U.S. official. The U.S. also will offer to provide special radar to U.N. forces to monitor the withdrawal of the weapons and to pinpoint the source of any shelling.

U.S. officials were hoping that the appearance of even-handedness would defuse Russian objections to the threat of NATO air strikes against Serbs.

As of last night, Britain was believed to be leaning in favor of the proposal, while Canada was still firmly opposed. To address their concerns, NATO planners have been working to come up with a way to

better protect lightly-armed peacekeepers. One senior U.S. official described the approach on the ground as simply "hunkering down" for a while.

Even then, officials acknowledged there could be heated debate at today's meeting about a variety of issues including the timing of the deadline — or even whether to set a deadline — as well as the distance for withdrawal of the weaponry. As of last night, the U.S.-French proposal would have the weapons withdrawn about 12 miles beyond the center of Sarajevo with a deadline of seven to 10 days.

In Washington yesterday, Sam Nunn (D., Ga.), Senate Armed Services Committee chairman, warned that the U.S. needs to consider military actions beyond any air strikes. "You have to be prepared to take other steps," he said. "They may retaliate. . . . Nobody knows what will happen after the first strike."

Until now, the U.S. has resisted European demands to get more involved in the negotiations, saying they wouldn't force the Muslims to accept any plan. But the U.S. also is expected to warn the Muslims that their battlefield gains in recent weeks can't last in the face of superior Croat and Serbian forces.

—Thomas E. Ricks contributed to this article.

## Clinton's Education Reform Package, School-to-Work Legislation Clear Senate

By ROCHELLE SHARPE

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Senate passed President Clinton's major education reform package as well as the administration's pioneering school-to-work legislation.

After four days of debate, the Senate also approved the first federal program aimed at reducing violence in the schools. The House Education and Labor Committee, meanwhile, compromised on the most controversial part of the administration's other education initiative, approving \$7 billion for disadvantaged children, while concentrating \$1.4 billion of the funds on the poorest school districts.

The education reform package, called Goals 2000, and the school-to-work legislation now go to a conference committee with the House, which passed similar versions of the bills. The House has yet to consider the Safe Schools Act.

Goals 2000, which the Senate passed 71-25, creates a national framework for setting high standards in schools. The \$422 million plan establishes eight national education goals and sets up a panel to devise model academic and testing standards. It also creates a National Skill Standards Board that would determine what skills employees need to work in various industries.

"This is a bottoms-up education reform with support from the top down," said Sen. Edward Kennedy (D., Mass.), the bill's

main sponsor.

Goals 2000 encourages school reform, but doesn't mandate anything. If states want to get federal money to reform their schools, they must submit comprehensive plans to the Education Department that explain how they would reach the national education goals. They aren't required to adopt any of the voluntary standards, but rather are encouraged to use them to devise plans to meet their local needs. Since the federal government contributes only six cents of every dollar spent on education, most lawmakers believe local districts should control their own schools.

The Senate was so concerned that people would mistakenly interpret the legislation as federalizing education or establishing a national curriculum that it inserted the word "voluntary" at more than 75 places. Already, though, 45 states have started developing new academic standards.

The Senate also incorporated the Safe Schools Act into the Goals 2000 bill, setting aside \$175 million in grant money during the next two years for chronically violent schools. These schools could receive grants of as much as \$3 million to set up conflict-resolution and other programs designed to reduce violence. Only 10% of the money could be spent on security devices such as metal detectors.

The School-to-Work Opportunities Act, which passed 62-31, authorizes \$300 million in grants for communities to create better programs for high-school students who don't plan to go to college.

# Clinton Advisers Advocate Perry For Fed Post

## Brookings Economist Views Inflation Differently Than Outgoing Angell

By DAVID WESSEL

Staff Reporter of THE WALL STREET JOURNAL  
 WASHINGTON - President Clinton's economic advisers have agreed to recommend that he name Brookings Institution economist George Perry to the Federal Reserve Board, administration officials said.

Mr. Clinton has yet to interview Mr. Perry. Aides say the president won't act on the recommendation until after his trip to Europe and after Mr. Perry has undergone the usual background investigation.

Mr. Perry, 59 years old, initially said he wasn't interested in the Fed job but later changed his mind. If nominated by the president and confirmed by the Senate, he would bring views different from those of the Fed governor he would succeed, Wayne Angell, the banker and economist who was named to the seven-member board by President Reagan.

Mr. Angell, a hard-line advocate of eliminating inflation, sees the price of gold and other commodities as the best guide to making monetary policy. Mr. Perry is in the mainstream of macroeconomics and is likely to advocate a balanced monetary policy that both contains inflation and maintains economic growth. He doesn't talk about the need to reach "zero inflation" and has discounted the importance of gold prices.

In a column published in the Los Angeles Times in October, Mr. Perry wrote that "the policy surprise that would most upset markets today would be a premature increase in interest rates that disrupted the recovery long before we had achieved a healthy economy with good job markets for workers and restored profitability for firms."

Back in June, he wrote that the Fed "is concerned with inflation all the time. It would be the first . . . to detect a genuine problem if one should emerge. On the other hand, we are fortunate that our own Fed doesn't have the tunnel vision of the present policy makers at the Bundesbank," which at the time was holding German interest rates high to squash an inflation threat even though it was contributing to a recession across Europe. In that same essay, Mr. Perry said there's no reason to believe that gold prices have "any noticeable effect on finished goods' prices or that they predict inflation more broadly."

The other finalists for the Fed post were Princeton University economist Peter Kenen and Van Doorn Goms, chief economist for the private Committee for Economic Development. Although Mr. Clinton's advisers considered all three to be well-qualified, they were eager to select an economist whose stature and personality would equip him to influence Fed Chairman Alan Greenspan and other Fed officials.

Mr. Perry has been at the Brookings think tank in Washington since 1969. After earning a doctorate in economics at the Massachusetts Institute of Technology, Mr. Perry served on the staff of President Kennedy's Council of Economic Advisers and later taught at the University of Minnesota.



George Perry

# HealthTrust Inc. Mulls Acquiring Epic Healthcare

## Latest Consolidation Move In Hospital Industry Could Cost \$400 Million

By ROBERT TOMSHO AND GLENN RUFFENACH

Staff Reporters of THE WALL STREET JOURNAL

HealthTrust Inc. is negotiating an acquisition of closely held Epic Healthcare Inc. in what would be the latest consolidation in the hospital industry, according to people familiar with the talks.

The proposed purchase of the Dallas company, which would join two of the

### Health-Care Legislation

Welfare reform shouldn't have to wait in line behind health-care legislation, Senate Finance Committee Chairman Daniel Moynihan said. Article on page B5.

nation's 10 largest for-profit chains, could cost as much as \$400 million, plus the assumption of Epic's nearly \$600 million in long-term debt, industry experts estimate.

While neither company would discuss the matter, or confirm that negotiations are under way, people familiar with the talks said an agreement could be announced as early as this week.

In composite trading Friday on the New York Stock Exchange, HealthTrust closed at \$25.875, up 12.5 cents.

### Falling Occupancy Rates in Hospitals

The combination of the two chains would represent another step in the rapid consolidation of the hospital industry, amid declining occupancy rates and cost-cutting pressure from the Clinton administration.

Orinda HealthCorp., a Nashville, Tenn., chain, recently agreed to buy both Summit Health Ltd. and American Healthcare Management Inc., creating a company with \$1.6 billion in revenue and 46 acute-care hospitals in 17 states. Meanwhile, Columbia Healthcare Corp., Louisville, Ky., hopes soon to complete its acquisition of Nashville-based HCA-Hospital Corp. of America. That purchase will create the nation's largest for-profit hospital chain, with estimated revenue of \$10 billion and 190 hospitals in 26 states.

Based in Nashville, HealthTrust is the nation's second-largest for-profit chain, with 81 hospitals in 21 states. Nonetheless, the acquisition of Epic, with its 39 hospitals in 10 states, would leave HealthTrust far behind the Columbia-HCA entity in size. The purchase, however, would create an operation with 120 hospitals in 22 states, and estimated \$3.4 billion in revenue.

Both HealthTrust and Epic operate primarily in the South and West, with Texas the biggest market for both. Still, overlap

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# HealthTrust Is Said Considering Purchase Of Dallas Company

Continued From Page A2

in any one metropolitan area would be minimal; and Epic would help expand HealthTrust in California and Louisiana.

Some observers question the acquisition value of Epic, which reported a net loss of \$25.1 million for its fiscal year ended Sept. 30, wider than the year-earlier net loss of \$19.3 million. Revenue rose 8.3%, to \$1 billion, from \$941.3 million.

Epic's system is weighted heavily toward smaller-market facilities; the larger urban hospitals that it does have seldom dominate their markets. Moreover, Epic, which is controlled by an employee stock ownership plan, remains saddled with debt from its 1988 spinoff by American Medical Holdings Inc., Dallas, which still holds a 22% stake.

Spun off by HCA in 1987, expansion-minded HealthTrust recently set up joint ventures with competitors in California, Florida and North Carolina. And it purchased five hospitals in Texas and Tennessee for \$90.1 million and agreed to buy three more in Utah.

Moreover, HealthTrust has broad experience running facilities like Epic's. About 40% of HealthTrust's hospitals are in rural communities.

The company has slashed debt and significantly boosted revenue from outpatient services, to \$1.1 billion in 1993, from \$437 million in 1989. For its fiscal year ended Aug. 31, 1993, HealthTrust reported earnings of \$121.6 million, or \$1.46 a share, compared with a year-earlier loss of \$43.1 million, or 88 cents a share. Revenue rose almost 6% to \$2.40 billion from \$2.27 billion.

## Moynihan Asserts Reform of Welfare Shouldn't Wait on Health Legislation

By ALBERT R. KARR

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Senate Finance Committee Chairman Daniel Moynihan said that welfare reform shouldn't have to wait in line behind health-care legislation.

The New York Democrat said he was troubled by a meeting with White House officials on health-care changes last Monday, when he recalled that those officials said several times, "We won't have time for welfare until we get this health-care bill."

"That won't work," Sen. Moynihan declared yesterday on NBC News's "Meet the Press." While saying that health care should be a high priority, he took issue with President Clinton's frequent assertion that there is a health-care crisis. "We don't have a health crisis in this country," Sen. Moynihan said. "We do have a welfare crisis. And we can do both." He noted that a year after the Clinton inauguration, there still isn't any welfare bill, though he noted the president campaigned on the issue and frequently refers to it in speeches.

Mr. Moynihan said he thinks he is making some progress with the White House in emphasizing the need to move ahead with a bill to overhaul the welfare system, which has long been a crucial Moynihan issue. And he seemed to back off comments that he made in a New York Post article last Friday, when he was quoted as saying that he "might just hold health care hostage" until the White House makes good on promises to push welfare legislation.

Clinton aides, worrying that welfare reform may interfere with their health-care initiative, have said that an administration bill on welfare won't be ready until spring. The bill is expected to call for more-extensive job training for welfare recipients and require them to move into jobs after two years on the rolls.

"The administration wants swift action on both these issues," health and welfare reform, Bruce Reed, a White House domestic-policy aide who is helping craft the Clinton welfare package, said in an interview yesterday. He said the administration "is eager to move forward on welfare reform," plans to offer its proposal this year and hopes Congress will pass it soon.

On health care, Sen. Moynihan suggested that the administration's proposal to cap health-insurance premiums is too severe. And he said health-care legislation will need Republican support in the Senate for it to move toward enactment.

Sen. Moynihan complained that while President Clinton is "dead serious" about welfare reform, "he's appointed a lot of people who aren't as serious as he is." Sen.

Moynihan has been meeting with a 33-member administration welfare-reform task force, whose members are uncertain about whether he'll support the White House's specific proposals. In the New York Post story, he complained that the White House's draft welfare plan doesn't provide the money needed to fund the changes.

The senator also said on the NBC program that he had a long talk on welfare Saturday with White House adviser George Stephanopoulos, "who says they're coming along." Sen. Moynihan said that now, "I think we have their attention."

As for health care, Sen. Moynihan didn't agree with an earlier assertion by Senate Minority Leader Robert Dole (R., Kan.) that the Clinton idea of putting caps on health-insurance premiums, to hold down costs, is dead. Instead, he said that the question is really "at what level" those caps should be set.

The Clinton proposal would limit growth in premiums, by the end of the century, to the general rate of inflation, plus population growth. "That would be quite an achievement," considering that health costs have been climbing as much as 10% a year, Sen. Moynihan said.

### American Air to Lay Off 775 Workers at Airports

By G WALL STREET JOURNAL Staff Reporter

FORT WORTH, Texas — American Airlines said it sent layoff notices to 775 employees last week, part of its plan to shrink the AMR Corp. unit by 5,000 jobs during 1994 and 1995.

The employees affected are those who work in airport operations, including ticket and gate agents, baggage handlers and fleet service. The layoffs take effect Feb. 4. While their positions will be eliminated, not all of the workers will lose their jobs; in some cases, employees can work part time and depending on union rules, some high-seniority workers can bump those with less seniority.

As part of the move, American said it plans to announce management layoffs at month's end. Pilot furloughs, which stand at 275 now, will be 400 to 450 by spring, the company said.

American, which has lost hundreds of millions of dollars since 1990, said last year that it would shrink money-losing airline operations and beef up its non-airline technology units.

WP-Clips

# N.J. to Calif., welfare reform is a voter magnet

By Judi Hasson  
USA TODAY

Ron Freeman, a Republican running for Congress in Missouri, isn't embarrassed to tell voters his family was once on welfare.

In fact, Freeman, 34, is using his welfare experience as part of a campaign that promises to change welfare if he's elected.

"For a time we were on welfare as a family," the former pro football player says in a campaign ad. "But (my mother) understood that if we were dependent on the government, we could never be free."

Freeman, one of 15 black Republicans running for the House, has picked up on welfare reform as a hot-button issue connecting with voters of both parties nationwide.

While President Clinton's campaign promise to "end welfare as we know it" made little headway in the 103rd Congress, welfare reform is among a handful of very personal issues that are hitting home this year, along with crime, character, taxes and anger about a government that doesn't seem to work.

"It's part of a matrix of issues that go to people," says GOP consultant Don Sipple. "To the extent the attitude is 'I work hard, pay taxes and I'm not getting ahead,' ... this is one of several issues people believe is relevant."

Welfare reform should be center stage next year, as President Clinton pushes to overhaul the \$13 billion system and forge a centrist building block for his 1996 reelection campaign.

But already, from New Jersey to California, in governors' races, and congressional campaigns, Democrats and Republicans are talking about welfare controls — from time limits to requiring work for benefits:

▶ At least seven Democratic Senate candidates are using welfare in TV spots.

"He'll tackle a problem the career politicians just keep talking about," says an ad for Joel Hyatt, Ohio Democratic Senate candidate. He wants job training tied to welfare.

In California's Senate race, GOP Rep. Michael Huffington says he wants to end federal welfare programs and send that money to state and localities. Taxpayers should be able to deduct 100% of charitable donations, he says, and give more to charities.

▶ Gubernatorial races are finding it's a good issue, too, since most states face a budget drain caused by welfare.

Texas GOP candidate George W. Bush attacks Gov. Ann Richards for, he says, watching state welfare rolls grow by 227,000 since 1990.

"People should be on welfare no longer than two years," he says. "A person who has more children ... shouldn't get more money."

Richards says changes made in Washington — some under President Bush — kept welfare rolls high.

▶ In House races, candidates promise new answers. Says Oklahoma GOP candidate Steve Largent: "We've got to develop a welfare system that lifts people up, not keeps them down."

But welfare, while an easy target, often rivals health coverage in its complications, costs and multitude of special interest groups.

Candidates also must walk a fine line between calling for reform of welfare and sending a thinly veiled message that attacks the poor, minorities, or single mothers.

"If you play it wrong, it can really bite you," says Democratic consultant Carter Eskew. "If you advocate measures that are seen as punitive then you run into trouble with two groups of voters — women ... and African-American voters who overwhelmingly favor welfare reform, but with some meaningful incentive to get people off welfare."

That's why many candidates are talking about "values" — a buzz word for saying welfare is a family or community problem.

In his ads, Dave McCurdy, a Democratic congressman running for Senate from Oklahoma, says: "My parents taught me to work hard, earn my own way. That's why I'm fighting to change welfare."

In northern California, Republican Mike Nugent is trying to turn the tables on opponent Democrat Lynn Woolsey, who got public assistance for three years when she was a single mother 25 years ago.

Nugent, the oldest of 11 children, says his mother turned down welfare and went to work after his father died in 1968.

"I operate on the assumption that most of the people who are on welfare don't want to be there," says Nugent, a commodities broker.



AS THE AD SAYS: Ohio Democrat Joel Hyatt will 'tackle a problem the career politicians just keep talking about.'

## IN WASHINGTON

### Good news for 2 Dems

Things may not look quite as bleak for Senate Democrats as some forecasters have suggested. Recent polls find two high-profile incumbents, Sens. Edward Kennedy of Massachusetts and Dianne Feinstein of California, have taken the leads in their races. One poll gave Kennedy a 5-point advantage over Republican businessman Mitt Romney. In California, polls now put Feinstein 7 to 9 points up on Republican Michael Huffington, who has spent an unprecedented \$17 million of his own fortune on TV ads, but has been hurt by negative news coverage.

**JACKSON CAMPAIGNING:** Jesse Jackson is urging working-class blacks and whites to vote and help head off big Republican gains in Congress. GOP control, he told the USA TODAY editorial board Wednesday, would "repeal" gains made by minorities over the past 30 years. Failure of minorities to vote, he added, would aid Republicans, whom he accused of resorting to "race-baiting" and "fear-peddling" to gain votes of middle-class whites concerned about crime, moral breakdown and government spending. — Richard Benedetto

**D.C. ENDORSEMENT:** The Washington Post didn't just endorse Republican Carol Schwartz in the city's mayoral race, the paper went so far as to "wish we could have back" a 1986 endorsement of the Democrat, former mayor Marlon Barry. The editorial said the paper's regret was not only because Barry later was convicted of cocaine possession but because his performance as mayor "created much of the fiscal and social wreckage the city is still having to contend with today." But it acknowledged Barry is the "odds-on favorite."

# Clinton, pushing to see schools make the grade

By Dennis Kelly  
and Tamara Henry  
USA TODAY

WASHINGTON — Life and legislation don't seem to be separated by much for President Clinton, at least on matters of education.

In an interview Wednesday with USA TODAY, Clinton called up some Arkansas anecdotes to make points about education. He talked about his former sixth-grade teacher when discussing the need to improve pay for today's teachers. He talked about how he got rules changed to make federal money work better for Arkansas schools.

Mostly he was upbeat and relaxed, basking in the glow of a half-dozen education bills he's been able to pass since taking office, an area of notable successes stacked against notable defeats in areas like health care.

"I think this Congress will go down in history as a great Congress for education," Clinton said in the Oval Office interview.

But his critics think he shouldn't feel so positive, arguing that some legislation could cause long-term damage.

Clinton weighed in on a variety of education issues. He:

► Voiced support for the concept that public schools should be able to contract with private firms to run their schools, as the Hartford, Conn., schools voted to do recently. The test should be whether it's appropriate for the local district, he says.

► Said he opposed California's Proposition 187, the Nov. 8 ballot measure that, if passed, would bar illegal immigrants and their children from almost all public services, including school.

"I understand why people are frustrated. They don't want to pay for the education of other people's kids," Clinton said. "But I don't think the answer is to say we're not going to educate kids who are here or to punish the children because we can't figure out how to keep their parents out of the country."

► Said he's disturbed that the country hasn't made greater educational progress even though spending on elementary and secondary education has risen 40% above the rate of inflation the last 10 years.

"One thing a lot of money hasn't been spent on is academics," Clinton said. "A lot more money has been spent on administration. And that's not good."

It's not higher teacher pay that's the problem, either, he said. That's what spurred his thoughts about his

now-deceased sixth-grade teacher, who, like many women of the day who chose to be teachers, made little money.

"We should be paying teachers more," Clinton said.

One of Clinton's education successes was passage last year of an income-contingent loan repayment plan — jargon for a program that lets students pay off college loans over a longer period of time. Clinton availed himself of an income-based plan at Yale that let him pay off loans when he wasn't making much money while teaching in college.

The draft regulations for Clinton's plans have come under attack, however. The American Association of State Colleges and Universities says the plan would reduce payments in such a way that they don't even cover monthly interest. The result is that unsuspecting students might be burdened by even greater amounts of debt.

Clinton responded that the key to the program is full disclosure so students understand the costs. If there are problems, they could still be worked out, he said. "But I think it's important we gave this option so that nobody need fear borrowing money and nobody need fear their capacity to pay it off."

Many black colleges have shunned Clinton's direct loan program, in which a percentage of colleges make loans directly to students, bypassing banks as middlemen. But Bernard Franklin, president of North Carolina's Livingstone College, says the concept has been made more palatable with recent adjustments in the law. "Whether we like it or not, I think it's kind of the handwriting on the wall that that's kind of the direction in terms of the

## Learning lessons with Chelsea

By Dennis Kelly  
USA TODAY

President Clinton says he and the first lady have always tried to help with daughter Chelsea's schoolwork.

When Chelsea was in grade school, she and then-Gov. Clinton worked to improve her language skills by writing letters to each other daily.

"It was a great exercise," he says. "You think about it. It's a good thing for working parents."

"To a single-parent home or a home where both parents work, a great little device is to say, 'You have to write me a letter every day and I have to write you a letter every day.'"

Clinton says one of the reasons the Head Start program has been so "wildly popular" is that "we have involved parents." He says the Elementary and Secondary Education Act bill he signs today in Massachusetts contains "a similar outreach to involve parents in a more systematic way."

Clinton says now he works with Chelsea on her writing and discussions of classes, like Latin American history.

"She comes in and we talk about her papers and she talks with her mother about her papers," Clinton says. "She asks for our criticism. We take a very active interest in her schoolwork. We always have. It's been a great deal of fun."

loan program. It's something that we have to be very sensitive to and be prepared for."

Clinton specifically rejected criticism by former education secretaries Lamar Alexander and William Bennett that the new Elementary and Secondary Education Act he signs today would fashion a "national school board" that usurps local control of curriculum.

"The last thing I want to do is nationalize education," Clinton said. "I'm a governor sitting in the White House" and the bill is a "triumph" of the debate governors have waged

with Washington for years on education funding, he said.

The bill does more, for instance, to give states flexibility in use of Chapter 1 money that's targeted at math and reading help for disadvantaged kids. When he was governor in Arkansas, he said, he got a federal exemption so the Chapter 1 and special education money could help an entire first-grade class, not just certain children. The results were higher test scores, he said.

"This is stuff we have known for years," he said. "And we're finally fixing it on a more systematic basis."

## Several measures become law today

With today's signing, several groundbreaking education initiatives become law. Congress passed, in the past 21 months, bills to:

► Create school-to-work programs that bring employers and educators together to train non-college-bound students for careers in high-skill, high-wage jobs.

► Establish a national service program that allows 20,000 young people to earn money for college by offering service to their communities. Thousands of volunteers are already at work in neighborhoods and schools across the country.

► Revamp the student loan program by allowing borrowers to bypass banks and get loans directly from the schools. Students would be given flexible repayment options, ones that tailor their monthly payments to match their ability to repay. More than 100 schools are in the direct loan program with the number expected to increase to more than 1,000 next year. Education officials say the new program re-

duces paperwork and is expected to save taxpayers billions of dollars in fewer loan defaults.

► Develop tough academic and workplace skills standards, and put into law eight national education goals. Schools, school districts and states are allowed to cut through red tape by allowing for extensive waivers. In the six months since President Clinton signed the Goals 2000: Educate America Act, nearly three-fourths of the states have applied for first-year funding to develop and expand school improvement efforts.

► Fund violence prevention programs at schools plagued with serious crime. The new law has mandatory one-year suspensions for students who bring guns to school.

► Spread \$12 billion among public schools to aid in the education of students with special needs, especially poor, migrant and limited English-speaking students. More federal funds will be provided to areas with the highest concentration of poor students.

By Doug Mills, AP

MENTOR DAD: President Clinton says he and first lady Hillary take 'very active interest' in daughter Chelsea's schoolwork and have fun discussing it.

WR-NC

# Clinton Faces Tough Choices On Welfare

## One Controversial Option Would Reduce Benefits For Certain Child Care

By RON SUSKIND

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President Clinton, struggling to find enough money to fund his welfare-reform plan, is considering a proposal to cut benefits to nonparents who care for relatives' children.

The cut would raise as much as \$7 billion over five years, more than any other single funding device in a package put before the president. It has caused deep dissension among cabinet officials and political advisers, some of whom think it's too harsh and others who want it preserved at least in part.

Within the administration, opponents of the idea fear that if these care-givers— aunts, cousins or grandparents who care for a child—lose their welfare benefits, the children may end up in foster care or be put up for adoption.

It is one of several delicate choices confronting Mr. Clinton, who must decide how much to stake on a commitment "to end welfare as we know it" that is at the core of his identity as a new kind of Democrat.

Also on his desk, according to administration officials, is an option to raise taxes. A tax on gambling establishments and increased withholding taxes on winnings— together bringing in \$4.16 billion over five

years — are listed as part of the financing for even a bare-bones welfare reform program. Meanwhile, Treasury Secretary Lloyd Bentsen has committed to making  
Please Turn to Page A4, Column 1

# Welfare Options Before Clinton Include Unpalatable Cuts, Taxes

Continued From Page A3

one more pass through the tax code looking for places to raise revenue.

The package that the president's welfare working group and cabinet officials presented last week to Mr. Clinton offers two paths. One is a stripped-down reform plan, with basic job training and work programs centered around a two-year limit on benefits, costing \$10.6 billion over five years. The other is a more ambitious plan, which adds in substantial child care for the working poor, many important experimental programs in the states, and rules encouraging recipients to build modest financial security without losing benefits; that plan would cost \$18.4 billion over five years.

Either way, the plan would be phased in slowly over five years, with only 36% of welfare recipients—those born after 1972— included by the time the program would become fully effective in 1999.

But even getting the \$10.6 billion needed for the more modest plan — which both liberals and conservatives in Congress will certainly criticize as paltry — has been a daunting challenge. The plan's funding will include: \$2.1 billion over five years from cuts in emergency-assistance programs to states, including those for the homeless; \$2.74 billion over five years from curtailing supplemental security benefits and welfare that go to many older noncitizens; \$4.16 billion over five years from the gambling tax and withholding increases on winnings; and \$1.52 billion over five years from better targeting of the earned-income tax credit and child-care and nutrition programs.

The \$18.4 billion plan is a more substantial program with provisions welfare experts have been crying out for. One is allowing higher asset levels for recipients, so they could have modest savings accounts, furniture and a decent car without losing eligibility for benefits. This would cost \$4 billion over five years. There would be about \$1.5 billion over five years to fund trial programs in states, dealing with such areas as job creation for absent fathers and small-business loans to get some recipients off welfare. This proposal is funded at only \$500 million in the stripped-down plan. Child care for the working

poor — funded at only \$2.5 billion over five years in the more moderate plan — would double in the more ambitious version, something reform advocates say is crucial to keep welfare rolls from growing.

But to do all that, the president would have to embrace the controversial cuts to nonparent caregivers, an area that some cabinet members groused about as harsh and counterproductive when it was presented to Mr. Clinton last week.

There were 700,000 so-called child-only cases in 1992 — about one-sixth of the total welfare caseload — in which relatives took care of a child whose parents were absent. These care-givers can't collect food stamps if they earn more than 130% of the poverty level, but they collect money from the program of Aid to Families with Dependent Children no matter what their income. The proposal, to bring AFDC eligibility in line with the 130% food-stamp income standard, would shrink welfare rolls. Also, three-generation households — where grandmothers oversee adult mothers and their children — would have to meet food-stamp income standards.

# The president ends welfare reform as we know it

By E. Clay Shaw Jr.

Surprise, surprise — President Clinton won't be ending welfare as we know it after all. Ira Magaziner and others in the administration say that the president has decided to demote welfare reform to secondary status on the administration's list of objectives for 1994. Understanding why the president made this decision is a lot easier than justifying it.

The major reason Mr. Clinton banished welfare from his agenda is now clear: He is not a New Democrat. In his run for the presidency, Mr. Clinton understood one thing that most prominent Democrats were inca-

*E. Clay Shaw Jr., a Florida Republican, is a member of the welfare subcommittee of the House Ways and Means Committee.*

pable of admitting — Republicans controlled national elections because their values were in tune with those of the American people. By contrast, the Democratic values of tax and spend, big government, weak defense and equality of results (rather than equality of opportunity) were in conflict with the public's views. To win a presidential election, a Democrat could follow one of two courses:

First, the candidate could undertake the truly difficult work of figuring out new ways to contain the role of government while at the same time making it more efficient and effective. A major part of this task would be inventing improvements for deeply rotten social programs — such as welfare.

Or second, the candidate could undertake the truly slimy task of figuring out ways to convince people there was a New Democrat philoso-

phy and then use this claim as a cover to perpetuate old liberal values and programs on the nation.

Contrast Mr. Clinton's promises with his behavior. Yes, I'm going to slash the deficit. Oh, I didn't realize the deficit was so big; now I can't cut it as much as I promised. Yes, I'm going to give the middle class a tax cut. Oh, gosh, I didn't realize the government needed so much money, so I'm going to put off the tax cut for a little while. Government wastes too much money, but of course I just have to create some new entitlement programs and spend \$100 billion or so on welfare — oops — I mean investment programs. Yes, I know how to help the Haitians; yes, I'm going to save Bosnia; yes, I'm going to maintain a strong defense; yes, I'm all for family values.

There is delicious irony in the administration's explanation for why welfare reform must be banished; namely, to give the president and his liberal colleagues on the Hill adequate time to

concentrate their energies on reforming medical care. The president and his supporters want universal health insurance. More to the point, they want the government to control another 14 percent of the American economy, rather than simply to use Medicaid and Medicare to exercise hegemony over the health care market. And, of course, the Clintons want their name affixed to the biggest expansion of government power since the enactment of Medicare and Medicaid in 1965 — and perhaps even since the enactment of the Social Security Act in 1935.

It is precisely this socialist agenda that displaced the New Democrat agenda of ending welfare as we know it.

While the Clintons are busy foisting government control of medical care on a gradually awakening public, the nation remains in desperate need of welfare reform.

Over 3 million families now on

welfare will be dependent for eight years or more. Exploding illegitimacy rates, and their role in forming and nurturing the urban underclass, threaten the very fabric of our civilization. Millions of fathers fail to pay child support, so taxpayers pick up the tab. States and localities need much greater flexibility to design and run their welfare programs so states like Wisconsin can match their programs to local conditions and experiment with new ideas. The nation continues to spend at least \$10 billion a year on welfare for noncitizens, many of whom have never worked in the United States. The federal government will spend nearly \$245 billion on welfare programs this year, and the amount has grown by the shocking average of more than \$18 billion per year over the past five years.

Congressional Republicans have already introduced welfare reform

legislation to address all these problems. With NAFTA as an inspiring example, there is little question that a coalition of moderate Democrats and Republicans could enact a bill that attacked these problems. We are aware that our bill would need modification before Mr. Clinton could sign on, but the ways and means of achieving these modifications are typical fare for legislators and a president who are honestly committed to the task at hand.

The poor are trapped in a welfare system and must be rescued. The time is now. Simply paying the disadvantaged to stay in their place is no longer acceptable. Ending welfare as we know it is within our grasp now. All that is needed is a New Democrat in the administration to provide leadership. Failing serious efforts for welfare reform from this president, we will have to wait for a Republican.

Bruce:  
Will welfare reform be  
top on the list for '95  
or will it still go  
down in 1994?

Call me.

Send M.  
x6500.

Read  
Domestic Policy  
2nd fl, OCSB

2/2

# Destination NATO

As Europe enters the New Year, 1994, Mad Vlad has concentrated the mind of Europe wonderfully.

After a road trip even less successful than Michael Jackson's, Vladimir Zhirinovskiy, the ultranationalist who ran first in Russia's recent elections, had his visa request denied by Germany. Response: Mad Vlad threatened Germany with nuclear annihilation.

The prescription that Europe is now reaching for to ease its angst is a familiar one. Europe wants the United States to commit itself, forever, to defend all of Europe against any revival of Russian imperialism.

Expansion of NATO, extension of the U.S. security umbrella to Poland, Hungary, the Czech Republic and Slovakia, will be the first course served up to President Clinton in Brussels, the first item on the agenda of Lech Walesa and Vaclav Havel when Mr. Clinton lands in Prague.

Reasons for expanding NATO: to strengthen democracy in East Europe, reward nations for taking the freedom road, deter Moscow from attempting to create a new "sphere of influence" in Central Europe. Mr. Clinton's "Partnership for Peace" is being held out as a sort of halfway house for Eastern Europe, leading to full NATO membership.

But the most critical reason for denying new memberships in NATO is never mentioned: It would be a snare and a delusion.

Under Article 5 of the treaty, America is committed to go to war to defend each of 15 NATO allies. But the United States is not going to war against a nuclear-armed Russia to defend countries east of the Oder River. Not now, not ever. To pledge Poles, Hungarians or Czechs we will is to deceive these brave peoples into entrusting their survival to an illusion. An America that would not fight in Bosnia is not going to fight in Slovakia. It is as cold and simple as that.

How many times have we led these people on?

In 1939, Neville Chamberlain and Edouard Daladier gave Warsaw a guarantee that Britain and France would go to war to defend Poland's integrity. Relying on that promissory note, Poland's foreign minister refused even to talk to Adolf Hitler about his demands for access to Danzig, which had been cut off from Germany by a "Polish Corridor" created by the Versailles Treaty.

Hitler and Joseph Stalin fell on Poland. Warsaw tried to cash her IOU. While the Brits and French applauded the Poles' heroism, they did so, safely, from behind the Maginot Line. Poland disappeared, sliced in two, converted into a giant concentration camp and killing field for Poles and Jews.

Six years later at Yalta, Winston Churchill and Franklin D. Roosevelt acceded to Stalin's demand he be permitted to keep the slice of Poland Hitler had given him.

## Misplaced expectations

Munich and Yalta became synonyms for Western guarantees.

In 1956 Hungarian rebels, egged on by Radio Free Europe, rose up, drove out the Red Army, declared themselves part of the West. Nikita Khrushchev's tanks returned with Mongol troops, and a paralyzed West did nothing. By 1959, the Butcher of Budapest was touring Iowa farms and Hollywood studios as Dwight Eisenhower's guest.

In 1968, Leonid Brezhnev ordered the Prague Spring drowned in blood if necessary. Lyndon Johnson did nothing. By 1973, detente was in, and Leonid Brezhnev was in San Clemente ogling Jill St. John.

In 1981, Yuri Andropov probably gave the order to assassinate the Polish pope and Gen. Wojciech Jaruzelski smashed Solidarity. President Reagan declined to put Gen. Jaruzelski's regime in default on its overdue debts. That would have risked collapse of the German banks that had lent billions to Mr. Brezhnev's empire.

During the run-up to the Gulf war, Mr. Gorbachev sent Black Berets into Lithuania and Latvia. Preoccupied with Saddam Hussein, George Bush did nothing. Instead, Mr. Bush used his visit to Kiev to warn the Ukraine against "suicidal nationalism."

Point of these episodes: If in the chilliest days of the Cold War, strong U.S. presidents could not, or would not, risk confrontation with Russia over Eastern Europe, it is naive to think we will today risk war for Eastern Europe. It is not appeasement to say this; it is to tell the truth, for once, to heroic people who have been misled and betrayed too often.

Wherever one wishes to draw the Red Line on U.S. vital interests — the Maine Coast, the English Channel, the Rhine River, the Fulda Gap — that line is not east of the Oder-Neisse. If Ike, LBJ and Messrs. Reagan and Bush would not risk war over Hungary, Czechoslovakia, Poland or Lithuania, does anyone think Bill Clinton would do so?

Free Europe today has more people and wealth than the United States and Canada combined. She has British and French nuclear arms; while a truncated Russia has only half Europe's population and a tenth of her income. What Europe lacks is fortitude, vision and will. America has provided these for half a century; we cannot do so forever.

*The most critical reason for denying new memberships in NATO is never mentioned: It would be a snare and a delusion.*

Patrick Buchanan is a nationally syndicated columnist.

To: Bruce  
Read

FYI.

James M

# Welfare, Work And the Real World

By Richard P. Nathan

**T**here is a groundswell of discontent with the nation's welfare system and the problems of broken or never-formed families.

A favored solution, strongly advocated by President Clinton in his State of the Union Message, is to put heads of welfare families to work — work instead of welfare. This is a good idea, but before we plunge, let's look at the record.

An Administration estimate that was disclosed yesterday suggests that as many as 2.3 million people might be subject to work requirements under the Clinton program. The last big Federal jobs program, the Comprehensive Employment and Training Act, was less than a third that size at its peak of 750,000 jobs in 1978.

And CETA was both costly — \$4 billion in 1978 — and very unpopular. Many of these subsidized jobs were criticized as unproductive; when they were productive, unions often fought them because they were non-union jobs. Right after the 1980 Presidential election, the program was eliminated.

Why was it junked? And what are the implications of CETA's fate for today's debate on work instead of welfare?

A group of researchers, based at the Brookings Institution and later at Princeton University, studied 40 states and localities where CETA workers were employed. They found that in its early form, the program was set up to be countercyclical — to provide jobs to compensate for high-level unemployment.

President Jimmy Carter's emergency stimulus plan of 1977 called for a big increase in the number of CETA jobs. The money was paid to states and localities, with good results. These governments did things they couldn't otherwise afford: clean up parks and streets, put more hall monitors in schools, add backup help for clerical duties at police stations and in other public offices.

When the 1976-77 recession ended, supporters of the program sought another purpose for this stream of Federal money. They hit on helping the disadvantaged, and shifted the program to provide work training and experience, especially for disadvantaged people like heads of families on welfare who had long been out of the labor force.

But state and local governments resisted the new requirements for selection and training. Because the

CETA workers were hard to place and supervise and often lacked job experience, most were farmed out to nonprofit organizations that provided social and community services.

Some organizations did work of marginal value. Such jobs — for sex-therapy clinics, experimental art and drama groups, yoga centers — fed the critics. The result: the CETA program bit the dust.

What does this tell us about how we could help the five million adults and nine million children receiving Aid

even a quarter of the well-structured, supervised and useful jobs needed for the welfare caseload in a timely way. And child care for millions of kids while their mothers worked would be a huge undertaking, even if family members cared for many of them.

## How many jobs can we provide? Who gets them?

Where would the jobs be? Public jobs, even if limited to a year or 24 months at most, would appeal to many poor parents. But based on CETA's history, there is good reason to believe that states and localities would resist directly hiring huge numbers of people under conditions like those of the second phase of the CETA program.

There are many first-rate community organizations that provide social services and promote neighborhood development that could participate. But it would be no easy task to choose which should be eligible, and to supervise and monitor what they did as employers of heads of welfare families.

A dose of reality is called for. Jobs instead of welfare is a nice slogan, not a sweeping, simple solution.

We need to focus on two things: the number of jobs we can reasonably afford and manage; the heads of welfare families we most want to reach.

The best group to concentrate on is teen-agers with one child who are not in high school or in a training program. There are 213,000 heads of welfare families who are 16 to 20 years old and have one child. We need to reach this vulnerable group, which stays on welfare longest, to nip the welfare-culture in the bud. Teen-age pregnancy has more than doubled in the last 15 years, to 1.2 million yearly; soon one of every three babies in America will be born to an unwed mother.

Instead of requiring all heads of families to take a job after two years on welfare, as Mr. Clinton advocates, it would be wiser to tell teen-age mothers on welfare: if you are not in school (whether you've graduated or dropped out), we will provide you with one year of work experience right away in the public or private sector.

This manageable task would build on the Family Support Act of 1988, which set up the Job Opportunities and Basic Skills — JOBS — programs in all 50 states to channel welfare family heads into the work force and help them become self-sufficient.

This change — and other needed legislative improvements in the JOBS program that would provide incentives to push the jobs-instead-of-welfare idea forward — would be a far better strategy than introducing an acrimonious national debate about grand new ideas to end welfare that have no bearing on what we can afford or manage to do. □

Richard P. Nathan is director of the Nelson A. Rockefeller Institute of Government, the public policy re;

# Both Sides Describe Ulster Talks As 'on Track'

By JAMES F. CLARITY

DUBLIN, Jan. 30 — Seven weeks after Britain and Ireland formally proposed a framework for peace in Northern Ireland, leaders of both Governments suggest that their plan, while vulnerable, is firmly on the track toward its ultimate goals: an end of violence by the Irish Republican Army and the inclusion of Sinn Fein, the I.R.A.'s political wing, in the peace talks.

The leaders, Prime Minister Albert Reynolds of Ireland and Sir Patrick Mayhew, the chief British official in the North, seem to believe that they can convince the president of Sinn Fein, Gerry Adams, that their proposal is not a trap and that it provides a basis for negotiations that he and the I.R.A. can accept without compromising their ultimate goal of a united Ireland free of British control.

"The declaration is alive and well," Mr. Reynolds said in an interview.

Of Mr. Adams and the I.R.A., he added, "The declaration is being debated deeply and intensely by republicans, and I don't expect a response until it has all been debated in their own organization. It would be unrealistic to expect a solution to a centuries-old conflict within a few weeks."

## 3,114 Killed Since 1969

The guerrilla war in Northern Ireland has killed 3,114 people since 1969.

Mr. Reynolds acknowledged that a drastic increase in violence, which has been at a relatively low level since the declaration was issued on Dec. 15, could destroy the peace plan.

But Sir Patrick said on Friday that "we believe there is rational ground for being hopeful" that Sinn Fein would eventually accept the declaration.

The killing rate in the North has slowed down. Eighty-four people were killed last year; slightly fewer than half the deaths were attributed to the I.R.A., the others to Protestant paramilitaries. Only three people have died since the British-Irish declaration; one killed by the I.R.A. and two by Protestant gunners. The I.R.A. has continued to explode bombs at military and police targets in the north but has avoided attacks that could hurt civilians.

Mr. Adams's ability to persuade the I.R.A. to lay down its arms was enhanced today when the United States agreed to allow him to enter the country to speak at a conference Tuesday in New York. He had been banned because of his links to the I.R.A., and Washington had asked him whether he was ready to renounce violence.

Shortly before the visa was disclosed, Mr. Adams said on television that he was "absolutely convinced" that "we will have a negotiated settlement, and we will have an Ireland free of violence and of conflict."

"I want to bring an end to the Irish Republican Army, to be part of taking the gun out of Irish politics," he said. But he added that he could not renounce violence, which he calls "armed struggle," because "it would be intellectually and morally wrong for me personally."

## Clarification Is Asked

Mr. Adams has insisted that the declaration needs to be clarified, which Sir Patrick has said he will do.

While the British-Irish proposal says that Britain has no strategic or economic interest in keeping control of the North, and that Britain would abide by a referendum on unity with Ireland or union with Britain, this in effect gives the Protestant majority in the North a veto over a united Ireland.

Mr. Adams insists that Britain must try to convince the Protestants that they should accept a united Ireland, in which they would become a small minority. He has also indicated that before he sits down to negotiate, he wants Britain to agree to a timetable to withdraw its 17,000 troops and to spell out provisions for amnesty for hundreds of I.R.A. prisoners.

Some Protestant leaders, including Mr. Paisley, say angrily that the British have already become persuaders by the very nature of their concessions. Sir Patrick said on Friday that while would he not renegotiate the declaration, he would publicly elaborate on its provisions.

## How to Save Face

Many officials, diplomats and analysts say that many of the differences involve saving face: The British must not seem to be appeasing terrorists; the I.R.A. must not seem to be too quick to snap up crumbs from the Queen's table, bowing again to the nation that has ruled the North for 700 years and kept control of the six counties when Ireland gained independence in 1922.

Prime Minister John Major of Britain has been almost silent on the situation, and the onus of persuading Mr. Adams to end the war has been taken up by Mr. Reynolds. The Irish Prime Minister has made several speeches that try to reassure the Protestants, but the thrust of his remarks has been to reassure Mr. Adams and the estimated 350 active I.R.A. guerrillas.

His supporters describe Mr. Reynolds as a skilled fisherman. "He has the republicans on the hook now," an official said. "He has to give them a lot of play, like a trout. They will jump here, there, all over the place, and they could get off the hook."

To which Mr. Reynolds responds: "I don't mind if others think I'll fail, when I believe the greatest prize of all, peace, is still achievable."

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## EDITORIALS

# GUN TRAFFICKING

## Why not limit sales to one per month?

Dallas has the dubious distinction of being a major center for illegal gun trafficking. Federal authorities believe that gun runners from New York City, or other areas where local laws sharply restrict access to firearms, come here and fill the trunks of their cars with weapons purchased in stores with the help of local residents. Then they haul the guns back east and sell them illegally on the street at huge markups. A similar gun trade also is said to exist between Dallas and Mexico.

This week's announcement that the government will be studying the gun-trafficking patterns here and in nine other metropolitan areas may allow federal authorities to better understand this illegal activity. But if such pipelines for weapons are to be shut down, it is likely to require an act of Congress. Specifically,

lawmakers need to consider a tool that two states already have adopted for making gun trafficking impractical: Limit handgun purchases by an individual to one per month.

At the moment, there are no federal restrictions on the number of handguns that can be bought or sold in any one transaction. After South Carolina enacted its own limit on handgun purchases in 1975, it ceased to be a crime gun supermarket. And

when Virginia followed suit last year, the firearms traffickers again were forced to move their business elsewhere. A federal law applying the one-handgun-per-month limit to all 50 states could close all the potential pipelines at once.

Critics will argue that such a law would be an intolerable infringement on individual freedom and commerce. Yet if South Carolina's and Virginia's laws are a guide, a federal statute would

be expected to have few if any detrimental effects. Even the most avid collector isn't likely to want — or, for that matter, afford — more than 12 handguns in a year. And provisions could be made for those few individuals who have lost a recently purchased firearm and urgently need to buy another.

Would such a limit stop the bloodshed in

commuter trains, discount stores and shopping malls? No, not by itself. Only a comprehensive set of crime measures, including much stiffer penalties on the gun-toting criminals themselves, has a chance of accomplishing that. But the one-handgun-per-month rule, applied nationally, could be an important part of the solution by reducing the interstate gun trafficking that now feeds much of this crime. It merits the support of Congress.

### GUN OWNERS FAVOR CONTROLS

Even among gun owners, there is broad support for a range of stricter firearms controls. A recent USA Today/CNN/Gallup Poll found:

- 59 percent favor limiting gun purchases to one per month.
- 60 percent support a ban on cheap handguns.
- 66 percent back a ban on assault weapons.
- 79 percent support the Brady law, which requires a five-day waiting period on handgun purchases.
- 82 percent endorse mandatory firearms safety courses.

# WELFARE REFORM

## Changes in system should not be delayed

The noise coming out of the Clinton White House that reform of the nation's welfare system could be put off until 1995 is a misguided reaction to a tactical goal. The tactical goal is health care reform, and the administration wants no other issue to interfere with its massive push. Singleness of purpose may be understandable, but why should welfare reform be the sacrificial lamb?

That question especially applies to a president who campaigned on the idea that he's a "new Democrat." That he's not afraid of taking on old Democratic beliefs, such as the poor benefit financially from welfare, so why tinker with it.

Of course, as most Americans know, the welfare system does need reform — and soon. Bill Clinton placed himself among those Americans when he spoke during the '92 campaign of a welfare system that provides such benefits as Aid to Family with Dependent Children — and beefs up job training and child care — for two years. Yet after that time period, recipients must move into the work force or do community service work.

So why now move that aim to the proverbial back burner? It's certainly good news, as one study estimates, that 50 percent of single-parent recipients of Aid to Family with Dependent Children go off welfare after one year. And in Texas, 16,403 such recipients and 31,192 food stamp recipients were placed in jobs during fiscal year 1992.

But those statistics cannot mask two major problems. The first is the welfare generation phenomenon, where public assistance becomes a way of life for succeeding generations of welfare recipients. That pattern must be stopped — now.

The second problem is the rising number of welfare recipients. From 1987-1991, the number of Aid to Family with Dependent Children, food stamp and Medicaid recipients increased by 18 percent.

As a former governor, Bill Clinton knows well the problems of the welfare system. So why let up now that he has his hands on the throttles of power? Why move out of sync with the mainstream of Americans? If the idea of focusing on a health care plan that is too cumbersome, the administration answer is not sufficient.

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The Dallas Morning News  
Friday, January 7, 1994

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## IN OUR OPINION

## CONDOM ADS

*There's nothing offensive about trying to save lives*

**M**ore than a dozen years into this nation's AIDS epidemic, the Clinton administration has introduced explicit new television and radio advertisements that advocate the consistent, correct use of latex condoms — as well as abstinence — among sexually active Americans.

This is a responsible, courageous approach, aimed largely at young people, to curtailing transmission of the virus that causes AIDS. It departs from the ostrich-like posture of the Reagan and Bush administrations, which condemned too many Americans to ignorance and death to perpetuate a narrow, unreal world view that confuses political values with moral ones.

The new public service ads are plain-spoken without resorting to scare-mongering, sophisticated and often witty. If anything, though, they still seem somewhat circumspect. They don't show unpackaged condoms or how to use them. They deal primarily with heterosexual behavior, at least by implication. And while they place appropriate emphasis on the link between condoms and disease prevention, they don't address the reasons — or excuses — people give for not using condoms.

The millions of Americans who appreciate the candid, if sensitive, depiction of sexual themes in such popular television programs as "Roseanne" and "NYPD Blue" surely could handle a bit more frank-

which have placed time and content restrictions on some of the condom ads. But first things first: The ads are an advance over the just-say-no timidity of previous government approaches.

The new spots have elicited predictable tirades from the self-appointed morality police, who complain they represent government promotion of illicit sexual conduct. Even if such a false-on-its-face charge deserved to be taken seriously, young people don't feel they need the president's permission to have sex: By the time they turn 20, more than five of every six American men, and three of four women, say they have had intercourse. Those aren't all someone else's kids.

Moreover, two of every three new cases of sexually transmitted disease — some eight million a year — afflict people under the age of 25. Of course people need to know that abstinence remains the only absolute defense against those diseases, including AIDS. Of course young people should refrain from sexual activity until they acquire the maturity and responsibility to use that gift of God properly.

But they won't, not all of them. We know they won't, as much as we might wish otherwise. And because we know that, we need to narrow the odds that our children will pay for unwise, risky sexual behavior — unnecessarily — with their lives.

A free brochure on condom use is available by calling toll-free 800-342-AIDS.

# THE COMMERCIAL APPEAL

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## Stay the course

President Clinton should continue to push both welfare reform and his health insurance plan.

By Harold E. Ford

**R**ECENTLY, calculated looks and commentary about President Clinton's welfare reform plan swept the country. Desperate to regain the "wedge issue" of welfare reform, congressional Republicans introduced bills they claim fulfill Clinton's promise to "end welfare as we know it." In response, an anxious Democratic leadership of the House of Representatives asked the President to delay welfare reform until health care reform passes. What should the President do? Should he forge ahead and risk derailing health care reform, or should he delay and risk losing momentum?

I say, forge ahead, Mr. President. We should do both.

Let me be blunt. The Republican plan is a harvest of sour grapes. Clinton won the election in part because he stole what Republicans thought was their issue. His proposed a welfare



Harold Ford

reform plan that left a responsible chord with the American public — work and responsibility. In contrast, they stood off stage while the music played and the audience sang along. Now Republicans have shrunk to minibility among themselves that Clinton didn't really mean what he said and he isn't really a "new Democrat."

Congressional Democrats, too, were incredulous when the voters chose a former actor over an incumbent Democratic president because he promised not only to reform welfare, but also to increase defense spending, cut taxes and balance the federal budget. One might even say Ronald Reagan was a "new Republican." By many standards, he was successful. He succeeded in increasing defense spending and cutting taxes, primarily for the rich, but his welfare reforms have failed. And, in the immortal words of his budget director, David Stockman, he left \$260 billion budget deficits "as far as the eye can see."

NOW WE MUST struggle not only with the Reagan budget legacy, but we must also deal with his welfare legacy.

work and welfare and required the remaining welfare parents to work off their benefits at the minimum wage in a community work experience program. Although his supporters claimed it was a success, respected outside analysis disagreed. They said few welfare recipients were enrolled in the work program and the ensuing decline in welfare caseloads was due to a booming California economy, not the new work program.

Ten years later, Reagan proposed a similar plan for the nation. It would have required nearly all able-bodied welfare parents to work for their benefits at the minimum wage in a national community work experience program, or CWEP. To the disappointment of many conservatives, Congress rejected this approach as unproven and favored instead state experimentation not only with CWEP, but also with "work supplementation," an approach in which welfare is converted to a wage subsidy for a private sector job.

ALTHOUGH MANY states experimented with these approaches, it became more apparent that they led to a dead end. Long-term welfare recipients need more than a job to acquire marketable skills, and to gain worthwhile work experience. While working, they also need child care and health insurance, and, most of all, jobs that pay more than welfare.

The Family Support Act of 1988 responded to these complex needs. Even Reagan recognized this in 1988 when he wholeheartedly endorsed the bill and signed it into law. It aimed resources at those likely to become long-term welfare recipients and offered them education, training, work experience, transitional child care and health insurance, and other supportive services. It emphasized a mutual responsibility between the state and the welfare recipient. The government would provide the requisite resources and the welfare recipient would strive toward self-sufficiency. But it, too, has failed.

Why has the Family Support Act failed? There is no simple answer. After its enactment, President Bush presided over a 78 percent increase in the caseload of the prime welfare program, Aid to Families with Dependent Children (AFDC). I don't think he intended to expand the caseload, but there is no denying that it happened on his watch. Instead, a poor economy, an inability of state governments to raise funds to match generous federal matching rates for the Job Opportunities and Basic Skills (JOBS) program, and a startling rise in out-of-wedlock births seem to provide the clearest explanations.

SO WHAT SHOULD Clinton do? Should he provide more income to the

Remember, much like Clinton, Reagan knew something about welfare reform. In 1971, as governor of California, he signed into law a welfare reform bill that he thought was a model for the nation. It cut off those who were mixing

poor? Some liberals might want to pursue that approach, but for now it is unpopular. Should he somehow promote "family values"? Conservatives like to talk about this, but nobody has a proven program. Instead, I believe he should fulfill his promise to "end welfare as we know it." To me, this means jobs -- real jobs providing valuable services and paying enough for welfare parents to move off welfare and become completely self-sufficient.

As Clinton has said, we must make work pay; enforce child support; invest in education and training; and yes, time limit each assistance. That will promote work and responsibility, but it will fail unless we provide real jobs with health insurance. The evidence shows it is irrational for welfare parents to give up Medicaid for a job that pays less than welfare and has no health insurance. Universal health insurance is essential. That is why I am staying the course. We should do it right.

# Growth Curve

**President Clinton's plan to reform the nation's welfare system focuses, for the first time, on single women in their teens and early 20s and on discouraging them from having children.**

**But staking welfare reform on the ability of such women to get jobs could be a recipe for political failure and financial disaster.**

**BY ROCHELLE L. STANFIELD**



**Births to unwed teen mothers have quadrupled in the past three decades.**

**M**arion Howard is an overnight sensation. Her program for Atlanta's eighth-graders, "Postponing Sexual Involvement," actually seems to reduce teenage pregnancy, and officials of the Clinton Administration are touting it as a model for the nation and an important part of welfare reform.

Howard, though, is nonplussed by all the attention. "This program was designed as a health program for young people, and suddenly it's been turned into a panacea for welfare," she said in a recent interview.

Howard, a professor of gynecology and obstetrics at Emory University Medical School, runs her program for teenagers out of Atlanta's Grady Memorial Hospital. "I don't do welfare," she said.

Like Howard, though, many experts who "do welfare" are surprised by the focus of President Clinton's welfare reform plan on recipients in their teens and early 20s. And as Congress begins to consider various reform plans, the focus on young mothers on welfare is likely to intensify.

Clinton's proposal to turn welfare into a two-year transition to work would, at first, affect only recipients of aid to families with dependent children (AFDC) who were born after 1971. Consequently, the oldest participants would be 24 years old in 1996, the earliest the plan could go into effect.

The underlying philosophy of reform—to get recipients off welfare and into jobs—is decades old. But until now, most programs concentrated on older welfare recipients with school-age children. After a lot of trial and error, the experts have a pretty good idea of how to deal with such women. They know that older recipients tend to get jobs sooner than others and stay on welfare the shortest time.

The teen mothers, however, still have the experts stumped. Staking welfare reform on their success could be a recipe for political failure and financial disaster.

But while the risks are high, so are the potential benefits—both for welfare recipients and for society as a whole. Although teen mothers account for less than 10 per cent of the nation's welfare caseload, they stay on welfare the longest. Families started by teenagers consume more than 50 per cent of the welfare budget. Prospects for the children of unwed teen mothers—especially those who've dropped out of school—are dismal. Nearly 80 per cent of such children live in poverty.

Since the vast majority of women on public assistance are single mothers—the AFDC program for intact families is very small—the welfare rolls reflect and magnify two growing problems in American

society: out-of-wedlock childbearing and teenage pregnancy.

Twenty-five years ago, well over 60 per cent of all AFDC mothers were divorced, legally separated or widowed, and only about 30 per cent were never married; now those proportions are reversed. Meanwhile, births to unwed teen mothers all along the income scale have quadrupled in the past three decades, from 92,000 in 1960 to 368,000 in 1991. (The number of 15-24-year-olds grew by 50 per cent during that period.)

The emphasis on unwed teen mothers is also politically timely. With the increasing focus on family values and the rising electoral potency of the Religious Right, unwed teenage mothers are a natural rhetorical focus of the welfare reform debate.

Nonetheless, the emphasis on teenagers in the welfare reform proposals has the experts worried.

"I find it ironic that current proposals, rather than taking that [research] evidence at face value and saying, 'Let's start with the population for whom we can have the biggest impact,' are instead starting just the other way around."

with older recipients, . . . but it's far more important for the future of this country that we start with the teenagers."

While zeroing in on teenage mothers makes plenty of sense, changing the status quo may prove impossible within the time and money constraints envisioned in the Clinton Administration's approach.

"To be honest, we don't know what the answer is" to teenage pregnancy and welfare dependency, Rebecca A. Maynard, a professor of education and social policy at the University of Pennsylvania, acknowledged in an interview. "Some of the things in the Clinton proposal, while they have not been proven to be successful, are smart, fresh ideas. We're groping, so we really have to reach out and take some risks on new ideas if we're going to get at this problem."

The legislation would provide \$300 million in grants to schools and community-based organizations over five years to come up with teenage pregnancy prevention programs targeted at children as young as 10.

To receive welfare payments, teenagers who have babies would have to stay in school or enter job-training programs

**Because the vast majority of women on public assistance are single mothers—the AFDC (aid to families with dependent children) program for intact families is very small—the welfare rolls reflect and magnify two growing problems in American society: out-of-wedlock childbearing and teenage pregnancy.**

Rebecca Blank, a professor of economics at Northwestern University who studies the problems of the poor, said at a recent news conference in Washington. "They're starting with women with very young children and infants, which is a group for whom we have evidence that it's going to be more expensive and probably harder to move them into employment."

Health and Human Services Secretary Donna E. Shalala says that she recognizes the challenge. "Teenagers are the toughest ones," she acknowledged at a luncheon at the National Press Club on June 23. "It may have been easier to go

and live with their parents or another responsible adult. The two-year clock would begin ticking when they turn 18 years old.

Young mothers would be required to name the father of their child, and the father would be forced to pay child support. For young fathers who don't have incomes, states could experiment with education and employment training programs for them.

"Under our plan, it will be clear to all teenagers, young men and young women, that having a child is an immense responsibility—not an easy route to independence," Shalala said.

Whether that message gets through to teenagers may well depend on whether various government programs are up to fulfilling their individual missions and to working together to provide a seamless web of services.

Clinton has frequently called for "a revolution" in how welfare offices work. But that's only the beginning. For his welfare reform plan to work, there'll also have to be a revolution in the high school graduate equivalent degree (GED) program, job-training and employment services, child care and child support enforcement programs.

And even with all those services in place, preparing teen mothers for self-sufficiency within two years won't be easy, to say the least.

"A two-year time limit ignores the reality of women coming onto welfare with very different experiences," Blank said. "Moving many of these women into anything that begins to approach full-time

and has a baby—and it's usually in that order—her economic prospects diminish considerably. And once she has a second child—a very likely occurrence, statistics show, within two years—her chances of achieving self-sufficiency plummet still further.

Republican welfare reform proposals would discourage unwed mothers from having additional children by not increasing their benefits when they do. Clinton's proposal would allow states to experiment with similar provisions.

Those who work in the trenches, however, generally don't buy that approach. "The best way to prevent the second pregnancy," Atlanta's Howard said, "is to prevent the first."

A conservative Republican welfare reform proposal aims to discourage poor teenagers from having children by cutting off all assistance to single women under 21 who have children. A mainstream Republican alternative would bar single

and labor market researchers who issued a joint statement on June 23 contradicting that assertion.

So if it's not to get a welfare check, why do these teenagers get pregnant? For many, experts say, it's the only achievement they can point to. They've done poorly in school and probably have dropped out. They have no prospects for a career or for a stable home and family. They have a baby to show their worth and to have someone to love.

Sociologists and ethnographers who spend a lot of time with teenage mothers say that such an explanation more nearly hits the target than the economic calculus but that it, too, falls short of a full picture of what's happening in poor neighborhoods across the nation.

"It's a very complicated picture," explained a government researcher who conducted a series of focus groups with teenage parents. "The [teen parents] say, 'We don't think about welfare when we're having sex.' It's [pressure from] boyfriends. It's [dysfunctional] families. It's that they've been abused. It's that they have no future. It's stupid mistakes that teens make; that they don't understand the consequences. It's the full nine yards."

The absence of a single cause—money, for instance—precludes a simple answer. But that doesn't stop the search for a cure-all.

"In the 19 years that I have been studying teenage childbearing, I have seen so many simpleminded approaches proposed on all sides," said Kristin A. Moore, the president of ChildTrends Inc., a Washington-based research firm. "If we just provide contraceptive services, that will do it. If we just encourage chastity, that will do it. If we just do school-based clinics, that will do it. Now we're talking, get rid of welfare, that will do it."

"We've got to realize that it will take a comprehensive approach that's quite different for disadvantaged kids than for middle-class kids. And that involves information, services, models, motivation and opportunities."

Susan Philiber, a senior partner in Philliber Research Associates, a New York City-based consulting firm, added, "The program that's best for a 14-year-old is not the one that's best for a 16-year-old."

William A. Galston, a deputy assistant for domestic policy at the White House, frequently points to Howard's "Postponing Sexual Involvement" program in Atlanta as the model for the Administration's approach.

Howard's program begins with traditional sex education, but then brings in older teenagers who put on skits, lead discussions and facilitate role-playing in how to resist social and peer pressure to



Health and Human Services Secretary Donna E. Shalala  
"It will be clear to all teenagers . . . that having a child is an immense responsibility."

economic self-sufficiency within a two-year time period doesn't make any sense at all."

#### HOW TO SAY NO

Welfare experts of all ideological stripes generally agree with the Clinton plan's approach to preparing poor teens for economic self-sufficiency: encourage them to say no to having babies and to say yes to getting an education and job skills. The fights start over how to accomplish these ends.

Once a teenager drops out of school

mothers under 18 from receiving AFDC unless the state chooses to provide it.

This approach is based on the notion that poor young women have children primarily to qualify for welfare. "The current welfare system has made marriage economically irrational for most low-income parents," Robert E. Rector, a senior policy analyst with the Heritage Foundation, recently wrote.

Rector frequently cites 10 studies that, he says, show "a very dramatic link" between welfare benefits and illegitimacy. But the authors of most of the 10 studies were among 76 welfare, poverty

have sex, how to say no politely and how to deal with other delicate situations.

Howard attributes the program's success to the scope of the classes and, even more important, to "having this information conveyed by very credible role models who are kind of neat teens who are older and can say, 'Look, you need to take charge of your life.'"

Howard is quick to concede that some teenagers really don't want to say no. In her view, they need down-to-earth information about—and easy access to—contraceptives.

But many of them won't use contraceptives consistently. Moore suggests a major role for such passive contraceptives as Norplant. "When you recognize the disorganization in their lives," she said, "you understand how really hard it is for them to remember to take a pill or always have a condom on hand."

Programs such as Howard's are known as "abstinence-plus" because they stress "saying no," especially with young teenagers, but they also provide information about contraception and access to contraceptives for those who say yes or even maybe. With the Administration's enthusiasm for the abstinence-plus approach so high, several analysts expressed disappointment that its plan doesn't target the \$300 million in grants specifically to such programs.

"I was surprised that they didn't push these grants in that direction," Douglas J. Besharov, a resident scholar at the American Enterprise Institute for Public Policy Research, said in an interview. "There must have been a lot of opposition to abstinence-plus within the Administration."

"We already know what works and what doesn't," Philliber added, "and [grantees] should be forbidden to spend a nickel on what are already failed strategies."

## AVOIDING NO. 2

No matter what government does, the experts concede, a lot of poor teenagers are likely to have children anyway. Clinton's welfare reform plan focuses on encouraging teenage mothers to prepare themselves for jobs before they have more children.

New York City-based Manpower Demonstration Research Corp. (MDRC) has fresh evidence of just how difficult this will be. MDRC has been following the fortunes of about 2,100 young mothers who dropped out of high school and had their first child as teenage welfare recipients. In 1989, about 1,400 of these young women enrolled in a project designed by MDRC called New Chance; the remaining 700 constituted the control group.

The 16 programs in New Chance spent up to \$17,000 per participant on education and training, child care, transportation and family-planning information—much more than other welfare reform experiments for teenage parents. (By comparison, another demonstration program studied by Maynard at the University of Pennsylvania spent \$1,600-\$1,800 per participant and got basically similar results.)

The good news was that 18 months after they finished New Chance, 37 per cent of the participants had obtained their GED, compared with only 21 per cent of the control group. The bad news was that the GED didn't do them much good. About 80 per cent of the women in each group were still on welfare. What's worse, more than half of the women in each group—57 per cent of the participants and 53 per cent of the controls—got pregnant again.

"We thought we had a good family-planning component in New Chance and designed it as good as we could, but we did not make a difference here," Robert C. Granger, the director of the project, acknowledged in an interview.

Only one of the 16 New Chance programs—run by the Independent Adult Center in San Jose—had much success in dissuading its single mothers from having more children. "We had a consistent message," Meri Maben, the center's coordinator, explained. "The message was: Remember how pregnancy affects your chances for employment."

Maben also tried to reverse the typical incentive structure for these young women: There were no perks for getting pregnant—no baby showers, no days off. Instead, praise and attention were lavished on participants for attending classes and progressing toward the GED.

Having a consistent message was one lesson that Maben said she learned from the MDRC experiment. Another was the need for hands-on, one-to-one counseling.

That lesson also comes through loud and clear in evaluations by Yale University's Child Study Center of a local program for pregnant students. In New Haven, Conn., pregnant high school students may choose to attend a special

school, the Polly T. McCabe Center. The Yale researchers discovered that those who enroll in and stay at the center for two months after delivery are much less likely than other local teenage mothers to have another child within the next five years.

At two months postpartum, young women are able to become sexually active again. That's when the nurses and counselors at the McCabe Center take them aside individually to drive home their message about contraception.

"You're dealing with 15 and 16-year-olds," said Victoria Seitz, the Yale researcher who's evaluating the McCabe program. "They'll say, 'I've heard the pill makes you get fat,' or, 'It causes you to get cancer.' But they trust the nurse, and the nurse sits down and deals with that in a way they trust. And whatever the devil [the nurses are] doing, it works."

The Clinton Administration seems to have absorbed these lessons as well. Its



Kristin A. Moore, the president of Child Trends Inc. "I have seen so many simpliminded approaches."

plan would require teenage mothers to stay in school or go to job training to receive welfare benefits. It would also require states to assign case managers—counselors, social workers or nurses—to monitor their progress in school and in avoiding pregnancy.

That's a start, the experts acknowledge. The big test would come in imple-

mentation. Although the New Chance members all had case managers, for example, the MDRC report concluded that "because of personal discomfort, lack of expertise or time constraints, [the case managers] did not consistently follow up on the young women's family-planning practices in individual counseling sessions."

Administration officials and others have acknowledged from the beginning that welfare reform will require a revolution in case management throughout the system, along with better education and job-training programs.

"Our education programs, we know, are very bad," Maynard said. "There is no evidence in any demonstration evaluation that the GED translates into higher earnings."

In addition, the latest evaluations of the Labor Department's mammoth training and employment program for the poor—under the 1982 Job Training Partnership Act (JTPA)—showed very poor results in working with teenage dropouts of either sex.

(birth certificate.) All would require the mother to seek formal child support and all would crack down on fathers who don't pay child support. The Clinton Administration's proposal takes a small step beyond the Republican alternatives by allowing states to use up to 10 per cent of the welfare money they receive from the federal government to help fathers meet their obligations.

The biggest problem, researchers say, is that federal, state and local governments are unprepared to deal with the fathers of children on welfare. The hurdles to overcome in dealing with teenage mothers pale in comparison with those that stand in the way of effective plans for fathers.

The child support enforcement system, for example, which is run out of the courts in most states, is geared almost entirely toward middle-class deadbeat fathers.

"Right now, the child support system only has two responses when someone says they're unemployed and that's why they're not paying," Gordon Berlin, MDRC's senior vice president, who's studying the problem, explained. "They

child support system. Most of them provide informal support to their children, according to studies by MDRC and Public-Private Ventures, a Philadelphia-based research organization.

Even if the father jumps through the bureaucratic hoops and agrees to make formal child support payments, only as much as \$50 a month goes to the mother. The rest goes to the state as re-payment for the mother's welfare benefits.

"The fathers often say: 'Why should I pay? It just goes to the child support system,'" Berlin said. "Another problem with [this system] is that when that happens and he sees his kid or the mother of his child, he doesn't get any credit [from them] for having paid the child support."

Clinton's plan would allow states to make some changes in the way they distribute child support payments to welfare recipients. But Berlin and others are skeptical about whether the proposed changes go far enough.

The system is also ill-equipped to help teenage fathers meet their responsibilities. "These guys often have not completed education beyond the ninth grade," explained Mary Achatz, a researcher at Public-Private Ventures who's studying young fathers. "They need an extended period of education and training." Rarely is that provided through the JTPA, she added. But even in exceptional cases where comprehensive training programs are available, she said, the "child support [system] comes down on these guys and says, 'You've got to get a job now—we don't care if it's minimum-wage—or you go to jail.' So [JTPA and child support systems] work contrary to one another."

Welfare reform, in fact, could prove one of the biggest tests of the Clinton Administration's push to "reinvent government." The welfare system, the schools, the courts and government-sponsored employment and training programs have for years largely ignored one another and often actually undermined one another's efforts. For welfare reform to work for teenagers, experts say, they're all going to have to mesh.

"They're always talking about collaboration, but working with a person in a different system is difficult no matter what great relations you have between the systems," said Mahen, the coordinator in San Jose who tried to navigate the choppy waters of collaboration for New Chance.

Despite all the difficulties of dealing with teenage mothers, the people who work every day with them say that there are many compensations.

"I don't know what you do with 30-year-old folks—they are who they are," Atlanta's Howard said. "But the wonderful thing about adolescents is there is so much room for growth and change." ■



Richard A. Blevins

**Douglas J. Besharov, of the American Enterprise Institute for Public Policy Research**  
**"There must have been a lot of opposition to obstinance-plus within the Administration."**

## YOUNG FATHERS

Even though policy makers have always known that it takes two to make a baby, welfare historically has dealt only with mothers. But now, for the first time, every major welfare reform proposal deals in some way with fathers.

All of the proposals would require that paternity be established before benefits are paid. (This is more than a simple matter of putting a man's name on a

send them to jail because they don't believe them, or they tell them they better get a job next target about them. Neither is particularly productive."

Only 16 per cent of all mothers on welfare say that they get formal child support.

The fathers of many children born to teenage welfare recipients are of working age. But many of them work only sporadically, or work for cash in the underground economy, where their income is shielded from the probing eyes of the

From the Office of the Chief of Staff

Bill Burton, Policy Director

Phone: 202/456-6798 Fax: 202/456-2271

Date: 18 May 94 Response needed by: \_\_\_\_\_

| Name            | Action | FYI | Name                  | Action | FYI       |
|-----------------|--------|-----|-----------------------|--------|-----------|
| Joan Baggett    |        |     | Ira Magaziner         |        |           |
| Lee Brown       |        |     | Katie McInty          |        |           |
| Lloyd Cutler    |        |     | DocDee Myers          |        |           |
| Rahm Emanuel    |        |     | Leon Panetta          |        |           |
| Mark Gearan     |        |     | John Podesta          |        |           |
| David Gergen    |        |     | Jack Quinn            |        |           |
| Jack Gibbons    |        |     | Carol Rasco           |        | K         |
| Pat Griffin     |        |     | Bob Rubin             |        |           |
| Marcia Hale     |        |     | Ricki Seidman         |        |           |
| Alexis Herman   |        |     | George Stephanopoulos |        |           |
| Nancy Hennreich |        |     | Laura D'Andrea Tyson  |        |           |
| Harold Ickes    |        |     | Christina Varney      |        |           |
| Mickey Kantor   |        |     | David Watkins         |        |           |
| Joel Klein      |        |     | Maggie Williams       |        |           |
| Phil Lader      |        |     | <i>Bruce Reed</i>     |        | <i>Dr</i> |
| Tony Lake       |        |     |                       |        |           |
| Bruce Lindsey   |        |     |                       |        |           |

cc: Mack  
 Remarks:  
 FYI - relative positive commentary from the heartland.  
 Response:

## EDITORIALS

# Creative reform

President Clinton faces an uphill struggle in selling Congress his ambitious proposals for comprehensive federal welfare reform, but he is wisely advancing his cause by enlisting the states to experiment with changes that fit their particular needs and circumstances.

Clinton has encouraged states to seek waivers from federal regulations and thus increase their flexibility in dealing creatively with the intensifying demands and costs of providing health and welfare services.

Existing programs directed from Washington — following a one-size-fits-all approach — simply are not succeeding, and the president deserves credit for attempting to remedy deficiencies in existing programs. As a former governor, he understands that a state's peculiar problems may require specially designed policies and procedures that effectively respond to specific needs.

The administration has come under some criticism, however, for proceeding too hastily to urge free-lance departures by the states from rigid federal requirements. Critics suggest that a proliferation of "flexible responses" without adequate federal oversight and accountability could compromise the objectives of providing adequate public assistance.

These are valid concerns, because creative experimentation should not substitute political expedience and misguided corner-cutting for compliance with federal policy. Also, a burgeoning array of exceptions could frustrate adequate evaluation of the effectiveness of experimental alternatives.

Still, despite administration encouragement, to date, only five states have received waivers from federal regulations.

Clinton is correct, however, to recognize that all the answers to the myriad complexities in the welfare system do not reside in Washington. Greater efforts should be exerted both by the federal government and in the state capitals to release the genius and the energies of people all across the country to tailor creative, diverse and effective solutions for specific problems caused by peculiar circumstances best understood by state leaders where they exist.

Some states' approaches may fail miserably, but others may reveal novel and unprecedented successes that can be modified and applied elsewhere.

Ending welfare as we know it is a commendable national objective. Perhaps Clinton will finally persuade Congress to enact comprehensive reform of the existing system, but until then, the more minds we have working in good faith to examine an array of potential solutions, the better.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary  
Administration on Aging

Washington, D.C. 20201

March 29, 1994

TO: David Ellwood, Mary Jo Bane, Bruce Reed  
Co-Chairs, Welfare Reform Working Group

FROM: Fernando Torres-Gil  
Assistant Secretary for Aging *[Signature]*

RE: Recent Article on Welfare Reform

I have attached for your information a recent article from the San Jose Mercury News in which I mentioned the Welfare Reform Working Group and our efforts on welfare reform.

## Commentary

Monday, March 28, 1994

# Care at home is a big part of Clinton plan

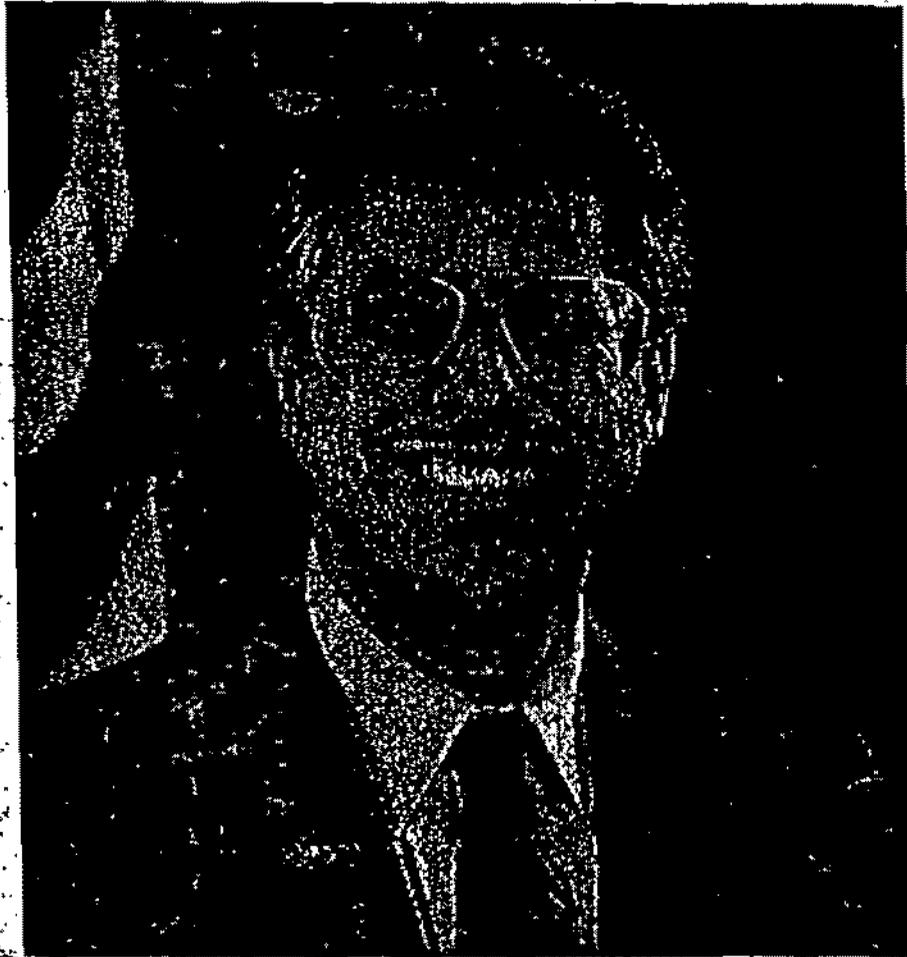
*Fernando Torres-Gil definitely is not the average Washington policy wonk.*

*Born to Mexican-American farmworkers in Salinas, he overcame polio and poverty to become a leading figure on public health policy in the Carter and now the Clinton administrations. He is U.S. assistant secretary on aging and a member of the president's health care and welfare reform teams. In a recent interview with Mercury News editorial writer Joe Rodriguez and reporter Ed Pope, he spoke about his childhood in a welfare home, efforts to change the focus of care for older Americans, and other issues.*

**Q** What can America's elderly persons look forward to in the Clinton health care reform plan? **A** 2001 it will be funded with about \$38 billion per year, and based on matching state funds.

**A** As our priority, we want to finally give older persons and their families long-term care, particularly home and community-based care.

We will pay for it in large part by using savings from the Medicare program. Those savings, which are not cuts, are a reduction in the reimbursement rates for providers and hospitals.



**FERNANDO TORRES-GIL:** "I go to the White House several times a week for various staff meetings, not just for health care but for welfare reform, anti-violence initiatives and the budget that is coming, and I can tell you no one has missed a beat."

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2001 it will be funded with about \$36 billion per year, and based on matching state funds.

We will pay for it in large part by cuts, are a reduction in the reimbursement rates for providers and hospitals and others. We will also pay for it in part through an increase in the cigarette tax.

But we're also going to ask for a fair share contribution from the beneficiaries. There will be a graduated fee schedule. Individuals will pay up to 25 percent of the cost for home and community-based care. The Congressional Budget Office has shown that our dollars and estimates all balance out.

So you're talking about a greater emphasis on home-based care, which would be a complete change from what we have now, where Medicare and MediCal do not contribute to helping people who don't need 24-hour care.

Absolutely. One thing that became very clear is that states are no longer able to afford the costs of Medicaid, Medi-Cal in California, most of which goes to nursing home care — the most expensive, impersonal and the least desired.

Our plan deliberately operates on two premises. One, we are going to build the home and community-based side and make that the focal point of long-term care. Secondly, it will not be limited by age. For the first time, it will be based on levels of physical disability.

It's going to reduce state costs. Many more persons who would otherwise be in nursing homes, including victims of AIDS and Alzheimer's Disease, will be able to be taken care of at home.

Where are you going to get the personnel to do this?

Good point. It is a problem; that's why we're comfortable with the phase-in. We don't have the best practices, the training, the supply of individuals who will be the aides, licensed vocational nurses, geriatric nurses, social workers, and the administrators, et cetera. So, we have a lot of work to do, not only in getting the manpower but to create the status, compensation and interest for people who get into the field.

The other reason the phase-in is critical is that we do not want it to be captured by the acute medical side. If our home and community-based program is essentially run by hospitals, medical corporations and physicians, it will not work. We want it to be

FERNANDO TORRES-GIL go to the White House several times a week for various staff meetings, not just for health care but for welfare reform, anti-violence initiatives and the budget that is coming, and I can tell you one has missed a beat.

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based on a social model where it's the nurses and social workers in conjunction with physicians, community-based providers and non-profits. They are the ones who will make it work.

Is the Whitewater affair sinking the Clinton health plan?

Notwithstanding the media fascination with this issue, the work continues, the focus continues. I go to the White House several times a week for various staff meetings, not just for health care but for welfare reform, anti-violence initiatives and the budget that is coming, and I can tell you no one has missed a beat. We appointees know the best thing we can do as we get through this very difficult period, which will be resolved, is to stay focused on what needs to be done. The president and the first lady continue to put in a tremendous amount of their time on health care reform.

I'd like you to respond to a question in a personal way: The Clinton welfare reform plan calls for a "two years and you're out" provision for welfare recipients. Your family would have been out after two years. How neat or messy would two-years-and-out be for thousands of families like yours?

Let me clarify something. For us it's not two-years-and-out. It's two-years-and-work.

A little background. My mother raised nine children alone because my father abandoned the family when we were very young. She went on Aid to Families with Dependent Children, and she had to move into public housing. And she was forced to decide between having to find work and leaving her kids on their own.

She chose to go on welfare to be there for her kids. And if she wasn't there they would be latch-key kids and get in trouble. She was absolutely right. Her nine kids have all graduated from college or are in college now.

My mother also had a strong belief in certain values — self-reliance and giving back and not making welfare a way of life. While she was on welfare and taking care of kids she just didn't sit at home and watch soap operas. She used her time to organize her

kids, to organize school bus stops, became a community leader, a basketball captain. She essentially organized housing projects in Salinas and served as the liaison to the housing authority.

As her kids got older, she then volunteered in the welfare department as an interpreter part-time. And when her kids got out of high school could take care of themselves at school, she was hired as a full-time interpreter. She eventually became the director of the General Assistance (welfare for single persons) program for Monterey County.

What she did and represents is exactly what the president wants. That's how we are structuring welfare proposal.

We want to make sure that when an individual comes onto AFDC, we know it will not be a way of life. While they are on welfare during two years, they must be in a job-training program, they must be acquiring skills and at the end of those two years they must have moved into the private sector and a job. Or if that's not available, they must then go to community service. And for single mothers who are raising children, we will recognize and reward their ability to take care of their own children but they must also volunteer in the communities or work part-time.

You're a key player in health care reform, welfare reform, issues of the aging. So what else are you doing?

Those are my major areas of responsibility, but there is another that is near and dear to my heart, and that's disability.

We want to make sure that disabled persons and older persons work together because ultimately they need the same services.

We know that in the next 10 to 15 years there will be twice as many of us who are older, and many more with disabilities. When you and reach our retirement years there will be twice as many retirees as we have now. If we think we have a serious citizen issue now, it's going to be far more apparent. And the real question is are we going to be prepared for it: retirement? Will we have in place what we will need to age well?

As our priority, we want to finally give older persons and their families long-term care, particularly home and community-based care.

The second thing we hope to finally start promoting is a new concept of aging — that what we do for seniors today is every bit as important for younger people and middle-aged persons. It would address this generational tension that we hear about doing too much for the elderly.

What could an average family that wants to keep grandma or grandpa at home, but really can't handle it, get from this plan?

Let me take my mother. She's 70. She has a chronic illness. At any point she could be chronically disabled. She will not go into a nursing home. With the exception of one brother, all the other eight children are in other cities. What happens to her in the plan?

In the president's plan, she can or I can call a local agency who will send a case manager to her home, do an assessment — what does she need to stay at home? And then that agency will contract out, in her case for home modifications so that she can have grab bars, a ramp if she needs a wheelchair. It will contract out for a visiting nurse to come in on a regular basis, home-delivered meals, or home health care including all the equipment that might be needed. It will also, where necessary, ensure that she can go to an adult day health center. If my brother or a sister must move in with her and take care of her all day, the plan will pay for respite care.

It will provide that wide array of service so that, one, we won't have to sell her house so she can qualify for Medicaid and go into a nursing home. And it will mean that we, her children, will not have to give up our jobs to move back to Salinas to live with her, or worse, force her to leave Salinas to move to Washington, Los Angeles or Sacramento.

As part of our long-term care, we're also focusing on private long-term care insurance, which will be streamlined, standardized and more affordable. It means that I can buy it for my mother. That'll help pay for nursing home care if she needs to go there.

How would you pay for it?

We will put in over a seven-year period approximately \$68 billion phase in what will be essentially a state-earned entitlement program. By

# Escaping the Dole

*For Young Unwed Mothers, Welfare Reform*

*Alone Can't Make Work Pay*

**A**FTER ALMOST a year of study, an administration working group has prepared its initial report on how to fulfill President Clinton's promise to "end welfare as we know it." The report starts in exactly the right place: the 30-year growth in out-of-wedlock births, especially among teenagers, and its relation to persistent poverty. Unfortunately, the report fails to pursue the logic of its own analysis.

The bulk of long-term welfare recipients are young, unmarried mothers, most of whom had their first baby as teenagers. About 50 percent of unwed teen mothers go on welfare within one year of the birth of their first child and 77 percent within five years, according to the Congressional Budget Office. Almost half of those on the rolls for three or more of the past five years started their families as unwed teens.

With poor prospects to begin with, these young women have further limited their life chances by systematically underinvesting in themselves—by dropping out of school, having a baby out of wedlock and not working. The administration working group assumes that an expanded educational and job training program will help large numbers of them become economically self-sufficient.

Past experience suggests this is wishful thinking. Even richly funded demonstration programs have found it exceedingly difficult to improve the ability of these mothers to care for their children, let alone to become economically self-sufficient.

A six-county evaluation of California's program, for example, found that over two years, average earnings for single parents increased by 20 percent—three or four times the usual experience for such programs. Still total earnings reached only \$4,620. The county with the greatest improvement, Riverside, was able to increase earnings by \$2,099, although average total earnings over two years were still less than \$6,000. The welfare rolls declined by only 5 percent in Riverside, and by a statistically insignificant amount across all of the other counties.

**W**hy don't job training programs cut welfare rolls? Although many suffer from design flaws and administrative weaknesses, the main problem is that—for poorly educated young mothers—such programs cannot break the financial mathematics of life on welfare. The average annual earnings for female high school dropouts are extremely low. In 1992, 18- to 24-year-old dropouts working full-time earned about \$12,900 a year; 25- to 34-year-olds earned about \$14,800. (Note that in 1992 the poverty line for a family of three was \$11,186.)

Even with the help of the current Earned Income Tax Credit (EITC) and other means-tested programs, earners at these levels net, after payroll and state taxes and work expenses, only \$15,563 and \$15,617, respectively. The major expansion in the EITC pushed through by President Clinton will, when fully implemented in 1996, raise these numbers significantly—to \$17,022 and \$18,948. But this increase will not be enough to break the hold of welfare. (Anomalously, under the Clinton EITC, the lower-earning mother will actually take home more money than the higher earner because of the way benefits decline with additional earnings.)

A welfare mother without any work experience probably couldn't match even these earnings records. But if

she could; she still might decide it didn't pay to work. Her current benefits—even ignoring the average \$4,307 in Medicaid for which a welfare recipient with two children is eligible—leave her only some \$2,674 worse off than the lower-salaried mother and \$2,728 worse off than the higher-earning mother.

In other words, should she be lucky enough to get the kind of job held by others of her educational attainment, she'd be working for a net wage of only about \$1.50 an hour. And to gain that, she'd have to sacrifice not only leisure time but the chance to hold down a job in the informal economy (in which unreported income is earned through anything from handiwork to illegal activities).

Even with the expanded EITC, after deducting the costs of benefits and of going to work, the net hourly wage would be only about \$2.30 or less. If a young parent were to go to work under these circumstances, it still wouldn't be for the money.

Hence, the EITC would have to be much larger to actually "make work pay" for unwed mothers. But by 1996, the credit will already cost about \$18 billion a year. Besides being very expensive, a further increase would create other distortions and inequities. Substantial benefits under the EITC are available only to low-income workers who have children. At some point, their fellow workers will question why those who have had children without being able to support them should get such a large government subsidy while those who have played by the rules do not.

And the larger the credit, the greater the incentive for abuse. Tax experts such as the Urban Institute's Gene Steuerle warn that the EITC is already so large that it provides an expensive incentive for people to overreport their earnings so as to get the maximum credit.

Thus, Clinton's off-stated goal of making work pay will not work for most unwed mothers. Recognizing this, both he and his working group have proposed to "time-limit" welfare. If, after two years, a welfare mother does not get a private job, she would be placed in a public job. The idea is that the job will both give her work experience and serve as an incentive to get off welfare since she will have to work anyway.

Although there is much merit to such mandatory work experience, creating a viable program is not easy. First, community service jobs are very expensive to create and administer. CBO estimates indicate that

*Douglas Besharov is a resident scholar at the American Enterprise Institute and a visiting professor at the University of Maryland's School of Public Affairs.*

monitoring each job would cost \$3,300 annually, and day care would cost \$3,000 per participant—and perhaps much more. That means the cost of a mandatory work program would average \$6,300 per participant. Since the average Aid to Families with Dependent Children (AFDC) grant is about \$5,000 per year, welfare costs for those in the work program would more than double—without recipients receiving any increase in payments to them.

Second, mandatory community service will likely engender much opposition. When Sen. Russell Long (D-La.) proposed the idea in the 1970s, it was promptly labeled "slavefare" by welfare advocates. Hence, the administration is under intense pressure to deliver "real jobs" at "decent wages." But doing that would not only make the program even more expensive—it could also make it a magnet to attract and keep more young mothers on welfare. To counter that, the Clinton planners are also considering a plan to time-limit the community service program as well. After a set period, possibly 18 months, the mother would go back on regular welfare, although perhaps at a somewhat lower level—a feature that will also stir controversy.

**B**ecause our ability to help young women become self-sufficient once they have become mothers is so limited, the best strategy is to focus on postponing parenthood until these women are financially and emotionally ready. This is what leads many people, such as my colleague Charles Murray, to advocate ending welfare altogether.

The president's working group did not contemplate such a radical solution, but it does make a long-overdue connection between out-of-wedlock births and welfare dependency. Some options being considered by the group make sense. For example, providing contraceptive services to all AFDC recipients, prohibiting higher welfare payments for additional children born on welfare and requiring teen mothers to complete high school would all help discourage young mothers from having another child.

But the effects are unlikely to be dramatic, and they would do little to prevent the initial birth—which puts the mother on welfare in the first place. For this, the group is considering school-based sex education, condom distribution and abstinence programs. Again, the available research suggests that such efforts have modest impacts, at best.

The association between poverty, poor school performance and poor life prospects on the one side and out-of-wedlock births on the other is too obvious to ignore. As University of Pennsylvania sociologist Elijah Anderson notes, "Most middle-class youths take a stronger interest in their future and know what a pregnancy can do to derail it. In contrast, many [inner-city] adolescents see no future to derail—hence they see little to lose by having a child out of wedlock." The dearth of good jobs in the inner city, he argues, leads peer groups to emphasize sexual prowess as evidence of manhood, with babies serving as proof.

Because those young people who have the most to look forward to are the most responsible about their sexual practices, it does not seem an overstatement to say that good education and real opportunities in life are the best contraceptives. In fact, innovative programs like Best Friends in Washington base their appeal on the connection between sexual practices and opportunity. This program uses weekly group sessions, with an adult moderator, in which teen girls discuss boys, relationships and self-respect.

"We don't tell them that having sex is immoral," says Elayne Bennett, founder of Best Friends. "Instead, we tell them, 'If you want to get some place in life, you need to have a plan. This plan must include finishing school, and that means that you must not get pregnant.' And we tell them, 'The only guaranteed way to avoid pregnancy is to abstain from sex.'"

**F**or this message to really take hold, though, young people need to feel that they have opportunities beyond low-paying, sporadic work. And this means a return to serious vocational education in our high schools.

The current emphasis on college preparatory courses in high school and on academic-like "basic skills" in job training programs leaves many disadvantaged youth without the skills for the well-paying jobs that are now available. Worse, seeing how few graduates from their neighborhoods seem to get good jobs makes them feel they have nothing to gain from staying in school. In high schools where more than three-quarters of students fail to graduate, what sense does it make to push 100 percent of the student body through college preparatory courses?

While everyone would like to see disadvantaged children grow up to be lawyers, doctors and accountants, or at least white-collar workers, the unalloyed truth is that most—like most Americans—are destined for more modest careers in service, clerical or manufacturing occupations. What is needed is renewed emphasis on vocational skills in high schools, supplemented by enhanced job-counseling and job-finding services and mentoring programs. This includes the newly popular "apprenticeship" programs, although the two-plus-two approach (two years in high school followed by two years in a training program or community college) comes too late for those who have already dropped out and may require too great an investment of time and energy for many others.

Reforming educational institutions, of course, may be even harder than reforming welfare. But that is where the solution lies. We should not try to fix welfare if the problem is caused by the education system. In the absence of good high schools—and good vocational education for young people who do not do well in classroom settings—no approach to welfare reform will work.

# Fixing the welfare mess

*Clinton has vowed to "end welfare as we know it." Voters approve and want tough standards*

Joseph Califano, Michael Dukakis and other Democratic luminaries found the problem so intractable that they dubbed it the "Mideast of domestic politics." The "it" is the next major item on President Clinton's domestic agenda: reform of the nation's much-maligned welfare system. During the presidential campaign last year, Clinton pledged so often to "end welfare as we know it" that his vow became a defining mantra almost akin to George Bush's "read my lips" promise. Yet truly ending welfare—much less resolving the contentious internal debates now swirling among Democrats and Republicans—may prove tougher than getting Yasir Arafat and Yitzhak Rabin to shake hands on the White House lawn.

Clinton's aim is to transform welfare into a transitional program: His plan would provide recipients with education, training, child care and health coverage during their first two years on the rolls, but then require them to find work in the private sector or in a community-service position. A new poll for *U.S. News* by Celinda Lake and Ed Goetz finds that the president will face a good-news-bad-news story when he tries to sell his plan to Congress and the public early next year. The good news is that close to 90 percent of Americans fully support Clinton's radical two-years-and-out plan. The bad news is that a majority also back many Republican variants of his ideas that would make time-limited

welfare even more restrictive than Clinton might like.

In several ways, the task of remaking welfare is especially daunting now. After remaining relatively steady for more than 15 years, the number of Americans on Aid to Families with Dependent Children has recently mushroomed, from

10.8 million in 1989 to 14.2 million today. A stunning 1 in 7 children is now on AFDC. The welfare explosion is partly due to the recession, but it also stems from a rise in out-of-wedlock births among young, disadvantaged women. And the same contradictory impulses that stifled previous welfare reformers persist. First, legislators want to support those truly in need, especially children; second, they want to discourage dependency and idleness, especially for mothers of those children.

To date, Clinton has taken two long strides toward ending welfare: He has sent legislation to Congress to make health coverage universal and he has signed into law a huge increase in the popular earned income tax credit. Both measures would make it easier for AFDC recipients to switch from welfare to low-wage jobs. In fact, the largely-unsung EITC provisions constitute the biggest antipoverty initiative in more than a decade; they will cost \$20.8 billion over the next five years and will raise any family with two or more children and a full-time working parent out of poverty.

**■ AMERICANS WHO FAVOR LIMITING THE AMOUNT OF TIME FAMILIES CAN REMAIN ON WELFARE: 69%**

**■ AMERICANS WHO OPPOSE A TIME LIMIT: 16%**

**■ OF THOSE WHO FAVOR TIME LIMITS, THE PERCENTAGE WHO FAVOR:**

|             |     |
|-------------|-----|
| Six months: | 16% |
| One year:   | 31% |
| Two years:  | 34% |
| Five years: | 11% |
| Longer:     | 5%  |

In the weeks ahead, Clinton—drawing on the work of an interagency task force—faces far more controversial decisions about the details of his plan. Senate aide Paul Offner, who studied welfare for the president's transition team, made a crude estimate last year that Clinton's plan might reduce the welfare rolls by 14 percent. The *U.S. News* poll shows, however, that only 1 in 5 Americans would judge welfare reform a success if it cut the rolls by 25 percent or less by the year 2000. Fully a third of respondents want a bigger cutback, saying they will judge his work a success if the rolls are cut by a virtually impossible-to-achieve reduction of 50 percent or more.

Leading Democrats, such as Sen. Daniel Patrick Moynihan, question whether the administration has the gumption to fund and implement a time-limited welfare system without resorting to other expensive programs to pad the blow to those forced to work. As



Harvard Prof. David Ellwood, a co-chair of the Clinton interagency task force, wrote in a candid paper presented at the Urban Institute shortly before he joined the administration: "[T]he one thing that becomes abundantly obvious when one looks hard at the details of any time-limited welfare and work program is that there will be many weaknesses." Here are some of the discomfiting questions that Clinton must answer:

**Question 1: What happens to the children?** Contrary to stereotypes that depict welfare recipients as men who loiter on street corners and women who loaf around in Cadillacs, 2 out of 3 AFDC

recipients are innocents—that is, they are children. The American public roundly underestimates that number; only a quarter of respondents to the U.S. News poll guessed that 51 to 75 percent of AFDC recipients were under 18.

Mothers on welfare who are trained and then required to work after two years may well benefit from Clinton's plan. But will their children—many of whom live in crime-ridden neighborhoods and are under the age of 3—necessarily be better off without mom at home? At present, researchers know next to nothing about how a mother's absence might affect her child's performance in school, change the quality of his day care, influence the

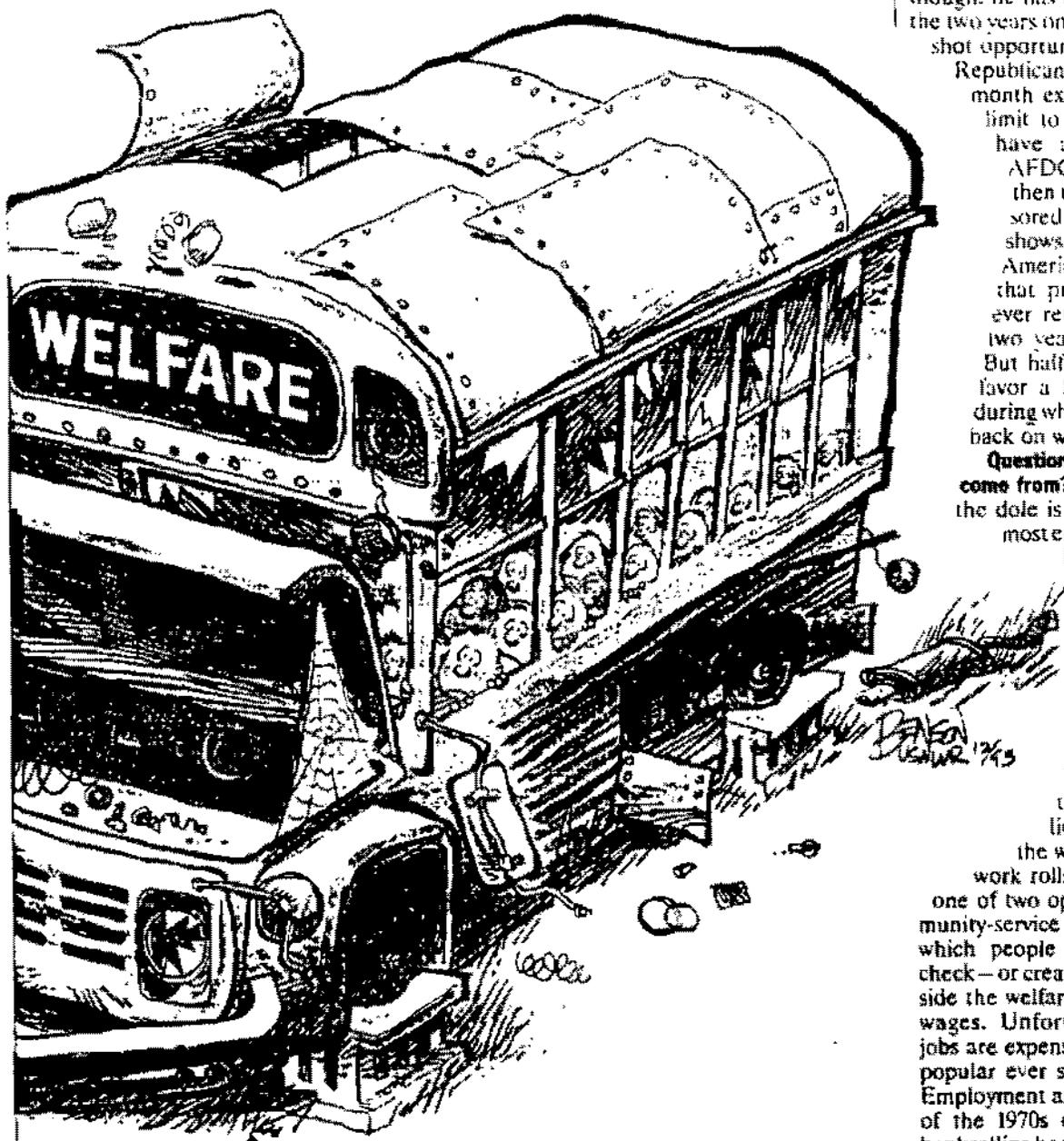
kind of health care he receives or create stress at home. Marian Wright Edelman of the Children's Defense Fund puts it bluntly: "If it sacrifices poor children," she told the *Los Angeles Times*, "it's not welfare reform."

**Question 2: Is welfare a one-shot deal?** If a mother and her children can come back to AFDC each time she has another child, time-limited welfare doesn't seem so time-limited. Yet if she is precluded from returning, then a needy infant may suffer. During the campaign, Clinton said he would try to protect children by penalizing only the parent's portion of the welfare check if the parent failed to work as required. So far, though, he has declined to say whether the two years on AFDC would be a one-shot opportunity. The current House

Republican bill would grant a four-month extension to the two-year limit to pregnant mothers who have a child after leaving AFDC, but it requires them to then take a government-sponsored job. The U.S. News poll shows nearly 75 percent of Americans would oppose a bill that precluded a family from ever returning to welfare after two years of benefits ran out. But half the respondents would favor a five-year waiting period during which a family could not go back on welfare.

**Question 3: Where do the jobs come from?** The best alternative to the dole is private-sector jobs. But most employers are not eager to hire long-term welfare recipients. That means Clinton has to figure out what kind of government support to offer many of the estimated 3 million mothers who could be affected by a two-year time limit. To meet his ambitious goal of moving "millions of idle Americans off the welfare rolls and onto the work rolls," Clinton could pursue

one of two options. Either offer community-service or "workfare" slots—in which people work off their welfare check—or create public-service jobs outside the welfare system that pay higher wages. Unfortunately, public-service jobs are expensive and have proved unpopular ever since the Comprehensive Employment and Training Act program of the 1970s earned a reputation for bankrolling boondoggies. Today, 2 out of 3 voters polled by U.S. News prefer that the government offer workfare jobs to



welfare recipients after two years; only 1 in 4 thinks the government should guarantee jobs to those cut off.

The hitch with workfare is that it generally has failed to reduce welfare rolls significantly or boost earnings and subsequent employment. Only 1 percent of AFDC mothers are in workfare slots, and few states have long-term programs involving large numbers of recipients. Just what kind of work hundreds of thousands of welfare mothers are supposed to do is also something of a mystery. A task force of the Coalition on Human Needs, an umbrella group of liberal organizations, recently issued a statement warning that workfare would "create a permanent underclass of impoverished parents who would not enjoy the basic rights [of] all other American workers."

**Question 4: Who is exempt?** At present, federal law already exempts roughly half of all AFDC recipients from having to participate in work, education or training programs. Clinton's dilemma: If too many recipients are exempt, time



Innocents, Vulnerable Americans—especially children—have a big stake in reform.

limits are a mockery: if too many are required to participate, overwhelmed state officials are likely to funnel them into make-work programs with phony requirements. On the whole, survey re-

spondents believe the new law should have few loopholes (box, below). For instance, a novel scheme heavily favored in the poll and included in the Republican legislation would require

**Americans' views on welfare reform**

The U.S. News poll shows how nuanced voters' views are. A plurality of respondents want the welfare system overhauled, and they support reforms that are tougher than the existing system. But they also would like more help given to recipients to get them off the dole.

**■ THOSE WHO SAY THE WELFARE SYSTEM (AFDC) SHOULD:**

|   |     |
|---|-----|
| Be left alone                           | 6%  |
| Be subject to experiments in the states | 37% |
| Be reformed at the national level       | 43% |
| Eliminate all benefits                  | 8%  |

**■ THOSE WHO EXPECT WELFARE REFORM TO COST:**

|                        |     |
|------------------------|-----|
| More in the short term | 54% |
| Less in the short term | 39% |
| More in the long term  | 25% |
| Less in the long term  | 57% |



Farron's campaign pledge

**■ SHOULD A TIME LIMIT APPLY, OR NOT APPLY, TO THE FOLLOWING GROUPS OF AFDC RECIPIENTS?**

|   | Apply | Not Apply |
|---|-------|-----------|
| Single parents with children under 1 year of age                            | 64%   | 35%       |
| Single parents with children under 3 years of age                           | 64%   | 37%       |
| Single parents with drug or alcohol problems                                | 64%   | 34%       |
| Any family the government cannot find a job and provide child care for      | 55%   | 34%       |
| Any family where the parent has a significant physical or mental disability | 38%   | 54%       |
| Any family that cannot find a job where jobs are hard to find               | 37%   | 33%       |

**■ IF THE GOVERNMENT IS TO CUT OFF WELFARE BENEFITS TO FAMILIES AFTER A SPECIFIC PERIOD OF TIME AND AFTER IT PROVIDES EDUCATION, TRAINING, HEALTH BENEFITS AND CHILD CARE TO THOSE FAMILIES, IT SHOULD:**

|   |     |
|---|-----|
| Simply end the families' benefits, including Aid for Families with Dependent Children | 7%  |
| Make the parent or parents do community service work in exchange for welfare benefits | 64% |
| Guarantee jobs to the parent or parents after they are cut off welfare                | 34% |

**■ DO YOU FAVOR OR OPPOSE THESE IDEAS AS REFORMS FOR THE WELFARE SYSTEM?**

|   | Favor | Oppose |
|---|-------|--------|
| Require job training for those on welfare, and after two years require them to work in government jobs if necessary.                    | 83%   | 15%    |
| Require job training for those on welfare, and after two years require them to work.  | 73%   | 4%     |
| Require unemployed fathers of children on welfare to work.  | 94%   | 4%     |
| Replace welfare benefits with tax credits and strengthen child support enforcement.   | 67%   | 21%    |
| Have government help pay for child care and transportation for welfare recipients who work or are in job training or education courses. | 77%   | 18%    |
| Deny welfare to legal immigrants until they become citizens.  | 64%   | 28%    |
| Deny welfare to legal immigrants.   | 33%   | 65%    |
| Do not increase welfare benefits when people on welfare have additional children.   | 88%   | 10%    |
| Limit welfare benefits to two years and do not allow people to get back on welfare for at least five years.                             | 88%   | 10%    |
| Limit welfare benefits to two years and do not allow people to get back on welfare ever.  | 33%   | 73%    |

## U.S. NEWS

the unemployed fathers of children on welfare to work. The one exception to the eligibility crackdown is that a majority of Americans would favor exempting parents from time limits if they had a significant physical or mental disability.

The unanswered question is whether a segment of chronic AFDC recipients are

assistance for legal aliens who are not citizens. Poll respondents favor that cost-cutting scheme by a 2-to-1 margin. But the Clinton administration is likely to endorse less-sweeping cutbacks on immigrants and seek a revenue-neutral plan.

**Question 6: How do you change the culture of welfare?** The atmosphere of welfare offices tends to encourage dependency, rather than discourage it. Welfare

the system by applying for AFDC and found that by the time she was referred to a jobs program, she had already produced 16 documents for purposes of verification, filled out about 11 forms on her personal and financial circumstances and answered 770 questions. In an interview last summer, Senator Moynihan remarked to *U.S. News* that the eligibility workers "who hand out the forms are

only marginally better off than the people who fill them out — and they hate each other. It's not the Columbia School of Social Work: 'Come on in and sit down; let's talk about your summer!' " It is hard to imagine that a massive program run by the existing bureaucracy will handily transform the system.

In the months ahead, one of two very different scenarios may well play out on Capitol Hill. In the first, Clinton finesses the questions outlined above enough to win liberal support for his plan. His bill exempts recipients from time limits if they live in states that fail to fund adequate job and child-care slots, provides numerous appeals for sanctioned families, requires only part-time work of single parents and allows families who leave welfare to earn credits toward more time on AFDC if they stay off relief for several years. He could also phase in work requirements so that they only go into effect state-by-state over many years or

just apply to new recipients.

In the second scenario, Clinton could inflame liberals by embracing strict time limits and work requirements. Last week, Clinton told *U.S. News* that there

"were a lot of good things in [the Republican] plan ... that I thought were really quite similar to my own thinking" — and added that the Republicans' bill has made him "reasonably optimistic that we can have a bipartisan welfare-reform package next year." Unfortunately, at least for the president, few of the more liberal members of his own party presently share his optimism or his passion for making welfare temporary. ■

BY DAVID WHITMAN WITH  
MATTHEW COOPER



**Job training.** There is vast support for more government aid to teach skills to welfare recipients.

virtually unemployable because they are too disabled, lack work experience, or are too illiterate or mentally limited. The evidence available suggests that many welfare recipients are not strong candidates for jobs in an upscaled labor market. A recent study by LuDonna Pavetti, who now works in the administration, indicates that 75 percent of long-term AFDC mothers score too low on IQ tests to qualify for the U.S. Armed Forces.

**Question 5: How do you pay for reform?** The *U.S. News* poll shows that Americans do anticipate welfare reform could cost more in the short term, even if it might save money in the long run. Nonetheless, many states lack the administrative capacity to mount massive jobs-and-child-care programs. In fiscal '93, states failed to claim \$186 million in federal funds available for educating and training AFDC recipients. Republicans contend that their welfare plan will actually save billions, primarily by eliminating public

administrators are chiefly concerned with determining the eligibility of clients and dispensing checks, not getting people into jobs. An intern working for the county in Athens, Ohio, recently tested

### ■ GOOD POLL NEWS FOR CLINTON

62% of blacks and 60% of moderate/liberal Democrats — usually welfare supporters — back time limits on benefits.

59% of Republicans and Perot voters — usually welfare detractors — expect reform to cost more in the short term.

Democratic pollster Lake: "Like Clinton, voters want welfare to be a second chance, not a way of life."

### ■ BAD POLL NEWS FOR CLINTON

53% of voters want families to work for their benefits even if they live in high-unemployment areas.

46% of voters say they will only consider reform a success if welfare rolls are cut by more than 25%.

Republican pollster Gooss: "Voters want a lot more cuts in welfare rolls than Clinton plans to deliver."

E. J. Dionne Jr.  
 Wash. Post, 11-29-94

## Zeroing In on the Poor

It seems a little peculiar that while the incoming Republican majority in Congress says it opposes big government and all its works, most of the party's rhetorical fire since the election has been directed at that rather small part of government that helps America's poorest people.

The Republicans might be talking about how they intend to return agriculture to the free market or how spending by the Small Business Administration is a wasteful perversion of capitalism. If they had guts, they might even be preparing the ground for savings in really big (and popular) programs such as Medicare.

A few Republicans are mentioning such things. But mostly they're talking about Aid to Families with Dependent Children, food stamps and the like. That's just nitpicking for the GOP, since most of the people who get money from these programs wouldn't even consider voting Republican.

You'd think this would provide an opportunity for the Democrats to lay down some markers for the coming debates. If the Republicans prove themselves uninterested in cutting programs that dole out cash to the well-off and only want to slash assistance to the poor, might that not suggest that Republicans' war on big government is really a disguised class war against the needy? Naturally, the Republicans would deny this—and at least some Republicans really are serious about reducing programs for their own constituencies. But notice that by pursuing this argument, Democrats could (1) put the Republicans on the defensive, and (2) push them in more constructive directions.

### *If Republicans come up with humane ways of promoting work and combating illegitimacy, Democrats should do business with them.*

Some Democrats are finding their voices, but most of them seem scared to death of the coming welfare debate. They should be, because Democrats blew the welfare issue. In the wake of the 1992 elections, they were handed a large opportunity to reform a bad system. Instead, the administration delayed, and when it did come up with a reform proposal, some liberals in Congress set out to block it.

Those who prevented humane welfare reform from passing should be ashamed. The welfare debate now threatens to become mean and polarized, where there was once at least a chance for common ground. Democrats and moderate Republicans now have the task of searching for that common ground under more hazardous conditions.

There are two broad arguments about welfare that commonly carry the "conservative" label but ought to transcend ideology. The first holds that the country's poverty problem is not only economic but also cultural. The rise in the number of kids being raised by young, poor single mothers because the fathers walked away is a national scandal. So is the fact that the welfare system has become more a holding pen for the poor than an effort to help dependent people become independent. The incen-

tives in the system do need changing, and one Democrat who understands this well is President Clinton, which is why his failure to make welfare reform a priority was a large mistake.

The other so-called conservative argument that deserves broader respect holds that experimental approaches to welfare are best tried at the state and local level. This argument can get tricky because having a federally financed safety net is a useful way of evening out some regional economic disparities. Some communities have especially high concentrations of poor people and need special help. Different regions can need help at different times. If the farm states are in recession at a moment when New England is booming, it makes sense for Massachusetts taxpayers to give Kansas a hand. Still, there is a useful debate to be had over which welfare functions might be handled more creatively by the states and how this might be done without eviscerating aid to the poor.

All Republican welfare proposals should be tested against these two principles—in a sense, their principles. If the Republicans come up with humane ways of promoting work and combating illegitimacy, Democrats should do business with them. Democrats might also forge a constructive alliance with Republican Sen. Nancy Kassebaum, who is interested in decentralizing parts of the welfare state in order to help, not hurt, the poor.

Where Democrats should be firm and unequivocal is in resisting the use of happy talk about "values" or "federalism" as a mask for simply tearing the safety net apart. Arguments for doing just that are gaining much ground among conservatives, some of whom echo 19th century formulas about how doing nothing for the poor will make them virtuous. These conservatives would end public assistance for large groups, claiming that this would slash illegitimacy rates and push many into the work force. Private charities and families would step in. For the kids, there are always orphanages. Oh, happy day!

It should tell us something that the prime opponents of this Dickensian approach are church leaders—particularly in the Catholic Church—who are doing more than anyone to promote wholesome values and provide alternatives to the welfare state. The churches know that private charities don't come close to having the resources needed to help the poor lift themselves from poverty.

While the church leaders speak out, the Democrats are wasting a lot of time trying to find appropriate principles to suit their current political needs. They've got it exactly backward. If they get the principles right, smart politics will follow. On welfare, the recipe for good politics and good policy is clear enough: Yes to work and family, a qualified yes to decentralization, and a loud no to abandoning the needy to orphanages, poor houses and the streets.

WR-Newsclips

## 66 THE GREEN SHEET

E. J. Dionne Jr.

Wash. Post, 9-13-94

## Bill &amp; Dan &amp; Murphy Brown

Why, you might reasonably ask, were two politicians—President Clinton and former vice president Dan Quayle—lecturing the nation last week on the horrors of out-of-wedlock births? Isn't it the job of preachers and priests and rabbis and parents to say, as Clinton did, that "you shouldn't have a baby before you're ready and you shouldn't have a baby when you're not married"? Do we need a politician like Quayle to tell us that "it's important for fathers to be involved in raising their children"?

There are plenty of cynical explanations for why Clinton and Quayle did the "family values" number last week. Clinton, it is said, is desperate for some new issues and wants to sound like a "New Democrat" again by focusing like a laser beam on those tried-and-true values of community, opportunity and responsibility. The best speech of his term so far was his address to a group of black ministers in Memphis last year in which he also preached on these themes. What better way to get out of a deep hole than by trying Memphis II?

As for Quayle, he wants to be president and sees the religious right as a prize constituency, especially since former education secretary Bill Bennett—a favorite of religious conservatives—has decided not to run in 1996. The whole world knows that Quayle caused a huge ruckus in 1992 when he went after the Candice Bergen televi-

sion character Murphy Brown for having a baby out of wedlock. In the process, he endeared himself to many a conservative.

Quayle, who is by no means as dumb as so many say he is, knew perfectly well that Murphy Brown II would get lots of attention. So he gave his new version of the old speech and got a respectful hearing from Ted Koppel and Katie Couric.

These explanations are true as far as they go. But they don't get at just why it is that out-of-wedlock births have become a political issue. Where Clinton and Quayle agree, and where both are right, is on the proposition that many social problems—especially street crime and falling educational performance—are caused in significant part by the decline in the proportion of children born to families in which a father and mother are present and have made more than a passing commitment to each other. If you care about poverty, the well-being of children, social justice and equality, you have to care about the state of American families.

This ought not be a contested proposition. The fact is that raising children is an immensely time-consuming endeavor. Single parents have a tougher time of it than married parents do in large part because one person has exactly half the potential time available that two people do. Psychologically, a

kid is obviously better off knowing that he or she is important enough that both a father and a mother are willing to be there. What happens to your sense of self-worth if your father simply disappears? Even children whose parents die prematurely have the security of knowing that the departed parent didn't just walk away.

Sen. Daniel Patrick Moynihan, to his enduring credit, tried to make these basic points almost 30 years ago. He argued that the rise in the number of children being raised without fathers would have a devastating social impact. He was pilloried by many, mostly liberals, who said he was "blaming the victims" of poverty. In fact, he was trying to figure out what could be done to stop the spread of poverty and reduce its toll.

Now, most liberals are willing to accept Moynihan's point. Clinton's embrace of the cause of restoring the family—he did so long before he ran for president—is a sign that this is one issue where left and right, Republican and Democrat, might come together.

By speaking out for the family, liberals are underlining the view that social problems cannot be solved by government action alone. That, in turn, leads to a redefinition of the government's role. In many instances, the government's job is not to establish

assisted Moynihan were, indeed, wrong, and some liberals—though fewer and fewer—have been reluctant to accept that private behavior, especially when it involves children, does have social consequences.

But the Republicans' values talk failed in 1992 because on these issues, most people don't like bashing or "culture wars" or the pretense that one political party has a monopoly on familial virtues. People could think that it's wrong to have kids out of wedlock and still feel for Murphy Brown, who brought a child into the world rather than have an abortion. Quayle insists that his point was not to attack single mothers, only to emphasize "the importance of fathers." But he got into trouble because many outside the "elites" didn't read his statement that way.

So let's have a truce. Credit both Quayle and Clinton for being right about the intact family. Acknowledge that neither Quayle nor Clinton nor anyone else has come up with a magic cure for family dissolution. Go to work to figure out those limited things government can do to strengthen the family. Admit that both economic circumstances and the moral climate affect the well-being of kids. And stop pretending that our political opponents are sinners, knaves or freaks. On these issues, we all see through a glass darkly.

huge programs to deal with every aspect of a problem but to create conditions in which families and neighborhoods are in a stronger position to solve problems themselves. Family leave laws (opposed, by the way, by many conservatives) give parents a chance to do their jobs better. The national service program Clinton lacked off yesterday embodies a notion that conservatives talk about so much—the need to "empower" citizens and communities.

Dan Quayle takes some satisfaction in the altered debate, and it's true that much of what Quayle said in the Murphy Brown speech made sense. But before Quayle is canonized, it's worth recalling what the political point of the Murphy Brown speech really was.

Far from searching for a consensus on family issues, many Republicans used "family values" talk as a battering ram to cast Democrats as the advocates of "alien" ideas, presumably because they thought it was wrong to discriminate against gays and were vehemently opposed to that horrid "counterculture" of the 1960s. Quayle couldn't resist another shot at the counterculture in last week's speech, arguing that "the elite in particular did not want to admit what was going wrong in America."

Well, okay: The folks who viciously

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THE WASHINGTON POST

E. J. Dionne Jr.

# Reconnecting Welfare to Work

Edie Gomez, who played bass with the great jazz pianist Bill Evans, once said that Evans's goal was "to make music that balanced passion and intellect." What Gomez said was certainly true of Dionne, but it has wider application. Balance and intellect is a pretty good definition of what makes for successful politics. Take the passion out of politics and you are left with a series of desultory details. But take the intellect out of politics and you end up with demagoguery and manipulation.

The Clinton administration needs to keep the Gomez formula in mind as it approaches the traditionally wrenching and emotionally fraught business of welfare reform. There is talk among some Clinton aides of postponing the issue until after health care reform is dealt with, and there are other rational reasons for delay.

Money in the new budget, in certain, will surface welfare reform costs sooner. The House Democratic leadership is uneasy about a move that could badly divide its members. There are fears of overloading Congress, and particularly of overloading Senate Finance Committee Chairman Lloyd Dickerstein Margulies, whom own passions run much more to the welfare issues than to health care. And figuring out what to do with the welfare system is demonstrably complicated. Those who are serious about the subject know that it's easier to make bold declarations about "making people work" than it is to figure out how to help the dependent children of those on the welfare rolls.

Nonetheless, it would be a large error for Clinton to do anything that even hints at playing down

welfare reform. Taken together, welfare reform, universal health care coverage and the package of education and training programs Labor Secretary Robert Reich is assembling give Clinton and the Democrats an opportunity to reverse what has been the party's most powerful theme since the days of the New Deal: its emphasis on the dignity of work and the need to reward workers.

For the past 30 years, the Democrats and liberals have often been caught in a contradiction of what they are about—a still, wry, from these New Deal purposes. The New Deal may routinely carry adjectives such as "old" and "outdated," but its spirit never went out of fashion. Its goal was not to create a large class of Americans dependent upon government but to provide working Americans with protections against the swings of the business cycle and to improve their lot when they were on the job. Working people were the Democrats' passion.

The signature New Deal programs were all connected to work. The WPA was about jobs for the unemployed. Social Security was designed to allow those who had worked all their lives a decent retirement. The laws on wages and hours were aimed at protecting workers from exploitation. The Wagner Act made it easier for workers to organize themselves and bargain in their own interest. Even what is now called "welfare," the Aid to Families with Dependent Children program, was mainly designed to help widows of workers, on the theory that mothers of young children ought to be able to

they have with them even if their husbands had died.

The link between Democratic programs and the world of work began to fray in the 1960s. The worst sign of the change is the transformation of the word "welfare." The Webster's definition of welfare refers to "the state of being or doing well; condition of health; happiness and content; well-being properly." How could such a fine word fall on such a coarse message? Now, "welfare" is popularly spoken as a term used to refer to programs that give money to people who, it's assumed, don't want to work and expect government to take care of them and their (often dependent) children.

There was no understandable element of racism in this shift, and little in so much of the ugly talk about "welfare queens." Yet to hear the conventional: "They're lazy, they're here to get a check," they are irresponsible. The Rev. Andrew Greeley, the priest-sociologist-critic, captured the resentments more than two decades ago in the apt title of one of his books about ethnicity and race: "Why Can't They Be Like Us?"

But if you looked beneath the surface, there was a legitimate question that defied the trouble the Democrats were in: Why did the emphasis of government programs shift—or at least seem to shift—away from those who worked and toward those who didn't? Wasn't this unfair? As long as government programs—"welfare" programs—are seen merely as subsidies for the poor, they will be unpopular with vast numbers of working Americans of all races and classes. As long as

Democrats are associated with such programs, they will lose elections.

What brings us to Clinton presently. It runs out that the phrase of much of the Clinton press is on working people. The health care plan. Right now, so recipients get Medicaid, but working poor and non-year health insurance at all, or very little. The Clinton health proposal is aimed to remedy that. The fact passed last year, is aimed at the families of the working above the poverty line. The job training ideas are aimed at a big some low opportunities to work who are not simply laid temporarily but used to find lines of work altogether.

Welfare reform is another of the puzzle, and a crucial piece of the puzzle, and a crucial piece of the puzzle, and a crucial piece of the puzzle. There are big questions at work that it should care, with a lot of work can be created for the most off public assistance, but much can legitimately be achieved by the president's own welfare force. There are serious arguments over the relative importance of work and safety. But there should be no hesitancy about the case for public that the purpose of public assistance programs should ultimately be to move people out of dependence and into work. By demonstration and position for work, the administration will make it possible again to have a rational discussion of just what government should do to help the people who need help. In the process, it might restore the word "welfare" to its original and noble meaning.

Other 1

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CAPITAL JOURNAL

BY GERALD F. SIBS

Wall St. Jnl. 11-16-94

Welfare Reform: Hot-Button Issue Of New Order

A20

HISTORY HAS AN interesting way of evening up things. Back in 1936, Alf Landon, governor of Kansas, ran for president against Franklin D. Roosevelt, blasting the New Deal and proposing to turn some of its big relief programs over to states and cities. Gov. Landon was crushed. His four-year-old daughter, Nancy, was barely old enough to notice.

Today that daughter is Sen. Nancy Landon Kassebaum. Thanks to last week's Republican tidal wave, she is about to become the first woman ever to lead a major Senate committee when she takes over Labor and Human Resources.



In a wonderful irony, that means she will be at ground zero when Republicans begin doing what her father advocated 58 years ago: dismantling some of that New Deal welfare society. Specifically, Sen. Kassebaum will be smack in the middle of next year's hottest debate, the argument over how to reform the welfare system.

Sen. Kassebaum enters this debate with an idea that echoes her father's campaign speeches of half a century ago. She wants to take the nation's main welfare programs out of federal hands and transfer them to the states to run. But in a sure sign of the powerful winds now whirling through Washington, many Republicans don't think her idea is far-reaching enough.

This debate is crucial, because welfare will be to 1995 what health was to 1994. As the election dust settles, welfare is emerging as not only an enormous problem in itself, but as the very symbol of the bloated and ineffective government programs voters acted last week to exorcise.

TWO YEARS AGO, Bill Clinton pledged to seize this bull by the horns when he proposed pushing welfare recipients off the rolls and into jobs after two years. Nineteen months after the 1992 election, he proposed a plan. But nothing has happened.

Today, there is no doubt that a Republican Congress will move, fast. And it is now beyond debate that a

radical fix is in order. But there's also no doubt that next year's debate will be tinged with potentially explosive racial tensions. Welfare reform is by definition a racial issue: though blacks make up just 12.1% of the nation's population, they constitute 37.2% of the recipients of Aid to Families with Dependent Children. By contrast, of the 283 Republicans who are expected to sit in the new Congress, just two are black, and two are Hispanics. Only 20 are women. That means 90% are white males.

It happens that the one new black Republican elected to Congress this year, J.C. Watts of Oklahoma, is an articulate spokesman for radically changing a welfare system that is suppressing the very people it is supposed to help. That will help, but it hardly assures that the coming debate will be rational rather than hysterical.

And that's why Sen. Kassebaum, a moderate woman, figures to become an important figure for Republicans.

Her welfare-reform proposal is a plea to let some of the most sensitive welfare issues be decided at the state level, where most of the innovative thinking has been happening anyway.

She proposes a trade, in which the federal government would turn over complete control of the three main welfare programs -- AFDC, food stamps and the Women, Infants and Children program -- to the states. To free up state funds to run them, the federal government would in return pick up much of the states' share of costs for Medicaid, the joint state-federal health program for the poor. Her rationale for a state-centered solution, she says, is that "we just can't reform it from here any more. We either get too prescriptive or too punitive."

But at the moment, her approach cuts against the stronger current in Republican thinking, which is to create a set of tough new federal welfare rules specifically designed to stop the wave of out-of-wedlock births that lie at the heart of so many other social problems. The welfare-reform proposal in House Republicans' "Contract With America" calls for denying welfare payments to teenagers who have babies and allows states to use the money instead for, among other things, adoptions and orphanages.

President Clinton also talks of attacking the scourge of out-of-wedlock births. But Bruce Reed, a White House adviser, asserts: "In the end, Republicans aren't going to want to be the party of orphanages." So here's a litmus test for 1995: Can Bill Clinton, Newt Gingrich and Nancy Kassebaum all agree on a way to tackle this problem?



Nancy Kassebaum

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**CAPITAL JOURNAL**

By GERALD R. SIBS

## Welfare Summit: A Clinton Move Into New World

**E**VERYBODY seems to think the most meaningful move President Clinton has made since the election was his tax-cutting, bureaucracy-slicing speech on national television this month.

Perhaps. But just maybe his most significant step was one taken much



more quietly. In a meeting with a few Republican and Democratic governors in the White House Cabinet Room Dec. 5.

As he sat at the long conference table there, Mr. Clinton told the governors that he intended to invite them, as well as some mayors and Democrats and Republicans in Congress, to a bipartisan "summit" meeting next month. The goal: to seek common ground in the potentially searing debate on how to overhaul the nation's welfare system.

At that point, one participant in the meeting recalls, Mr. Clinton made a revealing remark. If we can make progress in this way on this issue, he said, maybe we ought to try it on others.

The welfare-summit idea may, in fact, contain the seeds of a governing style that might actually work for the beleaguered Mr. Clinton over the next two years. The president stares in the face several stark and unpleasant truths, all of which happen to be accommodated in the summit idea.

Mr. Clinton simply can't force his own legislative program through a Republican Congress. Yet he and congressional Republicans are like two scorpions locked in a bottle; they can either kill off each other in the public's mind by fighting, or coexist for some time to come if they reach an understanding.

**M**EANWHILE, THE NATION'S governors — Democrat and Republican alike — are getting more important no matter what — as everybody agrees that some pieces of the federal government ought to be broken off, put on the capital Beltway and shipped off to the states.

In that situation, then, the best way for Mr. Clinton to succeed isn't to move right or left, but to build patches of middle ground for which he can take credit. This means taking a bit from the Democrats in Congress, a bit from Republicans, a bit from the states and a bit from popular opinion, and piecing together those bits into something on which he can stand. It isn't possible for Mr. Clinton to actually go around the Republican Congress, but in this way he might co-opt it on selected issues.

Welfare reform could be one of those issues. At this point, neither the White House nor the Republicans in Congress are sure that their ideas for fixing welfare are precisely in tune with public thinking. The two sides may be stumbling toward common ground anyway, and the summit could push them further along.

President Clinton's welfare-reform proposal, which seemed tough enough when first described in the 1992 presidential campaign, now risks appearing too tame for the times. His central proposition — that welfare recipients ought to be given two years of help to get ready for the job market and then gotten off the welfare rolls — now has thorough bipartisan acceptance.

But today, the rap on the Clinton plan is that it isn't ambitious enough. The bill of particulars: it applies the new requirements to too few welfare recipients, it's too expensive because it offers public-sector jobs if private work isn't available, and it doesn't do enough to end out-of-wedlock births by limiting benefits to young unwed mothers.

At the same time, Republicans are getting a little queasy that the welfare plan contained in their "Contract With America" may go too far in the other direction. Polls show fairly clearly that Americans are either uneasy with, or simply opposed to, the Republicans' proposal to deny aid to unwed teenage mothers and their newborn children. At the same time, governors are fretting that the plan's vision of saving billions of dollars by disqualifying many current recipients will just drop lots of indigent folks into the laps of the states.

**T**HE COMPROMISE THAT everybody is stumbling toward is to simply send more money, and the power to make such tough trade-offs, to the states that actually administer welfare programs. Republican leaders talk more and more of doing that. Clinton aides say they just took a big step in that direction by giving Indiana approval to try out a sweeping welfare-reform experiment that includes, among other things, a "family cap" to curb the practice of giving added benefits to those who have more babies while on welfare.

The summit promises to push everybody further down the state-empowerment road. Governors, generally less partisan and more practical than Washington pols, could be Mr. Clinton's friends on this matter, and others. At a time when his friends seem few and far between, Mr. Clinton's call for a welfare summit shows he is figuring that out.

# TRB

FROM WASHINGTON

## Workfare wimp-out

Call me naïve, 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-

nors, 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 Whiteman (see "Compleat Engler," *TNR* 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 Newtoids 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.

MICKEY KAUS

Purdum from citing a survey to assure readers that Pataki's slogan about Cuomo—"Too liberal for too long"—was only half right, since the poll's respondents bemoaned Cuomo's longevity more than his liberalism. He didn't explain why the less liberal Senator Daniel Patrick Moynihan, in office far longer than Cuomo, proved impregnable to a challenger no more or less well known than Pataki.

Voters have tired of Cuomo Democrats for two reasons. First, liberal Democrats, no less than their conservative Democratic and Republican colleagues, practice a decrepit "crony capitalism" by arranging publicly funded boondoggles for big campaign contributors. Second, they try to cover their sins by catering to "the human rights and welfare industry lobbyists," as Von Hoffman put it, who think people are liberated by hyping "multicultural" differences that are supposedly rooted in color, surname or sexual orientation.

Few Americans actually believe that, and few multicultural differences contribute anything to a vibrant civic culture or progressive politics. The race-class-gender trinity actually thwarts class politics by distracting people from their common interests. That distraction benefits corporate managers, foundation liberals, lobbyists for the social-welfare industries and the trendies who edit glossy magazines for "market niche" audiences identified by focus groups. But on November 8, moderate as well as conservative voters revolted against this system.

Newspapers such as the *Times* misunderstood the implications of all this during the campaign because they, like Cuomo, had come to embrace and embody the multicultural agenda in their own realms. Nowhere was that more evident in the campaign than on the editorial and op-ed pages, where, in the final week before the election, columnists Frank Rich and Anna Quindlen were preoccupied with a hook on the Clarence Thomas hearings that, Rich predicted, would "make people's blood

boil." It was more important to them to vindicate Hill's supporters than to write about the blood that was boiling upstate. After it boiled over on Election Day, Quindlen wrote Cuomo an eiegy. A *Times* profile of Pataki adapted the old Giuliani "Wonder Bread" metaphor to the governor-elect, dubbing him "Mr. Plain Vanilla."

Had Wonder Bread given Plain Vanilla at least a pro forma endorsement, his beleaguered city would now face the prospect of partisan preferment rather than punishment from Albany and Washington. The city would be able to hope for a \$100 million economic boost from the 1996 Republican National Convention and a gravy train from new Senate Banking Committee Chairman D'Amato. Far more important would be the hope that a vigorous, brainy Giuliani-Pataki team could reinvent New York's city and state governments, now locked together in a fiscal free-fall. The only way to stop that free-fall is to reconfigure both of these interdependent colossi at the same time, changing what they do and deliver. That will take cooperation between the mayor and the governor that transcends both partisanship and ideology.

If Democrats still represented a vibrant, class-based politics, they and the country might be fit for the task. Instead, in thrall to Cuomo's and the *Times*'s vague notions, they've defaulted to state Republicans, who may not be up to the task at all. Giuliani and Pataki do have the ability, but the vengeful D'Amato looms large: three days after the election, Pataki had yet to return one of Giuliani's several congratulatory, conciliatory calls. When they do finally meet on the political terrain, ravaged as much by liberal myopia as by right-wing rage, New York's Republican mayor and Republican governor will probably look at each other and ask, "Now what?"

JIM SLEEPER is a political columnist for the *New York Daily News*.

## Welfare reform, Clinton and the future.

# THEY BLEW IT

By Mickey Kaus

(continued from front cover) Even the president's chief of staff now admits that "in hindsight, it would have been better if we had taken on welfare reform" before tackling health care. In hindsight, of course, many things are clear. In hindsight, Mr. Bonaparte, was invading Russia such a good idea? Any initiative might have been preferable to Clinton's disastrous health crusade.

But welfare reform is not just any initiative. When NBC and *The Wall Street Journal* polled voters right after the election, reforming welfare was the issue most often listed as a top priority for the new Congress. Health reform came in a distant second. Among the heavily wooed independent voters, welfare reform beat out such Perotian staples as a balanced budget amend-

ment (by a nearly two-to-one margin) and term limits (by a nine-to-one margin). *Journal* reporter Gerald Seib, in follow-up calls to Democrats and independents who voted Republican, was surprised to find that they spontaneously raised the welfare issue.

Nor did it really take hindsight to recognize welfare's salience. How, after all, had Bill Clinton gotten elected in 1992? By promising to "end welfare as we know it." That was the main message of the television ads his consultants ran in contested states. It was a central applause line in both of his State of the Union addresses. Indeed, as Al From of the Democratic Leadership Council points out, when it appeared that Clinton had stolen the welfare and crime issues from the Republicans in early 1994, there was talk in the press

that Clinton was on the verge of redefining American politics in his favor. "It's not that they didn't see the tsunami coming on this particular issue," says another Democratic strategist close to the White House. They just chose not to ride it.

How can welfare be so important? After all, the program that most people mean when they talk about "welfare"—Aid to Families with Dependent Children (AFDC)—only spends about \$25 billion per year in federal and state money. Add in Food Stamps, and you're still talking about 3 percent of the federal budget. But it's a crucial 3 percent, both symbolically and substantively.

Poll-takers will tell you that welfare reform is a "values" issue. The values involved are work and family.

## Health Snare

Whenever health reform looked like it was running out of steam over the past year, Clinton played the welfare card. Many people stay on welfare, the president said, "because they do not want to put their children at risk of losing health care." The point was that we can't reform welfare until everyone has health coverage; health care reform had to come first. In fact, though, there is little evidence to back up this position. So, not only are there strong political reasons for proceeding immediately with welfare reform, but the argument for waiting is groundless.

There are two parts to the administration's argument. The first is that passing universal health coverage would lead to large welfare reductions. It cites three studies to support this conclusion. These findings are of dubious value, however, since they are based on data from the period *before* Congress expanded Medicaid for those leaving welfare. What's more, Clinton draws a different conclusion each time he brings them up. "A million people are on welfare today because it's the only way they can get health care coverage," said the text of this year's State of the Union address. That would mean that 7 percent of the 14 million people on welfare stay on the rolls due to the lack of health insurance. But what the president actually said to the nation on the night of January 25 was this: "One million people are on welfare today because it's the only way they can get health care coverage for their children" (emphasis added). So it's a million families that are affected, or 20 percent of the 5 million welfare families. A week later, in a speech to

the National Governors' Association, the president put it still another way: "Just under one in five people who get back on welfare after they get off do so for health-related reasons." Where this came from is anybody's guess—there's no research on the subject.

Second, the administration says only 8 percent of the jobs obtained by welfare recipients include health insurance—implying that it's unfair to pressure recipients to get jobs and leave welfare before health security is guaranteed. Although the statistic is accurate, the implication is misleading. Under 1988 legislation, a welfare mother (95 percent of heads of welfare families are women) who gets a job and leaves the rolls is covered by Medicaid for twelve months. At worst, after a year, she stops working and goes back on welfare. Chances are, though, that she will still be covered after a year. The Congressional Budget Office recently looked at workers hired for jobs paying \$5 an hour or less (the jobs open to most welfare recipients). At the outset, only 8.8 percent of them got health insurance from their employers; but of those still working a year later, 81.5 percent do. No big surprise here; often, new employees are placed on probation and don't receive all the fringe benefits right away. Furthermore, an additional 37.7 percent have other insurance—through a spouse, or from continued Medicaid coverage. In all, about 70 percent of those who have been working for more than a year are covered.

Even those welfare recipients who aren't covered after their year of federal Medicaid expires can get health care from a public clinic, or can return to welfare. The recidivism rate is unknown, although a recent Urban Insti-

tute study of Washington state's program found no evidence that this happens. All of this suggests that even in the absence of universal coverage, welfare mothers should be encouraged to find work.

The irony here is that all we really have to do to help poor mothers get off welfare is enforce the current law. Incredibly, only 30 percent of welfare mothers who find jobs and leave welfare actually get the year of Medicaid to which they are entitled. Since only 8 percent have employer-provided health insurance when they start work, this means that almost two-thirds of those leaving welfare have no coverage at all. There are many reasons—states don't bother to tell recipients that they're eligible, and recipients forget to sign up. So the president is right after all: for most welfare mothers, leaving welfare *does* mean losing Medicaid. But the problem isn't the law, it's the failure to implement a statute that's already on the books.

We really don't know how much difference universal coverage would make in getting people off welfare, but it's probably not great. In any event, it's now more clear than ever that health reform—especially universal coverage— isn't going to pass anytime soon, so there is little to be gained by letting it hold up welfare reform. Meanwhile, this president is in political trouble, and more and more people wonder whether he is really the "New Democrat" he said he was two years ago. So no more stalling: bring on welfare reform.

PAUL OFFNER

Paul Offner is legislative aide to Senator Daniel Patrick Moynihan. The views expressed here are his own.

Both AFDC and Food Stamps flout the work ethic, offering support to able-bodied Americans whether they work or not—the only major components of our “welfare state” that do this. Social Security’s retirement benefits, in contrast, only go to workers. Social Security is immensely popular, while AFDC is despised. AFDC also seemingly undermines families, because it is available, by and large, only to single parents (mainly mothers).

But more than symbolism is involved, since welfare is implicated in America’s most difficult social problem—the existence of whole neighborhoods, mostly African American, where there are precious few intact, working families. Welfare may or may not have caused this underclass, but welfare is clearly what sustains it. And the underclass, in turn, drives the crime problem, the race problem, the “urban crisis” and the general sense of social decay (“12-year-olds having babies, 15-year-olds killing each other”).

**T**he underclass is not the main cause of the other big domestic problem Clinton tried to address—the growing economic gap between skilled and unskilled workers. But welfare reform still speaks to that issue. Clinton’s political advisers seem to believe that the only way to win over the struggling middle class is to deliver tangible benefits—tax cuts, job training, health insurance. That’s one reason the White House focused on health care. But another way to appeal to struggling, underpaid workers is to honor their work—by dishonoring the non-work of those who stay on the dole. No wonder Newt Gingrich traveled around the country talking about dismantling the “liberal welfare state.” He wasn’t referring to Social Security.

The irony is that Clinton had a tough, even radical welfare plan to run on, if he’d chosen to. Clinton pledged during the campaign to offer welfare recipients two years of education and training, after which they would “have to go to work,” in a community service job if necessary. As introduced, finally, last June, Clinton’s plan fudged the two-year limit a bit through various exemptions and deferrals. But in other respects it was surprisingly strict. The penalty for repeatedly failing to work, once the time limit was reached, was loss of all AFDC benefits.

Like every welfare reformer—Gingrich included—Clinton discovered that making recipients work actually costs more money than mailing out checks. Workers need supervisors and materials. Poor single mothers need subsidized day care. To save money, Clinton applied his time limit only to the youngest third of the welfare caseload. That made sense (it would still discourage young girls who hadn’t become single mothers from going on the dole) but it let the press unfairly portray Clinton’s plan as “modest.” Still, a *Los Angeles Times* poll found that Clinton’s two-years-and-go-to-work idea had 90 percent support. Even when voters were told the plan would cost them \$50 billion over ten years, it drew 70 percent approval.

Imagine how the midterm election might have

looked if Clinton had spent 1994 pushing this tough, popular proposal—standing up to the Congressional Black Caucus, fighting off paleoliberals and neoconservatives, overcoming gridlock, in general showing he is the sort of forceful leader voters have now concluded he’s not. Imagine . . . oh, it’s too depressing.

Instead, Clinton has not only lost control of Congress; he has lost control of welfare reform. Yes, he will reintroduce his two-years-and-work bill, but it will be dead in Gingrich’s House. Yes, as Clinton noted in a post-defeat news conference, the leading Republican welfare bill in 1994 was “quite similar” to his proposal. But the House Republicans have long since abandoned that bill as too liberal. Instead, the House is likely to take up the so-called Personal Responsibility Act, the far nastier scheme contained in the Contract with America.

How nasty? Plenty. For starters it cuts off all AFDC and housing benefits of illegitimate children whose mothers are under 18. States may, at their option, extend the ban to mothers aged 18, 19 and 20. The targeted children are banned from AFDC for life—if their mother works for ten years in a factory, gets laid off and applies for welfare at age 30, she will still be turned away.

She’ll be turned away even if she’s willing to toil in a community service job. Other welfare recipients are required to work in such jobs—half the caseload must be in a work program by 2003, and nobody can receive aid for more than two years without working for it. But after five years, even if a mother has been doing “workfare” full time, she is cut off completely—no AFDC, no workfare, for the rest of her life. That’s in the generous states. Less permissive jurisdictions can choose to cut off recipients after only two years (if one year was spent in a work program).

**T**he Personal Responsibility Act really does start to dismantle the welfare state. Another provision strips AFDC, housing and the Supplemental Security Income (SSI) program—which aids the elderly and disabled poor—of “entitlement” status. Instead, these programs are placed under a “cap” that requires them to be cut dramatically. When the “cap” is reached, disabled applicants for SSI could face waiting lists. Republicans can claim that they will protect SSI in this crunch. But then they will have to drastically cut something else. They needn’t say what, of course—that’s the beauty of “caps.”

Did I mention that the plan (including the \$10 billion cost of the work program) is financed in large part by ending virtually all benefits for *legal* immigrants. Oh, one more thing: the Food Stamps program is more or less abolished, folded in with other nutrition programs under its own lowered “cap.”

Taken as a whole, this is a pretty breathtaking package. Clinton must be appalled by it (and by talk among GOP House members that it doesn’t go far enough). “At least in the president’s version, a job has to be available,” Representative Robert Matsui, a liberal Demo-

crat on the Ways and Means Committee, told *The Los Angeles Times*. Of course, Matsui worked strenuously to block the president's plan this year, when it had a chance.

**W**hat can Clinton do now? The new dynamic of welfare reform is fairly clear: Clinton has veto power, but it is hollow, since everyone knows he won't want to reject a welfare reform bill before the 1996 election. In this situation, it probably doesn't do him much good to draw sharp "lines in the sand," something he's not very good at anyway. If he pledges to veto provision X, that only makes it more likely Republicans will stick it to him by passing X.

The Senate might save him. Republicans only have 53 votes, and seven belong to moderate Republicans who wrote a letter to Clinton last spring urging a soft line on welfare. Clinton can probably rely on Majority Leader Bob Dole to protect the Food Stamps program, which is popular in farm states. Beyond this, three potential tactics suggest themselves.

First, Clinton can emphasize work and the principle that people who are willing to work to support their children shouldn't be left out in the cold. The business cycle hasn't been repealed. If there are no jobs to be had in the private economy, do we really want a low-skilled divorcee who has been picking up trash in a subminimum-wage community service job to be left on her own? Why not let her keep her workfare job? The Republicans' dirty little secret is that for all their Reaganesque talk of work, they have been gradually abandoning workfare. After all, it costs money. It requires government. Better to cut 'em off. But that's not a position Gingrich or Phil Gramm can defend easily.

Which brings up a second, more obvious Clinton strategy: helping the press portray the Republicans as mean. Gingrich, Dole and Gramm certainly look the part. And House Republicans are extremely vulnerable on the Contract's explicit threat to SSI. The SSI program is very different from AFDC; it gives cash only to people who cannot work. Do we really want a 65-year-old single man who works for forty years and then goes blind to live in poverty? There will be countless horror stories. Take it away, Peter Jennings.

Finally, Clinton must compromise, but he can do it in a way that preserves the chance to test out his own reforms. We don't really know, after all, how many welfare recipients are simply incapable of working. We don't know the extent to which cutting off unwed mothers will encourage marriage, and the extent to which it will simply produce homelessness. We don't know if humane orphanages or group homes for single mothers are possible. The answers won't come from the study of the mincing, incremental reforms that have been tried. They will come from letting some states try the Republicans' radical ideas and some states try Clinton's radical ideas. That's the obvious way out for the president. It also happens to be the right way to proceed. The results should come in sometime during Clinton's second term. \*

## Liberalism's second chance.

# WHAT BILL WROUGHT

By Michael Lind

**T**he crushing defeat of the Democrats creates the best opportunity in a quarter-century for liberalism. By liberalism, of course, I mean the liberalism of the New Deal and the original, color-blind civil rights revolution; the liberalism of FDR and Truman and LBJ, of Martin Luther King Jr. and Bayard Rustin. This liberalism buckled at Chicago in 1968 under the weight of a coalition of left-liberal, upper-income radicals and black-power militants. These progressive-liberals alienated a growing number of once-Democratic white middle-class Americans, who floated for a generation between the two parties. On the presidential level, they soon came to live in sin with the Republicans. On November 8, they married them.

The shock to the Democratic Party should be seismic. Democrats may one day regain Congress, but they will be different Democrats. Even those Democrats who lost on November 8 resembled tough-on-crime, socially conservative, anti-Washington Republicans more than their party elites. Progressive-liberals, with their odd mix of patronizing liberal tokenism in civil rights, utopian multilateralism in foreign policy and bribery by means of proliferating entitlements, have gone the way of the Whigs and the Mugwumps and the Free Silverites.

They deserve their fate. And they deserve little consolation. Some have blamed the Democratic collapse on the end of the cold war. Having lost an enemy, it is argued, angry voters are now seeking substitutes: the poor, blacks, immigrants. This is only half right. Not the half about American domestic politics having been primarily about foreign policy during the cold war (it wasn't), but the half about the importance of the cold war's end. One by one, since the Soviet Union imploded, the dominant parties in the democracies have been blown to smithereens by populist and nationalist electorates: the Social Democrats in Sweden, the Christian Democrats in Italy, the Socialists in France, the Liberal Democratic Party in Japan, the Progressive Conservatives in Canada. And now the Democrats. Their turn might have come earlier had our divided government not caused a Republican president to act as a lightning rod in 1992.

But the factor uniting these demolitions was not the effect of the cold war's end on the right—the search for enemies—but the effect of the cold war's end on the left—its marginalization. For half a century in the democracies, "the left" was socialism and "the right" was

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## The Welfare Mess—How It Got That Way

By MICKY KALS

A Democrat, Franklin Roosevelt, tried to end the dole. "Continued dependence upon relief," he declared, "induces a spiritual and moral disintegration fundamentally destructive to the national fibre." A Republican, Richard Nixon, tried to extend the dole. He wanted a "guaranteed annual income" for all poor families, regardless of whether the parents were able to work.

In the rich, perverse history of public assistance for the poor, you can't tell the players with a partisan scorecard. "Right" and "left" have switched sides many times. As Congress prepares to debate the issue yet again, it's worth remembering how we got into the "welfare mess."

In this century, there have been roughly seven phases of government welfare reform as we've known it:

• **Mothers' Aid (1911-35).** What to do about a destitute single mother and her children? One obvious solution is for the government to recognize that being a mother is an important job—and to simply pay single mothers for doing that job. By 1926, all but eight states had set up "mothers' aid" programs that did just that.

The obvious problem with this solution was articulated in 1914 by one mothers' aid advocate: "To pension desertion or illegitimacy would, undoubtedly, have the effect of a premium upon these crimes against society." Most states guarded against this by restricting aid to "suitable homes"—meaning that aid was reserved for "gilt-edged" widows, not bastards or broken families.

• **FDR's Choice (1935).** Franklin Roosevelt spent \$2 billion trying to help the poor during his first two years in office. The Federal Emergency Relief Administration handed out money to the states, most of which chose to spend it on "direct relief"—a cash dole. Prodded by his aide Harry Hopkins, FDR turned against cash relief. In his 1935 State of the Union address he declared that "to dole out relief in this way is to administer a narcotic." FDR replaced the federal cash dole for the able-bodied with a massive program of public-works jobs, the Works Progress Administration. In effect, he revived the late 19th-century philanthropic practice of the "work test," which required labor in exchange for aid.

There was one crucial exception, however, a little-noticed program called Aid for Dependent Children (ADC), designed to help families in which the breadwinner was "dead, disabled, or absent." That language was lifted directly from state mothers' aid laws that, in practice, were restricted to "suitable homes." At the time, 300,000 children were receiving help from mothers' aid. In 1937, only 1.6% of ADC children were illegitimate.

• **Quiet Revolution (1935-40).** From this inconspicuous beginning, ADC developed into a program that was almost solely di-

rected at supporting the children of desertion, illegitimacy and divorce. The initial impetus came from federal bureaucrats, who saw state "suitable home" policies as irrational (as if children of deserted mothers were any less needy) and merciful (since there were horror stories of mothers denied aid because they "spoke gruffly to their children at times"). Under federal prodding, all states technically allowed illegitimate children to receive aid by 1939. By 1940, 30% of the ADC caseload consisted of families with "absent" fathers.

Congress still preferred "deserving" widows, of course. They were so deserving that in 1939 Congress brought them under the far more generous provisions of Social Security. In New Deal theory, as more and more widows qualified for Social Security, ADC (renamed Aid to Families with Dependent Children) was supposed to

their families. Why not extend it to families that stayed together, without middlemen ("poverty pumps") and moralizing?

This was the idea of the guaranteed income. It had terrific appeal to both the left and right. Milton Friedman first floated the idea; James Q. Wilson was an early proponent, along with John Kenneth Galbraith, Sargent Shriver, head of the War on Poverty, soon converted, along with Daniel Patrick Moynihan. Why would recipients of this guaranteed income work? Marginal incentives, said the economists. The "archaic" language of morality, of "deserving" and "undeserving," of "legitimacy" and "desertion," gave way to clean-sounding technical talk about the slope of income curves.

Lyndon Johnson resisted the new left-right consensus. But President Nixon proposed a guaranteed income in 1969, after

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"wither away." In practice, Social Security siphoned off the "deserving" elements of the single mother population, leaving on AFDC mainly the children of those who had divorced or whose husbands had deserted. By 1960, 64% of AFDC families were "absent father" cases.

• **Power (1960-84).** Faced with such statistics, states tried to reassert "suitable home" type restrictions—especially when the number of people on welfare started rising rapidly. Some states staged "midnight raids" to catch welfare mothers in the act of receiving "male callers." But the racist theme and heavy-handed enforcement of many of these restrictions made removing them a cause of the civil-rights movement. A few thousand regulations and court decisions later, it was clear that any poor single mother with a child was entitled to aid, whether or not she had married the father of the child or had any idea who the father of the child was.

In the early 1960s, liberals panicked about AFDC along with everybody else. "I have been appalled at the thought of generation after generation on welfare," said Abraham Ribicoff, President Kennedy's secretary of health, education and welfare, in 1961. Mr. Ribicoff produced the 1962 Public Welfare Amendments, which tried to end the welfare rolls through a massive application of social work, styled as "momentous." The 1962 law served mainly to drain the federal treasury as states scrambled for federal dollars to subsidize vaguely defined "preventive" and "consultative services" for the poor.

• **The Give-Them-Cash Consensus (1960-75).** Because AFDC was available only to single mothers, it seemed to offer a perverse "incentive" for poor fathers to desert

Mr. Moynihan, his domestic adviser, assured him it would "get rid of social workers." George McGovern famously promised "31,000 a person" in 1972, and Jimmy Carter offered a modified guaranteed income plan in 1977. All these schemes failed, in part because the numbers never added up, but mainly because the public at large never bought the idea of giving people money whether they worked or not. Gov. Ronald Reagan of California denounced the Nixon plan as a "megadole."

The main effect of the expert pro-dole consensus seems to have been to help remove the stigma associated with welfare. In the early 1960s only about a third of those eligible actually signed up for AFDC. By 1971, the percentage had risen to 90%. This was the "welfare explosion." Between 1960 and 1974 AFDC rolls more than tripled, to almost 11 million from 3.1 million.

• **Workfare (1980-present).** With Mr. Reagan, the welfare debate settled into a familiar configuration: Conservatives pushed "tough" work requirements. Liberals, somewhat pathetically, defended the AFDC program they had once tried to supplant.

Congress didn't authorize an authentic workfare regime. But Mr. Reagan won approval for states to experiment with stiffer approaches that threatened to cut welfare checks if recipients didn't attain training or "work experience." This approach was extended nationwide in the 1984 Family Support Act.

• **Time Limits and Cutoffs (1980-777).** The 1984 law had at best modest effects. Meanwhile, sociologist William Julius Wilson had made it acceptable again to talk about poverty in cultural, as well as in

economic terms. Didn't it make a difference if someone grew up in a neighborhood filled with broken, welfare-dependent people? Charles Murray pointed out that even if AFDC didn't create this "underclass," AFDC sustained it. Liberals, such as Harvard researcher David Ellwood, began to once again acknowledge that long-term dependence was a real problem. And it became difficult for the left to argue that mothers on welfare should somehow be exempt from work; thanks in part to feminism, most mothers now worked.

Mr. Ellwood came up with a fairly radical idea: Instead of first sending checks, and then trying to make recipients "worth their off," why not send the checks after a certain fixed period? In 1985, he proposed a time limit of 18 to 24 months, after which ex-recipients would be offered a low-paying WPA-like job. Bill Clinton picked up Mr. Ellwood's idea. His proposed Work and Responsibility Act embodies Mr. Ellwood's time limit, modestly diluted.

Oddly, just as Democrats are learning to embrace work as the solution to the welfare problem, conservatives have begun to abandon it. "I don't care how many women go to work," says Mr. Murray. "Illegitimacy" is the problem, not non-work—and the solution is to discourage illegitimacy by simply abolishing welfare.

There is less to this debate than there appears, since the Clintonians clearly want their time limit, in part, to discourage illegitimacy. The fight is over means, not ends. Both sides have returned to older moralistic language that acknowledges the virtue of "playing by the rules," of fasting marriage and of self-sufficiency.

Given this comeback of culture and virtue, it is tempting for conservatives to see the history of welfare as a neat, cautionary arc: Americans try helping single mothers with cash, learn that it has perverse consequences, and stop.

But the story isn't really that neat. For one thing, the guaranteed-income solution, our hero, especially on the libertarian right. Even Mr. Murray, of all people, still occasionally proposes it. For another, respectable moralistic 19th-century philanthropists could suggest that you can fairly enforce a "work test" without providing the work. To provide hundreds of thousands of WPA-style jobs, says Mr. Clinton's plan, contemplative, will cost money. But American voters seem to prefer Mr. Clinton's two-year, end-to-end work solution to the right's offer of orphanages. And the clearest lesson the history of welfare teaches is that the voters—who have consistently opposed giving cash to those who can work, but who have supported providing the work—are usually wiser than the experts.

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## LEVEL 1 - 13 OF 20 STORIES

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Ira Magaziner and Bruce Reed share a suite of rooms in the Old Executive Office Building next door to the White House. But there the commonality ends, for the two domestic-policy advisers stand as opposite poles of the Clinton administration in almost every other respect.

Magaziner, 46, who has known the president since their days together at Oxford, is an unkempt, old-school liberal. Reed, 34, who was one of the whiz kids on the campaign plane, is a fastidious centrist. As chairman of the president's health-care task force, Magaziner has been attempting to create a new government entitlement. As head of Clinton's welfare task force, Reed is trying to abolish an old one. Magaziner's 500-person committee met in secret and drafted a 1,400-page bill that no one but Magaziner completely understands. Reed's 32-member team held public hearings and produced a 50-page draft in plain English. The first, famous plan has had to be constantly relaunched since fall, when it was pronounced dead on arrival. The new quiet one, due for release in June, looks to be a political home run.

"We had the benefit of learning from the health-care task force," Reed says. That's charitable. More directly put, Reed's group approached its mission with a modesty and common sense entirely absent from the health-care effort. An examination of the final draft submitted to the president (of which I've obtained a copy) shows how the Clinton administration can stay on the side of the angels when it focuses on a clear goal, dares to challenge traditional Democratic constituencies, and takes an incremental approach to reform. The plan will not end welfare as we know it overnight. But it does offer a sound basis for transforming the welfare system into one based on work. At its heart is a focus on personal morality: that it's wrong to bring children you can't care for into the world, that individuals are responsible for helping themselves. "I think these messages are enormously important," says task-force co-chairman David Ellwood, whose 1988 book *Poor Support* provided much of the inspiration for the plan. "That's why we keep keying on values."

To wit, the draft is filled with a variety of sensible provisions, including a national campaign against teen pregnancy (states will be allowed to deny additional benefits to mothers who have children out of wedlock); incentives for families to stay together (eligibility will no longer hinge on single parenthood); and even an increase in the value of the automobile welfare recipients are allowed to own, from \$ 1,500 to \$ 4,500 (on the theory that a person needs a reliable car to get to work). There is also a worthy emphasis

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on "changing the culture of welfare offices," as the authors put it. "You can't spend time in welfare offices and not come back thinking that the system is just plain broke," Ellwood says. He cites the example of one mother who testified about her visits to dozens of places where the object seemed to be perpetuating welfare dependency rather than getting people free of it. "Every time, she expected the question 'What's your problem and how can I help?' She had never been asked that."

But the crux of the plan is the fulfillment of the most memorable promise of the 1992 campaign - a two-year time limit for welfare. Here's how it would work: With the exception of those with severe physical or mental disabilities, everyone applying for AFDC (Aid to Families with Dependent Children) would be required to undertake a job search and to accept any employment available. Absent an offer, a person could remain on welfare for up to two years (or three, in some cases, for mothers of infant children). But that time would have to be spent in training or education, under an existing program called JOBS.

After JOBS, it's WORK, the administration's new non-acronym. The first recourse would be to place people in government-subsidized, private-sector employment. As a fallback, welfare recipients would be offered free child care and a community-service job, but no dole. A crucial selling point of the Clinton plan is that it would offer what it calls work-for-wages instead of workfare. Under workfare, not showing up for work means you may be "sanctioned," made to give up part of your welfare check. Under work-for-wages, you get a regular paycheck. "If people don't show up, they won't get paid," Reed says. Harsh as this sounds - children of intractably shirking parents will end up in foster care in a small number of cases - real failure has to be a possibility for the system to succeed.

The task force has not answered all the hard questions. The report dodges, for instance, the issue of what community-service jobs welfare recipients would fill. The reason for this evasion is that municipal unions are notoriously antagonistic to the idea of nonmembers' doing public work. Rather than join this battle, the administration defers to the states on the enumeration of specific jobs. That probably means real work in some places and make-work in others. "In the northern industrial states, it's a fact of life that unions are powerful," says John Norquist, the mayor of Milwaukee, who has developed his own work-for-wages scheme, the New Hope Project. Norquist let AFSCME, the public employees' union, more or less dictate the list of offerings, on the convincing theory that make-work was better than no work. But really useful, meaningful work would do far more to build public support for reform, as well as bolster the self-esteem and skills of those who perform it.

Keeping the unions quiet makes sense, however, in the context of congressional interest-group politics, which could easily doom a less savvy plan. The broad challenge for Clinton on welfare has been to seize the center without losing the left. And as with the crime bill, he seems to be doing it. Representative Dave McCurdy of Oklahoma and other moderates who rebelled against Clinton's budget and his health plan seem to be onboard this time. After the election, the centrist Democrats fretted that Hillary Rodham Clinton's mentor, Marian Wright Edelman, would preempt any welfare proposal with real teeth. But Edelman's organization, the Children's Defense Fund, has been nearly silent. And the Congressional Black Caucus, which has been antagonistic to welfare reform in the past, seems so flummoxed to see it emerge from a Democratic administration that it hasn't even taken a position.

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The right seems, if anything, even more shell-shocked than the left. Clinton caught George Bush flat-footed when he came up with a plausible plan to reform welfare during the 1992 campaign, and Republicans are still groping for a response. Their problem is that there's not much room to maneuver to Clinton's right. The House Republican leadership's bill is essentially Clinton-plus: It would be tougher on illegitimacy while implementing the work requirement more broadly (and expensively). "The House Republican bill is not sufficiently distinct from Clinton," acknowledges William Kristol of the Project for the Republican Future, a G.O.P. think tank. The only other contender is a far-right bill inspired by the conservative social critic Charles Murray that would terminate benefits to unmarried mothers without offering a job instead. This is a brutal, unpopular, and untenable idea.

Perhaps the most impressive political feat, however, has been the wooing of Daniel Patrick Moynihan. New York's senior senator is the 800-pound gorilla of welfare reform. It's not clear where he's going to sit, but as chairman of the Finance Committee he sits where he wants. The Senate's only serious thinker on the subject, he has clear preferences, such as a loathing for paleoliberal welfare advocates, but - amazing though it seems - no stated position on reform. Thus the irascible Moynihan presents an unknown potential for enormous trouble. The welfare task force has dealt with this problem by being extremely solicitous, paying court to Moynihan's Senate offices and checking in on a regular basis to make sure it hasn't strayed too far from the true religion. Its proposal is also, at least rhetorically, a kind of homage. Moynihan has a proprietary interest in the Family Support Act, the 1988 bill he sponsored that made education and training a component of AFDC for the first time. Clinton's bill, with its work requirement and time limits, is actually a dramatic departure from that approach, but casts itself as an expansion.

The fight that looms is over funding. The task force has considered various options, including a 4 percent tax on gambling receipts to raise the estimated \$10-billion its plan will cost over five years. But the political reality is that the administration can't raise taxes again, especially after a second increase to pay for healthcare reform. Instead, it will propose trimming from existing programs - "a billion here and a billion there," as Reed puts it. Among the potential sources of money is a cutoff of agricultural subsidies to the richest farmers. Conservative Democrats and Republicans, however, want to finance the entire effort out of the pockets of immigrants, legal as well as illegal. They would deny all welfare, food-stamp, and Medicaid benefits to noncitizens. In addition to being an ugly exercise in nativism, this proposal would be a false economy, since the cost of medical care for noncitizens, for instance, would simply be shunted to the states.

The austere fiscal climate that now seems a permanent feature of politics has meant that the task force has had to scale back some of its ideas, such as government-paid child care for the working poor. It has also meant a slow phase-in for the program as a whole. The Clinton plan would apply only to people born after 1972; the White House estimates that by the year 2000, just 350,000 welfare recipients would be subject to the work requirement. Some have criticized the proposal for this reason, because it doesn't end welfare fast enough. But as with the president's national-service program, which was downsized from grander plans, starting small is wise. Time limits are as yet untested. In five years, we'll have some idea whether they work. If they do, the argument for applying them to older fare recipients will be irresistible. In the meanwhile, incrementalism makes sense. "With all the money in the world, you

New York, May 30, 1994

ouldn't change welfare overnight," says Ellwood. "It's going to take time." ra  
gaziner, take note.

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# A way to right welfare reform

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By H. James Towey

From the vantage points as secretary of Florida's welfare agency and then as a Washington consultant for Gov. Lawton Chiles and U.S. Sen. Bob Graham, I have watched the welfare reform debate move from mandate to "maybe."

Why has the steam gone out of the move to "change welfare as we know it?"

The answer can only be found by properly understanding why there was such momentum in the first place. The reason there was broad public support for "changing welfare as we know it" can be found in the day-to-day struggle of working men and women who barely can make ends meet and who find that they have all of the job security of temporary employees. To them, a system that permitted able-bodied adults to stay home and receive a monthly government check — paid for, no less, with the taxes of these workers — was a morally bankrupt system in need of drastic change.

The public attitude was equal parts "You shouldn't be getting a free ride while I am busting my back making ends meet," and "God, it is tough to make a buck these days, with all of the layoffs and uncertainty; I am working harder than I ever have worked and I am not getting ahead financially for my family."

What did the new leadership in Congress do in response to this outcry?

First, it proposed to abolish the existing welfare system and replace it with block grants to the states, which might have worked had Congress not simultaneously pillaged \$85-billion from the system, thereby robbing the reform of any possible success.

How would the children of these once-on-welfare mothers be cared for while their moms worked? What about health care for these children when mom leaves welfare and works for an employer who provides none? And, most important but least discussed, just where were all of these jobs going to come from? How was the economy of Florida, for example, going to create more than 100,000 jobs for marginally trained welfare recipients who now must find work and find it fast?

To these questions and many more, the new congressional leadership engaged in the kind of wishful thinking customarily reserved to lottery addicts and Hooters patrons. Their response: "Trust the states and, anyway, the system can't get any worse."

On both counts these leaders knew better.

For the poor, things always can get

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## Welfare from 10

worse, and it seemed for a while that Congress was hell-bent on replacing a system known for its failure with something even more wasteful and flawed — all for the sake of appeasing public sentiment and finding \$85-billion for a tax cut.

But that is where the new congressional leaders went wrong. They mistook the heartland's demand for better wages and secure employment as a demand for tax cuts. But that wasn't the real message. The impetus behind the voter backlash in November 1994 was the public's resentment that, in too many cases, working wages are indistinguishable from welfare benefits; it was the feeling of powerlessness as wave after wave of mid-management and front-line workers are laid off while those at the top find their financial well-being untouched, if not enhanced.

By the way, that fear and frustration have not abated. AT&T recently announced plans to lay off 30,000 to 40,000 workers, a full 13 percent of its work force. The impact of such maneuvers extends to every business where "company loyalty" is being devalued. While Wall Street applauds such restructurings and corporate profits hit record highs, working men and women who gave their lives to businesses that now banish them are left in an ugly mood.

But when it became clear that Congress was not going to address crucial issues such as job security and decent working wages and, in fact, was likely going to make matters worse for working, low-paid Americans, public sentiment quickly shifted. Making the lives of poor children more miserable was not going to help working families make ends meet.

Further, as Sen. Graham repeatedly pointed out, the proposed \$163-billion cut in Medicaid was going to reach beyond the ghettos, to the middle-class homes that don't have enough paycheck left to cover tuition for their kids, much less the nursing home costs of their parents.

What can Congress do to get welfare reform back on track?

First, it must provide a framework for the reform, whether through a national system or through block grants to the states, that forces able-bodied men and women to work like everyone else, without punishing

their children. That means day-care, health-care and job-training programs. Anyone who tells you that you can get people off welfare and back to work for free has not worked with real people on welfare before.

Second, Congress must tackle head-on the wage and job-security issues that affect the overwhelming majority of Americans. Mergers, acquisitions and corporate restructurings that suppress working wages and displace workers, and pay huge rewards to already fabulously wealthy Americans, are destroying public confidence in the American dream.

In the case of AT&T, while I deeply respect the chief officer of the company, Robert Allen, I am still left with the sick feeling that people at the top can't continue to hold themselves harmless while casting multitudes of families into the ranks of the unemployed and closer to the margins where Medicaid and welfare pick up the slack.

If Congress wants to address this bigger issue, a good starting point would be to hold to strict scrutiny the executive compensation of businesses whose entire revenues are taxpayer dollars. For example, the state of Florida pays Medicaid HMOs \$670-million a year to provide health care for the poor. A recent *Fort Lauderdale Sun-Sentinel* study disclosed that a tax-funded HMO leased a Mercedes-Benz for its top executive who, incidentally, made an astounding \$15-million in profit in two short years.

I am all for capitalism and for our free market system, but how in the world is it justifiable for government-grown businesses to spend tax dollars so lavishly?

Many others in widely divergent fields — defense, agriculture and so forth — are becoming rich at taxpayer expense. These executives have done nothing wrong and have played by the rules, and that needs to be said. But the rules need to be changed.

While the dollars that would be saved would not be budgetarily significant, they would have a huge symbolic importance to frustrated American workers who see their tax dollars funding corporate and private welfare giveaways.

The vast majority of Americans are not economically secure, and do not see a way to become so. Until their needs are addressed, the new congressional leadership will find itself on the defensive, if not on the run, next November.

ECON. SERV. 2-2

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**SHAME TACTICS:** A private collection agency in Texas erected this billboard along an interstate near Fort Worth

flowed through the Department of Health and Human Services to 54 local agencies charged with hunting down delinquents. Though the state programs corralled a lot of shirkers, they are nowhere near keeping up with demand. Texas is typical: It is now handling more than 800,000 cases, making recoveries in only 15% of them.

The Texas haul is also made up of money mostly owed to welfare mothers. The joint state/federal enforcement program was originally founded, in part, to defray the costs of Aid to Families with Dependent Children, and the states can still use the money they collect in welfare cases for that purpose. Funds recovered on behalf of nonwelfare mothers, however, simply get passed on to them. The result, says Sue Anderson, a Minnesotan who spent years trying to collect from her ex, is "if you have any sort of income, [the states] don't give you the time of day." Some 7.5 million women nationwide share her frustration.

That's a sizable market niche. Says Casey Hoffman, who ran Texas' child-support collection program from 1988 to 1990: "At some point, I realized that the private sector was going to have to come into play." So Hoffman jumped the fence and in 1991 founded Child Support Enforcement; today his firm employs eight full-time investigators on some 3,000 cases. Hoffman's background as a high public official is unusual; the business runs more to seasoned debt collectors such as Find Dad's Mel Shaw, who will say, straight-faced, of a projected quarry, "I'm his worst nightmare. I'll be on him like a new coat of paint." They employ standard investigative techniques, but once they find their man, they have more resources than the average bill collector. Armed with a court order, investigators can often convince authorities to garnish wages, attach bank accounts or even foreclose on real estate. The provisions passed by the House last week could "give us additional tools to work with," Hoffman says. Sometimes the collectors simply shame the deadbeat, plastering his neighborhood with wanted posters or—in a case near Fort Worth—posting his name on a highway billboard. The ultimate threat is jail time.

Most of the private collection firms claim a recovery rate of more than 80%, but there is a downside. Ads in magazines such as *Income Plus* that shout MAKE A FORTUNE COLLECTING PAST-DUE CHILD SUPPORT FROM DEADBEAT PARENTS have drawn their share of fools and charlatans to a business that is thus far unregulated under laws such as the Fair Debt Collection Practices Act. Ron Dusek, a spokesman for the Texas Attorney General's office, warns that some companies have

■ LAW ENFORCEMENT

# Dunning Deadbeats

Congress gives new child-support enforcement tools to states—and a new type of bill collector

By DAVID VAN BIEMA

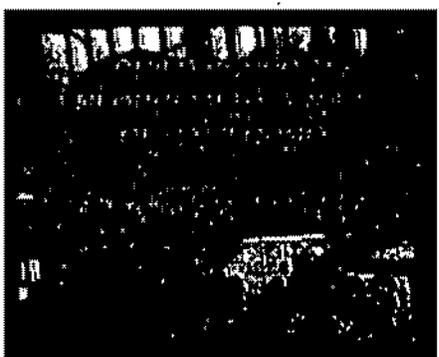
**A**L JAMES, OF A COMPANY CALLED CHILD Support Enforcement, is working the phone. He's got the mother of a perp on the line, and he's reeling her in. "We've been trying to reach your son since August without any response to letters or messages." James is a former repo man; he plays it polite but inexorable. "Do you know who he is working for?" Pause. "Does he understand that Texas has passed criminal-nonsupport statutes?" Pause. "Do you think he may be afraid to call? That if he calls he will go to jail? Tell him I will work with him in any way I can to help him straighten this out." Final pause. "But if I find out where he's working and he hasn't called, I won't give him the courtesy of a phone call. I'll attach his wages." James hangs up. He's good; people he wants to pay up, usually pay up. That makes their ex-wives and their children happy.

If the '90s offer one villain by consensus, it is the deadbeat dad, that selfish fugitive condemned by liberals and conservatives alike for his irresponsible behavior and generous contributions to the cycle of welfare dependency. The Clinton Administration has taken aim at him (or her—around 5% of the deadbeats are moms), opening up the military's personnel files to collection efforts and pushing a national registry of parents' obligations. It also championed provisions, which passed the House of Representatives last week, that require states to revoke driving and professional licenses for nonpayment and apply property liens across state lines. At week's end Florida rounded up several hundred

suspected deadbeats in a dramatic sweep. Though state and federal collection efforts, including a program to confiscate federal tax refunds, have had some success, the scope of the scofflaws' damage is still vast—they owe a cumulative \$34 billion to 17 million children.

It was only a matter of time before that kind of money attracted bounty hunters. In fact, this burgeoning line of business has exploded in recent years. Before 1988 there were no firms whose sole purpose was collecting child support; today there are an estimated 150. The print ad for one of the largest, Find Dad, Inc., in California, is only slightly slicker than most: "He's enjoying his second childhood. Your kids are having trouble getting through their first." For 27% of any recovered money, Find Dad promises to do just that.

The only odd thing about this mushrooming industry is that its service is one supposedly performed by state agencies—for free. In 1993 \$1.5 billion in federal funds



**EMOTIONAL ADVERTISING:** Spots such as this one in California target families in need

misrepresented themselves, or swallowed up-front fees and then done nothing. Agrees Wayne Doss, director of Los Angeles County's Bureau of Family Support Operations: "There are people without the appropriate backgrounds playing dice with other people's money." Debbie Kline, of the Independent Association for Children for Enforcement of Support (ACES), calls the private agencies "vultures." And ACES president Geraldine Jen-

sen suggests that anyone who can afford to pay 30% of their support in fees could hire a lawyer: "At least then you can go to the bar association and complain. Here, you've got no recourse."

Yet women often have trouble finding a lawyer who will initiate a child-support case on contingency. In fact, several states have now contracted out some of their collection work to private firms. The likelihood is that ever more women may find

themselves following in the footsteps of Minnesotan JoAnn Anderson. She filed a child-support claim with the state in 1990; nothing happened. In 1993 she hired Hoffman's firm, which located him within a few weeks. She now receives \$1,600 a month. "I don't mind paying their fee," she says. "I am certain Minnesota would never have gotten him to pay anything." —Reported by Melissa August/Washington, D.C. Guyron/Aschli and Janine McDowell/Los Angeles

## ■ JUSTICE

# Confronting the Killer

### Survivors of violent crimes find that facing an attacker in court is just the medicine they need

By DAVID E. THIGPEN

**F**OR THE FOUR MEN MURDERED LAST week during the gruesome post-office robbery in New Jersey, the suffering was relatively brief. The same cannot be said for the close-knit town of Montclair, which immediately went into mourning and flew its flags at half-staff. For the lone survivor of the attack, who is recovering from three bullet wounds in the head, and for the families of the victims, the horror and grief have barely begun. Long after the funerals are over and the physical injuries have healed, those touched by such crimes are likely to face deep psychological traumas—recurring images of the attack, anger, sleeplessness and a shattering sense of vulnerability.

Is there anything, other than the passage of time, that can ease their pain? Some 30 miles east of Montclair, in a courtroom in Mineola, New York, survivors of another mass killing tried last week to deal with their anger in an unusual way: confronting their attacker. Two dozen people who sustained injuries or lost relatives in the so-called Long Island Rail Road massacre came to have their say at the sentencing of Colin Ferguson, the man convicted of murdering six riders and wounding 19 on a commuter train in December 1993. "The fear and pain I felt I will never forget," said Robert Giugliano, who was shot in the chest. Then, glaring at the manacled Ferguson, Giugliano demanded, "Look at these eyes! You can't! You're nothing but a piece of garbage!" Said Carolyn

McCarthy, whose son was partially paralyzed and whose husband was killed by Ferguson's bullets: "You are an evil person. You are not worthy of my time or thoughts or energy. You will be sentenced, and you will be gone from my thoughts forever." When Ferguson received six life terms, the survivors embraced in a bittersweet moment that seemed—finally—to close a terrible chapter of their lives.

Such scenes are fast becoming com-

mon: who was murdered during the carjacking of his Jeep, was permitted to address the killer, Edward Summers. "I just want to ask you," said Falcone, her voice taut with rage, "why didn't you just take the Jeep? Why? Why?" Said prosecutor William Mooney: "She seemed like a great weight had been lifted from her shoulders."

Psychiatrists agree that facing the assailant is not just a symbolic act but also strong medicine for victims. "In the courtroom the tables are potentially turned," says Dr. Stuart Kleinman, medical director of the Victims' Services Agency in New York City. "You can take action that makes you the powerful one, and that tends to counteract feelings of helplessness and can be very therapeutic." Kleinman describes a 45-year-old man who recently came to him with insomnia and feelings of overwhelm-

ing rage after having been severely beaten in his office by a gun-wielding intruder. After speaking at the sentencing of his attacker, the victim reported that his rage had finally begun to ebb and that he was sleeping more soundly.

Some experts warn, however, that the victims' rights movement has its own risks. Professor Robert Mosteller of Duke University Law School is worried that some survivors may be worse off if they come into court and see a defendant get a light sentence. And even those who favor court

appearances caution against unrealistic expectations. Observes psychologist Dean Kilpatrick of the Medical University of South Carolina: "There is a tendency for victims to think, 'Once it goes to court, it's over.' But if it's not over, being the victim of a violent crime changes your life."

The survivors of the Long Island and New Jersey massacres know that well enough, or they soon will. But the courts have given them a way to confront their nightmare and relieve their pain, even if they can't banish the memory. —With reporting by Lawrence Mandel/New York



**TURNING THE TABLES:** More than a year after he was shot on the Long Island Rail Road, Giugliano finally got a chance to vent his rage against Ferguson

mon: some 40 states have adopted what is commonly known as a "victims' bill of rights," which gives crime victims the right to speak in court during sentencing. As recently as 15 years ago, only three states had such laws. The federal crime bill passed last year contains a similar provision—known as a victim's allocation law—for people who have suffered violent crimes.

Sentencing used to be a solemn affair. But the new let-the-victims-speak policy has produced some dramatic face-offs. In a New York City courtroom last January, Rose Falcone, the mother of an 18-year-old

## COVER STORY

# Welfare Reform: Making It Work

By John S. DeMott

**W**hile the welfare-reform debate embroils Congress and state legislatures, Jim Colwin is grappling with the issue in his own way. As the executive vice president of Midstates Aluminum, in Fond du Lac, Wis., Colwin hired Rita McAuly off welfare to operate metalworking machinery in one of the company's fabricating departments.

Says Colwin: "Our company doesn't claim to be a cure-all for the welfare mess. We're just one small company that's trying to do its piece." Says McAuly, who had collected welfare for five years and now earns \$7.60 an hour at Midstates, "It's hard getting on your feet, but once you do it, you feel better about yourself."

Similarly, Leone Ackerly's Mini Maid Services Co., Inc., in Atlanta, a franchisor with 87 operations in 28 states and annual sales of about \$15 million, has hired nearly 700 women over the years for its four-person house-cleaning teams. Eighty percent had received some sort of public assistance.

"Some other employers see these people as unskilled, as throwaways," says Ackerly, who founded the company in 1973. "But I don't, I think with good reason." She has seen many of them make productive lives for themselves, sometimes exhibiting more determination than those more fortunate.

These employers already are doing what Congress and President Clinton are counting on them and many thousands of others to do to help end welfare as a way of life for millions of Americans: hiring welfare recipients for jobs with a future.

Experts say more such hiring, particularly by small employers, is crucial to making welfare-to-work policies successful and to ending what House Majority



PHOTO: BRUCE WOODMAN

A good attitude toward work is what Jim Colwin of Midstates Aluminum likes to see in people he hires, such as Rita McAuly, who works in Midstates' fabricating section.

Leader Richard K. Arney of Texas calls a "failed system of despair."

Under legislation passed by the House in March and awaiting action in the Senate, the states would take over large chunks of the federal welfare system. They would receive from Washington five lump-sum block-grant payments covering about 40 welfare programs and would get considerable flexibility for deciding how to best use the money to meet local needs.

If the measure is enacted, fewer of the 14.4 million Americans who receive federal cash welfare grants and fewer of the 27.4 million who get food stamps would be able to continue receiving welfare while not working.

The bill is called the Personal Responsibility Act and is part of the House Republicans' Contract With America. The measure says in effect that those who can work will have to do so if they want to receive welfare payments. Benefits would end for all recipients after five years on the welfare rolls, and for some the limit could be two years or less if their states so decide.

Facing a benefit cutoff, and with little in the way of federally created jobs or training programs to turn to, welfare recipients able to work would be forced to find jobs with local employers.

And most recipients would likely start looking for employment where most jobs in the U.S. economy are created—in small

Here are 10 incentives that employers need to move people from public assistance to private payrolls—and help change a “failed system of despair.”

# 10 Incentives

businesses. The principal architect of welfare legislation in the House, Florida Republican E. Clay Shaw Jr., who chairs the Ways and Means Subcommittee on Human Resources, says, “It will be the small businesses of this country that will pull people from the grasp of welfare and give them dignity through work.”

Social scientists concur. Says Demetra Smith Nightingale, director of the welfare and training research program at the Urban Institute, a public-policy research group in Washington, D.C.: “Most of the jobs that welfare recipients get will be with small businesses.”

Yet small companies are under no legal obligation to hire welfare recipients, and there’s no pending federal or state legislation to impose any such obligation. Says one manager: “It’s got to be good business for me or I’m not going to do it.”

That, say welfare-system experts, means employers will have to have incentives to hire aid recipients instead of persons not on welfare. And, as Midstates Aluminum’s Colwin says, “there’s no canned approach” to devising such incentives.

Nonetheless, some states and cities are making strides in moving people from welfare to work, producing lessons along the way on how government and the business community can motivate employers to hire welfare recipients. Such efforts are taking place in Wisconsin and Oregon, among other states, and in cities such as Milwaukee; Norfolk, Va.; and Tulsa, Okla. Their results so far, along with the recommendations of social scientists and business people, suggest that the following 10



Mini Maid's chief executive, Leone Ackerly, right, advocates a training tax credit; with her, from left, are Dannelle Pettengill, Tonija Givens, and Mary Ann Major.

incentives, taken together, can increase the flow of individuals moving from welfare to work.

**1.** Send employers people with a good work attitude. Colwin of Midstates Aluminum calls this

“work readiness,” and he acknowledges it’s tough to find among welfare recipients. Many have never seen the inside of a factory or an office and have never punched a time clock, been punctual, or completed tasks according to procedures and deadlines. “What we need is someone who brings with them a good attitude”—a willingness to come to work and actually do a job, he says. “We’ll work with them from that point on.”

Social scientists agree with Colwin that it will be hard to find welfare recipients with a good work attitude. “You’re dealing with fear and low self-esteem among many of these people,” says LaDonna Pavetti of the Urban Institute, who suggests that employers “start welfare recipients in jobs where some measure of success can come early.”

To help welfare recipients in Norfolk achieve success early on the job, the city and 40 area employers produced a six-week job-preparation program. The focus is on dress and appearance, career goals, and such basic skills as filling out a job application and presenting oneself correctly in an interview.

More than 100 of the 235 welfare recipients who have entered the program since it began in 1992 have been placed with area employers, who seem pleased. Bob Smithwick, executive director of Norfolk’s Office of Industrial Development, says employers “tell me it’s a good program.”

**2.** Enlist the help of business. State and community aid officials as well as lawmakers reforming the welfare system should make business “centrally

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involved in all phases of the new welfare system's design, development, operation, and evaluation," according to a welfare position paper issued by the U.S. Chamber of Commerce.

The most successful welfare programs, it turns out, are those in which business has been integrally involved, because the needs of business—which include workers to fill available jobs—are addressed in the welfare-to-work programs from their inception.

In Milwaukee, for example, the New Hope Project has brought together the city's famous brewers and such manufacturers as Allen-Bradley Co., a part of

Rockwell International that makes electrical equipment and motors, to provide training, jobs, and supplementary services to welfare recipients.

Begun in 1994 by the Greater Milwaukee Committee, an association of businesses, the project attempts to train welfare recipients and match them with available jobs while also providing child care and medical care for them. In 10 months, 184 people have joined the program, and 93 are now working full time.

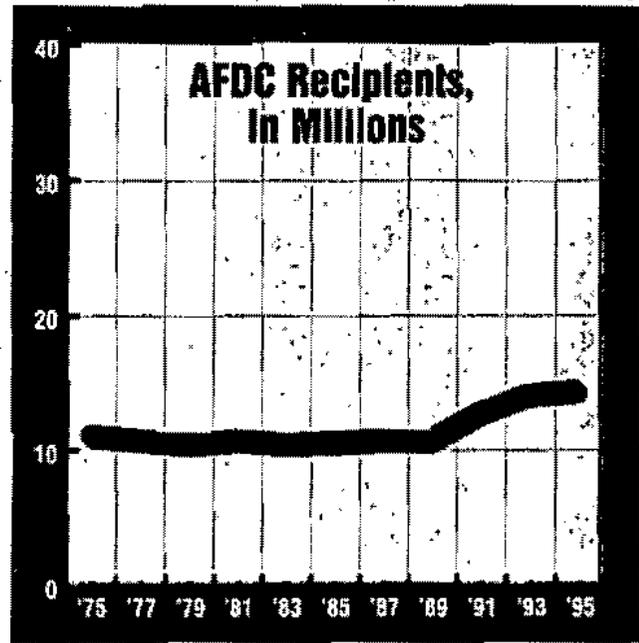
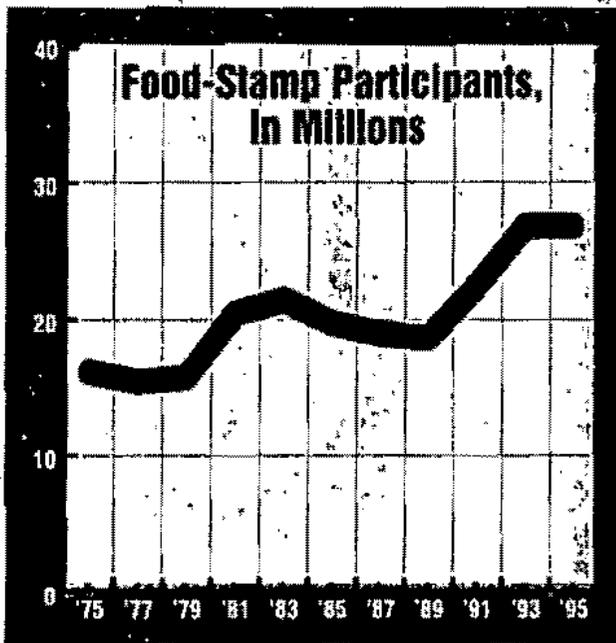
The program's effectiveness will be monitored by New York's Manpower Development Research Corp., a privately funded

evaluator of welfare programs. New Hope could yield new information about what works and what doesn't—such as whether medical care and child care increase the success rate for workers who are hired off welfare. Forty miles away, in the city of Fond du Lac, 80 people, mostly employers, showed up at a meeting in a Holiday Inn to kick off the county's Work, Not Welfare program—a pilot effort that requires able-bodied welfare recipients to go to work or lose benefits after 24 months.

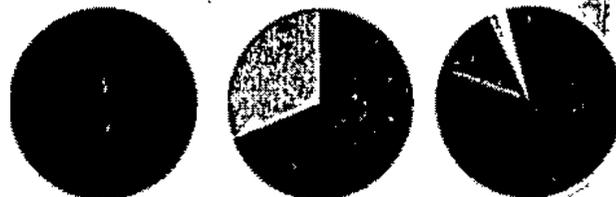
Ed Schilling, director of Fond du Lac's Department of Social Services, says the number of attendees "was phenomenal. We

# Who's On Welfare?

Women and children are the primary beneficiaries; all categories of recipients have increased during the past 20 years, with the greatest growth occurring since 1990.



## Who They Are



- Adults
- Children
- Women
- Men
- White
- Black
- Hispanic
- Native American
- Asian
- Other/Unknown

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- Adults
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SOURCES: HOUSE WAYS AND MEANS COMMITTEE GREEN BOOK, U.S. DEPARTMENT OF AGRICULTURE; U.S. CENSUS

never in our wildest dreams thought we'd have anything like that." Companies represented ranged from Quad Graphics, one of the largest printers in the country, to such small businesses as Colwin's Midstates Aluminum.

In Tulsa, the Metropolitan Chamber of Commerce and Zebco Corp., a maker of fishing rods, created InDex, a work-training program in which the participants, mostly single mothers on welfare, can earn credits toward their high-school equivalency diplomas.

Participants must show up at the InDex building for sessions lasting eight hours—

**3. Lower the cost of hiring a low-skilled worker.**

How to do this is problematic, says Robert Haveman, an economics professor at the University of Wisconsin and an expert on national welfare policy. Tax credits, he says, generally "don't get high marks."

The "targeted jobs income-tax credit," started in 1978 and subject to annual renewal by Congress, was allowed to expire in December. It is up for renewal in this Congress. The tax break allowed employers to deduct part of welfare recipients' salaries from business taxes for the first year of the workers' employment, but studies of the

would be a "tremendous boost" to small-business owners, she says. "You have to remember that the person [hired] isn't going to be valuable to you for four to six weeks" until they learn the job's basic requirements.

Concurring is Harry Featherstone, chief executive of Will-Burt Co., in Orrville, Ohio, a custom metal fabricator with \$24 million in annual sales. A decade ago, when Featherstone took over Will-Burt, he introduced an employee training program in math and reading skills. Productivity increased dramatically, and flaws in manufactured parts declined.

Featherstone advocates such programs, and he says a tax credit would offer companies greater incentives to train new employees.

But Featherstone believes a tax credit would be warranted only after an independent auditor determined that the training had been successful. "Don't give us a tax rebate until you know you've bought something for it," he says.

**4. Organize welfare programs so that recipients are required to look for jobs.**

Such requirements are rare, to the consternation of conservatives and many others, who now welcome efforts by states to have welfare recipients work for their benefits.

Requiring work puts the burden on the prospective employee, so goes the thinking, and once hired, the employee has a greater incentive to stay on the job.

Liberal thinking, say such welfare-system critics as Peter Cove, has been directed not at actually moving people into jobs but at keeping them in endless training programs that "aren't attached to the labor market." Cove owns and runs New York City's America Works, a private, for-profit job-placement organization for welfare recipients.

Those past approaches, Cove says, have not motivated welfare recipients to go to work and become self-sufficient; neither have they pressured welfare managers to get people jobs. "All you had to do was keep them in classrooms," he says.

Even in states with progressive approaches to welfare, some of the old attitudes linger. Oregon's Jobs Plus program has placed only about 100 people with employers in six months. It could place hundreds more, says Ted Abram, a spokesman for Jeld-Wen, a window manufacturer. "One of the big problems is the mind-set of some people that [welfare recipients] should be protected and shouldn't have to go to work," he says.

Lawrence Mead, a visiting professor at Princeton University's Woodrow Wilson School of Public and International Affairs and author of several books on welfare



PHOTO: OLGA SHONINA-BLACK STAR

For-profit employment agencies can help move welfare recipients into jobs faster, say America Works' Leo Bova, standing, and Peter Cove; with them are students Marlene Bryant, at the keyboard, and Shannon Smith.

four for training and four for school work—or lose their welfare benefits. About 40 InDex graduates have been hired by Tulsa area companies; Zebco has hired about a dozen of them.

Businesses typically participate in these programs not only because they need workers but also out of a sense of community obligation. Joe Reitemeier, president of Fond du Lac County's Association of Commerce, with 2,200 members, says: "They're willing to give these folks a chance at a living wage and career opportunity. Employers feel an inherent position of support [for the welfare-to-work program]. We do not hear from employers about 'What's in it for me?' or 'Can I get money for this?'"

program are inconclusive as to whether the credit actually motivated employers to hire.

One possibly effective way to reduce the cost of hiring, Haveman says, would be another kind of tax credit, called the "new jobs tax credit," which was tried without much zest 20 years ago but might fare better now if it is tested with more vigor.

The credit would be paid after an employer increased the company's payroll, with or without welfare recipients. Because many of the jobs created would be low-paying, the theory goes, the job market for welfare recipients would broaden.

Mini Maid's Ackerly favors federal tax credits for training, but she says they're effective only if there's little red tape and paperwork for the employer. Such credits

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policy, says that although the Clinton administration's welfare-reform proposal of a year ago would have required people to go to work after two years of receiving benefits, it also "would have exempted anyone born before 1972 and would have let the states decide who has to go out and look for a job."

Requiring work for welfare has a political benefit, too, says Gary Burtless, an economist with the Brookings Institution, in Washington. And that is to give middle-class voters, a group that includes many small employers, some justification to support welfare policies in general, however reluctant they may be.

That's important, he says, because the federal welfare system's largest group of beneficiaries is children. One in seven American children—about nine million in all—live in families that receive some form of public assistance.

## 5. Establish an intermediary between the welfare recipient and the employer.

In the jargon of welfare professionals, a "job developer"—a sort of matchmaker—can smooth the transition from welfare to work for both employer and employee.

One such person is Susan Warner, who works for a nonprofit organization that has the contract from Oregon's Jobs Plus to match employers and employees. She has about 50 client companies and about 200 welfare recipients, and they are sometimes wary of each other.

"There is a lot of one-on-one counseling," Warner says. "About 25 percent [of the welfare recipients] don't want to work. It's easier to stay at home than to go out there. But I so admire the ones who do. It's really hold of them. It takes pride and confidence to go out and go into a workplace."

Among Multnomah County employers, Warner is well known and trusted as someone who will work with them to send them people they can work with, greatly simplifying the hiring search. Rae Ann Hollingsworth of the Ontario, Ore., law firm of Yturri, Ross, Burnham, Boniz & Helfrich, hired a welfare recipient as a secretarial trainee. She says intermediation "is the essential key element in making the program a success."

## 6. While recognizing the needs of the potential employee, try to recognize and fill the needs of the employer.

Welfare program directors and others involved in job placement should be sensitive to the intricacies of the employer-employee relationship, says Warner, as well as to the shifting needs of business, particularly small business, and should try to cater to them.

The smaller the business, the harder it

# In Congress, So Far...

Debate over welfare reform is clanging on Capitol Hill these days with the attention-grabbing ring of a Salvation Army solicitor's bell on an American street corner.

The Personal Responsibility Act, passed by the House in March and now pending in the Senate, would save \$66.3 billion in federal spending over five years by turning over many welfare programs to the states. The measure would cut benefits in some areas, deny benefits to residents who are not American citizens, revoke driver's licenses and professional credentials from people who don't pay child support, and allow wide latitude to states to craft their own welfare programs, set eligibility standards, and require recipients to work for their benefits.

The bill would end the federal entitlement status of some welfare programs for the first time since the New Deal of the 1930s, effectively repealing part of the Social Security Act of 1935. One section of that law established federal cash payments to widows and orphans, known now as Aid to Families With Dependent Children (AFDC), which provides aid to the poorest Americans. Those who meet AFDC criteria based on need receive the welfare payment automatically. Under the House bill, the criteria would be set by the states.

Affected would be many of the 14.4 million adult Americans who receive AFDC payments on behalf of 9 million children. The 27.4 million participants in the government's food-stamp program would also be included, as would others who have benefited from a plethora of federal welfare programs—altogether about 40—taking up the lion's share of total federal welfare spending of about \$289 billion a year.

Under the House-passed bill, \$32 billion in what has been federal welfare spending would be funneled over five years into five block grants—essentially lump-sum payments to the states. These would be based on the amount the states received in fiscal 1994 for AFDC, school lunches, and other smaller aid programs.

To cushion against periods of high unemployment, states would be permitted under the House bill to set aside some of their block grant money in a "rainy day" fund that they could draw upon when welfare

caseloads exceeded expectations.

Under pressure from farm-state politicians, the \$27 billion food-stamp program would continue, at least for now, as a federal program. But, under the bill, food stamps would be denied to able-bodied adults between 18 and 50 who aren't working after

90 days. Now, there is no time limit on food-stamp benefits, but participants' eligibility must be renewed periodically.

Most governors support the block-grant idea for entitlement programs (including Medicaid, which is not affected by the House bill) but without strings. Michigan Republican John Engler has encouraged Congress to turn over federal wel-

fare money to the states to "create '50 laboratories of reform.'" He and other governors worry, though, that Washington will attach strings to the grants, limiting states' freedom to craft welfare programs.

Welfare reform now rests in the Senate, where its future is uncertain. A fight as rancorous as the one in the House is likely. New York Democrat Daniel Patrick Moynihan, a shaper of welfare policy for a generation and the ranking minority member on the Senate Finance Committee, through which any welfare legislation must pass, says: "The bill is cruelty to children. There are provisions there that make you think what kind of a society are we?"

Outranking Moynihan on the committee, though, is its chairman, Republican Bob Packwood of Oregon, who says, "Basically, I like block grants." But he has insisted also that he wants to craft his own welfare bill.

Whatever the intensity of the debate, dramatic welfare reform seems almost assured. At a televised press conference in April, Clinton urged Republicans and Democrats to lay a bipartisan welfare-reform proposal on his desk for his signature by July 4 "so that we can celebrate Independence Day by giving Americans on welfare the chance... to move to independence."

There is widespread feeling that President Clinton will give the Republicans about what they want on welfare reform, in exchange for a more conciliatory approach to environmental-law changes. Says House Speaker Newt Gingrich: "I don't think Clinton will veto a welfare-reform bill."



Adversaries: Republican Bob Packwood and Democrat Daniel Patrick Moynihan will shape Senate welfare legislation.





PHOTO BY GUY WAGEN

Through Oregon's Jobs Plus program, Floraine Ball, left, obtained a clerical job at the Hindman counseling center; here she meets with supervisor Michelle Forsgren.

can be to place someone with the company. For example, the business might be starting to move from reliance on relatives' volunteer labor to the level of hiring someone for pay. At that point, says Warner, the "business doesn't need someone when it's convenient for the person. They need someone there during their critical times of business."

Frequently, matches are difficult. One restaurant in Warner's Malheur County needs someone from 11 a.m. to 3 p.m. six days a week. But that would certainly almost rule out welfare mothers with small children, or others who must look for work during the lunch rush period.

## 7. Remove legal disincentives to hiring welfare recipients.

Because hiring unskilled people off welfare is at best a risky move for an employer, the U.S. Chamber of Commerce favors placing these employees on a probationary period for up to six months.

During that period, they couldn't sue under federal employment regulations pertaining to laws such as the Fair Labor Standards Act, the Americans with Disabilities Act, and the Occupational Safety and Health Act.

Frivolous or expensive lawsuits stemming from such laws are major disincentives to taking a known hiring risk, says Jeffrey H. Joseph, the Chamber's vice president for domestic policy. They serve only to punish employers who, in good faith, hire welfare recipients.

## 8. Enforce participation by welfare recipients in welfare programs.

Wisconsin has firm administrative control over its welfare caseload, with clear lines of accountability and clear and consistently enforced criteria on who can receive welfare, for how long, and under what circumstances.

Wisconsin, having received federal waivers from certain welfare-program rules, also has authority to cut people off welfare if they don't meet requirements such as looking for work or holding down a job. In Fond du Lac's Work, Not Welfare program, for example, welfare recipients get benefits for 24 months, but they must work for them at such activities as short-term training that leads directly to jobs or in community-service jobs with organizations such as Goodwill Industries, the nationwide nonprofit organization that collects and distributes discarded clothes and other goods.

For such jobs, they receive \$4.25 an hour, paid from a pool of welfare funds by Work, Not Welfare. If they skip work, their pay is docked by welfare officials upon notification by the employer. After 24 months, benefits stop, and the able-bodied among them must find permanent work.

This "sanctioning"—the ability to withhold welfare benefits and remove people from the welfare rolls if they don't meet work requirements—is the critical issue in making any welfare-to-work program successful, says Cove of America Works. "If the bureaucrats are incapable of sanctioning, you can just throw away all these nice ideas and all these nice programs."

## 9. Encourage private employment agencies to locate, screen, and train welfare recipients.

Exemplified by America Works of New York City, this approach links the profit motive of businesses to placing welfare recipients in jobs.

America Works has job-placement contracts with its client cities—currently Hartford, Albany, Indianapolis, and New York. It charges about \$5,000 for each welfare recipient it places in a private company or nonprofit organization. The company isn't paid in full until the jobholder has been working for six months. For each unsuccessful placement, a client city typically saves up to \$24,000 over a year of welfare benefits.

Cove, a former 1960s War on Poverty worker, founded America Works a decade ago. He runs it with his wife, Lee Bowes. The organization has placed about 8,000 welfare recipients in jobs.

Critics say Cove's approach skims the best of the welfare-recipient job applicants and leaves the truly unemployable to public placement services. Those have been largely ineffective in dealing with huge welfare caseloads like New York City's, where in 1994 there were about 1.1 million people receiving public assistance at any given time, and where Mayor Rudolph Giuliani is moving to rapidly reduce welfare rolls by revamping eligibility standards.

Says Cove: "We take whoever comes in the door. That's not skimming." Cove acknowledges that the hardest part of America Works is "getting government to do business this way"—turning to private employment agencies and expecting welfare recipients to stay on a job and earn a salary.

Nevertheless, the America Works approach has won the endorsement of Republicans Giuliani and House Speaker Newt Gingrich as well as the Democrat-leaning Progressive Policy Institute, former New York Democratic Gov. Mario Cuomo, and Haveman, the Wisconsin economist.

## 10. Get the federal government out of the way.

Oregon's Warner believes well-intentioned federal bureaucrats are making the going unnecessarily rough for Jobs Plus simply by applying rules rigidly.

One example: To get necessary federal waivers so it could implement its Jobs Plus program, Oregon had to agree to set up a control group of welfare recipients in rural Malheur County who would be barred from participating. By doing that, the effectiveness of the Jobs Plus experiment could be measured against the results achieved by a control group outside the program. But this requirement prevented 200 welfare recipients from

## Two Good Programs

Although about half the states have received federal permission to change their welfare programs, most of their efforts are oriented more toward reducing welfare rolls by denying benefits rather than moving people off public assistance and into jobs. Two states that are taking the welfare-to-work approach, however, are Wisconsin and Oregon.

In Wisconsin, Republican Gov. Tommy G. Thompson was elected nine years ago on a promise to reform the state's welfare system, and, by any measure, he has done precisely that. Wisconsin is one of the few states to reduce its welfare caseload, and it has done so by 25 percent since 1987.

The cut was not easy to achieve, however, notes Lawrence Mead, a welfare researcher and visiting professor at Princeton University who has studied the Wisconsin program extensively. Wisconsin's efforts, he says, show that moving welfare recipients into jobs takes a lot of hard work—with increased spending in some areas.

Caseworkers have been added, for example, to monitor recipients' attendance at required work-related functions, and combined state and federal spending on training programs has soared to \$57 million annually since 1986 from a little more than \$1 million.

But it has paid off. Jean Rogers, administrator of Wisconsin's welfare programs, says the combined savings in state and federal funds spent on welfare in Wisconsin are now running at \$16 million a month.

Wisconsin requires welfare recipients to enroll in training programs under the federal Job Opportunities and Basic Skills (JOBS) program, set up under the Family Support Act of 1988. But recipients can't just sit in classes and learn to fill out résumés. They must also look for work and accept any job they are offered.

The program, says Mead, appears to have worked. The JOBS participation rate of Wisconsin's welfare recipients is 54 percent, compared with a national rate of 11 percent. What's more, 19 percent of Wisconsin's recipients of federal-state cash welfare payments are working, compared with 1 percent for the U.S.

In January, Wisconsin took a further step toward moving welfare recipients into jobs. In Fond du Lac and Pierce counties, the state began requiring recipients to work for their benefits. If they miss a day of work,

their welfare checks are reduced accordingly. And not even this arrangement goes on interminably. Under the counties' Work, Not Welfare program (see main story), aid to a recipient ends after 24 months.

After months of complicated negotiations with the Agriculture and the Health and Human Services departments, Oregon became one of the first states last year to start

what it calls its Jobs Plus program with money that, under the previous rules, would have gone to recipients through Aid to Families with Dependent Children or food stamps. (See "The Paycheck Solution," August 1994.)

The federal money goes into a pool to subsidize jobs for welfare recipients for six to nine months at the state minimum wage of \$4.75 an hour.

The temporary employees gain job experience and some training that can be useful if they're hired by that employer or for a job elsewhere.

Now expanding statewide from six test counties, Jobs Plus has put about 100 people to work, says Ted Abram, a public-relations representative of Oregon's Jeld-Wen Co., a maker of wood-framed windows, which has strongly backed the program.

Such other employers as the *Argus Observer*, a newspaper in rural Ontario, Ore., and a branch of Bank of America have hired Jobs Plus participants.

But the realities of moving people from welfare to work have been frustrating and, occasionally, vexing. Abram says that over the past seven months, 800 to 1,000 people could have gone to work but were prevented from doing so by "lots of strings" that came with the federal money.

If someone refuses to take a job under Jobs Plus, for example, only a small portion of federal Aid to Families with Dependent Children money—which goes to people below the federal poverty line—can be withheld. That reduction, says Abram, is not enough of an incentive to persuade people to return to work.

Still, Abram believes that as the program unfolds, the kinks will be worked out. Employer interest is high, he says. Some 700 employers, responding to a letter they received from Jeld-Wen encouraging them to participate in the program, said they would hire Jobs Plus workers. Says Abram: "I think Oregon has figured out, more than anyone else, how to put this thing together."



Wisconsin's Thompson pioneered state-level welfare reform.

## COVER STORY

being included in the Jobs Plus program.

In principle, Warner does not object to the government's desire to know just how its tax dollars are used. But in practice, it has limited the program's potential.

**W**ould a program that included all these incentives ensure that employers eagerly hire welfare recipients? No welfare-to-work program has encompassed all 10, and no attempt to move people from welfare to work has been resoundingly successful.

But combining the incentives could be well worth the effort. Of all the recipients of Aid to Families with Dependent Children, the principal federal welfare program, only 1 percent work for their benefits. Although 70 percent of AFDC recipients move off welfare rolls within two years, most return within six months.

Even if incentives can persuade employers to hire people off welfare, will there be enough jobs to go around? The Congressional Budget Office says no. In March, the CBO estimated that none of the 50 states would meet job-creation goals set out for them in the House-passed welfare legislation, which says that 50 percent of welfare recipients must be in jobs by 2003.

However, Brookings' economist Burtless is optimistic. During the past 35 years, the U.S. economy has generated millions of jobs, he says, and it will continue to do so.

The problem is that the wages for many of the new but low-skilled jobs—the kinds of jobs open to most welfare recipients—aren't equivalent to wages for the same type of work a generation ago. In many cases, under current welfare policy, Burtless says, it makes more sense to stay on welfare and collect benefits rather than to try to live on a low-wage job.

But don't tell that to Floranne Ball.

Mother of three and a welfare client for 11 years, she shifted from drawing about \$800 a month in various welfare benefits to a full-time clerical job at the private Hindman sexual-abuse clinic in Ontario, Ore. "I'm doing great," she says. "I had my life given back to me." Between child support from a former spouse and her job, Ball says, she takes home about \$1,100 a month.

What's clear is that the problems of caring for the truly needy and helping at least some of them—like Floranne Ball—to lead more self-sufficient lives are far more complicated and nettlesome than anyone had imagined.

Nonetheless, Midstates Aluminum's Jim Calvin is certain of one thing: "There are obstacles, but we're not going to overcome any of them if we don't try." ■

To order a reprint of this story, see Page 72. For a fax copy, see Page 46.

George Gilder

# End Welfare Reform as We Know It

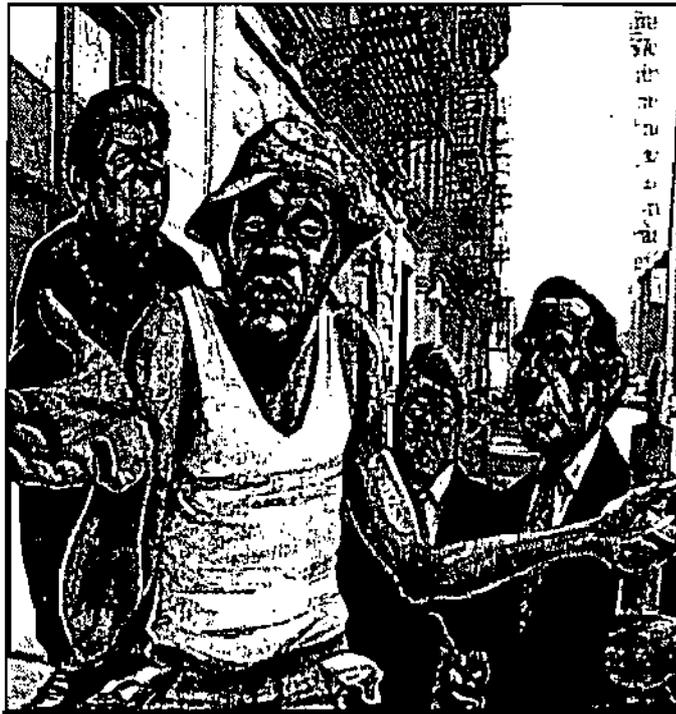
*In its zeal to rush welfare moms to work and track down deadbeat dads, the right is just as wrong as the left. Does it make any sense to "reform" welfare in a feminist culture?*

When Charles Murray is quoted respectfully by President Clinton, when Bob Dole receives friendly tributes from George McGovern, when the portly conservative Michigan governor Robert Engler rivals Barbra Streisand's standing-room crowds at congressional hearings—then we know that welfare revolution is in the air. The overthrow of welfare is the most popular clause in the Contract with America and the most comely idea of the newest "New Democrat" summits in the halls of the White House.

Yet for all the streams of sulfurous talk and all the seemingly bold proposals, no one is really changing his mind. Today's welfare discussion is bounded by the failed principles of the feckless "workfare" campaigns and bogus welfare crackdowns of the past.

Informing nearly all current debate and legislation on welfare from both parties are ten key principles:

- (1) The key welfare problem is single mothers and their illegitimate children.
- (2) These mothers should work, or train for employment.
- (3) Government can create employment for them, pre-



*George Gilder is senior fellow at the Discovery Institute. Parts of this essay are adapted from the new edition of his book Visible Man, reprinted this month by ICS Press and the Discovery Institute.*

pare them for jobs, and/or care for their children.

(4) Unmarried "deadbeat dads" bear equal responsibility for the children and should pay up.

(5) For the *deserving* poor—the "truly needy"—benefits can rise.

(6) The *undeserving* poor should be kicked off the rolls at a date certain.

(7) The government can tell the difference between the *deserving* and *undeserving* poor.

(8) Government can support families without requiring marriage.

(9) Tough welfare reforms have worked in California under then-Governor Ronald Reagan and are working in other states.

(10) Welfare, as we know it, can be ended.

These ten principles are all fallacious. The fact is that serious workfare programs are far worse than the existing welfare system. They represent a potentially huge expansion of the welfare state. If welfarist Democrats are smart—and they are—they could use the cover of tough Republican rhetoric to enact most of their socialist and feminist dreams.

The key problem of the welfare culture is not unemployed women with illegitimate children. It is the women's skewed and traumatic relationships with men and boys. In a reversal of the usual pattern in civilized societies, the women have the income and the ties to gov-

ernment authority and support. The men are economically and socially subordinate. Favored by the feminists dominant at all levels of government, this balance of power virtually prohibits marriage, which is everywhere based on the provider role of men counterbalancing the sexual and domestic superiority of women.

This is true for all people in all times, but in our day it has been America's blacks, at all levels of society, who have been the targets of most government attention, and whose communities thus come to mind when we speak not merely of social problems but of social crisis. In the 1960s, as Daniel Patrick Moynihan demonstrated, black women were already beginning to exceed black men in the government work force. By the 1980s, black women were earning 106 percent of the incomes of white women of similar age and credentials. Together, the earnings and welfare payments received by black women came drastically to exceed the incomes of black men. This regime prevailed even at the highest levels of the economy, where black women college graduates with five years on the job outearned both comparable white women and black men in 1991. And it prevailed in the underclass, where, as the *New York Times* reported in 1994, a typical welfare package of benefits yielded a monthly disposable income of \$995 compared to employment income of \$775 after ex-

penses for a typical single mother. Of decisive effect on family formation, the value of female incomes, whether from jobs or from welfare and associated leisure time, far exceeded the short-term value of marriage, and far outpaced the earning power of marriageable young men.

Nonetheless, the men retain greater strength, aggressiveness, and sexual compulsions. By threats, violence, and remorseless pressure, these males extort beds, board, money, and other comforts from the welfare mothers. As night falls on an urban culture without marriages, the ghetto games of musical beds account for a large share of inner-city violence. All programs addressed to relieve the condition or upgrade the employability of welfare mothers will only ensconce more fully these welfare "queens" on their leisured thrones and render the men still more optional, desperate, feral, and single.

Echoing the public opinion polls, the answer of the reformers is to put these women to work. The idea that welfare mothers should work is seductive. After all, 55 percent of all women with young children hold jobs. Why not welfare mothers? The reason is simple. They are on welfare in the first place because they would or could not get jobs that remotely compete with welfare benefits. On the whole, white or black, these women are slovenly, incompetent, and sexually promiscuous. To bring them into the workforce would require heroic efforts: enriching welfare with day-

care, education, and training, and then cutting off benefits and granting government-subsidized jobs run by disciplinarians who can require more work effort.

The day-care and training components of this scheme expand every year. But the transformation of government make-work into real jobs depends on entrepreneurial supervisors who force their charges to work and fire them when they don't. This won't happen no matter how many times President Clinton quotes Charles Murray; it won't happen if Charles Murray is president.

True, the same public opinion polls that support welfare reform also support the enrichment of such services as day-care and job preparation. But if welfare meant a greased track to employment training, free day-care, and a government job, most of the population would join. If Newt Gingrich truly wants to reform welfare, he must begin by throwing out the polls. Any politician who follows the public opinion polls on this issue—and on most others, by the way—soon earns the contempt of the public, which wants competent leaders in office, not poll-bearing panders.

Workfare would fail even if it worked splendidly, because it focuses on women rather than on men. The entire welfare state—from Donna Shalala to Bob Dole's Senate offices—is relentlessly feminist, mandating preferences for women on construction sites, in police

cruisers, in Air Force jets, and in athletic scholarships. These programs necessarily concentrate their job incentives, training benefits, and subsidies on women rather than on men because, in general, it is only the mothers who are on welfare. The fathers use the apartments and take the money of a series of welfare mothers, usually without joining the dole. Thus, the recipients of welfare-related work will mainly be women. But we know from reams of studies and centuries of experience that only fathers can satisfactorily sustain families, reliably discipline teenage boys, and lift a community from poverty. The idea that welfare mothers can do it while the government raises their children is incredibly naive. No welfare payment can end poverty as measured by an ever-rising "poverty line." If it were as easy for government to create jobs and provide day-care as the workfare advocates assume, socialism would have succeeded.

Finally, and simply, the very idea that women with small children should work outside the home is perverse. The welfare state has already deprived these children of fathers. The workfare state proposes to take away the mothers as well.

If welfare women and children are not the basic problem, politicians can eagerly bring on the deadbeat dads. A declamation against these monsters even brought Republican congressmen to their feet cheering for Clinton. Deadbeat dads overcome the key obstacle to welfare re-

*All programs addressed to relieve the condition or upgrade the employability of welfare mothers will only ensconce more fully these welfare "queens" on their leisured thrones and render the men still more optional, desperate, feral, and single.*

form: its unpopularity with women voters. Here is a welfare crackdown that even Hollywood can applaud. Short of the pages of *Fortune* magazine, most people disapprove of men who leave their wives as they grow older and run off with a trophy from their business's affirmative-action track. (As *Fortune* recently explained, they do it for "intellectual stimulation.")

Requiring women to identify the fathers of their "love children" and using DNA to prove paternity, however, the new deadbeat dad crusade is chiefly a way to raise taxes for the welfare state. The focus is less on failure to pay the wife than on failure to pay the government. Amid general acclaim there now begins a new game of "can you top this" in bashing the deadbeats. (They might better be termed "DNA dads," since many of them have no other tie to the child.) The president wants to take away their driver's licenses and occupational accreditations. Texas Governor George W. Bush wants to lift their hunting licenses as well. Moving to create a generation of American boat people, Senator Bill Bradley is leading a group of senators seeking to seize their passports. Congressman Henry Hyde wants to expand the powers of the IRS to confiscate their assets. Running for president, Lamar Alexander wants to give them "jail time," presumably so they won't vote. Also running for president, Alan Keyes suggests caning, recommending "a trip to Singapore to learn how to administer a civil beating." Governor William Weld in Massachusetts wants to subpoena their DNA, put liens on their houses, and hound them through the bureaucracies of 50 states.

Everyone seems to agree that welfare should be denied to women who refuse to give the names of possible fathers of their children. Everyone seems to support federalizing welfare records, creating a national system of electronic directories containing the names of all new hires, indexed by Social Security numbers, to be cross-checked by computer against lists of child support delinquents (or any other miscreants). In the House, these provisions, minus the IRS empowerment, passed 426-5.

Yet these programs defy the facts of life and frontally attack the prerequisites of marriage. Because of the promotion of early sexual activity through television, films, sex education, and the welfare state—all attacking the constraints of chastity and female modesty—the girls of the welfare culture are widely promiscuous from the age of 14, whether black or white. Many black youths, in particular, can be linked as DNA dads to some ghetto child or other. Thus the threat of garnishment makes official employment a treacherous arena for inner-city men. They can never know when their paychecks will be devastated by a huge lien, representing years of support payments for some unknown child (or even for a known child who has long received payments off the books). Like all welfare crackdowns focusing on desirable activity—honest work, savings, and tax payments—the DNA-Dad programs will destroy marriages and forcibly drive men out of the official economy into crime and other underground work.

With garnishees substituting for husbands, women lose the last economic reason to marry and domesticate the fathers of their children. Their best strategy is to seduce as many men as possible and then summon the constabulary of the welfare state to collect child support payments from the few who find jobs or win the lottery. After systematically destroying the family, the welfare state offers to replace it with government coercion and DNA tests, requiring that men support women and children without marriage.

**T**he effort to foist "love children" on the technical fathers clashes with "pro-choice" abortion laws that deny men any choice over whether the child is born. It conflicts with the expressed desires of many women to avoid marriage with the "sperm donors" they may bed. It denies the female opportunism and promiscuity that sex education campaigns are avidly promoting. It ignores that many recipients see welfare as a promiscuity entitlement. It denies many of these fathers any economic power to marry the mother or to prevent her from cohabiting with others. With young women commanding power over income, sex, and children without marriage, why should they marry?

Any policy favoring marriage must begin by grasping the differences between the sexes on which marriage is founded. Male sexual drives are inherently aggressive and promiscuous. Unlike women, men have to prove their masculine powers by performance. Despite the constant projections of insecure men, appraising various women as "good in bed," the fact is that men alone truly face this test of performance. As the sexual proprieties of civilization break down, young women are increasingly explicit and challenging in their appraisal of male sexual adequacy. (Now that high school sex educators are terrifying teenagers with the notion that some ten percent of them are homosexuals—a condition said to be genetically based and virtually incurable—young men are going to be still more avid to prove their manhood.)

All civilization is based on female sexual selectivity and restraint. Men learn love from women who say no and insist on marriage. There is no other way. Although welfare reformers and DNA Dad crusaders claim to support the family, they would eliminate all its advantages by giving to any woman who manages to bear the child of a teenager a permanent option on his income, regardless of marriage. While there are many motives for marriage beyond the acquisition of a man's earnings or a woman's children, marriage in general depends on a set of economic incentives that favor these implicit exchanges. However you slice it, marriage suffers from any welfare reform that enhances female employability and income above men's. Thus the current feminist reforms promote the violence and poverty for which marriage is the only workable remedy.

**S**till, there is the cherished notion, renewed by every upwardly mobile governor, that welfare reforms have succeeded in the states, beginning with the Deadbeat Dad of All Welfare Reforms, Governor Ronald

Reagan's famous California crackdown. Described as "spectacularly successful" in a recent editorial in *Human Events*, the California program was based on the key illusion of most welfare reforms: that there are two categories of poor people, deserving and undeserving, the truly needy and the agents of waste, fraud, and abuse. Welfare reform consists in cracking down on the undeserving by changing the rules to exclude them, while even increasing funds for the "truly needy."

Reagan's programs mandated work by the able-bodied, unleashed new police powers against deadbeat dads, and removed from the rolls all recipients who showed up on the computers with excess income or property (in other words, all recipients honest enough once to have declared income, or married a man with earnings in the official economy). Changing the rules of the game in mid-play and policing the system more aggressively, Reagan managed to move some 400,000 people off welfare and reduce the rate of growth of welfare spending from 25 percent a year to five percent. Indeed, according to *Human Events*, Reagan's reforms were so successful that he could increase payments to the truly needy. He raised their benefits 43 percent and indexed them to inflation. Then he skipped town to run for national office. (Following this script today is current California governor Pete Wilson. Both Engler and Wisconsin governor Tommy Thompson have also imposed a largely meaningless shuffle of welfare reforms and work programs.)

The result was that throughout the 1970s, while earned income stagnated, welfare payments and clientele soared in California, perhaps the world's most attractive venue for leisure living. By 1978, California was running behind only Massachusetts in the continental U.S. in amount of welfare spending and number of recipients in proportion to population. With 25 percent more cases than economically stagnant New York, California's caseload was growing 40 percent faster. Today, with 9 percent of the state's population on AFDC and with one-third of all children born out of wedlock, California faces a welfare Armageddon.

Crackdowns can reduce the rolls in the short run. But as long as the payoff stays high enough, the clientele soon learn the new rules and adapt their lives to them. Soon enough, after the campaigns against "fraud and abuse" eliminate all honest clients with any enforceable link to a man with a legal job, the welfare rolls swell again, full of computer-certified "ideal" recipients—i.e., women with several illegitimate children of unsure paternity or with unmarried fathers safely out of the legal economy.

A new generation of reformers now promises to "end welfare as we know it"—to throw women off the rolls after two years or five years. They talk tough and people ap-

plaud. Come back five years later, however, and the previous welfare addicts and their legal-aid auxiliaries will merely have shifted their focus to other programs.

This trend is already underway. Five years from now, from midtown Manhattan to Santa Monica, you will find "homeless" and "disability" crises. When the payoff in leisure time and income exceeds the value of earnings, disability insurance encourages the promotion of minor ailments into temporary disabilities, and temporary disabilities into permanent ones. This process has turned disability into the nation's largest early retirement program. Countervailing all the advances in technology allowing the disabled to work, the system reaches out to new groups, previously rare in the program, such as people under 40 and the mentally disabled, each now a quarter of all beneficiaries. But if people can routinely figure out how to become disabled, they can still more easily manage to become "truly needy." As AFDC becomes increasingly hedged with red

tape, homeless programs, expanded by \$8 billion under Clinton, have emerged as a favored source of support for which even the dimmest client can readily figure out how to qualify.

Apart from denying new apartments to teenaged single mothers, the only welfare reform that makes a

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*The very idea that women with small children should work outside the home is perverse. The welfare state has already deprived these children of fathers. The workfare state proposes to take away the mothers as well.*

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long-term difference is a private economy that grows faster than the public dole. This means abandoning the idea of lifting the "truly needy" above the poverty line. Any program that upper-middle-class social scientists deem adequate will outpace the earning ability of most teenage boys and young men. Welfare benefits must be capped—and not enhanced with new programs—while marginal tax rates must drop for the rest of the economy. More fundamentally, we must eliminate all government programs, from coed job training to affirmative action, that fail to face the crucial differences between the sexes that make marriage possible.

All societies have always been beset by "invasions of barbarians"—i.e., teenage boys. Unless they are tamed by marriage and the provider role, men become enemies of civilization, and revert to their primordial role as predators. Today, in large American cities, fully 40 percent of young black men between the ages of 17 and 35 are in prison, on probation, or on the lam, and some 40 percent of young black women say they have been forced into unwanted sexual activity. To fear young black males has become a mandate for survival on the streets of American cities. This unspeakable social tragedy—with all its infuriating reverberations for law-abiding black citizens—is the inevitable harvest of our misguided social policies. It will continue as long as welfare feminism is the regnant ideology of government. □

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SECTION: International news US-Clinton-Welfare

HEADLINE: Clinton Criticizes Republican Welfare Reform Plans as Bad for States

BYLINE: RON FOURNIER, Associated Press Writer

DATELINE: WASHINGTON

BODY:

Trying to enlist governors in the welfare debate, President Clinton says Republican plans would spark "a race to the bottom" among cash-strapped states forced to throw people off public assistance.

In remarks prepared for delivery Tuesday to a National Governors Association meeting in Baltimore, the president also said the leading Senate plan to overhaul welfare weakens the ability of states to move low-income parents into jobs.

"Every governor here, Democratic and Republican, knows that welfare reform is first and foremost about work," Clinton said. "Unfortunately, the welfare debate in Congress does not focus enough on work."

Aides said the president was expected to propose an incentive for governors who help welfare recipients find work: States that meet specific goals for finding jobs for the needy would get federal-money bonuses.

Stopping just short of issuing yet another veto threat, the president said, "If Congress sends me a bill that doesn't end welfare by moving people to work, I'll send them back to the table until they do."

His remarks echo statements by a litany of administration officials who argued for weeks that Republican plans would make state programs cash-starved and reduce incentives for quality state welfare-to-work programs.

"Welfare reform should not be a race to the bottom," Clinton said. "It should be a race to independence."

The leading Senate plan, drafted by Sen. Bob Packwood, turns the government's primary welfare program over to the states as a block grant and freezes spending at dollars 16.8 billion for each of the next five years.

The bill also cancels the federal government's 60-year-old promise to support low-income mothers and their children, and gives states the right to deny welfare to immigrant families, teen-age mothers and children born to women receiving aid.

Packwood argues his plan will give states more flexibility to save money and help the needy.

But Democrats argue that the entitlement status of Aid to Families with Dependent Children, the main welfare program, should be preserved. Some conservative Republicans criticize the plan because it does not address out-of-wedlock births.

Once the Senate bill is passed, it must be reconciled with a far-reaching House plan that cuts welfare spending by more than dollars 60 billion. Administration officials, led by Health and Human Services Secretary Donna Shalala, have argued that Packwood's bill reduces funding for job training and repeals programs that provide child-care assistance to more than 640,000 children. Those reductions will make it near-impossible for states to put all able-bodied welfare recipients to work, the administration says.

Shalala also has argued that Packwood's bill undermines the government's ability to hold states accountable for their welfare programs and provides no incentives for states to move adults from welfare to work.

Shalala also questioned the bill's five-year lifetime limit on cash benefits, and said the block grant approach fails to provide for the changing needs of states, such as economic downturns, population increases or poverty. States would no longer be required to spend any of their own money on welfare, child care or work programs.

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Q With this veto about to happen, presumably tomorrow, how does the White House view this as defining the president's relationship with this Congress? Do you see its clarifying anything for the public, or --

MR. MCCURRY: Well, it's interesting. Let me sort of offer two contrasts here. The president will very likely receive -- and we hear the same thing you hear -- maybe later today, sometime tonight, the rescissions package from the Congress. The president has made it very clear that that is a piece of legislation he will veto, although he shares with Congress the goal of achieving over \$16 billion of deficit reduction in the fiscal 1995 budget. He just believes that there's a different way and a better way of doing it, and he will suggest to them how to go about getting that work done.

The president in a very short few moments here will be talking about welfare reform, where we've got a situation where the House has passed a bill the president finds unacceptable and would have to veto if it came to him in that form, but the Senate is still pursuing the issue. The president will suggest today to the Congress several ways in which we could modify that legislation and produce real welfare reform that would meet his goals and priorities. And there's a contrast. So the president will suggest to Congress ways in which they can produce legislation that meets his criteria, addresses some of his priorities, although not in every case being entirely satisfactory to him. We recognize that there is a Republican Congress, but he will suggest to them road maps on how you can move ahead in the future and get done things -- get things done that the American people expect the executive branch and the legislative branch to address.

So you've got a nice contrast here. There are cases where we're just not going to be able to work together, the president will have to veto, that will then, hopefully, produce some movement in a direction that will lead to a measure that both the Congress and the president can embrace. And then there will be other cases where we will continue to work closely with Congress, negotiate, cajole, jawbone, and try to get a legislative product that is satisfactory. That will be, I suggest, a pattern as we go along here, but in each and every case, as with the rescissions bill, you always find the president willing to offer ideas, suggestions for improvements that would, you know, hopefully lead to progress on these important issues.

Q It's not a return to gridlock, from the White House point of view.

MR. MCCURRY: No, because we see so many other examples of where we're making progress and where the president believes we could actually get the work done of the people, welfare reform being the prime example.

# D.C. Council May Vote Today

## For Welfare Limits, Curfew

WASH. Post 6/6/95

By Howard Schneider  
Washington Post Staff Writer

D.C. Council members, confronting what they consider a crisis in the lives of many city families, say they are likely to vote today to impose a curfew on juveniles and limit payments to women who have children while on public assistance.

The measures, particularly a welfare reform proposal that would require adult mothers to work and teenage mothers to attend school, would put the overwhelmingly Democratic council in the vanguard of a movement identified mostly with conservative Republicans.

Civil libertarians and poverty activists have aligned against the pro-

posals, saying that the curfew is unconstitutional and that the welfare changes would harm children by restricting a family's benefits.

But council members say they feel problems with juvenile crime and welfare dependency have reached such epidemic proportions in the city that the government needs to intervene more in the choices being made by individuals.

Under the curfew plan, youths younger than 17 would not be allowed on the street after 11 p.m. on weeknights and midnight on weekends. Curfew violators could be held by the police in detention centers and their parents could be fined. The law would not apply under certain

conditions, exempting youths who are traveling to or from work or running an errand for an adult.

By including a "family cap" in the city's Aid to Families With Dependent Children program, the council hopes to discourage the city's 27,000 welfare families from adding additional children. Currently, welfare families receive about \$70 extra each month when they have a baby, a benefit some view as an incentive for poor mothers to have more children.

"This is driven by morals and family structure," said council member Linda W. Cropp (D-At Large). "We've had two or three generations on welfare. . . . It has become institutionalized."

The education and work requirements, like similar proposals adopted in Virginia and being debated in Congress, are meant to move individuals off the welfare rolls. Women younger than 19, for example, would not be eligible for welfare unless they attend school. The proposal also would save the cash-strapped city as much as \$800,000 a year.

Through the curfew, "we are going to insist the parent take responsibility, and do everything we can to discourage irresponsible behavior," said council member Bill Lightfoot (I-At Large). "It's not coincidental we are taking [the curfew and welfare] issues up at the same time. These are the crises of the day."

The city approved a juvenile curfew once before, but the courts overturned it on constitutional grounds in 1989. Since then, said council member Harold Brazil (D-Ward 6), a sponsor of the bill, Dallas has crafted a curfew law that survived a court challenge by establishing a link between the curfew and a "compelling state interest"—juvenile safety and crime.

A report from Lightfoot's Judiciary Committee cited police statistics showing that through 1993 and early 1994, thousands of juveniles were arrested during the proposed curfew hours—a trend the committee felt established a compelling interest for the new restrictions.

Arthur B. Spitzer, legal director for the local chapter of the American Civil Liberties Union, said the curfew would be challenged in court, and he predicted that even if upheld, it would prove ineffective in curbing crime. Juvenile crime is a 24-hour-a-day problem, he said, and fighting it with a curfew would only serve to keep already law-abiding youths "under house arrest until they are 17."

"The kid who is out packing a pistol and selling cocaine is not going to look at his Rolex and say, 'Gee, it's 11 o'clock; I better get home,'" Spitzer said.

Elizabeth Siegel, a lawyer for the advocacy group D.C. Action for Children, said the city is wrong to punish children by denying their families welfare benefits.

elsewhere to force people into school or work by denying them benefits have not worked, unless coupled with an incentive—for example, extra benefits for those who meet a certain school attendance standard.

"There is a wave in this country that everyone is tired of crime and tired of supporting others' children," Siegel said, but "this is a punishing model."

She said there is little evidence that mothers, particularly teenagers, base their decision to have more children on the extra welfare benefits they would receive.

# Commission to Propose Lowering Number of Immigrants Let Into U.S.

By Bill McAllister

Washington Post Staff Writer

A congressional commission Wednesday will propose a fundamental revamping of the nation's immigration laws, ultimately lowering the number of foreigners allowed to move into the country by one-third, but promising in return to speed the admission of spouses and young children of legal aliens.

The report by the Commission on Immigration Reform could trigger a major debate by Congress on immigration policy. If enacted, the commission's proposals would drastically reorder who could get into the United States and who couldn't.

The commission, headed by former representative Barbara Jordan (D-Tex.), over a period of years would gradually reduce the annual number of legal immigrants from the current level of about 830,000, first to

700,000 and then to 550,000. The panel also recommends new restrictions on the admission of unskilled workers and would impose special fees on employers who bring skilled workers into the country.

News of the commission's proposals was warmly received by those who have argued that immigration is having a negative impact on the nation. "This is a recognition that the system is broken, a recognition that we need to bring immigration down," said Daniel Stein, executive director of the Federation for American Immigration Reform, a group that has advocated even sharper cuts in the flow of immigrants.

A source close to the commission said, however, that the nine-member panel believed that basic U.S. immigration policy was fine. But the commission "became more and more convinced that there were major problems in the current policy" and wanted to be

involved in congressional efforts to rewrite immigration laws, the source said.

Jordan will come to Washington on Wednesday to hold a news conference and brief congressional leaders on the panel's recommendations. The commission's proposals were disclosed by the San Francisco Chronicle and the New York Times.

Despite the commission's efforts to avoid controversy, "what you will get are fights," said Michael Fix, an immigration policy analyst at the Urban Institute, a Washington think tank. Noting that the commission's proposal parallels legislation being drafted by Sen. Alan K. Simpson (R-Wyo.), chairman of the Senate immigration subcommittee, Fix predicted that the report will give momentum to an issue that some GOP leaders had hoped to avoid while they focused on their primary legislative agenda.

Based on recent immigration statistics, ana-

lysts said yesterday that the commission's proposals would make it more difficult for many Latinos and Asians to gain visas to enter the country. Both groups have benefited from preferences that have allowed brothers, sisters and adult children to join their relatives who have become U.S. citizens.

Advocates of tighter restrictions argue that the current preference system promotes "daisy chain immigration" that allows for big, extended families to gain admission.

Warren R. Leiden, executive director of the American Immigration Lawyers Association, was the lone dissenter on several key commission votes, taken during closed meetings this spring. "The final recommendations of the majority are not well enough thought through and are shortsighted," he said. Congressional Republicans have been sharply divided over the issue, with some favoring immigration controls and others, including House Majority Leader

Richard K. Armey (R-Tex.), arguing that controls do more economic harm than good. It was unclear yesterday how the Clinton administration would respond.

Cecilia Munoz, deputy vice president at the National Council of La Raza, a Latino group, said her organization would fight the proposal because of the recommended changes in family preferences. "The impact is going to be on Americans who want to bring their families together," she said, accusing the commission of crafting proposals to win favor on Capitol Hill.

"What was clearly a thoughtful body has turned into one that is being driven by politics," Munoz said. A commission official conceded that Munoz may have a point. "We're a congressional commission. What do you think a congressional commission does?" the official said, speaking on the condition he not be named.

# Panel to urge reductions in immigration

By Maria Puente  
USA TODAY 6/6/95

The national Commission on Immigration Reform Wednesday will recommend significantly reducing legal immigration to the USA, mainly by emphasizing nuclear family reunification and shutting the door to other close relatives.

The proposed changes — the most sweeping in about 30 years — have set off alarm bells among the throng of immigration interest groups, which know how much influence the commission has with Congress and the White House.

"From what was supposed to be a thoughtful, blue-ribbon commission ... (the recommendations) are stunning," says Cecilia Munoz of the National Council of La Raza, an immigrant rights group. "This is steeped in politics."

If the recommendations were to be adopted by Congress — which is not assured — a major effect would be to reduce "chain migration," in which extended family members, their spouses and their children can immigrate because of their relationship to someone already here.

Based on a USA TODAY analysis of 1993 legal immigration data, nearly a quarter of that year's 880,000 legal immigrants couldn't have come under the recommendations.

Although the recommendations maintain the basic framework of the current immigration system — which puts top priority on family-based immigration — the proposals will provoke nearly every faction:

► **Immigration of siblings, adult children age 21 and older, and some unskilled workers** would be eliminated, a move that would have kept out nearly 140,000 people in 1993.

► **Overall immigration** would decrease to about 700,000 a year for a transition period, then hold at 550,000 a year. In 1994, overall immigration was 800,000.

► **Parents of U.S. citizens** could not immigrate until they or their children first purchase health insurance for them. In 1993, 62,428 people immigrated in the parents category.

► **Slots for skilled foreign workers** would drop to 100,000 a year from 147,000. Fees would be imposed to discourage hiring foreigners.

► **Refugee admissions** would be reduced to 50,000 a year. In 1993, more than 115,000 refugees became legal immigrants.

"The commission ... is recommending some major reallocation of priorities and emphases," says Susan Martin, executive director of the nine-

member, bipartisan panel.

Refugee advocates, who already complain the USA doesn't accept enough displaced people, will not be happy about the refugee reduction.

And powerful U.S. corporations that hire skilled foreign workers will balk at paying a big fee to continue doing so.

"It takes out the flexibility needed to be responsive to the needs of the economy," says Warren Leiden, director of the American Immigration Lawyers Association and the commission's lone dissenter.

But the elimination of family categories sparks the most outrage. "Your children don't stop being your children just because they turn 21," says Munoz, who also notes the health insurance requirement for par-

ents would reserve immigration for the rich.

Others protest eliminating the sibling category — even though the wait is now about 30 years. The commission argues a category that makes people wait that long ought to be axed.

Instead, the commission recommendations are aimed at speeding admission of spouses and minor children of citizens and legal immigrants. Now, those admissions take years because of an enormous backlog.

Still, some critics complain the commission has been unduly influenced by public anger over illegal immigration.

expected to provide some political cover for a tough issue.

"It's not a bad first step ...

given the difficulties in dealing with an issue dominated by special interests," says Dan Stein of the Federation for American Immigration Reform, a pro-restrictions group.

There is little consensus in Congress:

► "The commission has great credibility," says Rep. Lamar Smith, R-Texas, chairman of the House immigration subcommittee.

► "People are fed up with all this nonsense of all these people coming" says Rep. Bob Stump, R-Ariz.

► "We don't have too many immigrants," House Speaker Newt Gingrich said recently. "We can absorb the current numbers if we solve the illegal immigration problem."

Contributing: Peter Eisler

## Who's what

► **U.S. citizen:** Native-born or naturalized person.

► **Legal permanent resident:** Immigrant legally entitled to live in U.S.

► **Family-sponsored immigration:** Immigrant admitted on basis of kinship to citizen or legal permanent resident.

► **Employment-sponsored immigration:** Immigrant is admitted for job after employer certifies no Americans available.

► **Refugee:** Immigrant admitted based on a well-founded fear of persecution.

► **Commission on Immigration Reform:** Bipartisan panel created by Congress in 1990.

*Boston Herald 5/24*  
**Gov won't duel with cardinal  
over stand on welfare plan**

By ED HAYWARD

The Weld administration agreed to disagree with Bernard Cardinal Law over reports the leader of the state's largest diocese would ask President Clinton to reject key features of the proposed welfare overhaul.

"If he (Law) feels strongly about something, he should become involved," Lt. Gov. Paul

Cellucci said.

But the plan "got an overwhelming vote of the House, an overwhelming vote of the Senate, and I believe the overwhelming support of the people of Massachusetts," he added.

Catholic Charities issued a 40-page report yesterday criticizing Weld administration proposals that would limit the amount of time recipients can receive welfare and would deny additional aid to recipients who have more children.

A compilation of previous welfare studies, the report concluded that poor children would bear the brunt of the push to slash entitlement spending.

The new welfare law is slated to take effect July 1, but first the state must obtain a waiver from the Clinton administration allowing it to deviate from existing federal welfare laws.

Though Law's spokesman declined to comment on reports Law would contact the president, the social services branch of the Catholic Church said Law would be sending Clinton a letter soon.

"While not really citing the report, he's going to communicate the fact he doesn't want these unintended consequences spelled out in the report to happen," said Jack Pickell, a spokesman for Catholic Charities.

**Cellucci predicts  
welfare plan win**

Lt. Gov. Paul Cellucci predicted yesterday that the Clinton administration would approve Massachusetts' welfare reform, ~~with~~ despite Cardinal Bernard Law's opposition to two key aspects of the overhaul. "If he feels strongly about something, he should get involved," Cellucci said of the prelate. The lieutenant governor said welfare income limits and a family cap ~~are~~ the two areas to which the cardinal objects - received broad bipartisan support by state lawmakers. Cellucci also said President Clinton has expressed interest in these particular ~~changes~~.

*Cellucci 5/24*

# TARGETING WELFARE

**The Republican plan to reform the welfare system will harm the people it professes to help: young Black mothers and their children**

NOGA

**I**F THE REPUBLICAN PLAN TO OVERHAUL THE WELFARE SYSTEM SOUNDS familiar, it should. The GOP seeks to reform the nation's welfare system along the general thrust of the Reagan era and based on the same old Reaganite stereotypes of welfare recipients.

Although the days in which unvarnished appeals to racism and sexism are fewer, the stereotype of welfare recipients that undergirds the "Contract With America" welfare proposal is hardly race-neutral. Despite the fact that children compose roughly three-fourths of welfare recipients and that Blacks compose fewer welfare recipients today (37 percent) than in 1969 (45.2 percent), the image of a welfare recipient continues to be that of a poor Black woman living in a big city, shiftless and lazy, abusing drugs and spawning a criminal class.

Here are some facts the politicians aren't telling you:

- Welfare recipients do not compose a majority of any racial group. According to the Department of Health and Human Services (HHS), in 1993, its most recent figures, only 5.4 percent of the nation's population received Aid to Families with Dependent Children (AFDC); only 17 percent of African-Americans received such aid. That means, obviously, that 83 percent of Blacks did not.
- More Whites than Blacks receive welfare. While 5.05 million Blacks were AFDC recipients in

BY LINDA FAYE WILLIAMS

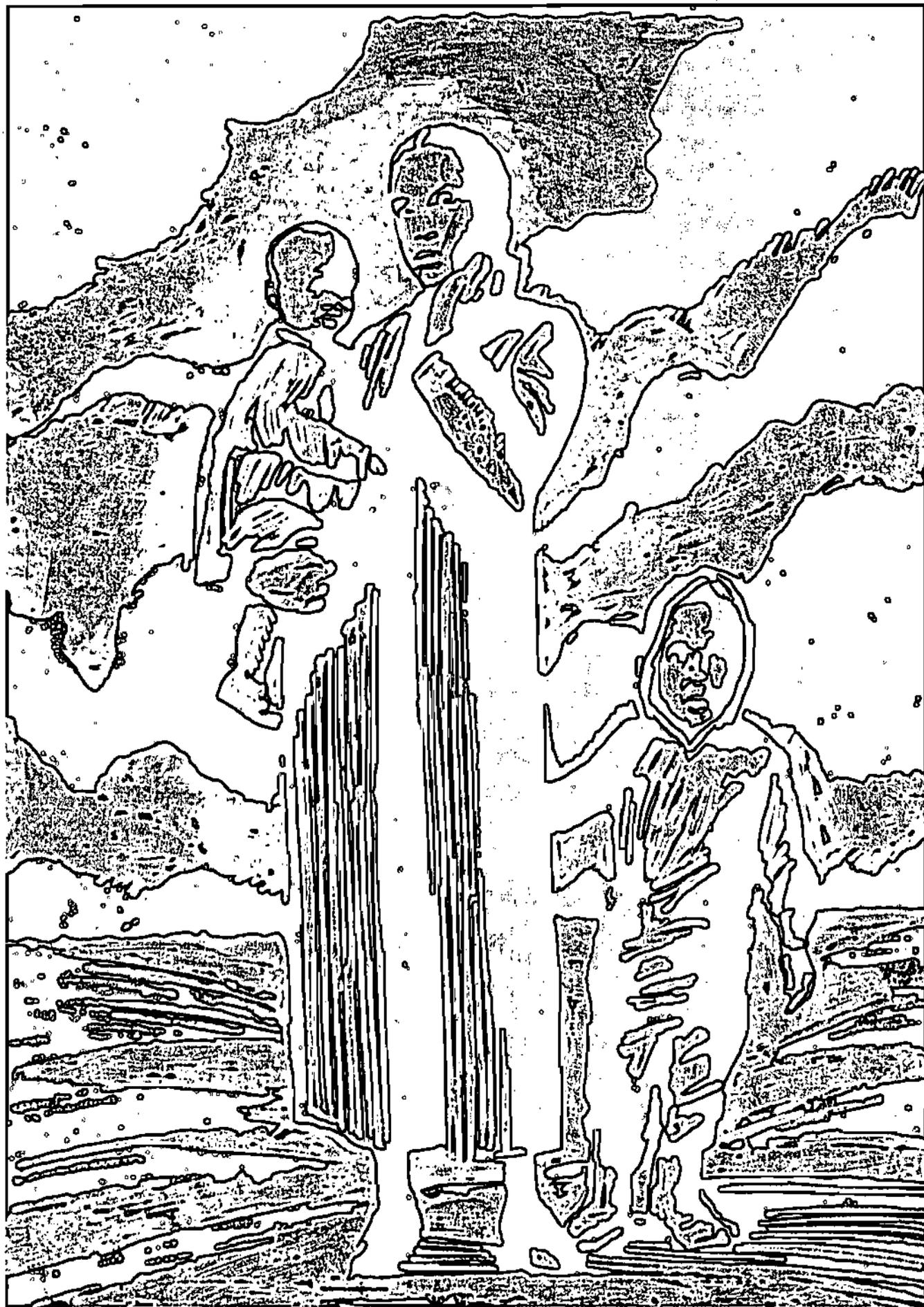


ILLUSTRATION BY NEIL SHIGLEY FOR EMERGE

1992, 5.3 million Whites received AFDC, according to HHS.

- Most welfare families are small; only 10 percent of families on AFDC have four or more children, and that percentage, too, has decreased dramatically. The average size of a family receiving AFDC has become smaller — from four children in 1969 to 2.9 in 1992.

- Women on welfare do not have children to receive more public assistance money, says Mark Robert Rank, author of *Living on the Edge: The Realities of Welfare in America*. In fact, women receiving welfare perceive having additional children as making their situation worse.

- A 1995 Harvard poll indicates that 40 percent of Americans think that welfare is one of the largest areas of federal spending. But according to the Center on Budget and Policy Priorities, if one goes beyond welfare and adds up spending on every program to help the needy (AFDC, Medicaid, Supplemental Security Income, food stamps and other nutrition programs), since 1964, welfare amounts to less than 7 percent of total federal spending during the same period.

- Most welfare families remain in extreme poverty. AFDC and food stamps combined do not bring families up to the poverty level in any state, except Alaska and Hawaii. Only one-fourth of welfare mothers receive housing subsidies or live in public housing projects; the rest must pay for food, clothing, transportation and the total cost of shelter with their welfare checks.

- A recently released study by the Washington-based Institute for Women's Policy Research found that the vast majority of welfare mothers are either working, looking for work, in school, or caring for infants, preschoolers, or pre-teen schoolchildren during the summer months. Only 9 percent of welfare checks go to "able-bodied" mothers who engage in none of those activities.

The various welfare bills being prepared in Congress ignore the major reason people seek assistance—absence of secure jobs in safe working conditions and insufficient decent wages.

The GOP proposal also fails to provide for job training, support services from child care to health care to transportation, elimination of continuing AFDC disincentives for marriage, reform of the low-wage labor market, reform of labor laws, or any other ingredient of a meaningful welfare plan. Nor does it even mention the need for job stimulus,

this despite the reality that the supply of young poorly educated women already exceeds the demand for their services, according to research conducted by the Economic Policy Institute.

Instead, the GOP's welfare plan goes directly after segments of welfare recipients who are disproportionately Black: teenage mothers and their children; children whose paternity has not been established; and families that are long-term welfare recipients.

AFDC AND FOOD  
STAMPS COMBINED  
DO NOT BRING  
FAMILIES UP TO  
THE POVERTY LEVEL  
IN ANY STATE.

For instance, the Republicans' welfare plan would eliminate payment of AFDC benefits for children born to unwed mothers younger than age 18 (unless they marry the biological fathers or spouses who legally adopt the children) and permit states to extend this provision to cover children born to unwed mothers younger than age 21. Children born to unwed teenagers could not receive benefits — even if the mothers worked for years, and later, clearly needed AFDC.

Because about 90 percent of Black

teenage mothers were unwed in 1990, compared with less than 60 percent of White teenage mothers, African-Americans would be far more likely than Whites to be eliminated from AFDC rolls. This measure alone could disqualify at least 146,000 Black children in its first year.

Far more children would be eliminated under rules covering the establishment of paternity. Under the GOP's bill, benefits would be denied to children of fathers whose paternity has not been legally established — even if their mothers were cooperating with state efforts to track down absent fathers (except in cases of incest, rape or if it is determined by the state that finding the father could cause the mother harm).

WHILE THERE is no national data on paternity establishment by race, government child support enforcement data indicate that 89 percent of the youngest children in families receiving aid have no relationship with their fathers. If this

holds true, the children of 1.2 million Black mothers would not qualify for assistance.

Black children also would lose out because of the five-year limit proposed in the "Contract With America" (states would have the option of imposing a two-year limit). According to HHS, the Whites receive help for an average of 4.08 years, Blacks average 7.25 years.

Therefore, if a five-year time limit on AFDC had been established in 1990, far more Blacks than Whites would be eliminated from cash assistance. Even a conservative estimate would mean that more than 900,000 Black families with more than 2 million children would be forever barred from receiving additional AFDC assistance regardless of how well their parents had played by the rules and how deep a recession the nation was in.

Unlike the rules governing unemployment insurance — where recipients who have exhausted their benefits can become eligible in the future if they have an intervening period of work between the time benefits run out and when they reapply for welfare — there would be no renewable time limits for welfare, no matter how many years a former welfare recipient worked in between periods of need. If a family received welfare for five years, it simply would never receive it again — even if the parent had become temporarily disabled, could not find



PHOTOGRAPHY/CLEO

Don't let today's troubling news about our children become tomorrow's. Help NBCDI and become part of the solution.

NBCDI focuses on public education, health, child care and child welfare with:

- Training to work more effectively with African American children
- Tutoring African American children to achieve academically
- Researching issues and producing resources to aid parent and human resource providers
- Serving the needs of community leaders dedicated to informing the public about local and national issues affecting African American children

Funding for this non-profit group comes from individual and corporate donations, and workplace giving campaigns such as the Combined Federal Campaign #0435. Please contact:

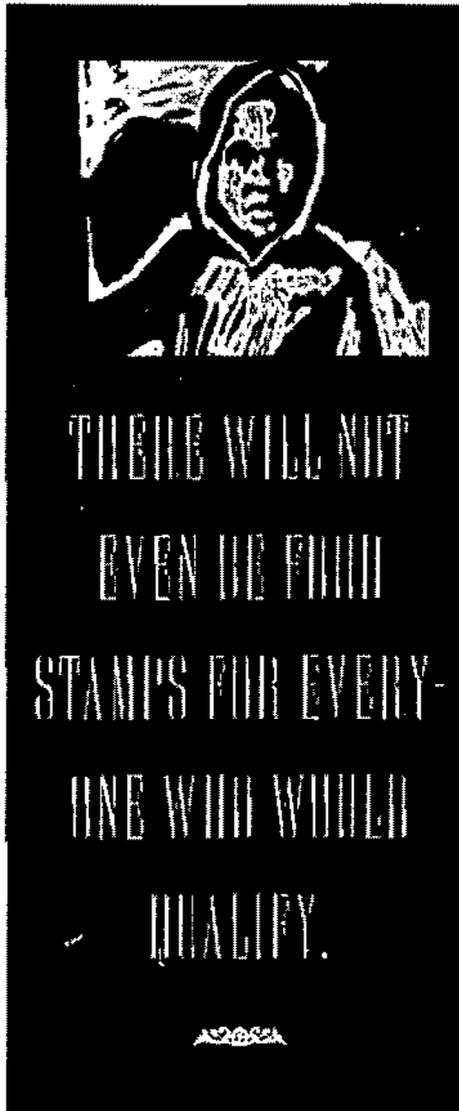
**National Black Child Development Institute.**

1023 15th Street, NW • Suite 600  
Washington, DC 20005  
(202) 387-1281

work or had some other family emergency or tragedy.

What would be the fate of the 2 million children cut from AFDC rolls? How would they survive without cash assistance?

The Republicans claim that children would not be unduly harmed. They could still get food stamps or they could be placed in foster care or in orphanages for adoption. Moreover, they say that private charities would make up the difference.



If poor Black families were forced to place their children in orphanages and foster care (a system already failing 40 percent of the Black children under its supervision), the GOP proposal would not create nearly enough slots. Clearly the more than 5 million children, including 2 million who are Black, who would lose benefits are more than 10 times the number of children currently in foster care (464,000).

And according to HHS, the Republicans would finance less than 9,000 slots

for them in orphanages and about 61,000 in foster care nationwide.

Shockingly, the creation of these few slots would require more money than is now being spent on AFDC. AFDC and food stamp support for a typical welfare family — a mother and two children — is about \$8,000 annually; putting two children in an orphanage would cost about \$73,000 a year, according to the Child Welfare League. Add more than a million new "orphans," and we will have not only a social crisis of alarming proportions, but a spending bill of \$72 billion, compared with the roughly \$23 billion spent on AFDC in 1994, according to HHS.

It is unlikely that private charities would make up the shortfall. Many private organizations that concentrate on the poor have reported decreased donations. For example, in Toledo, Ohio, family requests for emergency food increased 10 percent, while donations fell by nearly 50 percent.

**C**ONTRARY to the GOP's assertion, there will not even be food stamps for everyone who would qualify. Another part of the GOP's welfare reform proposal is to eliminate the National Food Stamp Program by turning the nation's food and nutrition programs into a block grant. This would freeze funding and subject these programs to the annual appropriations process in which they would compete with more middle-class concerns.

Once Congress turns a program into block grants, it can cut it at will. This is precisely what is likely if the GOP Contract's balanced budget amendment is put into place without raising taxes, touching Social Security or defense spending and coupled with legislation, cutting taxes for the rich, and prohibiting unfunded mandates.

Hard-pressed states will be forced to stretch their limited block grant resources to cover more children and families, leading to incalculable damages in the safety net.

Hence, according to the Department of Agriculture, more than 6 million people could lose their food stamps. Of the nearly 11 million food stamp participating households, approximately 3.5 million — 35.4 percent — are Black.

Overall, the GOP's welfare reform proposal would provide the nation with a system worse than the current AFDC program — at an even higher cost. ■

# Boston Globe

MARCH MIDNESS

Wednesday: Sun, then clouds; 55

Thursday: Ditto; 55

High tide: 2:44 a.m., 3:22 p.m.

Full report: Page 51

WEDNESDAY, MARCH 22, 1995

## GOP moves to soften welfare bill

### Abortion foes oppose ending assistance for young mothers

By Peter G. Gosselin  
GLOBE STAFF

WASHINGTON — House Republicans were scrambling last night to quell a revolt in their ranks over welfare by agreeing to soften one of the harshest provisions of their welfare overhaul bill — one that would cut off cash assistance to poor mothers under 18 and their children.

GOP leaders were hoping that the change would satisfy anti-abortion groups and Catholic bishops who fear that the cutoff would cause more poor women to have abortions. In doing so, leaders hoped to boost chances that the House will approve sweeping changes in how the nation cares for its indigent.

"The Republican welfare revolution is at hand. . . . The bill that we bring to the floor today constitutes the broadest overhaul of welfare ever proposed," said Rep. Bill Archer of Texas, chairman of the House Ways and Means Committee.

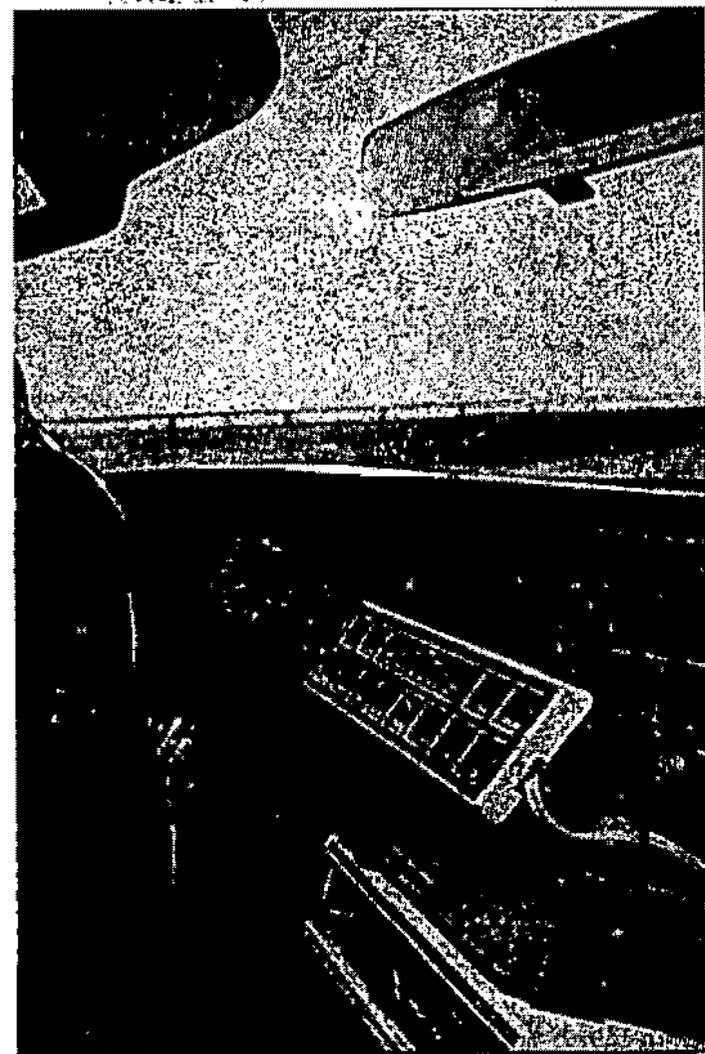
House passage of the GOP bill, which would cut federal welfare spending \$66.4 billion over five years and shift major responsibility for social safety-net programs to the states, would only be the beginning of the story, however.

■ **Nearly half the Republicans in the House call for sealing back tax breaks.** Page 21. . .

Key senators are deeply skeptical of the measure, and President Clinton, although generally conciliatory in a letter to House leaders Monday, is also critical. The president denounced the proposal in the letter as "too weak on moving people from welfare to work . . . and too tough on innocent children."

Nevertheless, House approval would represent an important milestone in two ways. It would demonstrate anew House leaders' ability to push the agenda in their Contract with America, which has been called

WELFARE, Page 20



GLOBE STAFF PHOTO / JIM DAVIS

the Canadian border in Rouses Point, N.Y.

## Northern front

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## Japan police raid cult

# GOP moves to soften bill on welfare

## Action eases plan to end aid to young mothers

### WELFARE

Continued from Page 1

into question by several near-misses in recent weeks. It also would mark a sharply rightward shift in an increasingly conservative debate over welfare.

"If anything like the House bill passed, it would certainly make history because it would begin dismantling the federal welfare state Franklin Roosevelt bequeathed us," said Gary Burtless, an economist with the Brookings Institution.

While GOP leaders said their concessions to antiabortion lawmakers assured them of victory, they were still struggling to nail down the final votes for passage last night.

Republican Rep. Christopher H. Smith of New Jersey, a leader of the antiabortion forces in the House, said yesterday that party leaders had agreed to a change that would permit unwed mothers to receive vouchers but not cash, for child-care essentials such as diapers. But he said they were balking at a second change sought by antiabortion groups that would permit under-18 mothers to receive both cash assistance and vouchers if they lived with a parent or adult guardian.

"At this point, we are in the position of opposing the bill," Smith said last night. However, he indicated further negotiations would resolve the dispute.

Leaders also studied whether to ease a proposed ban on legal immigrants receiving benefits in an effort to satisfy two Florida Republicans, Heena Ros-Lehtinen and Lincoln Diaz-Balart, both natives of Cuba whose districts have many immigrants. And they are warily watching Rep. Peter Torildsen, a GOP moderate from Danvers, who has expressed concerns about proposed cuts in funding for child nutrition and legal immigrants, and voted against the party's \$17 billion spending cut bill last week.

The party must hold on to all but a dozen Republicans to reach the 218 votes needed for passage. That is because conservative Democrats, who ordinarily could be counted on to vote with the GOP, say they will cast their votes for an alternative advanced by Rep. Nathan Deal, Democrat of Georgia.

The GOP bill brings together provisions that have been making their separate ways through House committees for several months, leading to bitter exchanges between Republicans and Democrats, and leaving even people who follow such things confused.

## The proposed new course on welfare

Following are highlights of the Republican welfare reform legislation being considered by the US House.

- Replacement of the federal Aid for Families with Dependent Children program with lump-sum payments to the states, which could design their own plans. Overall federal welfare spending would shrink by \$66.4 billion over five years.
- Limitation of the federal role in setting nutrition standards and in aiding the country's most disadvantaged families.
- A requirement that recipients who had received cash welfare benefits for two years to engage in "work activities."
- Imposition of a five-year limit on cash welfare benefits.
- A ban on cash aid to unmarried parents under age 18.
- Permission to let states pay newcomers from another state the level of benefits they would have received from their former state for up to 12 months.
- A repeal of the automatic guarantee of benefits for low-income mothers and their children.
- Replacement with block grants of the current school breakfast and lunch, day-care feeding, and Women, Infants and Children feeding programs.
- A requirement that able-bodied food stamp recipients without dependents find work or enroll in a job-training or government-sponsored program.
- A devolution of authority to the states to establish one set of eligibility and work requirements for food stamps and other welfare programs.
- A prohibition on welfare benefits to undocumented immigrants and restrictions on eligibility for legal immigrants.

SOURCE: Congressional Quarterly; Associated Press

Among its elements are proposals to sharply cut back on food stamps, child nutrition programs and the nation's chief cash-assistance program for the poor women and children, Aid to Families with Dependent Children.

There are two things that are distinctive about the bill. The first is the willingness it reflects to overturn the central tenet of the current system that most welfare benefits are entitlements to which people have a right if they meet eligibility requirements.

The second is the readiness to go beyond where even many moderate lawmakers were as recently as a year ago, in denying many forms of help and in virtually relinquishing the federal role in many programs.

"Let's break the chains of slavery that we have created with welfare in this country," declared Rep. E. Clay Shaw Jr. of Florida, the GOP Ways and Means subcommittee chairman who designed the central elements of the package.

GOP leaders want to replace entitlement programs for cash welfare, food stamps, child nutrition and foster care with block grants or lump sums of federal money that states would have wide latitude in deciding how to use. They argue that state governments are closer to the problems of the poor and so can use the money more wisely, a view shared by many state officials.

"The current program is so flawed that we've got to take some reasonable risks and overhaul the system," said Gerald Whitburn, Massachusetts' health and human services secretary. "We're making progress at the state level and people are beginning to understand that," he said.

Critics of the GOP plan assert that the shift to block grants and greater state responsibility is little more than a ruse to cover Republican efforts to cut welfare. They say the block grant arrangement would be especially vulnerable in recessions when the number of people seeking aid goes up, but federal assistance, which now rises and falls to accommodate such needs, would not.

Republican leaders' readiness to deny some benefits to people now receiving welfare and relinquish federal involvement in many programs sharply distinguishes them from the majority of Democrats, who are prepared to impose strict work requirements on welfare recipients, but not drop them from the rolls altogether.

Indeed the most stringent element of the GOP bill appears to be a five-year lifetime limit on recipients receiving cash welfare benefits. Independent analysts say that such a limit would cut about half the 5 million families now receiving AFDC off the rolls by the end of the decade.