

## VI. ENDNOTES

1. Congressman Rangel's quote was taken from a New York Times article on Harlem on January 6, 1994 by Emily M. Bernstein.
2. "Workfare for the Able-bodied," editorial in New York Post, March 16, 1994.
3. These and other citations about initiatives in other states from "The Welfare Monster," by Diana Gordon, State Legislatures, June 1994.
4. Franklin Roosevelt's comment was shortened from his second annual message to Congress on January 4, 1935. The complete quote was "The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."
5. John Norquist's comment came in a profile on him published in New York Newsday on December 29, 1993.
6. Malcolm Forbes' comment is taken his May 9, 1994 "Fact and Comment" in Forbes Magazine.
7. Louis Farrakhan's comment has been widely quoted including the TIME magazine profile of him on February 23, 1994. Farrakhan is a well-known critic of welfare. As he said in an interview with Barbara Walters on April 22, 1994, "The Honorable Elijah Muhammad says welfare spelled backwards means farewell to independent and creative thinking. So as fast as we can, we move our people away from welfare."
8. Cuomo's comment is from his January 5, 1994 "State of the State" message.
9. "Reforming Welfare: Can the System Be Changed," by Paul Magnusson and Howard Gleckman, Business Week, June 13, 1994.
10. Wayne Bryant's quote came from a May 10, 1992 article in the Sunday Times of London.
11. President Clinton's quote was taken from a February 8, 1993 Washington Times story.
12. Moynihan's comments were made in a "Meet the Press" interview on January 9, 1994.
13. According to Business Week ("Reforming Welfare: Can the System be Salvaged?" by Paul Magnusson and Howard Gleckman, June 13, 1994), "Studies show that as many as 20% of welfare recipients stay on AFDC just to keep the accompanying Medicaid benefits for their children -- particularly those with chronic illness."
14. "Reforming Welfare: Can the System be Changed," by Paul Magnusson and Howard Gleckman, Business Week, June 13, 1994.
15. "Family Values is Now Getting its Due", David Broder, New York Daily News.
16. Former Vice President Quayle's comment before the Commonwealth Club of San Francisco was "And for those concerned about children growing up in poverty, we should know this: marriage is probably the best anti-poverty program of all. Among families headed by married couples today, there is a poverty rate of 5.7 percent. But 33.4 percent of families headed by a single mother are in poverty today."

## V. METHODOLOGY FOR EMPIRE STATE SURVEY

From May 19 to June 9, 1994, the Empire State Survey polled 1221 adult New Yorkers by telephone. The survey instrument contained 95 closed- and open-ended questions. The poll employed a random digit dial (RDD) probability sample of adult New York State residents. RDD ensures that all telephone households, listed and unlisted, are given an equal chance of being included in the sample. Respondents were selected randomly within the households, with up to four callbacks per eligible respondents. The sample was drawn by the Marketing Systems Group. Interviews were conducted both in English and Spanish.

The estimated sampling error for the entire population is  $\pm 2.8\%$  at the 95% confidence level. That is, 19 out of 20 times, a probability sample of 1203 respondents will conform to the relevant populations with a maximum deviation of 2.8% in either direction. Sampling errors for subgroups will be larger than for the entire sample but will be "tolerable" for subgroups as small as 200 (an error margin of  $\pm 6.9\%$ ).

The maximum sampling error for the New York City sample of 492 respondents is  $\pm 4.4\%$  at the 95% confidence level.

Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (non-response), question wording and question order, interviewer bias, weighing by demographic control data (all data in the current survey are unweighted) and screening (e.g., for likely voters). It is difficult or impossible to quantify the errors that may result from these factors.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

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**Remarks of President William J. Clinton  
Commerce Bank  
Kansas City, Missouri  
June 14, 1994**

I have come to the heart of America to talk about the values that brought us all here: Faith and family; work and responsibility; community and opportunity.

Last week, Americans took a journey of remembrance, to honor the sacrifices a generation made for freedom. I came home from Normandy with a renewed sense, which I hope you share, of the work we must do in our time to preserve and to use our freedom for generations to come.

Those who won World War II and who rebuilt our country were driven by the bedrock values that have made America strong. Now, facing the dawn of a new century, we must use those same values to light the path ahead. But our challenge is different. For today, we must restore faith in basic principles that those before us could take for granted -- the bond of family, the virtue of community, the dignity of work.

No single public concern poses this challenge more starkly than our welfare system. For there is no greater gap between our people's good intentions and our policy's misguided consequences than in welfare. Our system was started for the right common purpose of helping those who have fallen by the wayside. But it has resulted in the perversion of the very values people need to put themselves back on track.

We must no longer tolerate the gap between our policies and our values. We must repair the damaged bond between our people and their government. That is why I say again: We must end welfare as we know it.

In a few days, I will send Congress my plan to replace a system based on welfare with a system based on work. The Work and Responsibility Act of 1994 will make welfare what it was meant to be: a second chance, not a way of life.

I worked on this problem for years before I became President, with other governors and members of Congress in both parties. I worked on it with people who were on welfare -- lots of them. Let me say to anyone who wishes to join in this debate: If you want to know what's wrong with welfare, listen to the people on it. The people who want to change the welfare system most are the people who are trapped by it.

Here today, I met a dozen parents who used to be on welfare but now get up every morning and go to work in factories, small businesses, and banks like this one. People like Yolanda Magee, a single mother trying to raise her two-year-old son without any child

support, who left welfare to work for a living. Most people on welfare want to do exactly what she has done -- get off welfare, go back to work, and do right by their kids.

People who can work ought to go to work, and get a pay check, not a welfare check. If you can do that here in Kansas City, we can do it all across this country.

We must begin with responsibility. Governments don't raise children, parents do. Our plan includes the toughest child support enforcement measures ever proposed. We're going after the \$34 billion child support gap in this country by saying to absent parents: If you're not providing for your children, we'll garnish your wages, suspend your license, track you across state lines, and if necessary, make some of you work off what you owe. We can't let fathers just up and walk away.

Responsibility also means rewarding responsible parents. Now, the system does just the opposite: it actually pays teen parents more to move out than to stay at home. That's crazy. Teen parents ought to live at home, stay in school, and take responsibility for their and their children's futures.

We have to change the signals we're sending the next generation. The rate of illegitimacy in this country has quadrupled since Daniel Patrick Moynihan first called it to our attention nearly 30 years ago. At the rate we're going, within a decade more than half our children will be born into homes where there has been no marriage.

We must keep people from the need to go on welfare in the first place. Together, we must undertake a national campaign against teen pregnancy, to send the powerful message that it is wrong for teens to have children outside marriage. We will never find a substitute for the American family. No nation ever has.

Even if we strengthen our families, no system will ever do the job unless it is rooted in one basic goal: getting people who can work back to work. For work is the best social program this country has ever devised. Work gives hope and structure and meaning to our lives. Every one of us would be lost without it.

We'll offer people on welfare a simple compact: We'll help them get the skills they need. But after two years, anyone who can work will have to go to work, in the private sector if possible, in a subsidized job if necessary.

This plan will let communities do what's best for them, not what somebody back in Washington says is best for them. We'll give communities the chance to put their people to work -- in child care and home health care and other fields we desperately need. We want every community to do what you've done here in Kansas City, and bring business and civic leaders together to find people on welfare lasting jobs in the private sector.

If we want people to work, we've also got to reward people for going to work. That's why we pushed so hard last year to increase the Earned Income Tax Credit, a tax cut that will help 15 million families pull themselves out of poverty. People who work shouldn't be poor.

That's just one more reason Congress needs to pass health reform this year to ensure all Americans health coverage wherever they work. One million women and children are on welfare today because it's the only way they can get health care. Those who choose to leave welfare for jobs without health benefits find themselves in this incredible position: They're paying taxes that help to pay for health care coverage for those who chose to stay on welfare. We can't solve the welfare problem unless we also solve the health care problem.

I'm asking Congress to pay for welfare reform not by adding to the deficit or imposing new taxes. We're going to pay for this through spending cuts, as well as savings within the program from reducing caseloads and cracking down on fraud. Welfare reform costs money, but over time, it will save money, too. Even by the most conservative estimates, these changes together will move a million adults who would otherwise be on welfare into work or off welfare altogether by the year 2000.

And if we can change the values system of our society toward work and responsibility, the full savings over the long haul are more than we can count. As Pat Moynihan wrote 25 years ago, "The true issue about welfare is not what it costs the taxpayers, but what it costs the recipients."

None of what we propose today will be easy to accomplish. We're trying to turn around a problem that has been generations in the making. That is why the next generation is where we must start. They are the ones who must break this awful cycle. We can't afford to lose another generation arguing over what must be done.

For that reason, ending welfare ought to be a bipartisan issue. Over the last 30 years, the poor have seen all the political posturing they can take. If we can heal families, I don't care who gets the credit. Family is where we learn responsibility for ourselves and those we love, and family is where we find faith, dignity, and hope. Those values aren't Republican values or Democratic values. They're American values.

I once had a hearing when I was a governor, and brought in people on welfare from all over America who had found their way to work. The woman from my state who testified was asked, what's the best thing about being off welfare and in a job? Without blinking an eye, she looked at the governors and said, "When my boy goes to school and they say what does your mother do for a living, he can give an answer."

We owe every child in America the chance to give that answer. Today, the end of welfare must begin.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 28, 1995

REMARKS BY THE PRESIDENT  
IN STATEMENT ON WELFARE REFORM

The South Portico

8:12 A.M. EST

THE PRESIDENT: Good morning. I am on my way to Blair House to host an all-day meeting that is a bipartisan working session on welfare reform. We will have members of Congress, governors, and local officials there from all across our country. I am determined to work with them to pass welfare reform. I think it is perhaps the most pressing social problem we face in our country, and the time has come for Congress to act.

As I said in the State of the Union, what we need in welfare reform is a New Covenant of opportunity and responsibility. People on welfare who can work should go to work. Parents who owe child support should pay it. Governments don't raise children, people do. And we must have a national campaign against teenage pregnancy and births outside marriage.

If we're going to end welfare, let's do it right. We should require work and responsibility, but we shouldn't cut people off just because they're poor or young or unmarried. We should promote responsibility by requiring young mothers to live at home or in proper supervised settings and to finish school. But we shouldn't put them or their children out on the street.

I have worked on this issue since 1980. I know that the people who want to change welfare most are those who are trapped on it.

Yesterday, in preparation for this meeting, I met with four former welfare mothers who have managed to free themselves from the system. I listened again to the stories of people who have had great difficulty in trying to get the kind of support they need to get off of welfare, people who did not want to go on in the first place and were anxious to be off of it. I know that most people who are trapped in welfare will gladly take the work options if we can work out the system in the proper way. I also know that those who don't want to do the responsible thing must be required to do so.

But our job in the end is not to tear anybody down and not to use this issue to divide America, but to build people up, to liberate them, to give them the capacity they need to compete and win in this new economy. The American people want us to put politics aside and to get this done for our country. I am committed to doing it, and I believe the people who are coming to this meeting this morning are committed as well.

Wish us well. Thank you very much.

END

8:15 A.M. EST

## TALKING POINTS WELFARE REFORM WORKING SESSION

\* Thank you for taking time away from your families to be here this weekend. This is such an impressive group, I think it will be worth your while. I mostly want to listen this morning, and hear what you think needs to be done. But let me say a few things up front, and ask the Vice President to say a word as well.

\* First, let me say that I believe this is the most important social problem we face as a country. I don't see how we can go on as a country if the percentage of births outside marriage keeps growing at the rate Senator Moynihan says it might, if the welfare system continues to foster dependence instead of independence, and if the government's response to these problems is so much at odds with the American people's basic values.

\* Second, I believe we can do this, in an honest, bipartisan way. Seven years ago, many of us in this room worked with a Republican White House, a Democratic Congress, and a bipartisan group of governors to pass the Family Support Act. The landscape may have changed, but I think we can do the same thing again. The American people without regard to race, region, or party agree on what needs to be done, and there's no reason why we can't too. We have an historic opportunity to come together and deal head-on with this problem -- and we'd better not let politics mess it up.

\* Third, I want to applaud all of you for what you're doing in your own states and here in Washington to advance this national debate. I know Clay Shaw is already hard at work in his subcommittee, and the governors are going to discuss this issue at their winter meeting, and that's good. It's about time we had a national debate on this issue, and put a spotlight not only on the urgency of the welfare crisis, but on the innovative things that so many of you around the country are doing.

\* Finally, I hope we'll always remember why we're doing this. I have worked on this issue for 14 years, and I have always found that the most articulate critics of the current system are the people on it. Yesterday, I met with four young women who have managed to get themselves off welfare and into work, and every one of them said the same thing: It's a lousy, demeaning, bureaucratic system that did a good job of making them feel bad but did nothing to help them get off welfare and back to work. As we do this, we have to do right by the taxpayers, but also by the people on welfare who really want to get off it.

\* This morning, we're going to talk about four big questions -- how to move people from welfare to work, how to make sure both parents take responsibility, how to reduce teen pregnancy and births outside marriage, and how to give the states more flexibility in a way that will produce better results. I'm going to ask the governors to lead off each discussion, and encourage the rest of you to jump in.

\* I hope we can talk about where we agree, and where we still have work to do. And I hope that as this debate goes forward in the weeks and months to come, we can work together without regard to party to finally get this done for the country.

TALKING POINTS  
NGA LEADERSHIP MEETING  
December 8, 1994

\* Thank you for coming here to talk with us about welfare reform, health reform, the Balanced Budget Amendment, and other issues. I hope we can work together across party lines in the coming months to have a real contest of ideas that will be good for the country.

\* One of the things I miss most about being a governor is the real spirit of bipartisanship and working together to solve problems that is thriving in state capitols across the country but is not so common here in Washington. Whatever else they said in the elections, the American people made clear that they are tired of partisan wrangling and pointing fingers. They want us to put country over party, and just get the job done.

\* I want to work closely with all of you because I feel that without regard to party, we have a great deal of common ground:

\* As a former governor, I'm a big believer in state flexibility. We've given 9 waivers on health care and 20 on welfare reform -- more than either of my predecessors did in his term -- and I want to keep up the push to free you from federal red tape.

\* Like you, I want to see the federal deficit come down -- and I am looking forward to getting back the line-item veto. But I also don't want Washington to do to you in the '90s what it did to us all in the '80s, with a lot of fancy bookkeeping that just shifts new costs down to the state level.

\* Finally, I believe that no matter how hard politicians in Washington may try to take credit, we'll never really solve any of these problems if all we do is make it harder for you to make progress on them in the states, where the rubber hits the road.

\* So I hope that we can work together and agree that whether we're talking about a welfare reform bill or a health reform bill or a balanced budget amendment, if it's not a good deal for the states, chances are it's not a good deal for the country -- and we'd better change it so that it is one.

\* Today, I'd like to talk in particular about welfare reform, which is going to be a top priority for my Administration and the country in the next year. It's about time we had a national debate on this issue, and put a spotlight not only on the urgency of the welfare crisis, but on the innovative things that so many of you around the country are doing.

\* I think our fundamental goal in welfare reform is to prove to the hard-working people of this country that we're putting their government back in line with their values -- work, responsibility, family -- and also that we're not just doing whatever sounds good politically, we're really taking the problem head on.

\* When we sit down to hammer out a welfare reform bill, we should ask ourselves: Will it move people from welfare to work? Will it make parents take responsibility for paying their child support? Will it strengthen the family in this country, not divide families or harm children? And at the end of the day, will it make it easier for states to try new approaches and not just leave you to pick up the pieces and pick up the tab?

\* I want to ask you to help me start this national conversation, by coming back here to Washington next month for a bipartisan national summit on welfare reform, similar to the economic conference we held two years ago in Little Rock. Gov. Thompson and Gov. Dean, I hope you and your lead governors on welfare reform (Carper and Engler) will take part.

\* The purpose of this summit will be to make clear that welfare reform should be at the very top of the country's agenda, and that we should do whatever it takes to find a real, lasting, bipartisan solution.

\* I see it as an opportunity to educate the public about the issue by listening to those who know most about it -- governors like you, local officials, experts, success stories, and most important, people on welfare who want to work, parents who want their children to get their child support, and taxpayers who want a government that reflects their values.

\* It will also be a chance for us to put country over party, and do what we so seldom do here in this town, which is reach outside Washington to solve real problems.

\* I hope we and our staffs can work together in the months ahead to do what's best for citizens of the states and the country.

**TALKING POINTS  
NGA MEETING  
Monday, January 30, 1995**

\* I want to thank you for coming here last night and again this morning. I always enjoy it when the governors come to town because it is such a refreshing departure from the partisanship that too often dominates debate here in Washington. Out there at the front lines, you know that the real problems we face are not partisan, and neither are the solutions.

\* This morning, I hope we can talk about one of the most pressing social problems we face, which is welfare dependency. Across the country, Americans without regard to party, income, or region agree that the welfare system is badly broken, and it's time to make welfare what it was meant to be: a second chance, not a way of life.

\* On Saturday, we had an extraordinary meeting at Blair House with some of you and with leaders from Congress in both parties. If Washington approached every issue with the same honest good faith all parties showed this weekend, the American people would be a lot happier about the way their government does business. It was a great start to what I hope will continue to be a bipartisan effort with the states, the White House, and the Congress to produce a sweeping welfare reform bill.

\* Without regard to party, we agreed on several areas where we would like to see fundamental reform:

1. We agreed on the need for more flexibility at the state and local level. I've given more waivers to more states than any President in history, but Gov. Thompson, Gov. Dean, and I agreed on Saturday that we should end this waiver business altogether -- and find a way states can try new things without having to ask permission from some bureaucrat in Washington.

2. We agreed that the number one goal of reform is to move people to work. States should have flexibility on how to do that, but the bottom line has to be, anyone who can work should have to go to work.

3. We agreed that we need the toughest possible national laws on child support enforcement. A third of the cases cross state lines, and Republican and Democratic governors agreed that the federal government has to set high standards and help track down parents who don't pay the child support they owe. Governments don't raise children; people do.

4. We agreed that we need to take on the problem of births outside marriage, and especially teen pregnancy. In my State of the Union, I called for a national campaign against teen pregnancy. On Saturday, Gov. Carper told me that he was going to launch a similar campaign in Delaware. I want every one of you to use your bully pulpit, too. We've got to let young people know that it is wrong to get pregnant or father a child before you're ready to raise and love that child.

5. And finally, we agreed that there is a national interest in the well-being of children. We can't punish innocent children for the mistakes of their parents.

\* There were some open questions, such as what specific national requirements and objectives we should have, what performance standards we should set, and what performance incentives we can give to reward states that do well. We also talked about whether we should experiment with the kind of swaps that Sen. Nancy Kassebaum has suggested.

\* These are important and difficult questions, and there will be a lot of back and forth in Congress before this is over. But what I want to say to you this morning is, we can do this. We have done it before. I remember coming to an NGA meeting eight years ago to pass a welfare reform policy, and then working closely with a Republican White House and a Democratic Congress to turn the NGA policy into law.

\* We have an historic opportunity this year to end welfare in a way that requires work and responsibility, gives states more flexibility, and lifts people up, not tears them down. I want to work with you and the Congress without regard to party to get it done.

THE WHITE HOUSE  
Office of the Press Secretary

Internal Transcript

January 26, 1995

TELEPHONE INTERVIEW OF THE PRESIDENT  
BY USA TODAY

The Oval Office

3:28 P.M. EST

THE PRESIDENT: Hello?

Q Good afternoon, sir, it's Judy Keene, how are you?

THE PRESIDENT: I'm fine. You want to go back to Kotham's store?

Q I'm ready when you are.

THE PRESIDENT: How's your father doing?

Q The surgery's Monday morning. Thanks for asking, sir. I appreciate it. It's kind of scary.

THE PRESIDENT: Good luck.

Q Yes, you know what's it's like having been there with your mom.

THE PRESIDENT: Yes.

Q With me on the line is Leslie Phillips, who's covering welfare reform for us on the Hill. I'm going to ask the first question, and then let her have at you. Is that okay, sir?

THE PRESIDENT: Sure.

Q Thanks. Tell us first, I guess, what's your bottom line on what must be in a welfare reform package.

THE PRESIDENT: I want a system that promotes more responsibility, but that lifts people up, that promotes work over welfare and promotes responsible parenting over just having children, that reduces teen pregnancy. I think it should be tougher in terms of its requirements for child support. And I think it should support responsible conduct. I think it should give the states more flexibility generally, the way we've tried to do here for the last two years. You know, we've given 23, 24 states significant freedom to get out from under federal rules and regulations to try their own ways at putting people to work and trying to break the welfare cycle. I think we should keep trying.

Q Let me turn it over to Leslie, if I may, sir.

Q How do you do, Mr. President.

THE PRESIDENT: Hello.

Q Let me just ask you whether it -- can you say that you will insist bottom line no population, whether they're legal aliens or unwed teen mothers, are summarily cut off AFDC? Would you -- (inaudible) -- commitment?

MORE

THE PRESIDENT: Let me say, I will say exactly what I said in the State of the Union speech. My principles are that anybody's who's drawing public assistance ought to have to be moving toward independence. If they're children, they ought to be going to school and either living at home or in some other responsible supervised setting. And if they're adults, they ought to be moving toward work. And to me that's the most important thing. I don't think that we should be cutting -- for example, I don't think teenagers should be cut off because they have had a child. I think that they should be moving from welfare to work.

I have said elsewhere that I supported giving the waiver to New Jersey, letting the state of New Jersey make the decision they did to see if it would cut down on the caseload to limit benefits after the first child was born -- if the -- out of wedlock. The states should have some flexibility.

But basically, you know, we're going to have a meeting on Saturday, and we're going to sit and talk about all these things. I'm going to do my best to figure out -- to learn in as great a detail as I can where all the governors are, where the House Republicans and Democrats are in the Senate, and see if we can, you know, reach some agreement here.

Q Tell me exactly what are your expectations for the Saturday meeting?

THE PRESIDENT: Well --

Q Specifically.

THE PRESIDENT: My first expectation is that I will get to hear the positions of all the parties with as much clarity as possible. And we'll be able to identify where we agree, what the points of disagreement are, whether the disagreement is a matter of principle or a matter of money. And then perhaps we can agree on -- then I hope we'll be able to agree on a system of dialogue so that we can keep working through it.

Q Now, do you think --

THE PRESIDENT: My perception is, based on what I've heard is that there is still significant disagreements even among Republicans in the House and the Senate and perhaps among the Democrats as well, but that is to be expected. They haven't really had a lot of long, drawn-out conversations as nearly as I can tell, working together. So I want to try to get a sense about where they all are, tell them -- respond to what their ideas are, restate what my basic principles are, and then see if we can set up a mechanism for working through this.

Q Okay, so you're not saying that you -- that there will be sort of a consensus out of this meeting.

THE PRESIDENT: No, in fact, I would expect that there wouldn't be. I mean, I think that -- I think there will be a consensus on some things, but I think -- what I think now is, most folks are reading about other people's positions in the press reports because the Senate and the House, for example, are in the process of working through their own budget requirements. And the governors are still -- they're coming up here and I hope they'll come up with a -- I hope they'll be able to reach a bipartisan position in the National Governors Association as they typically have in the past.

Q They're certainly going to try.

THE PRESIDENT: And that will help, I think. If they can do it -- if they can come up with a position, I think that will help.

Q Let me ask you this, they're moving very rapidly, as you know, in the House. The bill is on a fast track. They have drafted much of it, I think, already. Do you think that -- and some people, in fact, some members of the committee, have said that they're moving ahead because this meeting is late and they're not sure what will come out of it. I mean, do you see that as a problem that the House is moving ahead --

THE PRESIDENT: No.

Q -- and the train may have already left the station?

THE PRESIDENT: No. I mean, we were prepared to meet earlier and not all the parties could. And I think the most important thing is, no matter what the House does, the Senate still has to act. And then they have to reconcile the two bills, and then it has to come to me and I have to act. So there's a lot to be done yet.

We have frequently seen in the Congress that one house will decide whatever it takes to get a majority and send it to the other and then see what happens. It's especially in the case of the House where they are able to pass bills and send them to the Senate and then see what happens. Sometimes it happens the other way around. Like when the Senate passed the crime bill in a hurry, sent it to the House and it took them a while to act on it.

Q When you were a governor, you worked very closely with Tommy Thompson on this whole idea of more flexibility for the states, particularly, vis a vis, welfare reform. Can I conclude from that that you support the general concept of block granting these anti-poverty programs that, you know, as Republicans are envisioning now in the House?

THE PRESIDENT: You can conclude from that that I think the states ought to have a lot more flexibility in running the anti-poverty programs.

Q But then putting into a law --

THE PRESIDENT: But there's a whole -- you know, the idea of the block grant, the problem with it is if you fix the amount of the block grant, it'll help some states and hurt others in ways that the present program doesn't. And so I think we have to -- we just have to consider what the consequences are.

I like -- generally I like -- in general I like block grants and I like flexibility to the states. But you have to move beyond the general to the specifics in each area, whether it's welfare or the housing area or anything else to see exactly what the specific impacts are going to be.

And in the case of welfare, since some states have declining caseloads, and other states have increasing caseloads, whatever we do ought to be fair to all the states involved.

Q But you are not -- you do not immediately object to the idea that these anti-poverty programs will be subject to the appropriations process every year?

THE PRESIDENT: I do not -- no, what I do not want to do is to foreclose the purpose of my meeting by answering all the questions that you're asking me before I even have the meeting. But what -- what I am generally -- I am committed to giving the states a

lot more flexibility in operating the welfare programs and some of the other anti-poverty programs.

I think the food stamp program, for example, works well the way it is. It has low administrative costs, it offsets the impact of recessions, it has been a success. I think Senator Dole feels the same way, if you'd ask him.

Q Is there any -- can you put any kind of -- you say you agree on state flexibility, but can you put any kind of a restriction in terms of some sort of national standard. For example, there's been discussion of a national minimum benefit level. People are concerned about the safety net issue. What is your --

THE PRESIDENT: Well, I said in my speech that I thought there were certain national interests in all these poverty programs. I thought we had a national interest in seeing that pregnant women and their children had appropriate nutrition. I thought we had a national interest in seeing that children had access to immunizations. I thought we had a national interest in making sure that the policies of welfare promoted work and responsible parenting. I mean, there are certain national interests that I am interested in promoting, but I don't want to get -- I want to listen to this debate. I don't want to get right now into it -- hung up on the terminology of how the grants are. All I can tell you is, if you have a flat block grant, it will help the states with declining welfare caseloads and potentially really hurt the states with increasing welfare caseloads. And the impact of that needs to be fully known by the states that'll be helped, as well as the states that'll be hurt.

Q Are you prepared to insist though that the -- in terms of these national standards, that states are protected during periods of economic stress within a block grant?

THE PRESIDENT: Well, I would certainly hope that -- that's one of the reasons of course that I want to have this meeting. I mean, I can't believe that the states, without regard to whether they have Republican or Democratic governors, would say that it's totally irrelevant to me what my caseload is and whether my economy is down or my economy is up.

Q And what's your idea for providing states that security?

THE PRESIDENT: That's why I'm having -- look, I'm going to have this meeting; I've worked on this for years --

Q No, don't you want to tell us? (Laughter.)

THE PRESIDENT: -- you are trying to foreclose my meeting and provoke another set of controversy before we can meet.

Q Mr. President, we want you to make news.

THE PRESIDENT: I'm trying to minimize controversy and maximize cooperation, consistent with these principles. And that's what I'm going to keep doing. It is impossible for all this work to be done if we all stake out positions in advance which guarantee that all we're going to have is a blood-letting. I tried to be as clear as I could in the State of the Union about the principles I want in welfare reform, what areas I thought we had a national interest in promoting. And I think that I was pretty clear there. I don't have much to add to what I said until after I hear the meeting.

Q All right, let me just ask you one last question, and that is that given your commitment to welfare reform, would you

say that you're in a political situation where you'd have to sign whatever Congress passes?

THE PRESIDENT: No. I'm committed to it because I think it's an important part of the New Covenant. I don't think that -- I think that, as I said in my speech, I think massive majorities, nearly every American, without regard to income, race or region, believes that the welfare system undermines our basic values and ought to promote both more responsibility and more opportunity. It doesn't have enough of either one. So I am going to be working as hard as I can to get a bill I can sign, but not for the reason you said. I have been working on this since we got a demonstration project in 1980 in my state.

Q I understand.

THE PRESIDENT: I care about this. This is something I care a lot about. I think I know a lot about it. And I understand that part of this welfare debate now is caught up in other considerations -- you know, how to keep promises the new Congressional majority made on the tax cuts without exploding the budget, for example. But in the end, if we're going to do this I think the American people want to do something that promotes both more opportunity and more responsibility. They want to see people out there succeeding in their lives and not on the dole. And that's what we're going to try to do.

Q But your not for closing the possibility of a veto if the bill looks bad to you?

THE PRESIDENT: I think it would be irresponsible for a President ever to foreclose on an option. But I also don't want this to be written as a threat. I mean, I am going into this in good faith. I want them to go into it in good faith. We have a deliberate process that has to be -- that we go through. Even if the bill passed the House tomorrow, the bill would have to pass the Senate, then the two bills would have to be reconciled, then I would have to make my judgement on it. So we've got a good ways to go, and I just -- I think the American people should be excited that, a, this is going to be dealt with seriously, and, b, we're starting out with an honest discussion with one another across party lines. That's the main message of this meeting on Saturday -- that we're trying to work it out.

Q President Clinton, this is Keene, at the risk of irritating your staff, I have to ask a news of the day question.

THE PRESIDENT: What's the news of the day?

Q Well, with the Mexican Peso --

THE PRESIDENT: Super Bowl?

Q -- now, you thought I was going to ask Super Bowl. With the Mexican Peso thing in trouble on the Hill, help me tell our readers, the real people out there in the world, why they should support your position on this, what it means to them.

THE PRESIDENT: Okay. First of all, the Mexican financial crisis is important to the American people because a healthy Mexican economy sustains three quarters of a million American jobs, \$40 billion in trade -- they're our third biggest trade partners. Secondly, it reduces the pressure toward illegal immigration. Thirdly, if Mexico has a real economic problem it will spread to other countries in Latin America that are part of our trading system, and are part of our well being.

The important thing is, we shouldn't bail them out, we shouldn't give them with a gift or foreign aid or even a loan. This is -- we're cosigning a note with good collateral. So it is a risk that is properly covered, and it is in our interest to do so, especially since the long-term trends are good. They took a lot of short-term debt and the international financial markets, which are highly volatile, basically over-moved against them, excessively I think. And we're just trying to stabilize the situation with a note -- cosigning a note that's got good collateral.

Q Thank you, sir.

THE PRESIDENT: Thank you.

Q You been watching any of the O.J. stuff?

THE PRESIDENT: No, I've seen some of it channel surfing, but I hadn't seen much. I've been busy here.

Q Thank you, Mr. President.

Q Thanks, Mr. President, appreciate it a lot.

THE PRESIDENT: Good-bye.

END

3:45 P.M. EST

THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release

March 25, 1995

RADIO ADDRESS BY THE PRESIDENT  
TO THE NATION

The Oval Office

10:06 A.M. EST

THE PRESIDENT: Good morning. This morning I want to talk about how much we can accomplish when we work in a spirit of cooperation. Once again this week demonstrated that Democrats and Republicans can come together to break gridlock when they put the American people first.

Our mission here is to keep the American Dream alive for all our people; to grow the middle class and shrink the underclass; to promote the mainstream values of work and family, community, and looking out for the future of our children; to reform government to meet the challenges we face. There's a great debate here about how to change government. On one side is the old view that big, one-size-fits-all government can fix all our big problems. On the other is the view that government is the source of all our problems. In the real world that's a false choice.

We must go beyond the old way of big government and the new rage of no government to the idea of government as a partner -- a partner that works to expand opportunity while shrinking bureaucracy; to empower people to make the most of their own lives through education and training; and to enhance our security on our streets and around the world. That's what I believe. And I believe most Americans feel that way to.

In short, I believe that federal government must be a savior -- or cannot be a savior, but must not sit on the sidelines. For our future we need a government that helps us to create more opportunity, but demands more responsibility from all our citizens. That's what I mean by the New Covenant -- opportunity and responsibility.

Despite real differences between Republicans and Democrats, we see progress on three proposals I have supported for many years -- proposals that I advocated when I ran for President. All of them impose more responsibility on the federal government. And it's high time.

First, Congress passed a bill, which I was proud to sign, requiring Congress to live by the laws it imposes on the private sector. Second, last week in the Rose Garden right outside the Oval Office where I'm speaking now, I was pleased to sign another bill which for the first time limits the ability of Congress to pass laws which impose unfunded mandates on state and local governments. As a former governor, I know this bill will make a big difference in the ability of state and local governments to improve the lives of our people without having Washington tell them how to spend the tax dollars you send them.

Third, last week the Senate passed a line-item veto. I have favored this power for presidents, no matter what their party, for a long time. It will bring more discipline to our spending process by enabling presidents to veto particular projects which are

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unjustified, but which today can be hidden in comprehensive bills the president has to sign. Now that the line-item veto in some version has passed both Houses of Congress, I urge members from both parties to resolve their differences, pass a unified bill and send it to me. Then the line-item veto can put our people ahead of pork.

Last week, we saw some progress on another crucial issue -- welfare reform. We saw that we can find common ground, but we are not all the way there yet. In my radio address last week, I talked about the need to have tougher child support enforcement, to demand that parents take responsibility for their own children and not let parents off the hook or make the taxpayers pick up the tab for their neglect. If all the child support in America that is owed was paid, we could move 800,000 families off the welfare roll.

I'm pleased that members of the House in both parties responded to my position on tougher child support enforcement. They voted by 426 to 5 to adopt a provision from my welfare reform bill that calls upon states to deny driver's licenses and professional licenses to deadbeat parents -- people who owe child support and can pay it, but don't. The House has now adopted every major child support element in my welfare reform bill. If the Senate will follow suit, we'll mount the toughest crackdown on deadbeat parents ever and will help more children, too.

But we have to do more to promote responsible parenting. Other provisions of the House bill would actually make it harder for many people to get off and stay off welfare. And the bill doesn't really do anything to promote work; indeed, it removes any real responsibility for states to help people gain the training and skills they need to get and keep jobs. It even cuts child care for working people struggling to hold down jobs and stay off welfare.

I commend the Democrats in the House for voting unanimously for an alternative bill sponsored by Congressman Nathan Deal of Georgia because it was tougher on work requirements, better for children, and did more to promote responsible parenting. I'm looking forward to working with Republicans and Democrats to really end welfare as we know it, making sure people earn a paycheck, not a welfare check; that they move from dependence to independence.

I also want to caution the members of the House to try to tone down the rhetoric. It got a little rough last week and a little too personal and partisan. After all, all Americans want to change the welfare system; no American wants to continue a system that doesn't promote work and responsible parenting.

In everything we do we must be working to expand the middle class, to shrink the underclass, and to promote these values of family and work, community and looking out for the future of our kids. I hope we'll be back in the Rose Garden while it's still spring to sign even more bills into law that help us to do those things. Guided by the values that have always kept us strong, we can work together to help all our people earn a fair shot at the American Dream.

Thanks for listening.

END

10:11 A.M. EST

(Editorial meeting continued)

*WR -  
Peters  
struts*

things go through periods of time, you know, I've been reading biographies of all my predecessors and the first person who was ever really pilloried in a bitterly personal way was Jefferson. . . . When he ran for president in 1800 they said it would be the end of our Christian way of life if Jefferson were elected president, the whole value structure of America would break down, that we couldn't go on as a country and, you know, we managed to survive Thomas Jefferson. . . . The only difference today is, that there is the electronic media, the sort of explosion of information across the whole political scene at one time. . . . I just have to deal with world as I find it and keep trying to press ahead. But it's always been true. You look at Harry Truman, for example, a war hero in World War I, terminated World War II, set up all the mechanisms of the Cold War era and his job approval rating was somewhere in the high 20's when he started running for the election in 1948. . . . He was always pushing, he knew it was a time when people had to change. He said once that part of his job was trying to get people to do things they didn't quite want to do and I just think if you do that and you sort of break a lot of eggs to make your omelet, you have to be prepared to deal with the consequences. I don't care about any of that. My only concern is to be able to communicate with the American people. If I could deal with that, the rest of it will take care of itself. History will be the final judge of all this.

new death penalties add on to the federal statute, which we put in by Congress, may lead to somewhere between four and eight people a year being charged capitally under federal statute. . . . Death penalty laws and death penalty conviction rates and the sentences are largely a function of the decisions of local prosecutors, state laws and juries, not federal law, so I don't have any problem dealing with it, I think we need to roll on. I supported the racial justice movement and I supported a compromise.

## Whitewater

**Q.** Mr. President, there's a story in the paper about you discussing what to do about Whitewater with the nation's top banking regulator. What exactly did you ask him?

**A.** I ran into Gene Ludwig over New Year's, at Renaissance weekend, and I said I wanted to talk to him about whether there were some other experts in real estate law and other things that might be able to comment publicly on this because I thought so much had been written that didn't reflect what actually happened, and I said I would get back to him. I just passed him in the hall, talked to Joel about it, and he said 'You shouldn't even have asked Ludwig' . . . and I said, 'You're absolutely right.' I saw Ludwig, and I said, 'Gene, forget about it, you shouldn't even talk to me about this, even about other people,' and that's all there was to it.

## Crime

**Q.** How do you morally square passing a crime bill without a racial justice clause [a provision that would permit death penalty defendants to use statistics to prove racial bias]?

**A.** Well, first of all the evidence is the racial discrimination in America is rooted in the race of the victim more than the race of the defendant and that was the case before the Supreme Court of the United States in which the court voted by a narrow margin not to overturn a death penalty conviction. . . . I would morally square it because I think more minorities will be saved by putting 100,000 cops on the street and more kids' lives will be saved by having \$8 billion in prevention. . . . It's going to revolutionize what a lot of community leaders can do for kids. . . . There will be a lot more African-American and Hispanic and other minority kids who will live and have a good safe life because of the prevention money, the 100,000 cops, and the assault weapons banned and the most all these

## Welfare

**Q.** Some of the states, including this one, will have experiments that mean to let things bubble up and see how they work out. . . . If we have a two months and then out [welfare] rule, which certainly outflanks your program on the right, would that get a waiver? Is that within the realm of appropriate experimentation?

**A.** I don't want to comment on it one way or another, because I haven't reviewed the Massachusetts waiver. Gov. Weld mentioned it to me very briefly today, and I think that the Department of HHS is reviewing it. . . .

**Q.** Without commenting on it, how much room do you want to give the states to experiment?

THE WHITE HOUSE  
Office of the Press Secretary  
(New York City, New York)

W/P  
TOTMS

For Immediate Release

February 18, 1997

REMARKS BY THE PRESIDENT  
IN ROUNDTABLE DISCUSSION ON WELFARE REFORM

Riverside Church  
New York, New York

11:07 A.M. EST

THE PRESIDENT: I now know that I came here because after a long holiday weekend I needed a little good preaching to wake up for the rest of the week. (Laughter.)

Let me thank you, Dr. Forbes, for welcoming me here, and, Dr. Washington, for giving me the chance just before we began to walk through the beautiful sanctuary upstairs, which I have heard about and known about for many years -- the legendary story of Harry Emerson Fosdick and John D. Rockefeller even made its way to me many years ago.

I want to thank Senator Moynihan and Congressman Rangel for being here, as well as Congresswoman Nydia Velazquez and Congresswoman Carol Maloney, thank you for being here. The members of the panel, thank you all. I want to especially say a word of thanks to Secretary of Health and Human Services Donna Shalala who literally just got off an airplane this morning from South Africa, where she went with the Vice President -- and got off one airplane and got on mine and came here. So if she nods out during the ceremony -- (laughter) -- we will forgive her.

Let me get right to business. I came here because I wanted to know a little about what this church is doing and because I wanted to say to the people of New York City and New York what is required of us to do together under this welfare reform law.

By way of background, in the last four years and before the law was passed, before the law was changed -- the welfare rolls in America were reduced by almost 2.3 million. I received just yesterday an analysis by the Council of Economic Advisors -- and that's a record, by the way -- the welfare rolls had never gone down by that much in a four-year period before -- the Council of Economic Advisors saying to me that they thought about half of the welfare rolls reduction had come because the economy had improved. We, after all, had 11.5 million new jobs in the last four years and no four-year period had produced that many before. But about 30 percent of these jobs had materialized, or this movement had materialized, because of the welfare reform efforts already going on in 43 states -- people in the states making an extra effort to move people from welfare to work. And about 20 percent happened for reasons that cannot be identified. But, among other things, we had a 50 percent increase in child support collections over the last four years, and anything of that magnitude always enables some people to move out of the welfare rolls and out of the ranks of poverty.

Now, that's what happened in the last four years. In the next four years -- I won't go through all the details of it, but Secretary Shalala and my staff have provided me with an analysis which says that, in essence, the welfare roll law now says that after a certain amount of time everybody who's able to

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work should be in the work force and, therefore, welfare can't be for a lifetime. And then there are all kinds of rules and regulations and requirements. But the bottom line is we have to move about a million people from the welfare rolls to the work rolls in the next four years. That's about the same number of people we moved in the last four years, because the average welfare family actually has about 2.5, 2.7 people in it.

Now, the problem is in the last four years we had 11.5 million jobs. If we can produce 11.5 million jobs in the next four years we'll be doing fine. But we have to do it without knowing that for sure. And how are we going to do this? That's what I want to talk about today. And, more importantly, how can we not just use move people for a month or two, or three or four or five or six months, into a job, but how can we help people who have been trapped in a culture of dependence and poverty to move to a culture of independence, family, and work?

I think it is fair to assume that whenever you reduce the welfare rolls, the people who are most employable move off first. Therefore, the people who are left may be more difficult to employ than the ones who have already moved.

I want to talk about just three or four things that we intend to continue to do. Number one, we believe that child support collections will continue to increase because we've made significant changes in the law to help us do that.

Number two, we have asked the Congress to pass a bill which would give employers who hire people from welfare to work or who hire single men off food stamps, who have no income and get food stamps, into the work force would get a 50-percent tax credit for a salary of up to \$10,000. So a maximum tax credit -- actual reduction of the tax bill of \$5,000, which is quite a significant incentive.

Thirdly, we recommend funds to states and to cities sufficient to create about 380,000 jobs in the public sector over the next four years.

Fourthly, I would remind you that the existing law provides for now more funds for child care than before -- \$4 billion -- and continuing support for health care for people who have public assistance and who move into the work force.

Now, in addition to that, if you look at this pattern, I also want to point out that the state has some flexibility right now. The State of New York, for example, right now, can offer all or part of a monthly welfare check to an employer as a wage and training subsidy if the employer will hire someone off welfare. For a single man on food stamps, but with no welfare check, the State of New York can cash out the food stamps and give it to the employer as a wage and training subsidy under the new law.

Some states -- Secretary Shalala and I will work together to give some states the flexibility under the old law, and the results, the preliminary results are quite encouraging. The State of Florida has just announced a program to try this.

How are we going to get all these people jobs? Let me give you some numbers. This country has 826,000 private sector business employers with 20 or more employees. A lot of them have a lot more than 20 employees. We have 1.1 million nonprofit organizations; many of them are large enough to hire someone else. We have 135,000 religious -- churches, synagogues, mosques and others with 200 or more members. Obviously, if half that many -- 50 percent of them hired one person, we could get there. And a lot of the big companies can hire more than one.

The point I want to make is that this is a manageable problem, if you look at the tax credits, if you look

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at the cash incentives that the states can offer. It's a manageable problem. But it will not work unless out of this we create what Dr. Forbes talked about at the beginning, in this partnership of hope here.

We have got to create a community-based system, supporting work and family, to make welfare a transitional program that is a program of support and movement to independence. The way the law is written we have several years to phase in what has to be done, but we've worked out the numbers. We think we have to move another million people from the welfare rolls into the job market, which would reduce the overall rolls by about almost 3 million if we did that, with the children.

So that's the background. Those are the incentives we can bring to the table. But we have to have your help to set up this network.

Let me just say one other thing that has particular impacts New York and five or six other states. I think it is imperative that in this budget we are about to pass that Congress include the provisions that I have recommended to restore benefits to legal immigrants who have been damaged and have health and other problems through no faults of their own. And I assure you I intend to fight hard for that, and I know that your delegation will, but we need your support. The Congress needs to understand that there are an awful lot of people who came here legally who are not on welfare, who are out working, who are paying taxes and who wound up getting hurt and needing disability or health benefits through no fault of their own, and I think it's a mistake to cut them off. And so we're working on that and I'd ask for your help on that. (Applause.)

I'd like to turn the program back over to Dr. Forbes, but let me just say again, we've moved about a million people into the work force in the last four years and reduced the welfare rolls by 2.3 million. To meet the requirements of the law it is a calculation of the Department of Health and Human Services we have to meet another million in the next four years. We may or may not create 11.5 million new jobs in the next four years. If we did it twice in a row it would be something for sure. Whether or not we do, we have to do that. We can only do it if churches, nonprofits and private employers make maximum use of tax credits; if the cities and states get the funds that I recommended to hire people in the public sector; and if the states provide the kind of flexibility to private employers everywhere in America that some have done in some places.

You should know that Indiana and Wisconsin reduced their welfare rolls by 40 percent in the last four years -- 40 percent -- by aggressive efforts, and without particularly ungenerous programs either, just aggressive efforts. This can be done and I need your help to do it. And I do think it's part of all of our mission in life, Doctor, to do this, anyway.

Thank you. (Applause.)

\* \* \* \* \*

THE PRESIDENT: Let me say, with all respect, I don't think it's that simple. I don't think it's accurate to say that this bill destroys the safety net for poor people. It maintains a federal guarantee for poor women and children for nutrition, a federal guarantee for health care, spends \$1 billion more on child care, and says, simply, that if you are able bodied, you cannot stay on welfare forever without going into the work force. And the way the work participation requirements were put on states, by the year 2000 about 40 percent of all the able-bodied people in the welfare -- able-bodied adults have to be in

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-- have had some work experience within a given two-year period. That's what it says.

Now, hardly -- and when you consider the fact that the welfare population, Earl, is different than it used to be, and that there are some people who are on it perpetually, I think it is a good thing, not a bad thing, that we did that.

Number two, I do not think it is so simple to say that at any given moment in time there are a fixed number of people who have to be hired by all the employers in America, and if they hire a few more they're all going down the tubes and lose money. This bill that I have proposed will give a 50 percent tax credit, up to \$5,000 a year, for people who hire people. That means you can hire somebody for \$10,000 a year and, in effect, the out-of-pocket cost to you is less than the minimum wage.

I met a man with only 25 employees in Kansas City, and five of his employees were former welfare recipients. And they were happy at work and he was happy with them. And he only hired them because he figured that the marginal cost of hiring them, since he got the welfare check as a wage subsidy for a couple of years, lowered his risk of adding to the work force. And, sure enough, when he added to the work force, he generated some more work and it turned out to be a profitable decision for him.

I talked to a former governor last week who's back in private business, who's got a small business, who told me once I explained the proposal to him that he would now go hire three or four people from the welfare rolls because it lowered the marginal cost of adding employees to him. And there is no reason to believe, if we all work on this, that we can't create another million jobs over four years without bankrupting businesses, and that it wouldn't be better for people who otherwise are going to be permanently dependent on welfare.

And it is not true that we have withdrawn all supports. We are spending more on child care. I want to also spend \$3 billion on public service related jobs to create over a third of a million there. And the health care and the nutrition guarantees are still there. So I think it will be a good thing if we make this work, but there is no automatic system for doing it and that's why we need your help.

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THE PRESIDENT: Let me say this, first of all, I agree with what you said about people being in college -- I don't think -- people who are going to college who are full-time students -- we are looking at whether -- if there's some way to get -- to deal with that because I don't think people should be pulled out of college. I agree with that. (Applause.)

Secondly, for one thing, you just -- from the point of view of the state of New York, this is a -- we need to -- we're trying to work this out because the states basically have control of this -- the state of New York would be much better with you as a college graduate, which is the point you tried to make. So I believe that.

Now, the other problem is these training programs essentially are all run by the states and the cities. But I will do some -- you've given me some things that we need to obviously do some work on. We need to make sure that there is an adequate training and preparation. That's one of the things I know that you've talked about what you can do here because an awful lot of people who move from welfare who are just thrown into these jobs don't last because they were never prepared for them in the first place and they're traumatized as a result of it. And oftentimes,

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just basic preparation of a few months can make a -- a few weeks even -- can make all the difference in the world. So we'll go back and do -- we will pay some more attention to that.

But on the college education thing, I think you're right, and I think we ought to find some way to accommodate that and we're working on that. (Applause.)

\* \* \* \* \*

THE PRESIDENT: If I could just make one point on that. Next to education and child care, the thing we hear most all around the country from people who seek to move from welfare to work or very often even to go to college is whether they have adequate transportation. And this ISTEA act that Lou just mentioned, which is -- it took me a long time to remember what all those little letters were for. But the bottom line is, I asked the new Secretary of Transportation, Rodney Slater, to look at that to see that we were allocating enough money in here not only for mass transit, but also for the appropriate subsidies to make sure that poor people could have access to this. Otherwise, they won't be able to get to work.

And this is an interesting opportunity for New York to make an alliance with smaller cities. For example, there was just a study on Atlanta, which said that in something like 80 percent of the entry-level jobs in the city of Atlanta were filled by people who lived in low-income neighborhoods in Atlanta. In the suburban towns outside just that touch Atlanta, only 55 percent were. And it was clearly the result of the inadequate ability of low-income people to access transportation to get there.

So this is a huge issue, Lou. It's a huge issue for welfare reform and basically for the integrity of poor families to be able to sort of aspire and move and do things.

Senator, were you going to say something about this?

SENATOR MOYNIHAN: Yes. We very much appreciate your endorsing the existing formula, Mr. President. (Laughter and applause.)

THE PRESIDENT: Is that what I did?

SENATOR MOYNIHAN: Wyoming, Montana --

THE PRESIDENT: I thought we could do a little better on mass transit.

SENATOR MOYNIHAN: The newspapers out there, did you hear that? (Laughter.)

THE PRESIDENT: Never miss the lick. (Laughter.)

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THE PRESIDENT: Let me say, as I'm sure you know, all the members of Congress who are present here supported the efforts we made last year to raise the minimum wage. And that, plus doubling the earned income tax credit, the refundable earned income tax credit for lower income working people, led in 1995, before the minimum wage even went into -- we had the biggest drop in poverty, in the poverty rate, among single women with children in 20 years.

And so I couldn't agree with you more. We have still 20 percent of our kids living in poverty. And it's not

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very complicated. I mean, it's the reverse of why we have lowered the poverty rate among our seniors to 11 percent, and it's the lowest it's ever been in history because we met a national, common commitment to investing in retirement and health care for seniors. And one of the things that I earnestly hope we can do is to -- in the next two years is to do something really significant to deal with the fact there's still 10 million children in our country without health care. And they're not primarily people who are presently on public assistance because they're eligible for Medicaid.

But education, health care and safety are the three big priorities that we have for our children. And I think they're all very important and we're nowhere near where we ought to be.

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THE PRESIDENT: Let me just say very briefly, I think you're right on both counts. We have five American corporations including UPS and Sprint, Monsanto, Burger King -- and somebody I've left out -- United Airlines -- who have agreed to head a national effort to get major corporations to hire and train people in good jobs.

The second point you made, though, is absolutely right, we have to have -- this will not work unless we also have a floor plan for publicly-financed jobs for people in training programs in the beginning, and also just continuing support for higher education. I'll give you an example. We've been working very hard for months now to try to get a new agreement among the world's nations on telecommunications services, giving American companies the right to compete in other countries for telecommunications services. We finally got an agreement that was far better than I ever dreamed we could get. It is estimated it will bring a million new jobs to America -- this one agreement -- a million new jobs over the next 10 years, but not one of those new jobs will be a low-skilled job. Every one of those jobs will require a level of skills and education that the folks that want to go to work, but don't have those skills, desperately need.

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THE PRESIDENT: One of the best things we did in the last session of Congress, in the last days, was to add 200,000 more work-study slots. There was another 100,000 in my new budget. If they pass we will go to a million people on work-study in this country in the next two years.

If we can do that, surely -- if you think about the numbers you're talking about, you're talking about maybe 100,000 nationwide of the million people that must be in the work force -- surely we can get some consideration for permitting a certain number of hours worked on the campus in connection with elections. I want to say that I think the one thing that I know that is not working the way this thing is being applied now is rules that, in effect, force people out of college. You know, we're cutting off our nose to spite our face. These are not people who do not want to work. So I will work on that for you. (Applause.)

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Q Mr. President, in relationship to your coming to be with us and your announcing your concern for Partnership of Hope, we have created this, a symbol of our determination not to quit until we have really announced that there is significant

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progress towards narrowing the gap between the haves and have-nots. We call it Emancipation From Poverty.

The symbol, you will observe, has red, white and blue. That's the evidence that we are committed to your leadership and to the well-being of our nation. And then you see the yellow, which is our symbol of hope, something you know something about in a very special way because that's where your from.

And so we want you to look at this symbol until we translate it into quality movement towards changing the whole spirit of the nation so that everybody understands it's a spiritual issue and that if we are interested in being blessed of the God we serve, we will not stop until every child of God has a fair opportunity to work and to thrive.

THE PRESIDENT: Thank you. (Applause.)

END

12:10 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 10, 1997

REMARKS BY THE PRESIDENT AND THE VICE PRESIDENT  
AT TOP OF CABINET MEETING

1:48 P.M. EDT

THE PRESIDENT: Welcome to the members of the Cabinet and their representatives as well as to the members of the press. One month ago, I directed the members of the Cabinet to do everything they can to hire people off the welfare rolls into available jobs in government. And I asked the Vice President to lead and coordinate this effort. Today, we are here to receive each agency's specific plans to do that.

We have the good fortune to begin with some encouraging news. Today, I am pleased to report that over the last four years, from January of '93 to January of '97, America's welfare rolls declined by 2.8 million people. The welfare rolls have now declined by as much in the past four years as they increased in the previous 25 years. And that's a great tribute to all of those who worked on welfare reform as well as to the strength of the America economy.

In the next four years, we have to move another 2 million people off welfare to meet the targets of the welfare reform law. We have all got to take responsibility to see that the jobs are there so that people can leave welfare and become permanent members of the work force. Of course, the vast majority of these jobs will have to come from the private sector. And I will convene a meeting of business leaders here at the White House next month to talk about what more can be done to aid that endeavor. I also want to say that the members of the Cabinet that have special responsibility there will be doing more.

And I'm glad to announce today that, at the initiative of Aida Alvarez, Betsy Myers, the Director of Women's Outreach here at the White House, will leave the White House and move to the Small Business Administration to coordinate a new effort there to encourage small and women-owned businesses to hire people from welfare to work.

But the government must do its share as well. The federal government, after all, is a large employer in the United States. We employ a little over 1 percent of the total work force of our country. Today, I'm pleased to announce that we will hire at least 10,000 welfare recipients over the next four years, and we will urge private contractors that work with government to hire people off welfare as well.

I'm especially pleased that six of those who will be hired from the welfare rolls will work right here in the White House. Now, let me be clear: These will not be make-work jobs. These will be jobs that actually need to be fulfilled, work that needs to be done for the American people. We will demand the highest performance from the new employees and insist that they live up to their responsibilities. But we will also offer them a chance at a new beginning.

Today, we have with us two former welfare recipients who have found that new beginning. The Vice President and I just had the honor of meeting with them in the Oval Office. They are on my left. To my far left is Rebecca Wilson of Clinton, Iowa. That has a nice

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ring to it. (Laughter.) She is a single mother of two who was on welfare, working and attending and -- then while she was attending Clinton Community College. Last year, she got a part-time job as a clerk in her local Social Security office. That enabled her to leave the welfare rolls while she finished school.

With her supervisor's encouragement, she's now on her way to a business degree. She just got a raise and a promotion two days ago. Congratulations.

MS. WILSON: Thank you.

THE PRESIDENT: And she's been offered a permanent job with the Social Security Administration after she graduates.

Tonya Graham of Plainview, Texas had a child when she was 16, went on welfare while attending college part-time. She found out about a job at the Social Security Administration through one of her professors. She left welfare the very month she was hired, finished her degree, and is now working full-time as a Social Security claims representative.

These two women are examples that, not just for the government, but for the private and nonprofit sectors as well, if we give people who are on welfare the opportunity, they will do the rest, helping us to break the cycle of dependence and make responsibility a way of life.

The decisions we make in this room today will enable thousands of more American families to remake their lives as Rebecca and Tonya have done. Together, we have already reduced the welfare rolls by 2.8 million; that is the greatest reduction in our history. Now we have to finish the job, and the federal government has to do its part by offering jobs to at least 10,000 more welfare recipients over the next four years.

We can elevate our most fundamental values of family and work and responsibility, and make welfare reform work.

Now, I'd like to ask the Vice President, who has done so much to reinvent our government and who spearheaded this effort to get all the agencies together around this number, and ask him to say a few words.

THE VICE PRESIDENT: Thank you very much, Mr. President. And before I do that, I do think it is appropriate, given the record here, to commend you for your leadership in this area. Over the last several years, a lot of people talked about welfare reform, but under your leadership this administration has made it happen. The numbers that you just announced are the result of your commitment to end welfare as we know it; or, as we may soon say, to end welfare as we knew it.

The very idea that the rolls have dropped as much in the last four years as they increased during the first 25 years of the welfare program is a remarkable record. And today, we're going to talk about the next steps for the federal government as an employer in welfare reform. We do have an historic opportunity and, of course, an obligation to put policy into practice, to make sure that reform leads to real jobs.

These two women that you just introduced, that we had a chance to visit with in the Oval Office just before this Cabinet meeting, are living proof that we can do it. Theirs are the stories of real welfare reform. And today, the Cabinet will present plans that will produce 10,000 more success stories just like theirs.

Mr. President, since signing the welfare reform legislation last summer, you have challenged employers throughout the country to play a role. You called on them to give some 2 million people the chance to move off the welfare rolls by the year 2000. And then a month ago, you challenged your Cabinet to develop plans for the federal government to do its share, and they have responded.

I did not know how this effort would go when you asked me to take this on, but I can tell you, it has far exceeded expectations as you will hear in the meeting. And the credit goes to the members of your Cabinet because they've all pitched in with highly specific, very well thought through plans. And it's going to work extremely well. Each of them has made a personal commitment, and through these plans, the federal government -- even as it continues downsizing -- will work with its current employees to find opportunities for those moving from welfare to work.

Everybody should understand that even as downsizing continues, there is a natural continuing hiring process in the government. And as the net number of federal government employees continues to go down, there is a natural process by which this hiring continues.

Let me give you a couple of examples. The Defense Department is looking to hire 1,600 former welfare recipients over the next four years; Social Security, another 600; Veterans Affairs, 800; the Commerce Department, as part of its expansion to conduct the year 2000 census is planning to employ 4,000 people who used to be on welfare; and right here within the Executive Office of the President, as you noted, Mr. President, we're projecting six hires in the coming year. In addition, we're going to reach out to all those who do business with the federal government and encourage them to join us.

We're taking on tough issues that have to be a part of the solution, such as affordable day care and transportation. In working through how the federal government was going to meet its obligation and successfully meet the challenge that you laid out, we right away identified day care and transportation as among those obstacles that have to be dealt with in order to do this correctly. And this is going to be a great learning process for all of us as well.

But the bottom line is this: Our government is committed to helping people like Rebecca Wilson and Tonya Graham find jobs, get prepared for those jobs, and then keep those jobs. We will hear more detail about the agency plans in a moment, but at the outset of this effort, Mr. President, I want to assure you that your Cabinet is ready to make your mandate their mission. And thousands of people who want to create better lives for themselves and their families by finding and keeping jobs should know that their federal government is prepared to work with them to make that goal a reality.

Q Mr. President, if people want to get these jobs, if they think they're eligible for them, how are they going to find out about it? How do they learn whether they can qualify?

THE PRESIDENT: Do you want to answer that?

THE VICE PRESIDENT: They will find out from the federal departments in their area. We also have a job bank on the Internet and you can, from a library or from a friend who has a personal computer, or if you have an Internet connection in some other way, you can plug into the job bank and they will be listed there, and you can go to the federal office building in your area.

THE PRESIDENT: But the main thing is, you see, the federal departments will all be trying to meet their targets, and the people who are placing the welfare workers who will be working for

the state, people who interview the people on welfare, will be able to tell them, look, the federal government's got a program here and they're trying to hire people and we'll check around at all of these different agencies in your community and see if there's an opening there. That's how welfare workers -- welfare workers at the state level actually interview these people, but they will all know now what our national goals are and then they'll be able to determine quickly whether, by department, there's an opening in the area, and the welfare recipients will be coming in under the new welfare reform law to these workers, and they will be working together to try to help them get a job within the time prescribed.

Q Can we ask Ms. Wilson and Ms. Graham if they are making ends meet with their job? The Vice President mentioned child care being a problem. As a single mother of two, are you able to make enough money?

MS. WILSON: I have a lot of support from my family and friends and all the people around me. So it's been rough, but they're there for me if I need them.

MS GRAHAM: And I do not have any small children that are not in school.

Q What about all the people that do?

THE PRESIDENT: We put \$4 billion more into child care, keep in mind. But one of the things that we have to work on here is we gave the money to the states. Keep in mind that the states are in a unique position now to provide even more for child care than we appropriated in the bill, because their block grant is tied to the moment -- the highest -- the peak of the welfare rolls. If I make a mistake, Secretary Shalala, correct me. The block grant is tied to the peak population of welfare rolls, which we reached sometime in early '94. So they're getting money now that's more money than they would otherwise get, because the welfare rolls have gone down so much.

Plus, there's a \$4 billion add-on in the welfare reform bill to the states to help them provide affordable child care. What we have to do -- and that's one of the reasons that this process has been so important -- is we've had to work through with each department, since they don't get part of that block grant, whether there's some way they can be a part of it, or the recipient, at least, if it's out in the states as opposed to D.C., could get some benefit from it. And we'll have to work through all that.

But I think that there won't be any problem with that, and at least -- I think one of the things that will happen as a result of welfare reform, by the way, that will be one of the ancillary benefits is that there will be a lot more child care slots opened up in the country, and that will make available more affordable child care to people who aren't on welfare and haven't ever been on welfare. That's one of the goals that I have and I believe will occur.

Q Mr. President, the two women who are with you are living proof that it can be done, in a sense, without a special program or a special idea. I imagine the critics would say, we don't necessarily need all of this special push.

THE PRESIDENT: But you do if you want everybody to be like them. That is, let me -- remember what I said all along, from the day I got here and we started these welfare reform experiments over four years ago, I said all along, look, the system we have works fine for about 40 to 45 percent of the people because they are like these women. And nearly everybody on welfare wants to get off, wants

to be self-supporting, wants to be an independent member of society, would rather pay taxes than draw from the public treasury.

But the system we have -- the way it works, especially for people with very young children made it actually -- it was a disincentive for a lot of people to get off welfare. So all we tried to do is to create a set of circumstances now where 100 percent of the able-bodied people on welfare will be able to do what these two women have done on their own under the old system.

If we didn't do anything, about four in ten people on welfare would continue to be on a while, get the help they need, get right off, and go on with their lives. What we're trying to do is to get to the other 60 percent. That's what welfare reform is all about.

And the reason we had -- let me remind you -- the reason we had the biggest drop ever in the last four years according to a study done by Janet Yellin and the Council of Economic Advisors. They say about a third of the drop in the welfare rolls was due directly to specific welfare reform efforts. And a quarter of the drop was due to other efforts like the 50 percent increase in child support collections. And a little over 40 percent was due to the improvement in the economy. And that corresponds with a little over 40 percent who always do -- who did well under the old welfare system.

So we're working on the other 60 percent. But the other 60 percent had become a significant problem for America because you were having generational dependence on welfare.

Q Mr. President, I have to ask you a question about another topic because this is the only time I will see you today but --

THE PRESIDENT: Go ahead.

Q -- just a little while ago, Mrs. Clinton was asked about questions that keep coming up about efforts -- whether the White House knew of or was behind or whether there were any efforts to pay hush money to Webster Hubbell. And she called it part of the continuing saga of Whitewater, the never-ending fictional conspiracy that honest-to-goodness reminds me of some people's obsession with UFOs and the Hale-Bopp comet. (Laughter.) And I was wondering --

THE PRESIDENT: Did she say that? (Laughter.) That's pretty good. (Laughter.)

Q I was wondering if you share that sentiment? And also, we haven't had a chance to -- (laughter.)

THE PRESIDENT: Well, if I didn't, I wouldn't disagree with her in public. (Laughter.)

Q We haven't had a chance to hear what your comment is to the apology that Webb Hubbell and his claim that he was a con artist who fooled people here at the White House. Are you angry at him now? He seems to have caused you a whole lot of trouble, and he seems to be causing it.

THE PRESIDENT: Well, no, I'm not angry at him anymore because he's paid a very high price for the mistake he made. And if he hadn't come up here and he'd stayed home and tried to work it through, he would have paid a price, but it would have been a smaller one.

But let me remind you that everybody pays in life. There's -- somehow we all wind up paying for whatever we do, and he

paid a very high price. And he's apologized and I accept his apology. He's got four wonderful children and a fine wife. And he's done a lot of wonderful things in his life, and I hope he'll be able to go on and do some more wonderful things.

And as far as I'm concerned, that's why we have a criminal justice system: people get punished, they pay their price, and they're supposed to be able to go on. He got punished and paid quite a high price, and I hope he'll be able to go on with his life now.

Q How are you getting along on those crutches?

THE PRESIDENT: I'm doing great. These are my stealth crutches. (Laughter.) I think they were developed as an offshoot of B-2 technology, see, and I like them quite a lot. (Laughter.) Thank you.

THE PRESS: Thank you.

END

2:07 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 27, 1998

REMARKS BY THE PRESIDENT  
TO THE WELFARE TO WORK PARTNERSHIP BOARD

East Room

1:17 P.M. EDT

THE PRESIDENT: Thank you very much. Secretary Herman, Secretary Shalala, Administrator Alvarez, Director LaChance, thank you. Let me begin by thanking all of you for coming. I thank especially three members of the House of Representatives who are here, Congressmen Payne, Gordon, and Davis, who are up here on the front row. I can't thank Eli Segal enough for the wonderful work he has done. He has now given birth to two of the most important initiatives of this administration: first our national service corps project, Americorps, which now has about 100,000 alumni to its credit who have earned money for college by serving in their communities; and now the Welfare to Work Partnership.

I want to thank Jerry Greenwald for being willing to take on the leadership of this operation when no one could have known that it would turn out as well as it has. I thank the members of the board of directors and the other business supporters who are here. I thank the former welfare recipients and others who have supported them who are here.

I want to say a word about Rhonda, but first I want to tell you that Tonya Oden, who is over here sitting to my left, spoke on a program like this at the Cessna corporation in Wichita, Kansas, and she did a great job and all of her folks were cheering for her. And I was listening to Rhonda, thinking, the best part of this program is over. After she finished, I thought, the best part of this program is over. (Laughter.)

When you hear someone like Rhonda talk, you look at the people who are here and see these fine children, this is really a case where a picture is worth a million words. We will see a lot more of Rhonda pretty soon because the Welfare to Work Partnership is airing some new national public service announcements with her as the spokesperson. And I want to thank Time Warner for helping us to put them on the air and say that I am quite confident that she will inspire a lot of other people to follow her lead.

The Welfare to Work Partnership was based on the simple premise that now that we have passed the welfare reform law which required all able-bodied people who could work to work, we had a moral obligation as a society to provide a job to all those people who were about to lose their guaranteed benefits for idleness. It began with an understanding that we had to change the welfare system. And the conversation Rhonda related between herself and her daughter says more than I could ever say.

I began working on this problem almost 20 years ago now. And I used to -- when I was a governor, I used to gather up former welfare recipients and put them on panels and make governors listen to people talk about the difference in their lives as parents, as citizens, the difference in their self-image when they were productive members of society.

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After I became President, we worked with 43 different states to get them out from under federal rule so they could start programs that would help move more people from welfare to work, and then in 1996 I signed a historic bipartisan welfare reform law that literally ended the old welfare system as we knew it. It said that we would continue to guarantee health care and nutrition to low-income families and children, but that after a certain amount of time, people who could go to work, had to go to work. It also said that we had to provide more in the way of child care and other supports for people who did move from welfare to work.

But that left a big gap. How were all these people going to find jobs? Would the existing system do it? That's what led to the creation of the Welfare to Work Partnership a year ago. And again let me say I am profoundly indebted to the businesspeople who are here and those who they represent.

We announced a year ago 100 companies had joined the Partnership. We set a goal of reaching 1,000 companies within a year. We underestimated by a factor of five; there are now more than 5,000 companies in this Partnership. And what Eli and Jerry didn't say that I want to make clear is, they didn't just put their name on the dotted line. All sorts of businesses, large and small and middle size, have together in the last year hired 135,000 welfare recipients who are now employees thanks to what they have done. That's an astonishing record in only a year and I thank them for it. (Applause.)

Let me point out to the skeptics, 70 percent of that 135,000 jobs are full-time jobs with full health benefits. (Applause.) Yes, that's really worth clapping for.

Now, as Jerry pointed out and as many of the members of the board of directors told me earlier, right before we came over here, this is not just good for America and not just good for these families, it's also turned out to be good for the businesses involved, many of whom find that these new workers stay on the job longer, with less turnover, and later work to motivate their coworkers.

We've tried to do our part -- Aida Alvarez and the Small Business Administration are trying to connect new workers to small businesses to make sure that our most vibrant, growing sector of the society in terms of employees takes on a fair share of people from welfare to work. We've tried to mobilize religious and civic and nonprofit groups under the Vice President's leadership to provide mentoring and support and help people get into and stay in jobs. The federal government has hired 4,800 people from welfare to work in the last year; our goal is 10,000 by the year 2000 and we will make that. Seven work in the Executive Office of the President, and I'm particularly proud of them.

The Balanced Budget Agreement I signed into law last summer provides \$3 billion to help our communities move long-term, harder-to-place welfare recipients into jobs.

Now, these combined efforts have produced, along with the rising economy, rather stunning results. When I took office, there were more than 14 million people on welfare; about 5.5 percent of the nation's population. It actually peaked in February of '94; it's the highest percentage we'd ever had. Today there are fewer than 9 million people on welfare; 3.3 percent of the population -- the lowest percentage of the population on welfare since 1969. (Applause.)

Now, this is a very hard-won victory for everybody who was a part of it. But the most important part of it are the families.

I think when we look at Rhonda, when we look at Tonya, when we look at Rhonda's kids there, when we look at all of the other people who have moved from welfare to work who are here, we have to ask ourselves, what else do we have to do. Because I can promise you that there still are going to be people who can be moved from welfare to work who aren't there yet.

First, we have to find more private sector jobs. I would like to ask the Welfare to Work Partnership in 1998 to double the number of people they hire and to double the number of companies that are participating. Now, that sounds outrageous, but I just asked for 1,000 companies and you produced 5,000 so -- (laughter) -- mathematically I'm asking for less. (Laughter.) I got good grades in math, I know about that. (Applause.)

And, again, I hope that the people who will watch the public service announcements that Rhonda will do will understand this is an enormous opportunity. One of the things that our economists sit around and worry about here in Washington all the time is, they say, well, we've got 4.3 unemployment; we've had average way over 3 percent growth the last couple of years; how can we keep growing this economy without having inflation? The answer is go into the neighborhoods where there are still a lot of poor people who are unemployed and on public assistance and give them a chance to be a part of the American free enterprise system. That's an inflation-free way to expand the American economy. So we have to do this.

The second thing we have to do is to help more welfare recipients succeed in the work place. The employers today told me that one of the hardest things for people moving from welfare to work is still providing transportation, providing child care, making sure for the smaller businesses that may not be able to afford all the training and education that there's support there. We have to do more.

Let me say that the highway bill, which just passed the Congress, I'm proud to say, has a substantial amount of money in it to help defray the transportation costs of people moving from welfare to work.

The tobacco bill, which has not yet passed, but which I hope and pray will pass, has in it or will have in it a provision, if the agreement we've made with the governors prevails, which will lead to a substantial investment in helping to defray the child care costs. The Labor Department has awarded grants to support 49 innovative efforts around the country that provide training and education that help people move from entry-level jobs to higher-paying positions, that help fathers go to work so they can take more responsibility for their children. So we have to do more, and we're going to.

Now, finally, I think we've got an obligation to continue to fix -- we've already made a good start -- but to continue to fix parts of the Welfare Reform Bill that didn't have anything to do with welfare reform. Last year, Congress acted -- and I appreciate it -- to restore important disability and health benefits to legal immigrants, people who come here legally and have a right to work and have, in my view, a right to supports.

Two weeks ago, the Senate voted overwhelmingly to restore food stamps to elderly, disabled, and very young legal immigrants; and I hope the House will follow their lead. That's the right thing to do -- at this moment of prosperity when we're trying to support each other, move more people into the work place, when a lot of immigrants are filling needed work positions and we have low unemployment, we owe it to ourselves to do the right thing here.

Now, again, let me say that the best part of this program was before I ever got up here. And I want you to remember when you walk out of here what Rhonda looked like when she got up here and what her kids looked like when they stood up, being proud of their mother, and how Jerry's happier doing this than he would have been if he'd won that \$100 million lottery. (Laughter.) He may not know that, but he is. (Laughter.) And I want us to go out and double our results by next year.

We've got to prove that we did the right thing in welfare reform for all the American people that are willing to do the right thing by themselves, their children, and our country. And if we ever needed evidence that it is right, we've got it here today in full.

Thank you all and God bless you. (Applause.)

END

1:30 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 27, 1998

PRESS BRIEFING BY  
SECRETARY OF HEALTH AND HUMAN SERVICES DONNA SHALALA,  
CEO AND PRESIDENT OF THE WELFARE TO WORK PARTNERSHIP ELI SEGAL,  
DEPUTY ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY ELENA KAGAN

The Briefing Room

2:10 P.M. EDT

MR. TOIV: Good afternoon. Here to brief today on this wonderful success story are Secretary of Health and Human Services Donna Shalala and Eli Segal, who is president and CEO of the Welfare to Work Partnership. And they will just take your questions.

SECRETARY SHALALA: Welfare works, Sam.

Q I know that Mr. Morris, Dick Morris, told the President he ought to sign that bill, turns out to be right. Is that your view?

SECRETARY SHALALA: The President made his decision. He believed that welfare could work in this country, and it's working.

Q You were against it, weren't you, in the good old days?

SECRETARY SHALALA: I think the President and I agreed on what we needed for welfare reform and we got it. We restored a number of the cuts that were made in that welfare bill the President said he wanted after the election. But the most important message today is that millions of people are moving off welfare. We have the lowest rates we've had since 1969. And the message from the private sector today is that people not only are taking the jobs, but they're staying in the jobs at higher rates than other employees coming in.

And if you'll remember, at one of the early briefings that I did, I said the test of welfare reform is not whether people leave the welfare rolls, but whether they stay in the jobs. The test is retention. The story today that Eli and his colleagues in the private sector told is a story of retention, of staying in the jobs.

Q Let me try a slightly different take on that question. There were a lot of people within your own agency and certainly within the broader community of social activists who had deep reservation about the welfare reform bill. Does he talk with them now, and how much skepticism does there remain? Or do they look at this program and do you sense a reappraising?

SECRETARY SHALALA: As Mary Jo Baine was leaving the Department she said, prove me wrong. We're in the process of doing that.

Q Mr. Segal, if I could just ask about the economy. Boon times, low unemployment, people wanting workers. So when it finds that the business cycle has not been repealed and we go into a recession, what happens to all these people?

MR. SEGAL: Sam, essentially we believe in the United States we have two unemployment systems: one, the chronologically long-term unemployed -- those are the people we say are in the

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welfare system; the other unemployment system, the people like us, our families, our friends, who are down on their luck, the company closes, the industry changes a little bit, lose their jobs -- they go into the unemployment compensation.

It's no question but that there are a lot of people who are the last hired/first fired, are going to lose their jobs if and when the economy turns south. But they would have been involved in productive labor. It's the reason why we say at the Welfare to Work Partnership every day, we're in a dash -- not in a marathon -- to move as many people as quickly as we can into work, into productive work. If in fact the economy turns bad, they and many other people may well lose their jobs.

One of the other messages of today -- but in short, they may lose their jobs, but they would have been involved in work and they're much more likely to get back up on their feet having an attractive track record in the past.

Q Is there still a safety net if they lose their job?

MR. SEGAL: That's something that I think at some point we're going to need to deal with. At least at this point our responsibility is to move people to work. There will be millions and millions of new people -- there are already hundreds of thousands of people working now who were not working only a year or two ago. And I think if the economy stays strong, we will continue to find jobs, and many people making it into the workplace.

SECRETARY SHALALA: There are actually two experiences that people are having that will be very important no matter what happens to the economy. The first one is they got a job and they kept it for a substantial period of time. The second is that they went through a training process. And that's what's going to keep our economy alive -- the training experience, understanding that to take jobs you have to go through a training experience. And it's companies organizing to move people into different slots as they have needs. And the training may turn out to be as significant for the flexibility of this group of people as actually getting in the job and retaining the job.

Q How do you explain the higher retention rates? Is it because of training programs? Is it because these employees have fewer other options available?

SECRETARY SHALALA: It may be a small part of the latter that you mentioned. But I think the first part is that companies are beginning to learn what it takes to retain people. Many of the companies talked to the President today about mentoring as part -- getting people ready for the job, putting them through internships or through training, but then assigning someone that would just be an ear for them, that would help them make the transition into work.

In addition to that, remember that we've also included child care. There is no children's health insurance available. The earned income tax credit becomes a powerful incentive, because work now pays better than welfare did in the past. So the combination of supports -- but the more personalized the system is, the higher the retention. And I think that's what the private sector reported today.

Even in my own department, where we've hired 200 welfare recipients, we have substantially changed the employees assistance program that is the support system for all entry, lower-income workers. All of our new workers now have one-stop shopping, a much more supportive human resource operation.

Q You mentioned you've hired 200. Can you update us on how the effort by the federal government as a whole now stands, how many have been hired at the White House also?

SECRETARY SHALALA: Do you want to do that?

MS. KAGAN: We've hired 4,800 as a whole in the federal government -- that's 48 percent of the goal that we set for ourselves of 10,000 by the year 2000. Different departments have different records. Different departments made different pledges, depending upon the character of their work force.

SECRETARY SHALALA: My Department, for instance, has hired two-thirds of our goal already, so we're going to exceed our goal substantially.

MS. KAGAN: Many departments are finding that there are very few departments that are running back of their goal.

Q What about the White House?

MS. KAGAN: The White House has met its goal, exceeded its goal. It had a goal of six, which given the White House's small staff was approximately equivalent to many other agencies' goals. And we have hired seven.

Q Doing what kind of tasks?

SECRETARY SHALALA: Well, I don't know what the White House people are doing, but ours are mostly entry-level jobs, though a couple of people have gotten promoted pretty quickly into the system as they've learned the job.

MR. SEGAL: You asked about retention. The businesses are saying there are about four reasons they almost all give together.

First, they talk about mentoring or some kind of on-site coaching. Second, they talk about public/private partnerships, the need to do it not by themselves -- something that represents a dramatic change from where they were a year ago. They need help. They need help from government; they need help from nonprofit organizations. The third thing they talk about all the time is the nature of the benefit package they're offering and they have to make it a good benefit package. And fourth, probably most surprising, no compromise with quality. They require and expect those coming off the welfare rolls to be as good employees as any other entry-level employee.

One other thing that was interesting today. You probably have a stereotype of what a welfare to work person is. One of the things we're learning over and over again is these are not always only entry-level people. We're finding in some companies people are moving from welfare to jobs, white-collar jobs sometimes paying as much as \$30,000. And we're finding an incredibly varied experience based simply on the commitment of the company to do things the way they knew best. They know how to solve problems in the shop floor; they know how to solve problems in the office; and now they're knowing how to solve this problem. They're all figuring out a different way to do it.

SECRETARY SHALALA: We also have new statistics on the percentage of people that are leaving welfare who are going into the work force. And the new analysis of the Census Bureau data between 1976 and '77 indicates that 20 percent more actually are moving to work. And remember, people always moved off welfare -- some of them got married, some of them moved back in with their families. But what we're finding is a higher and higher percentage of people are

going into jobs, number one. And number two, this discussion today, a higher percentage of them are staying in their jobs.

Q Is there any sense that these companies sort of picked the low-hanging fruit and it's getting harder and harder to find qualified welfare recipients to --

SECRETARY SHALALA: Why don't you take a shot at it. I actually think the answer is no.

MR. SEGAL: I think the answer is mixed.

SECRETARY SHALALA: Good controversy.

MR. SEGAL: Some companies, like Cessna, ask no questions about your background -- you want to come to work there, they'll invest in making this work for you. For the most part companies are looking at the most job-ready person first and there's nothing wrong with it. We're happy to debate creaming or skimming, whatever else we call it. Companies need to get their feet on the ground on this, like any other practical problem, let's have some successes.

I think with the passage of time that they've learned a lot more, they're going to go deeper and deeper into the welfare pool with much, much more success because they've seen it work just the way businesses have always done. They've dealt with reality and they've made success and they will go on from there.

So for the most part, I think we are finding the most job-ready people, people that are ready to work today, and if not today, tomorrow. But I do think you're going to see other companies, some of these same companies step it up going forward.

SECRETARY SHALALA: The reason that I was less hesitant about that is because I think the states have sorted out their welfare rolls. Those that were eligible for SSI that were really, truly disabled have been moved to those programs, and I think that the group that's left on welfare -- remember, we're talking about a new group going into welfare over the last year or so in which a larger percentage are going into jobs. So it's harder to make that old argument that we creamed during the first couple of years. So I would suggest to you that the companies are more sophisticated, as Eli has indicated. The government is more sophisticated about support systems. That the states are getting their act together on getting their child care out. We're giving them lots of technical assistance. Children's health insurance will certainly help. The Earned Income Tax Credit will have a great effect.

But people themselves, in their neighborhoods -- the difference between a demonstration program and having everyone in your community having to think now about getting into the work force is that the culture is beginning to change both in the welfare office and in the communities to move more people out and to find appropriate opportunities for people.

MS. KAGAN: If I could just add one thing to that on behalf of Secretary Herman, who isn't here, because the \$3 billion Welfare to Work program is really meant to be geared towards exactly those hardest to employ people that you're talking about. I think the President understood that there was a need for additional funds to go towards those people to make sure that those hardest to employ people also got an entry into the work force. And that the grants that Secretary Herman gave out in the first part of the 25 percent of the program that is in competitive grants, towards agencies mostly community based, that really works with those very difficult to employ people and makes sure that they also get the leg up that they need.

SECRETARY SHALALA: I listened very closely to the private sector leaders today and if they have in their heads from now on that these are better employees, that they're more likely to keep them, which saves them money -- it's always cheaper to keep someone than to go out and hire -- and that as some of them describe it, they're more enthusiastic about working in those places, less cynical.

If that's the attitude they're going into this with, we couldn't be in a better situation at this point in time. And I can't emphasize enough how significant the retention report is today and the fact that more people are going into the job force. Because that was really our test. Our test was never just moving people from welfare to work; it was whether they were going to stick with it in the work force. And we always talked about the first or the second job, because that's what the literature previously told us.

But if there is retention going on now and if the private sector is beginning to see that as significant and economically important to them, then what's going on now is very significant.

Any other questions?

Q We at ABC think this is very important and I will personally brief NBC and CBS and CNN -- (laughter).

MR. SEGAL: Can I make a comment on that? You know, I was last here the day AmeriCorps became the law of the land; there was a similar number of people here. I actually want to say that, at the risk of sounding like a cheerleader or a boosterism, this is a big deal. The policy issues were pretty much decided in August '96. This was turned over to the states, to the people, to the private sector. And it is extraordinary to think that a year ago this was just an idea. Today we have 5,000 companies -- it's not easy to get 5,000 anythings to do something together -- all of whom with a common mission: they all want to hire welfare recipients.

Now, that might not sound very big from a policy perspective, but in terms of changing America, in terms of changing the hiring practice of America, the fact that these companies have put themselves on the line -- some for clearly reasons of charity and being good citizens, but mostly because it's a smart solution for business. I think it is a big deal, and I think we're going to continue to see next year -- 135,000 this year, the President challenged them next year to do twice as many next year. When they do this next year, when we do this next year, and you're going to start talking about the people who move from welfare to work, and you're going to compare it with the size of the welfare rolls a year from now, you're going to see that quietly, in 1996, began a process that ended welfare as we know it.

Now, whether we want to give credit or not give credit, not being the point right now, I think it's a big deal. And whether people --

SECRETARY SHALALA: And the important thing of Eli's companies is three-fourths are small companies, which is where the growth is in the system.

THE PRESS: Thank you.

END

2:24 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 26, 1998

REMARKS BY THE PRESIDENT  
ON PROJECTED BUDGET SURPLUS

The Rose Garden

11:32 A.M. EDT

THE PRESIDENT: Thank you, Jack. And let me thank the other members of the economic team.

This is of course very good news for the American people, as the chart shows. Now it's official that this year, well ahead of the most ambitious schedule, America has balanced the budget. In fact, as the chart shows, the achievement of the American people will not stop there. OMB predicts that the budget surplus will be \$39 billion this year, the largest dollar surplus in our history, the largest surplus as a share of the economy in more than 40 years. America can now turn off the deficit clock and plug in the surplus clock.

Given the speed with which our nation has reached this remarkable milestone, it is perhaps all too easy to forget how hard it was and how far we've come. Just six years ago, because of the drag of deficits, our people were running place, our nation was falling behind, interest rates were high and so was unemployment. On the day I took office the deficit was projected, this year, to be \$350 billion.

How did this greatest projected deficit in history turn into the greatest projected surplus? The old-fashioned way, we earned it. Our nation earned it as a result of hard work by the American people; and, as the Vice President said, we earned it here in Washington with the help of two visionary actions in Congress. First, the courageous vote by the Democrats in 1993 in the midst of withering, extreme criticism that led to a cut in the deficit of 90 percent. And then the truly historic bipartisan balanced budget agreement passed by Congress last year that finished the job.

I think it would also be wrong if I didn't mention, as Mr. Lew did, that the reinventing government efforts headed by the Vice President played a major role. We not only have the smallest government since the Kennedy administration, with more than 300,000 fewer people, we also have savings in excess of \$130 billion during the budget period as a result of those efforts. And Mr. Vice President, I am very grateful for what you have done.

Now that we're about to have the first surplus since Neil Armstrong walked on the moon, we face a crucial decision about what to do with it. We can use these good times to honor those who put in a lifetime of work and prepared for the future retirement of the baby boomers by saving the Social Security system for generations to come. Or we can give into the temptation in this election year to squander our surpluses the moment they start coming in.

I think the choice is clear. We got to where we are today with 4.3 percent unemployment, more than 15 million new jobs, the lowest inflation in over 30 years, low interest rates, high growth, the highest homeownership in history by doing what was right for the American economy over the long run. That is what we should

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do now. Social Security has been a cornerstone of our society for the last six decades, but the present system is not sustainable as we look forward to the full retirement of the baby boom generation. We have to protect it for the 21st century.

I was deeply heartened after I spoke about this at the State of the Union, that there were broad public statements of support from the leaders of both parties in both Houses in Congress about saving Social Security first. However, in recent weeks, senior Republican leaders in the House of Representatives seemed to have retreated from that pledge. In this election year, some now want to raid this surplus for initiatives instead of preserving every penny of the surplus until we strengthen Social Security.

We cannot ignore the long-term challenge, which we have a unique opportunity and responsibility to meet now, in favor of short-term schemes that, however popular in the moment, could compromise our future.

Let me be clear: I will oppose any budget that fails to set aside the surpluses until we have strengthened Social Security for the 21st century. Let me also be clear that does not mean that in the future there could never be a tax cut. It simply means that we need to know how we're going to pay for the challenges of reforming Social Security. Once we know that -- and we should know that sometime next -- I would hope early next year because of the work being done this year -- then we can have a debate about what ought to be done if there are funds that still are unaccounted for and unobligated.

Today, our economy is the envy of the world. But the progress was not predestined nor is its future guaranteed. We cannot abandon the strategy of fiscal discipline and investments in the future which has brought us to this moment.

Instead, we should work together across party lines to maintain fiscal responsibility, to save Social Security first, to prepare for an even brighter future. Again, let me thank the members of the economic team, those who are here and those who preceded them, for their work in this remarkable effort and every member of Congress whose votes have contributed to it. Thank you very much.

Q Mr. President, over the weekend, those same Republican leaders -- I defer to Sarah.

Q -- overcome the disruption which we face with the computers as millennium starts April 1, '99. That will disrupt all --

PRESIDENT CLINTON: Well, let me say that we're very concerned about that, Sarah. And I asked John Koskinen, formerly a deputy at OMB and before that, a man who had a very distinguished career in the private sector, to come back into public service to supervise and coordinate our efforts to deal with the computer 2000 problem.

It's not something that grabs the headlines everyday but it is, in fact, a profound challenge, not only for the United States but for every country -- which is every country now -- that has extensive reliance on computers. And there are a lot of very complex questions. There are computer hook-ups where people at both ends have computers that can be programmed to move easily to 2000, but there's something in the connection in between which won't. This is a very complicated problem.

Interestingly enough, we discussed it in some detail at the G-8 meeting in England recently, and I can tell you that we are working very hard on it. We're working very hard, first of all, to

monitor the progress of every government agency to see that they're ready, and some are doing better than others because some have more profound challenges than others. And, secondly, we want to do what we can to be supportive of the private sector in the United States and their efforts to make these adjustments. But it is a very big problem.

And I would urge -- since you've asked the question, I would urge everyone in America who hears this exchange to make sure that they have done everything they can do within their own business sectors to be ready for this.

And we also agreed, by the way, when I was in England to work with other countries so that we can help share information and do everything we can do make sure that when the new millennium starts, it's a happy event and not a cyberspace headache.

Q Mr. President, over the weekend Republican leaders called on you to postpone your trip to China, or at the very least, not have a welcoming ceremony in Tiananmen Square. What will you do, sir?

THE PRESIDENT: I think it would be a mistake to postpone the trip to China. Our partnership with China has succeeded in persuading the Chinese not to transfer missile technology and other dangerous materials to nations that we believe should not have them. We have seen some advances on the human and political rights fronts recently. We have worked closely with them in North Korea. Today, we are working with them to try to diffuse the tension and prevent a new nuclear race in South Asia.

So I think we have a broad range of issues to deal with, and I think we have enough evidence now to justify the partnership that we've had. So I believe we ought to go forward.

END

11:40 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 4, 1998

REMARKS BY THE PRESIDENT  
ON WELFARE REFORM

The East Room

3:15 P.M. EDT

THE PRESIDENT: Thank you. Thank you very much, Vesta Kimble, for that fine statement and for the good work you do. And I welcome your colleagues and co-workers from Maryland here. I thank Congressman Levin and Congressman Roemer for coming. There was a vote in the House of Representatives which was concluded literally two minutes before we started this ceremony and they got here as quick as they could. We welcome you and thank you for your role in welfare reform.

I'd like to thank Secretary Herman and Secretary Shalala for the terrific job they have done, and welcome all of you in the audience, including my good friend, Eli Segal, who founded our partnership with the business community, about which I'll say more later. The First Lady was just a few moments ago meeting with members and I think maybe some former members of the D.C. Control Board. I know that some of them are here and I welcome them as well.

Two years ago I stood with many of you in the Rose Garden and made the following statement: "From now on our nation's answer to the problems of poverty will no longer be a never ending cycle of welfare; it will be the dignity, the power, and the ethic of work. . . . We are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life."

As those of us who have been working for years and years to change the system knew all too well, welfare had in too many ways failed our society, and more important, failed the millions of families it was designed to help. So in the Rose Garden we came together two years ago to restore our basic bargain of providing opportunity to all those willing to exercise responsibility in turn. We ended welfare as we knew it and made way for a system based on the dignity of independence and the value of work.

But I would also like to reiterate something Secretary Shalala said. We did not want to put poor people moving from welfare to work in the exact same position too many people who've always been in the work force find themselves, of having to choose between being a good worker and a good parent. So we said, okay, we will require people who have to move from welfare to work, if they're able-bodied, to go to work. But we will leave their children with food assistance and guaranteed medical coverage, and we will invest more in child care and other family supports.

Today we come here not only to observe this anniversary but to lay to rest the last vestige of the old system -- an anti-work, anti-family provision that has deprived some two-parent families of their Medicaid coverage when a parent secures a full-time job.

But first, on this important anniversary, I think it's important to recognize that this new strategy -- this great new experiment that we launched two years ago -- has already shown remarkable signs of success. Two years ago, we said welfare reform

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would spark a race to independence, not a race to the bottom, and this prediction is coming true.

According to the National Governors Association, state investments in helping former welfare parents succeed at work have gone up by one-third, and spending on child care has increased by one-half. And let me remind you, I believe this has happened partly because the Congress in the Balanced Budget Amendment appropriated \$3 billion for child care, but partly because there was a little-noticed provision in the welfare reform law which lets states keep the amount of money they were receiving for the welfare case load in February of '94, when it had reached an all-time high.

So as the case loads go down, they can keep the money as long as they reinvest it in the potential of the families involved. And I think that was a very good thing to do.

We also said back then that work should pay more than welfare. Last week the Urban Institute reported that family income goes up more than 50 percent, on average, when parents move from welfare to part-time entry-level jobs, and significantly more when they move up to full-time work. And I must say, I was especially pleased to note how helpful the Earned Income Tax Credit is for families making this transition. In several states it accounts for almost half the income gains.

For those of you who may not know it, the Earned Income Tax Credit is a tax cut to lower-income working people that is especially generous to working families with children. We doubled it in 1993, and because of that provision, today it's worth a tax cut of approximately a thousand dollars a year to a family of four with an income of under \$30,000 a year. Obviously, for people working for more modest wages than that, it means a very great deal.

Today we have more good news. In a few moments I will release our first annual report to Congress on welfare reform -- precisely the kind of report we had hoped for two years ago. It shows that the number of welfare recipients entering the work force rose by nearly 30 percent in a single year. It reports that states are spending more per person on welfare-to-work efforts than they did two years ago, including health care, job training, job placement, child care, and job retention.

Come in, Congressman Shaw, you're welcome. (Laughter.) Thank you for the role you've played in welfare reform legislation. We're glad to see you.

It shows that more single parents are moving into the work force, a very significant statistic. And it confirms that the percentage of Americans now on welfare is at its lowest level since 1969 -- 29 years. There are other, more powerful signs of success that of course a report can't show. Too often we take for granted what it really means for a family to reconnect to the world of work. Work is more than a punch card, more than a paycheck. It provides structure to a day, link to a society, dignity for a family. It can build self-confidence and self-esteem. There is nothing like the pride in a child's eyes when he or she goes to school and can answer, often for the first time, what their parents do for a living.

One of the most important ways we can now build on these everyday triumphs is to make absolutely sure that parents who do enter the work force can go to bed at night without worrying that they will lose health coverage for their families. That is why I'm proud to announce that the Department of Health and Human Services will revise its regulations to allow all states to continue to provide Medicaid coverage to two-parent families after a parent takes a full-time job. Believe it or not, under the old rules adults in

two-parent families who worked more than 100 hours per month could actually be cut off Medicaid in many states.

Perhaps no aspect of the old welfare system did more to defy common sense and insult our common values than this so-called 100-hour rule. Just think of the message it sent. It took away health care from people who secured a full-time job just as we were imploring everybody to move from welfare to work. Instead of rewarding stable families, it actually punished couples that work and work hard to stay together. Instead of demanding responsibility, it basically said a father could do more for his children's health by sitting at home or walking away than earning a living.

The 100-hour rule was wrong. Now, it and every other strand of the old welfare system are history. The remaining challenges are ones we all have to accept. All of us -- the public, private, religious, nonprofit sectors -- have an obligation to continue helping all former welfare recipients not only find, but stay in those jobs.

First, we must continue to offer states and communities the tools they need to promote work. Today, we will release \$60 million more in Welfare-to-Work grants to states to help mothers and fathers facing the most significant employment hurdles. And I also want to call on Congress to fully fund my plan to provide housing vouchers for welfare recipients who need to move closer to their place of work.

Some recent studies, including some coming out of New York, show that the effects of welfare reform in terms of people being able to move into the workplace have been quite uneven, depending upon the level of preparation of the people on welfare for the work force and their level of isolation from available jobs. So these are important next steps.

Second, the private sector -- the true engine of job creation in our country -- must continue to do its part. Listen to this: last year our Welfare-to-Work partners, who were mobilized by Eli Segal, as I said earlier, hired more than 135,000 former welfare recipients. I have asked them to hire another 270,000 by the end of this year. Thank you, Eli, but you have to do more. (Laughter.)

Third, we must continue to welcome former welfare recipients into the federal family workforce. Today we released new data showing that the federal government has hired more than 5,700 former welfare recipients in just the past year. That means we're well over half the way toward our goal of hiring 10,000 by the year 2000.

Fourth, let me say again, I think it's important that we do more to bring the benefits of this economic revival our country is enjoying into isolated urban and rural areas where free enterprise has not yet reached. A lot of the people who are still stuck on welfare are physically separate from the job availability. And I have asked the Congress to approve a second round of empowerment zones, to approve a whole range of initiatives, and Secretary Herman and Secretary Cuomo's budget designed to create jobs principally in the private sector in isolated inner-city and rural neighborhoods. So I hope that will be a part of the work we conclude in the days remaining in this congressional session.

Welfare reform itself was a bipartisan effort. It became an American issue. Now, providing jobs and opportunity and new businesses and new free enterprise in these neighborhoods that still have not felt the economy should also be an American issue.

We have now the lowest unemployment in 28 years, the lowest inflation in 32 years, the highest homeownership in history,

wages are on the rise for our families after 20 years of stagnation. This is our window of maximum opportunity to make sure every poor person in America stuck on welfare has a chance to be a part of America's future and to share in the American Dream. If we can't do it now, when our economy and our prospects and our confidence are so strong, then when?

Now we have jobs waiting to be filled in almost every community. I've been working with people here in Washington, D.C. -- there are hundreds of thousands of jobs in information technology-related fields open today, everywhere from Silicon Valley to the suburban areas of the nation's capital. If we make the best use of this time, we can change the whole culture of poverty and long neglected neighborhoods. We can help millions more people ensure that their children will be raised in homes full of hope and pride based on dignity and work.

To all of you who have made this day come to pass, who have played a role in the progress of the last two years, and to all of you who are committed to keeping on until the job is done, I extend the thanks of our nation. Great job. Let's do better.

Thank you very much and God bless you. (Applause.)

END

3:28 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 4, 1998

PRESS BRIEFING BY  
BRUCE REED  
AND SECRETARY OF LABOR ALEXIS HERMAN

The Briefing Room

1:20 P.M. EDT

MR. LOCKHART: Hello. In my jetlagged state, Barry gave me a task I could handle, and this is about it -- to introduce our special guests today. As we talked about this morning, the President will be celebrating the second year anniversary of the passage of the Welfare Reform Act and will be updating us on the progress as well as making a series of announcements that the President's Chief Domestic Advisor Bruce Reed, and the Secretary of Labor Alexis Herman are here to talk about today.

MR. REED: Today the President will, as Joe said, give a progress report on the welfare law which was signed about two years ago this month, and take another historic step to end welfare as we know it by eliminating one of the last vestiges of the old welfare system, which is an anti-work, anti-family regulation called the 100-hour rule, which I'll explain in a moment.

But, first, in the last couple of years, we've seen a real revolution in the welfare system and an explosion of work and responsibility around the country. And today HHS is releasing its first annual report on the welfare law to Congress. And the report finds that, as the President has pointed out before, welfare caseloads have dropped by over 3 million since the welfare law was signed -- a 27 percent drop. We now have 8.9 million people on welfare, which is the lowest percentage of Americans on welfare since 1969.

And the HHS report includes the best evidence yet that people aren't just leaving welfare, they're leaving welfare for work. It cites new Census Bureau data showing that the rate of individuals on welfare who are working in the following year increased by nearly 30 percent between 1996 and 1997. That translates to 1.7 million adults who were on welfare in 1996 who were then working in 1997.

We've also found that contrary to what critics said at the time the law was signed, we've seen not a race to the bottom in states around the country, but a race to independence. States are actually spending more per person on welfare-to-work efforts than they were before the welfare law was passed. And these findings are consistent with a recent NGA report that found that states are spending more than half on child care -- 50 percent more on child care than they were before the law was passed, and spending about a third more on helping recipients move to work.

But as the President has said time and again, our work is not done. And today, Secretary Herman is going to announce more welfare-to-work grants, which are a follow-on to the balanced budget law that was passed and signed a year ago. We're also announcing today the Vice President has updated his report to the President on federal hiring; the federal government has hired 5,700 people off of

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welfare, which is more than halfway to our goal of 10,000 by the year 2000.

And today we are issuing a regulation that does away with the so-called 100 hour rule. Let me try to explain that for you. For the last 30 years, the old welfare system has said that two-parent families on welfare would lose Medicaid coverage if they worked more than 100 hours in a given month. And this rule only applied to two-parent families. So, for example, a two-parent family that wasn't working at all would get Medicaid coverage; but a two-parent family that worked 25 hours a week would lose that health coverage. This rule was anti-work, it was anti-family, anti-marriage. It said that if you want health care you have two choices: you can either not go to work or not get married. And it said to a father that his children would essentially be better off if he stayed home or walked out than if he went to work.

Now, in recent years, a number of states have gotten waivers to get around this rule. But in order to protect the Medicaid guarantee for poor children, which was one of the most important battles we had with the Congress in 1996 in securing the welfare law, the 1996 welfare law locked in the Medicaid eligibility rules that were in place at the time. So, in other words, anyone on welfare today is eligible for Medicaid if they would have been eligible in July 1996. But that had the effect of making impossible for states to apply for waivers of this so-called hundred hour rule.

So today we're putting forward a regulation that puts the 100 hour rule to rest for good. It enables any state to set its own rules for Medicaid coverage of two-parent families. And we anticipate that at least 130,000 people will get Medicaid coverage as a result. And perhaps just as important it sends, for the first time, the signal that the new welfare system no longer undermines work and family, but supports marriage and is helping people go to work.

And with that, Alexis.

Q Was our briefer right this morning, it affects 20 states and the District of Columbia?

MR. REED: Thirty-two states currently have waivers; 18 states will be -- it will affect 18 states and the District of Columbia.

SECRETARY HERMAN: Thank you very, very much, Bruce. Let me just say that the Department of Labor has been extraordinarily pleased to have been a part of the successful effort of the President to reform welfare as we know it. And our role has been principally one of helping to move individuals today from the welfare rolls literally to the payrolls.

I believe the statistics that Bruce has just given you, indicating in the past year the number of individuals who have made that transition, is a testament to the hard work that has gone on clearly at the state level and in local communities really to think really outside of the box and to get from inside of the Beltway in meeting many of the challenges today that states and local municipalities face.

The Department of Labor specifically had the responsibility for the \$3 billion that was appropriated by Congress last year. That \$3 billion was to be utilized over a two-year period. Seventy-five percent of those funds was to go on a formula basis to states to help them meet their challenge of moving individuals from welfare to work. An additional 25 percent or approximately \$700 million of those funds was to be used on a competitive basis.

Today, the President will announce that an additional six states will come in for formula grants to the tune of \$60 million. Those states include New Hampshire, New Mexico, Maryland, and Maine, Virginia, West Virginia, and Guam. These states will now bring the total to 38 states that have actually received welfare-to-work grants from the administration. All total, we have actually received 47 plans from states to date, but the announcement by the President to date will actually bring the total of states receiving funds to 38. I should point out that only six states thus far will not be coming in for these competitive and formula-based monies

Q Why not?

SECRETARY HERMAN: Well, when we look specifically, Sam, at the states that are not coming in for the grants, they include states like Idaho and Utah -- those states that actually have small welfare-to-work issues if you will in terms of the populations that they are attempting to serve. There are only two other states in that mix -- Ohio and Mississippi -- that the governors actually chose not to accept these funds. But, otherwise, the other four states, which includes -- I think I have a list here -- South Dakota, Wyoming, Utah, and Idaho -- basically are meeting challenges within the TANF funds that they already have available, and their caseloads are not as significant to manage otherwise.

I should point that as a part of my overall work as Secretary of Labor that I have spent at the President's request a great deal of time traveling to many of our work sites; meeting with employers; meeting with individuals who are making the transition; talking with governors; talking with mayors. And as we conclude this one year anniversary, I believe that there are three unique challenges that we certainly face in the future.

First, a recognition that the hardest challenge really remains because the hardest to serve still remain on the welfare rolls. And as we attempt to meet those challenges for those who have multiple barriers to employment; these funds that the Congress has appropriated and that the President requested I believe is going to make that transition easier as we go into the future months ahead, and, as we have heard the report today that the President will be announcing, that we will see even a further decrease in those who are actually leaving the welfare rolls and joining the ranks of the unemployed.

Secondly, I think it's also important to point out that, historically, the emphasis really has been on getting the job, but today the emphasis really is on keeping the job. In this economy that is performing certainly extraordinarily, the emphasis really is not as much on getting that job, but what we can do to eliminate barriers today to help individuals be successful once they are employed. So issues like child care and transportation become very critical in terms of helping individuals to be successful at work.

I think also the President's request for the housing vouchers, to make sure that individuals can locate where those jobs are is also going to be increasingly important because we know that three out of four jobs today that are being created are actually in the suburban communities and not in the central areas where oftentimes the individuals who are on welfare are, in fact, concentrated.

And the third point that I would point out is the fact that today, employers really see this pool of new workers as just that, I think, a talent pool of new workers, and that they are more willing to make the investment to hire these individuals and to see it as a real and significant contribution to their overall bottom line.

We've had study after study after study of employers who have repeatedly said that they are experiencing enormous success with the individuals that they are hiring; oftentimes their retention rates are exceeding those of those who comprise their normative population of their own employees, and they state that they would hire these individuals again if given the opportunity.

Overall, I think the future for welfare to work and for us seeing people get off the long road of adversity and certainly the trap that they have been in for these many years being on welfare, we're seeing those barriers fall; we're seeing these programs make a difference; we're seeing creative and innovative ideas that are taking place at the state and local level. And I think, in the end, we will be able to say that this program was a success.

With that, we'll take any questions you have.

Q Madam Secretary, are you concerned with the slowing or the slowdown in the economy that the job creation is going to stop and the chances of moving people are going to be drying up?

SECRETARY HERMAN: No, I'm not concerned, because if you look overall at what is happening in the labor market today, the low unemployment rates that we are experiencing -- you still hear employers talking about skill shortages. They're still looking for employees that they can make real investments in. And I believe that these individuals do represent a new pool of workers today for employers.

Q Secretary Herman, do you really think that -- first of all, for so many years you've heard a lot of welfare recipients, especially welfare mothers, say that, I cannot have a man in my home because the system was against me. And for so many years this has gone on and you've set a precedent, the federal government set a precedent with this. Do you think that the changing of this 100 hour rule will really make a difference to get a man back into the family, to have two-parent families, to actually help ease the welfare rolls?

SECRETARY HERMAN: Oh, I think it will definitely make a difference. As a part of my own travels, not only have I heard many stories like this, but I think that other reality is that even with our own guidelines, with the grants that we are awarding from the Department of Labor, we've put a special emphasis on noncustodial parents to encourage fathers in particular to take responsibility for the raising of their children, to engage them in parenting skills and to try and reunite them with family environment, so to speak.

So, yes, I think it will make a difference. And I think everything we can do in this regard to bring families together is what we have to do in terms of examining our own policies and regulations.

Q To follow on that question, the 135,000 figure seems low, based on all the anecdotal incidents you hear about. I mean, do you think there might be many more people nationally affected by this rule than the 135,000? What is that based on?

MR. REED: That's based on our estimate -- 32 states already have waivers that allow them to do this, so this is an estimate based on the remaining 18 states. It could be more than 130,000 -- I think it could be perhaps twice that if every state took the option, but this is our best estimate of what we anticipate.

Q What you and the President then are telling us today is that people who oppose this program like Governor Cuomo, Senator Kennedy, Reverend Jackson, were dead wrong?

SECRETARY HERMAN: I am saying today -- and certainly I am not going to stand here, Sam, and say that they were dead wrong --

Q They said to the President, don't sign this bill --

SECRETARY HERMAN: They said, don't sign the bill. And I would say that based on the evidence that we have to date -- and this is work in progress -- but based on this work in progress, that to date, we are successful in what it is we are attempting to do -- and that is to concretely move individuals from the welfare rolls to the pay rolls, to give them the infrastructure that they will need to be successful once they're on those jobs, and to engage in innovative strategies to reach out to, for instance, missing fathers, to try and come up with creative policies to help reunite families.

Q They said children would be hurt by taking parents off the welfare rolls, by forcing them off, the children would suffer. Have you found that to be the case?

SECRETARY HERMAN: I have found in my travels and the individuals that I have talked with that the largest issues as it relates to children in particular being impacted are challenges that clearly we face in the child care arena. There's more that we have to do to ensure that we have affordable, accessible, and available child care so that these mothers in particular -- and I'm speaking largely of mothers -- will have the opportunity to go out, get the jobs, get the training that they need, and to know that the children are going to be taken care of. But that is the biggest challenge that I have encountered on the road. It is the question of child care for our children, and we need to do more in that area, in particular.

Q How much is it attributable to the good economy and to the law itself?

SECRETARY HERMAN: Clearly, I think it's a combination. I believe that the fact that we do have a good economy today and that employers are looking for new workers certainly enables us to see the success that we're seeing today, particularly with welfare recipients who are making that transition.

But I also believe that much of what you're seeing is the fact that you have a lot of governors and mayors and local county officials who really are thinking outside of the box, who are looking at innovative and creative ways to help us reform welfare as we traditionally knew it.

Q Madam Secretary, on a slightly different topic, the Speaker of the House has accused the White House and the Clinton administration of being in support of a shutdown strategy over the budget and the budget battles that are brewing. How do you respond to that?

SECRETARY HERMAN: Well, I'm not here to comment on the budget per se, and I'm not aware of exactly what the Speaker has said. I would only say, however, in response to the question that I don't think that there is anyone in this administration who wants to see the government shut down over the budget. I believe the issue here -- what are the priorities in terms of what we're going to fund in terms of the President's priorities and what we're asking for in the budget.

Q Bruce, can you respond to that also, please?

MR. REED: I think I'd say the same thing. We're not interested in shutting the government down, we want to keep the country going. And the President has laid out clear priorities for what we need to do in education, in other areas. And we hope to work

with Congress to make progress and get appropriations bills he can sign.

Q On the federal government's goal for hiring by the year 2000, can you explain the wide discrepancy between, say, the Commerce Department, which so far has only met 15 percent of its goal, versus Treasury, which has met 232 percent -- why is there such a big difference in the success rate?

MR. REED: I believe in the particular case of the Commerce Department, much of their commitment to hire people off welfare is tied to the census. So many of the people that they're going to bring on line will be coming later in the process.

But we're working closely with all the agencies, and the Vice President gives them a nudge every now and then to keep them on track. And we're confident that we're going to be able to meet and exceed that goal.

Q Do you know why the State Department is only 20 percent?

MR. REED: I don't. Happy to look into it for you, but I don't know off the top of my head.

Q Secretary Herman, on the housing vouchers issue, I know it's a controversial issue in several communities throughout the country, especially in Baltimore City. How do you tell the average American who lives -- well, middle class American that lives in a middle class neighborhood that doesn't have poverty in its neighborhood, we'll accept someone from the inner-city, low income housing developments move here so that they could get closer to work? And, I mean, a lot of persons are very upset about having low-income welfare recipients live next to them just for the sake of saying better education and getting to their job. What do you say to that average American who is fighting that?

SECRETARY HERMAN: April, as I look at the principles of the housing voucher program and what we are trying to do here, it really is to give individuals a leg up, if you will, to help solidify them on the road to success. And my experience has been, in talking with many mayors who have the responsibility for implementing these kinds of programs, that they have been very successful in integrating, in mainstreaming, if you will, the voucher process. Faith-based communities, in particular, have been particularly helpful, I think, in meeting the neighborhood challenges of helping individual families make those transitions into key neighborhoods and communities.

I have personally not met in the main of my own travels and discussions individuals who are adverse, if you will, to the concept or to the proposal. I think when people understand that individuals really are trying to do something for themselves and for their families that they are taking responsibility, that they want to make a difference, I find support is there. And I'm finding that increasingly, particularly in small towns and communities that I travel to.

Q Madam Secretary, are you keeping any figures on the people who are falling out of the welfare program losing their benefits, but not going to jobs? What are the figures on that, and what alternatives do they have as they're moving from the private sector to fill the gap as the government proceeds with this? Are you following this at all?

SECRETARY HERMAN: Yes. The Department of Health and Human Services has the responsibility for the overall evaluation of the effort itself, and as a part of the evaluation process we are

tracking those individuals that we're not necessarily able to place in employment or that are having issues, if you will, in terms of a repeat employment experiences and not able to successfully maintain a job. We're trying to examine what are the factors that are contributing to those particular situations and what, if anything, we should do differently in following through on those particular individuals.

Q Do you think the President is going to change his story about Monica Lewinsky?

SECRETARY HERMAN: That is something I am not going to comment on, Sam.

Q What are the numbers again -- the total number of people who have gone from welfare to work?

MR. REED: When we took office there were 14.1 million people on welfare. At the time the welfare law was signed there were 12.2 million, and there are now 8.9 million. So it's a 3.3 million drop since August of '96.

Q Thank you.

END

1:45 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 25, 1999

REMARKS BY THE PRESIDENT  
ON WELFARE-TO-WORK INITIATIVES

Presidential Hall

11:02 A.M. EST

THE PRESIDENT: Good morning, ladies and gentlemen. This is a good way to start the day, isn't it? (Laughter.) We're all going to feel better when we leave here.

Let me thank the previous speakers -- first I want to thank Robert Higgins and his entire organization for setting an example for corporations throughout America. And I thank his employees for coming here today and for being a vivid human illustration of how welfare reform can work at its best.

I thank my good friend of many years, Governor Mel Carnahan, and Mrs. Carnahan who is here with him. We made two of our major welfare reform announcements over the last several years in Missouri because no state has worked harder to do this right, in a both humane and effective way.

I want to thank Carlos -- I was looking at him -- I don't know how many -- how many public speeches do you think Carlos has made in his life? (Laughter.) Man, he stood up here, he had his head up, his shoulders back -- (applause.) I was thinking as I was watching him that after he does all that computer stuff and makes money for a few years, that we're always looking for a few good candidates in this business, and he looked awfully good. (Laughter.)

I would like to thank Secretary Shalala, Secretary Herman, and Secretary Slater for their work on welfare reform. And there are two members of the House of Representatives here today who represent very different districts, but who have a passionate interest in this whole subject -- Representative Ben Cardin from Maryland and Representative Rubin Hinojosa from South Texas. And I thank them for being here and for what they've done for this cause. (Applause.)

And my good friend, Jane Campbell, County Commissioner from Cuyahoga County, Cleveland, Ohio. And I'd like to say a special word, if I might, before I get into my remarks about Eli Segal who started our welfare-to-work partnership.

You know, it takes a special, almost a genius, to start something that didn't exist before. And a couple of years ago when I announced in the State of the Union we were going to have this welfare-to-work partnership, we had five companies. A couple of years later we have 10,000 companies.

Yesterday, you may have seen in the press, I went home to Arkansas to look at some terrible tornado damage. At each place where I went, both these places, there was a team of our young AmeriCorps volunteers from all over America -- and most of them had never been to Arkansas before. One of the teams was

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from St. Louis, working on the tornado damage. These young Americans give a year, sometimes two years of their lives; they earn credit for college. In four years there have been over 100,000 AmeriCorps volunteers. It took the Peace Corps 20 years to get to 100,000 volunteers. Eli Segal also started AmeriCorps. So for two great contributions to the United States, we thank him for his remarkable, remarkable -- (applause.)

One of the reasons that I ran for President in 1992 was to change the welfare system as we then knew it -- to move from a system that promoted independence and had no incentives for parents who are not custodial parents to be responsible, and basically gave people a check that was almost always inadequate, in the name of being humane, which assumed, more often than not, that they had no capacity to work and support their children.

All these things were done with the best of intentions -- we either assumed people couldn't do the right thing or we assumed that they wouldn't do the right thing, and so, well, we made the best of an imperfect world by at least cutting a check once a month and then making sure that -- and I approve of this and kept it -- there were nutritional and health benefits for the children.

And it seemed to me that we ought to -- before we just continue to give up on this -- we now had created a couple or three generations in some places of people who depended on welfare checks and repeated the pattern of the past -- that we ought to try to develop a system that at least would try to create incentives and, where appropriate, requirements that would promote independence, work and family responsibilities.

Now, everybody liked the idea and wanted to do it, but a lot of people, including a lot of very good people who had labored for years in this system, doubted that it could be done. And so we started working at it. And in the past six years, I think it's obvious that the American people have done a lot to change all that.

When I became President, I worked with 43 states -- Governor Carnahan mentioned this -- before we passed legislation, to just free them of federal rules which undermined their ability to create a system that would promote work and family. There were many innovative programs that already were beginning to move large numbers of people from welfare to work, even before 1996. It was in that year that I was able to sign the landmark bipartisan welfare reform law. I said then that our nation's answers to the problems of poverty will no longer be a never-ending cycle of welfare, but instead the dignity, the power, the ethic of work.

Today we can actually foresee a time when we can break the cycle of welfare for good -- when welfare will literally be a support system given to people in hard economic times, or when personal misfortune occurs, but that it will not be the rule of life for large numbers of our fellow citizens.

Already we now see welfare rolls in America are the lowest they've been in 30 years -- for the first time in 30 years, below 8 million people; down by 44 percent since I took office. And the same people -- the number of people on welfare who are also working some, taking that first step toward responsibility, has tripled. Every state -- every state -- is now meeting the work participation standards required under the welfare reform law, something I confess that even I did not believe would happen. None of believed that they would -- every

single one of them so far is meeting the work participation standards of the welfare reform law.

America is working again, and this work is transforming lives and families. The welfare system is no longer holding people back, it is helping them to move ahead.

Since the goal here -- and let's not forget what the goal is -- it is to empower individuals and strengthen families. We've had to do more than simply put time limits on welfare. As I said a moment ago, those who lose their welfare checks continue to get health and nutritional support for their children -- and they should. It was one of the big battles we fought here when we debated this, and it led to two vetoes before we finally got a bill that I felt that I could sign.

We also have increased our support for training, for transportation, for child care for those who move from welfare to work, recognizing that there are barriers and we shouldn't expect people to actually move from welfare to work and lower their standard of living and lower their ability to support their children. And there is more support for child care, substantially more, in this budget and for other things.

We have given more support for health care and child care for all low income working families. I think that our citizens should never forget that the largest number of poor people in America are the working poor. And we should be sensitive of that. And with the help of Congress we have doubled the earned income tax credit for families with children. That is a targeted tax cut that's especially generous to low income working families. And today it's worth about \$1,000 to every family of four with an income of under \$30,000; and for families of two and three, lower incomes, it's worth quite a lot of money. So this was a major contribution of the economic plan of 1993 and it alone, along with the increase in the minimum wage, has lifted over 2 million children out of poverty.

Finally, let me say, as all of you know, I am trying to raise the minimum wage again because I don't think people should work so poor children can still be in poverty. (Applause.)

I think it is very important, however, that we recognize that much of the success of welfare reform has come because of the growth of the economy at large -- nearly 18 million new jobs in the last six years. I also think we have to recognize that much of the success of welfare reform has come because of the commitment of people in the private sector to do the right thing. I think that if there were no companies willing to have the example that Fleet has offered us today, this would be much, much harder.

And as we look ahead to the future, we have to assume that reaching the next 8 million people -- or just under 8 million people -- on welfare will be even more challenging than reaching the 44 percent reduction that we have seen achieved already. Therefore, since it's not fair to require people to work unless they have a chance to work, we have to honor and build up and work with the private sector to make sure they have that chance.

As I said, we started two years ago with five companies in the welfare-to-work partnership. Today there are 10,000. They have hired, retrained, and often promoted literally hundreds of thousands of people. And as you have heard, this is not charity -- it's good for families, but it's also good for the

bottom line, and good for the communities.

Now, smaller caseloads, bigger paychecks, are important signs of progress. But I think it's also important that we recognize this is about more than economics. And I think you can see that. There's something intangible, even beyond the money, involved here -- the sense of security of these newly-working members of our country; the sense of pride at being able to support a child, and being able to be a fully participating member of society.

So we have to do more, and we now know what works. And we've seen examples of it today. We know that long-term welfare recipients can be turned into full-time workers. Now we must ensure that we go to the next step, that we deal with the remaining people on welfare, and that we do it, recognizing that it is a challenge, but also a phenomenal opportunity for the United States and a responsibility for those of us who can do something about it.

In my State of the Union address last week I said that we can help another 200,000 Americans move from welfare to work with extra support in the federal budget. To achieve that, I propose first that we renew the welfare-to-work program, which is set to expire in the year 2000. My balanced budget includes \$1 billion to help states and communities build upon their record of success. It also dedicates \$150 million of those funds to low income fathers who fulfill their duty to work, to pay child support, to become part of their children's lives.

And I think all of us were thrilled by Carlos's statement. But I would like to make one point here that he made that I think ought to be made more explicit. There is a reason that welfare reform has worked. There is a reason that programs like this magnificent program in Minnesota, giving fathers the tools they need to support their children, has worked. And that is, most people are basically good people who want to do the right thing.

You know, we have all these programs, we talk about all these policies and we hardly ever say that. But I think that's worth stating. You saw a good person up here, talking about a child he loved. And it's so easy to forget that. The reason all this stuff can be done is that human nature will rise to the level of possibility if given the opportunity and the guidance and the support. That's the reason these rolls have reduced so much.

You know, I hardly ever -- when I was governor for 12 years I ran a welfare system in a poor state -- I don't believe I ever met -- and I went to welfare offices, and I sat and talked with caseworkers and welfare recipients, and went through the details of it -- and I have never met a person who has said, you know, I really love getting this welfare check, and I hope I never have to hit a lick. (Laughter.) I never met a person who said, gosh, I'm proud that I never pay any child support to my child. You know, there may be a few, but to pretend that is anything like more than a small minority is a foolish assumption. (Applause.)

So I say, this is very important. And this \$150 million to support people, so there can be more stories like Carlos Rosas', is very, very important. Many states are using some of their welfare-to-work funds, as you heard from Governor Carnahan already, to get fathers to sign personal responsibility contracts, to do the right thing by their children. And now this

extra \$150 million will help to ensure that every state can have this kind of effort, and that every community that has any substantial number of people who would fall under this category can do the kinds of things we've heard about in this Minnesota program.

But we have more to do. With the longest peacetime expansion in history, with a continually growing economy, businesses have to reach wider to get new talent. They have to bring more welfare recipients into the workplace if we're going to continue to grow.

So we have to see this as an opportunity to make permanent gains in dealing with the welfare challenge. And therefore, I think we have to do more to help those recipients who are still on the rolls. And as I said, they're often the greatest challenges to getting people into the work force.

Example number one -- that's why Secretary Slater is here today -- two-thirds of the new jobs in America are in the suburbs; three-quarters of the welfare recipients are in the cities, or in isolated rural areas. So you've got the jobs in the middle, and the welfare recipients in the cities or in the rural areas.

Our balanced budget will double funding to get workers to the workplace -- for transportation support. It also has a 50-percent increase in housing vouchers, to help families find affordable homes closer to the jobs and avoid difficult and, sometimes, actually impossible commutes.

Now, these are the kinds of things that I think we ought to be doing. We don't have any excuse not to do it. We have the example of Fleet. We have the example of Missouri and Governor Carnahan. We have the example of Carlos Rosas. We have the example of these fine women who stood up when they were introduced as employees of Fleet. And we now know that it is not only the right thing to do for our country, it is the right thing to do for our companies.

So I hope that we will have enormous bipartisan support for this new advance in the welfare budget. And I hope all of you will do everything you can to spread the word across the country that it is good for America to do this, and it will work because most people are good people and they want to do the right thing.

Thank you very much. (Applause.)

END

11:20 A.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 25, 1999

PRESS BRIEFING BY  
SECRETARY OF HHS DONNA SHALALA,  
SECRETARY OF LABOR ALEXIS HERMAN,  
AND DOMESTIC POLICY ADVISOR BRUCE REED

The Briefing Room

11:51 A.M. EST

Q Is the President going to be impeached?

SECRETARY SHALALA: Not until after we finish welfare reform. (Laughter.) As the President said, our budget will include additional resources to support our ongoing efforts to help young parents move from welfare to work, and specifically, today we're talking about \$430 million in housing vouchers to help families secure more stable housing, and \$150 million in transportation assistance to help workers get to their jobs.

And one of the things the President pointed out in his speech was the workers are located in different places from the jobs and, therefore, transportation and child care become very critical pieces to our overall efforts to get people to work.

The budget also extends the welfare-to-work opportunity tax credit to encourage more businesses to hire welfare recipients, and it reauthorizes the welfare-to-work bill that the Labor Department administers. And Secretary Herman will talk about those.

These programs build on our success to date. As you know, the President announced today that welfare caseloads are at the lowest levels in 30 years, and the percentage of welfare recipients who are working has tripled since this administration began early in 1993. Approximately 1.5 million people who were on welfare in 1997 were working in 1998, and all states for which we have data are meeting their work participation rates, which means that it's not just scattered across the country as to which states are moving welfare recipients to work. It's happening in every state and each state is meeting the targets that were set in the law.

Let me also say the Vice President is announcing today that we're also going to try to cover more people with Medicaid, specifically legal immigrants. The new proposals which will go to Congress gives a Medicaid option for pregnant women and children who are legally in this country. And the states will be allowed to cover them with Medicaid, assuming that the bill passed. It's something that we've been wanting to do for a long time.

In addition to that, legal immigrants who have been here for five years and become disabled will be eligible for SSI, which will include Medicaid. So this is an expansion of benefits for legal immigrants, for groups that were left out of the original welfare bill. These expansions that we're recommending are consistent with our earlier recommendations, and that is we have long believed that legal immigrants ought to have, particularly pregnant women and children and the disabled, ought to have access to health care.

We've come a long way. All of these are our efforts to make work pay, to keep people in the work force, to help them get

in the work force in the first place, to recognize that people need child care and transportation and health care to get off welfare and into work.

SECRETARY HERMAN: Thank you very, very much, Secretary Shalala. It's still afternoon -- good afternoon.

Q Good afternoon.

SECRETARY HERMAN: Let me say, first of all, Secretary Shalala has already said, and many of you know, the President is requesting an additional \$1 billion for one year to continue our work on the efforts to increase individuals who are leaving the welfare rolls to gain employment.

We believe that this new request will help to further the work on those who are hardest to serve, who still remain on the welfare rolls. And we recognize that really the hardest challenge does remain, because the hardest to serve still remain on the welfare rolls.

To this end, we hope to use these funds to more directly target these individuals and to work closely with governors, with mayors, with other elected officials around the country to continue to make a difference. We have simplified our eligibility in this round. We know that these individuals for the most part are those who have poor to no work histories. They have very little education; perhaps they have not completed high school. Oftentimes they may have problems with substance abuse, or they may be individuals with a disability.

In the previous round you had to have multiple factors to qualify for our program eligibility. This time around you need only have one of those criteria in order to participate in the training programs.

Q How many are there in that category?

SECRETARY HERMAN: We believe that there are approximately 40 percent overall in terms of those who are on the welfare rolls in that population.

Q How many people?

SECRETARY HERMAN: I don't have the exact finite numbers. It's about 8 million still left, representing about 40 million of that population.

We've also put a very special focus in this round on non-custodial parents, or really for the most part, single fathers, because we want to make sure the non-custodial parents, primarily who are fathers in this instance, not only assume responsibility, but that they will also have the opportunity to participate in the parenting of these children.

I can tell you firsthand as someone who has traveled the country to meet with many of these young men, they really do want to be involved in the lives of their children, but they do need the assistance to know oftentimes just how to get started or what parenting is all about. And I'm very hopeful that this additional focus with these new resources will certainly enable us to bring more fathers into this equation.

Q So fathers are encouraged to stay in the home now?

SECRETARY HERMAN: Fathers will be encouraged to participate in the rearing of their children. Unlike the old laws where they were penalized for their presence, we want to make sure that parents are involved -- both parents are involved with these children together. Not necessarily in the home.

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We're saying that non-custodial parents are actually eligible for the training support.

And then the third aspect of this initiative where we're adding new features is to bring increased support also to Native Americans. We're doubling our support in terms of what we have done to date in putting an emphasis in particular on Native Americans and working more closely, particularly with reservation communities.

And I am hopeful that with the reform of the job training program, that all of these efforts working together, as we are also reforming our overall job training systems, will basically boost the support that we're giving generally to individuals who are making the transition.

I know that we'll have time for questions afterwards and I want to give Bruce just a few minutes to come in, because if there has been one individual who has been the chief architect from the beginning for the President on this policy, it's been Bruce Reed. He's done a very good job.

Bruce.

MR. REED: Well, thank you, Alexis. And thank you, Donna.

I want to just stress two points. First is, the importance of what we're learning about work. The record drop in the caseload gets all the attention. We've cut the caseload by nearly half since the President took office. But the more important news is that we've seen an explosion of work by single mothers, a real transformation of the welfare system into a system that's based on work.

Two statistics to back that up: The first is that the number of people on welfare who are working has tripled since '92 -- it's gone from 7 percent in '92 to 22 percent in this past year, and over the long haul the more that we can make the world of welfare look like the world of work, the easier it's going to be for people to make the transition.

The second figure is that we've seen a record number of people who were on welfare the previous year who are now working. The current figure is 1.5 million in '98 who told the Census that -- who had been on welfare the previous year and are now working. And that is nearly double the number from '92, when we took office.

So we have a lot of work to do, as Alexis and Donna both said. The job is going to get harder; the caseload declines have been remarkable, but the people left on the rolls are going to need more help. And that's why we're doubling the amount of money for transportation assistance, to help people move from welfare to work. We have a 50-percent increase in housing vouchers, so people can move closer to jobs. And we're also extending this program that is targeted to the people in the poorest communities who need help moving from welfare to work.

The other point that I'd like to make is that the President is also keeping the other promise he made when he signed the welfare law in '96, which is to restore benefits to legal immigrants that never should have been cut in the first place. And the Vice President is in California today announcing that our budget will include \$1.3 billion over five years and further restorations of benefits to legal immigrants.

We made an enormous amount of progress in '97 and '98 on a bipartisan basis and, as Donna said, we're going to give states the option to cover legal immigrant children who came in here after the law was signed; also to cover pregnant women and to finally restore Medicaid and SSI coverage for people who come to this country and become disabled after entry.

Q What is it about Rhode Island that puts it at the bottom of the list from the standpoint of improvement in welfare?

MR. REED: Well, I think there are different explanations for different states. Some states were slow to pass enacting legislation -- California, for example, has a big welfare system, a lot of work to do, and they didn't reach agreement on the laws to carry out until last year. Other states, if you look down that list, have had some population growth that throws the figures off a little bit. I don't have a detailed --

Q You don't know specifically about Rhode Island?

MR. REED: I'd be happy to look at it for you.

Q But the percentage is not based on the numbers, is it, it's based on the percentage of whatever that number is that came off the rolls. And it's only 11 percent for Rhode Island.

MR. REED: Some states -- and I suspect this may be what is going on in Rhode Island -- some states had a running start. Governor Carnahan was here from Missouri; he'd been doing it for several years before the law was signed. And I think Rhode Island got off to something of a slow start.

SECRETARY SHALALA: Remember that we put a large part of the welfare reform in place before the bill was passed by using waivers. And one of the things the President referred to in his statement was that 43 states already had waivers, which basically allowed them to put their own welfare-to-work system in place before the bill was passed. So some of them --

MR. REED: Rhode Island did not have a waiver.

SECRETARY HERMAN: And they just got their welfare-to-work funds on top of that.

SECRETARY SHALALA: But it's a very small number of people.

Q If one person is misused, it's important. I understand it's a small number.

SECRETARY SHALALA: Yes.

Q Last summer the Senate introduced a bill to extend the work opportunity tax credit for three years, arguing that you really need a multiyear tax credit to be effective. Why is the administration only proposing a one-year extension?

MR. REED: I believe that that's the policy we've taken across the board on all our tax credits in this budget. So they all expire at the same point.

Q Doesn't that lend an uncertain business climate as far as trying to -- tax purposes and to plan ahead? Doesn't that act as a disincentive when it's so --

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SECRETARY SHALALA: It hasn't slowed down the number of businesses that have participated in welfare to work. In fact, that has increased during this --

SECRETARY HERMAN: It's really made -- it's made a difference. And, Sam, I don't want you to misinterpret what we were saying in terms of the number. My reference to the number in terms of a small number. Oftentimes when you have small communities who have not had the experience of focusing in on hard to serve populations this way, the challenge oftentimes is greater for them in terms of understanding what's required. And so I think it's a combination of factors, when you look at the state of Rhode Island.

Q Secretary Herman and Mr. Reed, could you elaborate on the Supreme Court's decision today not to adjust the census for the expected under-count of minorities?

MR. REED: We just heard about.

SECRETARY HERMAN: We literally just heard about it, coming out to the briefing. So I don't have any more details than what you've literally just heard.

Q But what are your thoughts about that, either one?

SECRETARY HERMAN: Bruce, do you want to comment?

MR. REED: I think you'll just have to wait for Joe. We haven't seen the opinion, don't have anything to add at this point.

Q Secretary Shalala, if I could ask on another topic -- have you had a chance to review Senator Breaux's plan for Medicare reform and, maybe more specifically, what do you think of the central idea of premium support that he has in the plan?

SECRETARY SHALALA: We are in the process of reviewing it. I'm not sure we have enough detail to say anything other than we're going to be working with Senator Breaux and with the members of the commission.

Fundamentally, we have been open to different approaches as long as they protect people's health care; as long as at the end of the day people know that they're going to get a benefit package and we know what the costs are going to be to individuals. As you know, a very high percentage of them, Medicare recipients, get poorer as they get older, they don't have a lot of money, their out-of-pocket costs are already 20 percent, much of that tied up in pharmaceuticals.

So we will be looking at the details. And I think Senator Breaux said, himself, that he hasn't presented all the details, just the ideas. And we will be reviewing those and be talking to him and with other members of the commission.

MR. REED: And just keep in mind the principles that the President laid out in the State of the Union. We want to see 15 percent of surplus dedicated to make Medicare reform possible and extend the trust fund to 2020. We'd also like to see additional reforms that make it possible to extend the trust fund to 2020 and provide prescription drugs.

Q Thank you.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 8, 1995

RADIO ADDRESS OF THE PRESIDENT  
TO THE NATION

The Oval Office

10:06 A.M. EDT

THE PRESIDENT: Good morning. Last week I spoke to you about the need for Congress to pass reforms to end welfare as we know it. I want Congress to send me a bill that requires work, demands responsibility, and provides the child care people need to move from welfare to work.

This issue is now before the U.S. Senate. The truth is Republicans and Democrats alike know what's needed to get this job done. A majority of senators in both parties agree with me that welfare reform must require everyone who can work to go to work. We agree on the need for the toughest possible child support enforcement. And we agree that no one who can work should be able to stay on welfare forever. So we are close.

Congress could put a bill on my desk, a good bill, within the next few weeks. After a generation of debate, we have a chance, finally, to do what's right for the taxpayers who pay for a failed welfare system, and for the people who are trapped by it. But in recent days we've seen unsettling signs that progress could fall to gridlock. This week, Republican leaders said that a threat from the far right in their own party could keep them from passing a welfare reform bill this year. A handful of senators are threatening to hold welfare reform hostage to their own political views. They're threatening to block a vote on any bill that doesn't cut off all help to children whose mothers are poor, young and unmarried.

I believe their position is wrong. Republican and Democratic governors also strongly oppose Washington telling them to throw children off the rolls simply because their parents are under 18 and unmarried. And the Catholic Church has taken a very strong position on this, fearing that to cut young people under 18 and their children off welfare would lead to more abortions.

This approach also would punish the innocent children of unmarried teenagers for the mistakes of their parents. This might cut spending on welfare, but it wouldn't reform welfare to promote work and responsible parenting. That's why so many Republicans and Democrats oppose it.

The threat of the senators to take this extreme position and block this welfare reform effort is just wrong. We've come a long way in the welfare reform debate in the last few years. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus from both. We should do both, and we shouldn't allow welfare reform to be held prisoner to ideological political debates.

MORE

I ran for President to bring new opportunity to the American people and demand more responsibility in return. That's what I call the New Covenant. And welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to pass welfare reform this year would be a disservice to the American people. It shouldn't become another victim to the politics of gridlock. Republicans and Democrats alike have a real responsibility to bring real change to Washington, and a bipartisan majority in the Senate is prepared to vote for a welfare reform bill with time limits and real work requirements, and without moralistic dictates that will do more harm than good.

A few days ago, in a speech at Georgetown University, I said our leaders have to stop looking only for political advantage and start looking for common ground. I challenged our leaders to do four things:

First, we need more conversation and less combat. So let's settle our differences on welfare reform without resorting to legislative trench warfare designed to stop real reform at any cost.

Second, when we do differ, we ought to offer an alternative. When the vast majority of Americans and members of Congress agree on an issue like welfare reform, a small minority shouldn't be able to get away with "just say no" politics.

Third, we ought to look at our problems with a view toward the long-term. Moving people from welfare to work will save a lot more money in the long run than throwing children off the rolls. They'll be in trouble and they'll cost us a lot of money in the long run, and a lot of our national life as well. We are never going to end welfare unless people have the training and child care to be good workers and good parents.

And, finally, we shouldn't just berate the worst in America, we ought to spend more time concentrating on the best. That's what I have done, by giving 29 states the freedom from burdensome federal government regulations so they can lead the way in helping to find new ways to end welfare.

The only way our country can meet the profound challenges of the 21st century and the global economy is if we all pull together and we all look forward. We don't have a person to waste. That's why welfare reform is so critical. We can't afford to filibuster away our future.

So I say to those in Congress who have joined me in demanding responsibility from people on welfare, you have a responsibility, too. Don't place pride of partisanship ahead of our national pride. Don't pander to the partisan extremes. Let's not let politics stand in the way of making work and responsibility a way of life for the next generation.

Thanks for listening.

END

10:11 A.M. EDT

## THE WHITE HOUSE

Office of the Press Secretary  
(Wichita, Kansas)

For Immediate Release

November 17, 1997

REMARKS BY THE PRESIDENT  
TO THE WORKERS AND TRAINEES OF CESSNA

Cessna Campus Building  
Wichita, Kansas

2:20 P.M. CST

THE PRESIDENT: I think we should give them another hand -- they were fabulous, weren't they? (Applause.) Thank you, Tanya and Jodee. Thank you, Russ Meyer. Thank my friend, Eli Segal, for doing such a great job in getting other companies into this endeavor. Thank you, Michael Starnes, for the incredible support that the United States Chamber of Commerce has given to this effort.

I thank Secretary Glickman and Secretary Herman and Secretary Cuomo, who is not here, for the work they have done in supporting this endeavor and others like it around America. I'd also like to thank the large number, the unusually large number of public officials who are here today, proving that we come to celebrate a victory for America -- a victory of people, not party or politics, but an old-fashioned victory for American dignity and possibility, for people succeeding at work and succeeding in raising their children -- an old-fashioned reaffirmation that our American Dream is still very much alive and well if we all pitch in and do our part.

So thank you, Governor Graves, and thank you Senator Roberts and Senator Brownback, Congressman Tiahrt, Congressman Ryan, Mayor Knight and the other state officials and legislative leaders and council members who are here. I am very grateful to all of you for being here.

The sign says it's all about people, and I would like to suggest that you consider renaming the 21st Street Campus to the 21st Century Campus, because you really are an embodiment of the future America has to make. (Applause.)

Ladies and gentlemen, before I make the few remarks I'd like to make on this issue, I think it is appropriate, since it's my first appearance of the week, to just give you a brief update on the situation in Iraq. Even when I was walking through here a number of people asked me about it.

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First, it's important that you understand what is at stake here. Since the end of the Gulf War, for six years, inspectors, under the authority of the United Nations, have been trying to find and destroy Saddam Hussein's capacity to threaten his neighbors and potentially others around the world with nuclear or biological or chemical weapons. They have found and destroyed more weapons of mass destruction potential in the last six years -- these quiet inspectors who no one knows -- they have destroyed more of this potential than was destroyed in the entire Gulf War, with all of the air attacks.

What they are doing matters. It matters to you, to your children and to the future, because this is a challenge we must face not just in Iraq, but throughout the world. We must not allow the 21st century to go forward under a cloud of fear that terrorists, organized criminals, drug traffickers will terrorize people with chemical and biological weapons the way the nuclear threat hung over the heads of the whole world through the last half of this century. That is what is at issue.

In his defiance of international community, Saddam Hussein has forced the withdrawal of the inspectors. Now, I am trying to settle this issue peacefully. But our diplomatic efforts must be backed by our strong military capability. We cannot rule out any options. But the bottom line is, we have to understand this. It is essential that those inspectors go back to work. The safety of the children of the world depends upon it. And I ask for your support. (Applause.)

I told Russ Meyer this morning that before I got my present job I spent a lot of time flying around the farmland and the mountains of Arkansas in Cessna airplanes. And it occurs to me that for a long time now Cessna has helped a lot of people take to the air in your planes. Today, we come to celebrate Cessna's efforts to help people fly higher all by themselves. And it is a truly remarkable thing.

This program, the partnership between Cessna and HUD, the Labor Department, the city of Wichita, the state of Kansas, provides training because people need it to get good jobs; provides child care -- and, by the way, I got to visit the child care facility today, so in addition to my model airplane, I have a logo constructed giraffe. (Laughter.) And I think if it's all the same to you, I'll put them both up in the Oval Office so people can see what's going on here. (Applause.)

It provides temporary housing, recognizing that a lot of people who have been poor and who have children and don't have transportation to go a long way to work. And, most important, it provides a job. Every company in America ought to take notice of what Cessna is doing. It's a model for the nation. It proves once again that the best social program ever

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devised is a job -- a good job with dignity that allows people to support their children.

Six years ago when I ran for president I wanted to restore what I always thought was the basic bargain in America that everybody had a right to an opportunity in life if they exercised the personal responsibility that goes along with it. That is the only way we can keep the American Dream alive in the 21st century for everyone, and it's the only way we can continue to lead the world for peace and freedom. In the end, it's the only way we can come together across all the differences in our increasingly diverse nation.

In the last 5 years, as Secretary Glickman said, the American people have made a lot of progress toward restoring that basic bargain. Unemployment is the lowest in 24 years. The deficit has been cut by 92 percent, and now that the balanced budget law is triggering, it will be even balanced soon, for the first time in a generation. We see the lowest crime rate in 24 years, the biggest drop in welfare rolls ever, incomes rising and poverty dropping, the environment improving as the economy advances -- something a lot of people didn't think was possible. And families are getting more support not only in work, but in raising their children and educating them and in meeting all their obligations.

So there is a sense of confidence in this country that you can feel in this room today that we really can make America work for everybody again. You have earned that confidence -- you and all the America people -- through hard work, a vision for the future, and a willingness to embrace new ideas for new times.

But I will say again, as many on the program have said before, if we're going to make America everything that we want it to be, everybody has got to have the chance at the brass ring in life. And we know that if our free enterprise system is going to work we're going to have to be able to train people for the areas where there are job shortages, where, by and large, are areas that pay more.

You already heard our chamber president talk about the shortage of truck drivers. Whatever it's worth, when I was governor, I paid to train a bunch of them and I'm proud of it. And we're going to get on that and see what we can do.

We have literally hundreds of thousands of openings in computer-related jobs in America -- literally. You've got people out here dying to go to work, and jobs over here and a mishmash between them because they haven't done what Cessna has done. Either the training is not there or the child care is not there or the transportation is not there. There's something keeping people who are dying to do their part from getting there.

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So that's why we're here to celebrate. The main reason I showed up, apart from the sheer satisfaction of it and the joy, is that sometimes when I show up it gets enough publicity that people find out what you're doing. I don't care if they hear what I say, I want them to see what you're doing so other people will do it. (Applause.)

Now, when I took office I had already been involved with this whole issue of welfare reform for a long time. I started -- I became seriously concerned about this in 1980 when I realized what a problem it was. And over the years I served as governor of my state I spent quite a bit of time in welfare offices. I spent a lot of time talking to people who had been on public assistance. I spent a lot of time talking to employers who tried to hire people and when it didn't work to try to find out why it didn't work out. And I think that I have learned a fair amount about it and every good thing I've learned was confirmed here today.

It was obvious to me that if we were going to ever break the cycle of dependence in America we had to change our approach, and we had to change our idea about what the role of government is. Some people thought that it was inevitable that a certain number of people are always going to be poor and in difficult circumstances. That may be true -- misfortune happens to a certain number of people, and nearly for all of us misfortune will happen to us in some way or another over the course of our lives. But that doesn't mean that the answer was just to keep the status quo, because the status quo wasn't working -- giving people a check that didn't even keep up with inflation was not working. Neither was neglect an option.

So our governing philosophy has been to try to create the conditions for good economy and then give people the tools to make the most of their own lives, and whenever possible, to work in partnership with the private sector. In the first couple of years I was in office we did that by giving over 40 states permission to try their own hand at moving people from welfare to work.

Eventually, we were able to agree -- the Republicans and the Democrats together by an overwhelming majority in the Congress -- to reform the present welfare system, saying that everybody who can work, must work; but also providing support for employers who were willing to hire welfare recipients, maintaining government support for children's health care and nutrition where necessary, providing extra help to communities with very high unemployment rates and, I think probably most important of all, giving the states some more help to provide adequate child care when people are working for employers that are much smaller than Cessna and perhaps not able to provide that on their own.

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The budget I signed into law last summer included \$3 billion for welfare-to-work programs, increased tax incentives for businesses to hire people off welfare. So we changed the role of government. But that's only the first step. We also have to change the role of the private sector. And, again, I cannot say enough about your CEO and all the leaders of this company, all up and down, everybody who has been involved in this program, because you have shown what has to be done.

We know that almost all the jobs in America are in the private sector. I'm very proud of the fact that way over 90 percent of the new jobs created in America in the last five years have been in the private sector. The capacity to train people for the jobs that are needed in a given place is in the private sector. But most of all, the necessary vision, mind and heart to do the job are here. That's why we started the Welfare to Work Partnership. And I asked my friend, Eli Segal, who left a very successful business career, first of all, to help us start our national service program, AmeriCorps, to head up this Welfare to Work Partnership.

Last May, we started with 105 companies at the White House who said they would be a part of this. They pledged to enlist a thousand companies between May and November. It's November. Now, how have they done? In six months, more than 2,500 companies in America have pledged to hire welfare recipients. (Applause.) These companies have over 5 million employees. Some of them are big, like Cessna; 24 of them are in the biggest hundred companies in America. But 75 percent of them are small businesses. We need all of these companies.

In addition to that, Eli's got an advisory board of governors which includes 10 Democratic governors, 10 Republican governors. Again, this is not about politics or party, this is about people. This has to be an American crusade. More and more businesses are realizing that this can be a good thing not only for our families and our country, but for businesses as well.

And again, let me say, the U.S. Chamber of Commerce launching a campaign to convince every chamber in the country other join the effort is the big next step, because you heard Russ say, we've got 2,500 companies; when we get 10,000 we'll really be talking turkey and we'll be doing something that will make a big dent in this nationwide.

I am delighted that we've had almost 2 million people move off the welfare rolls since the welfare reform law passed, almost 4 million people in the last five years. But there are a lot more folks out there, and we have to do it. We are going to strengthen the work requirements of welfare reform, but we need to strengthen the support we give to people to meet those work requirements.

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Let me just say in closing that I think it was obvious to anybody who was here today that the most popular speakers were Tanya and Jodee. (Applause.) What I want to say to you is, I've been all over the country and I've met a lot of people who had a setback in life, many of them have terribly situations at home, almost every one of them passionately devoted to the welfare of their children, who thought they would be stuck on welfare forever, and somehow they made it out.

And the real idea behind all of this is, if some people can make it but everybody wants to make it, it's up to those of us who have made it, as Russ said, to create a system where everybody who wants to has a shot. (Applause.) Because it's important that we understand, while Tanya and Jodee are remarkable people -- and I might add, such good speakers that they might consider public office as a career option -- (laughter) -- they are not alone. Their stories are mirrored by -- there is a story in every one of these graduates who stood up here today. When they all stood up and we clapped, every one of them has got a story like their two stories. And what you have to know is, every person out there in America who is in a difficult situation has also got a story and a heart and a mind. And most of them aren't in a program like this now and aren't even close to it.

That's why we're here. If you liked what you saw when they spoke, you would love it if everybody with that story could be standing before a microphone in the community in which they live making the same speech. That is what we're here to ensure. And thanks to Cessna, we've got a lot better chance than we had before.

Thank you and God bless you. (Applause.)

END

2:37 P.M. CST

**PRESIDENT WILLIAM J. CLINTON**  
**RADIO ADDRESS ON WELFARE REFORM**  
**ROOSEVELT ROOM**  
**July 16, 1996**

Good morning. The great welfare reform debate now unfolding in Washington and across our country is really about some very fundamental American values. Expanding opportunity. Demanding responsibility. Coming together as a community.

For decades, our welfare system has undermined the basic values of work, responsibility and family. It has trapped generation after generation of people in poverty and dependency. It has exiled millions of our fellow citizens from the world of work that gives structure, meaning, and dignity to our lives. It instills the wrong values and sends the wrong signals -- giving children who have children a check to set up house on their own, and letting millions of fathers walk away from their responsibility while the taxpayers pick up the tab.

Our broken welfare system does the most harm to the people it was meant to help. Children who are born to a life on welfare are more likely to drop out of school, fall afoul of the law, become teen mothers or teen fathers, and raise their own children on welfare themselves.

I refuse to accept the notion that a nation as rich in opportunity as ours is willing to leave millions of people trapped in a permanent underclass. We cannot leave anyone behind.

That is why when I ran for President four years ago, I was very clear: We must end welfare as we know it. And during my time as President, I have used every power at my disposal to achieve this goal.

We have worked with 41 states to launch 69 welfare reform experiments. For fully 75% of the people on welfare, the rules have changed. The New York Times called it a "quiet revolution" on welfare.

I have taken executive action to require teen mothers on welfare to stay in school. We are requiring mothers to identify the father of their children, so we can hold every man accountable for the support he owes his family. I ordered federal employees to pay child support. We are putting wanted posters of deadbeat parents in post offices and on the internet. I directed the Attorney General to crack down on deadbeats who cross state lines. If everyone paid the child support they should, we could move 800,000 women and children off welfare tomorrow.

All of these efforts at the national and local level are paying off. Today there are 1.3 million fewer people on welfare than on the day I took office. Child support collections are up 40%. Paternity identification is up 40%, too. We are mending our social fabric, and moving in the right direction.

Now we have an opportunity to finish the job and pass national welfare reform legislation. Real welfare reform should impose time limits, require work, provide child care so people can go to work, strengthen child support enforcement laws, and protect children. I have challenged Congress to send me bipartisan legislation that reflects these principles.

Six months ago, the Republican majority in Congress sent me welfare legislation that had it backwards: it was soft on work and tough on children. It failed to provide child care and health care so that people can move from welfare to work. And it imposed deep and unacceptable cuts in school lunch, child welfare and help for disabled children. They sent me that bill twice, and I vetoed it twice. That was the right thing to do.

Since then, I am pleased to report, there has been considerable bipartisan progress toward real welfare reform. Many of the worst proposals I objected to have been taken out, and many of the improvements I asked for have been added in.

The legislation has steadily improved as it has moved through Congress. Earlier this week, by an overwhelming bipartisan majority, the Senate passed a welfare reform bill that does provide health care and child care, and took some important strides to protect children.

We still have more to do to promote work and protect children -- but we've come a long way in this debate, and we must not go back.

**To those who have doubts about any welfare reform, I say: We will never lift children out of poverty and dependency by preserving a failed system that helps keep them there. And to those who want to undo the progress of recent weeks by sending me another extremist bill like the ones I vetoed, I say: Just because you call it welfare reform doesn't mean I'll sign it. Welfare reform will only succeed if it does right by children and puts people to work so they can earn a paycheck, not draw a welfare check. That's the kind of welfare reform I will sign.**

Whenever I think about this issue, I remember a woman from Arkansas who testified ten years ago at a hearing of the nation's governors about how she was working her way off welfare. When we asked her, what's the best thing about people off welfare, she said, "When kids at school ask my son what his momma does for a living, he can give an answer." [Ten years later, she's still working ...]

We have a chance to make history. The welfare system has nagged at our national conscience for far too long. If we put politics aside and work together, we can once again make welfare what it was meant to be: a second chance, not a way of life.

Thank you for listening.

THE WHITE HOUSE

Office of the Press Secretary

Embargoed for Release Until  
10:06 A.M. EDT  
Saturday, July 27, 1996

RADIO ADDRESS OF THE PRESIDENT  
TO THE NATION

The Oval Office

THE PRESIDENT: Good morning. Today I want to talk with you about welfare reform, but first I want to ask you to join with me in celebrating the sixth anniversary of a landmark civil rights law that is breaking down barriers for millions of our fellow Americans, the Americans with Disabilities Act.

I'm joined today by many of the advocates for people with disabilities who made this the law of the land. Because we have enforced this law vigorously and with common sense, people with disabilities now have access to places they never did before, from classrooms to restaurants. Since 1991, 800,000 people with severe disabilities have joined the work force. Because of federal education efforts, tens of thousands of children with disabilities have better educational opportunities. Because of Medicaid, health care for Americans with disabilities can be provided without bankrupting their families, and in a way that promotes their independence. That's a big reason why I oppose repealing Medicaid's guarantee of health care to Americans with disabilities.

All these efforts are good for them, but they're good for all the rest of us, too. So today let us all rededicate ourselves to the fight against disability discrimination.

This morning I want to focus on the great welfare debate now unfolding in Washington and all across our country. This debate is really about our fundamental American values, about expanding opportunity, demanding responsibility, and coming together as a community. For decades our welfare system has undermined the basic values of work and responsibility and family, trapping generation after generation of people in poverty and dependency, exiling millions of our fellow citizens from the world of work that gives structure, meaning, and dignity to our lives. It instills the wrong values, sends the wrong signals, giving children who have children a

check to set up house on their own, letting millions of fathers walk away from their responsibility while taxpayers pick up the tab.

This system does the most harm to the people it was meant to help. Children who are born to a life on welfare are more likely to drop out of school, fall afoul of the law, become teen mothers or teen fathers, and raise their own children on welfare themselves. I just don't believe that a nation as rich in opportunity as ours is willing to leave millions of people trapped in a permanent under class. We can't leave anyone behind. In fact, what I want for poor families on welfare is what I want for middle class families and upper income families as well. I want people to be able to succeed at home and at work. That will make America stronger and their lives richer.

When I ran for President four years ago, I was very clear, we must end welfare as we know it. And during my time as President, I have used all the powers at my disposal to achieve that goal. We have worked with 41 states to launch 69 welfare-to-work

experiments. For fully 75 percent of people on welfare, the rules already have changed. The New York Times called it a quiet revolution in welfare. I have taken executive action to require teen mothers on welfare to stay in school, requiring mothers to identify the fathers of their children so we can hold every man accountable for the support he owes his family, ordering federal employees to pay child support, putting wanted posters of deadbeat parents in post offices and on the Internet. I directed the Attorney General to crack down on people who owe child support who cross state lines.

All these efforts are paying off at the national and local level. Today there are 1.3 million fewer people on welfare than on the day I took office. Child support collections are up 40 percent to \$11 billion. Paternity identification is up 40 percent, too. We're mending our social fabric and moving in the right direction. Now we have an opportunity to finish the job and pass national welfare reform legislation. Real welfare reform should impose time limits and require work and provide child care, too, so that people can go to work without hurting their children. It should strengthen our child support enforcement laws even more and do more to protect children.

I have challenged Congress to send me bipartisan legislation that reflects these principles. For example, if everyone in America who owes child support legally and can pay it did so, 800,000 women and children would leave the welfare roles tomorrow.

Now, six months ago the Republican majority in Congress sent me welfare legislation it had backwards. It was soft on work and tough on children, failing to provide child care and health care so that people can move from welfare to work without hurting their children, imposing deep and unacceptable cuts in school lunch, child welfare, and help for disabled children. That bill came to me twice and I vetoed it twice.

Since then, I'm pleased to report, there has been considerable bipartisan progress toward real welfare reform. Many of the worst proposals I objected to have been taken out. Many of the improvements I asked for have been put in. The legislation has steadily improved as it has moved through Congress.

Earlier this week, by an overwhelming bipartisan majority, the Senate passed a welfare reform bill that does provide health care and child care, and took some important strides to protect our children. But we still have more work to do to promote work and protect children, though we have come a long way in this debate and we mustn't go back.

To those who have doubts about any welfare reform, I say, we will never lift children out of poverty and dependency by preserving a failed system that keeps them there. And to those who would undo the progress of recent weeks by sending me another extremist bill like the ones I vetoed, I would say, we can only transform this broken system if we do right by our children and put people to work so they can earn a paycheck, not draw a welfare check. That's the only kind of welfare reform I can sign.

We have a chance to make history. Our welfare system has nagged at our national conscience for far too long. And if we'll put politics aside and work together, we can once again make welfare what it was meant to be: a second chance, not a way of life.

Thanks for listening.

END

Distribution:

**The President.** It worked. It took a few years, but it worked finally. On my daughter's 8th birthday, her grandmother's present was that she quit smoking.

**Ms. Ellerbee.** Mr. President, do you have any final thoughts for kids on this issue?

**The President.** You young people cannot believe the potential influence you can have. You can ask adults the kind of hard questions you asked me. You can encourage every adult you care about and love to stop smoking. You can make it so that the cool thing to do is not to smoke instead of to smoke.

And you know, none of us are going to live forever, but you have the choice to maximize, to increase the chances of your living a long and full life. This is a choice you can make. The smoking choice is a choice you can make. It's totally within your control.

And I just want to encourage you. I'll do what I can, but I want to encourage you to do everything you can to get everybody you know to remain smoke-free. I think that is—that's the answer. And you can do it. We can change this country if we do it together.

NOTE: The President's remarks were recorded at 12:10 p.m. on December 12 for broadcast at 8 p.m. on January 9. Linda Ellerbee is the host of "Nick News" on Nickelodeon.

### **Statement on the Death of Ambassador M. Larry Lawrence**

*January 9, 1996*

I was deeply saddened to learn of the death today of our Ambassador to Switzerland, M. Larry Lawrence. Larry was a good friend and a valued colleague who brought his abundant energy and fresh vision to every task he undertook. As Ambassador in Switzerland, he was a tireless and effective advocate of U.S. interests, especially the promotion of U.S. exports and commercial ties. Larry's service to his country did not begin with his diplomatic assignment. During World War II, at the age of 18, he volunteered for the merchant marines. He was wounded when his ship was sunk by enemy torpedoes in arctic waters. Many years later, Larry was decorated with the Medal of Valor by the Government of the Russian Federation.

Larry's civilian life showed the same courage and resolve. As an entrepreneur, he restored the Hotel del Coronado, one of the west coast's outstanding architectural landmarks. Larry's quiet philanthropy also touched many lives. He believed passionately in education for women; the scholarships he endowed for minority women at the University of Arizona represent a lasting contribution. Hillary joins me in expressing our deepest sympathy to Larry's wife, Shelia, and to his children. We will miss him.

### **Statement on the Death of Former Representative Mike Synar**

*January 9, 1996*

Hillary and I were deeply saddened to learn this morning of the death of former Oklahoma Congressman Mike Synar. Mike Synar was a brave and unflinching public servant who in tough political times remained true to his principles. He did not always do what was popular, but he always did what he thought was right—for Oklahoma and for America. Throughout his life, and especially during the past 6 months, Mike Synar was a true profile in courage.

Hillary and I will miss him. Our thoughts and prayers go out to his family and friends at this difficult time.

### **Message to the House of Representatives Returning Without Approval the Personal Responsibility and Work Opportunity Act of 1995**

*January 9, 1996*

*To the House of Representatives:*

I am returning herewith without my approval H.R. 4, the "Personal Responsibility and Work Opportunity Act of 1995." In disapproving H.R. 4, I am nevertheless determined to keep working with the Congress to enact real, bipartisan welfare reform. The current welfare system is broken and must be replaced, for the sake of the taxpayers who pay for it and the people who are trapped by it. But H.R. 4 does too little to move people from welfare to work. It is burdened with deep budget cuts and structural changes that fall short of real reform. I urge the Congress

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**Death of Former  
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to work with me in good faith to produce  
a bipartisan welfare reform agreement that  
is tough on work and responsibility, but not  
tough on children and on parents who are  
responsible and who want to work.

The Congress and the Administration are  
engaged in serious negotiations toward a bal-  
anced budget that is consistent with our pri-  
orities—one of which is to "reform welfare,"  
as November's agreement between Republi-  
cans and Democrats made clear. Welfare  
reform must be considered in the context of  
other critical and related issues such as Med-  
icaid and the Earned Income Tax Credit.  
Americans know we have to reform the bro-  
ken welfare system, but they also know that  
welfare reform is about moving people from  
welfare to work, not playing budget politics.

The Administration has and will continue  
to set forth in detail our goals for reform and  
our objections to this legislation. The Admin-  
istration strongly supported the Senate  
Democratic and House Democratic welfare  
reform bills, which ensured that States would  
have the resources and incentives to move  
people from welfare to work and that child-  
ren would be protected. I strongly support  
time limits, work requirements, the toughest  
possible child support enforcement, and re-  
quiring minor mothers to live at home as a  
condition of assistance, and I am pleased that  
these central elements of my approach have  
been addressed in H.R. 4.

We remain ready at any moment to sit  
down in good faith with Republicans and  
Democrats in the Congress to work out an  
acceptable welfare reform plan that is moti-  
vated by the urgency of reform rather than  
by a budget plan that is contrary to America's  
values. There is a bipartisan consensus  
around the country on the fundamental ele-  
ments of real welfare reform, and it would  
be a tragedy for this Congress to squander  
this historic opportunity to achieve it. It is  
essential for the Congress to address short-  
comings in the legislation in the following  
areas:

- **Work and Child Care:** Welfare reform  
is first and foremost about work. H.R.  
4 weakens several important work pro-  
visions that are vital to welfare reform's

... welfare reform legis-  
lation should provide sufficient child  
care to enable recipients to leave wel-  
fare for work; reward States for placing  
people in jobs; restore the guarantee of  
health coverage for poor families; re-  
quire States to maintain their stake in  
moving people from welfare to work;  
and protect States and families in the  
event of economic downturn and popu-  
lation growth. In addition, the Congress  
should abandon efforts included in the  
budget reconciliation bill that would gut  
the Earned Income Tax Credit, a pow-  
erful work incentive that is enabling  
hundreds of thousands of families to  
choose work over welfare.

- **Deep Budget Cuts and Damaging  
Structural Changes:** H.R. 4 was de-  
signed to meet an arbitrary budget tar-  
get rather than to achieve serious re-  
form. The legislation makes damaging  
structural changes and deep budget  
cuts that would fall hardest on children  
and undermine States' ability to move  
people from welfare to work. We  
should work together to balance the  
budget and reform welfare, but the  
Congress should not use the words  
"welfare reform" as a cover to violate  
the Nation's values. Making \$60 billion  
in budget cuts and massive structural  
changes in a variety of programs, in-  
cluding foster care and adoption assist-  
ance, help for disabled children, legal  
immigrants, food stamps, and school  
lunch is not welfare reform. The final  
welfare reform legislation should re-  
duce the magnitude of these budget  
cuts and the sweep of structural  
changes that have little connection to  
the central goal of work-based reform.  
We must demand responsibility from  
young mothers and young fathers, not  
penalize children for their parents' mis-  
takes.

I am deeply committed to working with  
the Congress to reach bipartisan agreement  
on an acceptable welfare reform bill that ad-  
dresses these and other concerns. We owe  
it to the people who sent us here not to let

this opposition slip away by doing the wrong thing or failing to act at all.

William J. Clinton

The White House,  
January 9, 1996.

**Remarks Prior to a Cabinet Meeting  
and an Exchange With Reporters**  
*January 10, 1996*

**The President.** Hello, everybody. Is everyone in here? Well, first, let me say that we're having this Cabinet meeting to discuss the present status of our budget negotiations and where we are. As I have said all along, I am for balancing the budget in 7 years, but I want to protect the fundamental priorities of the American people and the future of the American people. We can balance a budget in 7 years, according to the Congressional Budget Office, without having dangerously low levels of commitment to Medicare and Medicaid, without having big cuts that undermine our commitments in education and the environment, without raising taxes on working families.

Now, that's what the Congress said they wanted. I've got this letter here from Congress, a letter from Congress to the Speaker saying that the budget we submitted in fact balances the budget in 7 years. The differences between these two budgets are now clear. We do not want to fundamentally change the commitment of the Medicare program to the health care of seniors. We do not want to fundamentally change the commitment of the Medicaid program to senior citizens, to poor children, to the disabled. We do not want to adopt a level of investment that makes it certain that we will have to turn our backs on the needs of education or the environment.

That is what this is all about. We can even have a modest tax cut for the American people, and for families especially, and balance the budget in 7 years according to the Congressional Budget Office. That's what this letter says. They agree now, so the only differences left between us are ideological differences.

And I said in the beginning, let me say again: If the objective is to get a 7-year bal-

anced budget that Congress says is balanced, we can do that. If the objective is to get a modest tax cut, we can do that. If the objective is to dismantle the fundamental American commitments through Medicare and Medicaid or to undermine our obligations in education and the environment, I will not do that.

That is basically where it is.

**Budget Negotiations**

**Q.** Mr. President, it seems like that what's being said here today and also with what's being said on Capitol Hill, that despite all of the good will that was apparent here yesterday, this really was a breakdown in the talks. You're very far away, and it sounds like you're not getting any closer together in this break.

**The President.** We're not—we're only very far away if you turn this into—if you insist on a tax cut which requires unacceptable levels of cuts in education and the environment and Medicare and Medicaid or you insist on fundamentally changing those programs in ways that will erode the protections that Medicare and Medicaid now give to seniors and to poor children and to disabled people or you insist on cuts in education that will cut back on scholarships or Head Start or you insist on cuts which will really weaken our ability to protect the environment. If that's the deal, it's reconciling not only the level of cuts—it's not just the money here, I want to emphasize that. It's the policy.

The Republicans—if I might, let me just take Medicare for an example, just for example. The Republicans and I agree that there should be changes in the Medicare program to encourage more seniors to have more options to join managed care programs. And we agree on a number of other provisions that should be changed that will strengthen Medicare and give more options to our senior citizens.

I do not agree with changes that I think will, in effect, break up Medicare and put more and more seniors at the mercy of the present private insurance system so that the older and lower income and sicker you are, the more at risk you are. I don't want to do that.

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/12/95 ACTION/CONCURRENCE/COMMENT DUE BY: ASAP

SUBJECT: PRESIDENTIAL REMARKS; WELFARE REFORM MEETING FOR JULY 13, 1995

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SEGAL	<input type="checkbox"/>	<input type="checkbox"/>
RIVLIN	<input type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GEARAN	<input type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	WEBSTER	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS: PROVIDE COMMENTS TO JONATHAN PRINCE ASAP

RESPONSE:

JOHN D. PODESTA  
Assistant to the President  
and Staff Secretary  
Ext. 2702

PRESIDENT WILLIAM J. CLINTON  
REMARKS AT WELFARE REFORM MEETING  
THE WHITE HOUSE  
JULY 13, 1995

I'm glad to have Senator Daschle, Congressman Gephardt, Governor Carper and their colleagues at the White House this morning. I asked them to come here today to talk about welfare reform.

The American people have made it abundantly clear that they want the broken welfare system fixed. It doesn't work for the people stuck on it, and it doesn't work for the taxpayers who foot the bill.

We should be able to do this. We've come a long way in this welfare debate. Not so long ago, some liberals opposed work requirements. Not so long ago, many conservatives opposed providing childcare to move people from welfare to work. Now, we have bipartisan agreement to do both. We agree that we need strict time limits on welfare, and we need to demand work from everyone who can work. And we agree that we need the toughest possible child support enforcement, and childcare so parents can go to work.

Here's the problem: Some people on the far right are blocking any action on welfare reform that doesn't cut off children whose parents are poor, young, and unmarried. That's wrong. We shouldn't punish babies for their parents' mistakes. I'm not the only one who feels this way. Yesterday, I met with a group of Catholic Bishops who deeply oppose the position of these far-right Senators, and they're helping to lead the fight against it. Number one, they think it's cruel; and number two, they're afraid it will lead to more abortions.

Look -- this shouldn't be so hard anymore. We all know what we have to do. We basically agree on it. So why isn't it getting done? Because a few Senators on the far right have decided it's in their own political interest to block welfare reform. There is no reason on earth why the U.S. Senate should stand for "just say no" politics when the broken welfare system is one of the biggest problems in our country, and we can fix it.

Every week that politics stops real reform, thousands of welfare mothers stay on welfare instead of going to work, simply because they can't get childcare. Every week that we don't make our child support laws as tough as possible, we leave 800,000 people on welfare who could be off it tomorrow if they got the child support they deserve. Every day without welfare reform drains our economic strength, saps our national spirit, and prevents all Americans from being able to truly make the most of our future.

Let's work together and get the job done.

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**PRESIDENT WILLIAM J. CLINTON**  
**REMARKS TO THE NATIONAL GOVERNOR'S**  
**ASS'N**

**[VIA SATELLITE]**

**July 16, 1996**

## REVISED

Thank you, Governor Thompson, for all your work as Chairman of the NGA over the past year. And thank you for your work to reform welfare, not only in the bold plan you have developed in Wisconsin, but also as a leader on behalf of the NGA on Capitol Hill.

And Governor Miller, let me add my congratulations to you as you take on the responsibility of leading the NGA.

I regret that I can't be with all of you for this meeting. This year, I especially was looking forward to being with my friend and fellow Democrat, Pedro Rossello [Ro-say-yo] in Puerto Rico, la isla del encanto [ee-sla-en-con-tow] -- the enchanted island. I hear it has been a wonderful conference.

This is the fourth year I have spoken to the NGA as President. I believe, more than ever before, that our nation is poised to make real, bipartisan progress,-- and that our nation's governors have a critical role to play.

The last time I spoke to you was in Palisades, on the need to renew our schools. And in February, you unanimously passed a resolution that set the stage for a bipartisan breakthrough on welfare reform.

Today I want to talk to you about what we can do to seize this momentum and make welfare reform the law of the land.

Four years from now, we will enter that long-awaited and much discussed 21st Century. As you know so well, tremendous forces of economic and social change are remaking our country. I believe this is a remarkably hopeful time, an age of great possibility, a chance to build a country for our children that is safer and stronger than we can now imagine.

I believe that the way to meet our new challenges is with our most enduring values: by offering opportunity to all . . . demanding responsibility from all . . . and coming together as a community.

We will meet these challenges not by edict from Washington, but by working together at all levels, cutting red tape, working with the private sector, setting national goals but challenging states and localities to find the best way to meet them.

Four years ago, when I sought the Presidency, our nation was stumbling toward this new century with uncertain steps. Unemployment was nearly 8%; there were few new jobs; the deficit was at an all-time dollar high. After 12 years as a Governor, I vowed to do what chief executives in every statehouse in America have to do: put in place a comprehensive strategy for economic growth. We cut the deficit. We expanded trade. And we invested in our people.

Now the results are in. The economy has created over 10 million new jobs. 3.7 million Americans became new homeowners. Today, we learned again that inflation continues to be moderate. And real hourly wages have begun to climb for the first time in a decade.

And we have surpassed our goal of cutting the deficit in half. This morning, we are releasing the Midsession Review of the budget. Four years ago, the deficit was \$290 Billion; today, we are projecting it will be \$117 Billion this year. We have cut the deficit by 60% in four years, bringing it to its lowest dollar level in 15 years.

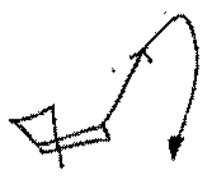
*First to get  
4 yrs of def red since Civil War*

Our deficit is now the smallest share of the economy <sup>than the deficit</sup> of any of our major competitors. We have more to do; I am determined to finish the job and balance the budget.

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But facts are facts: our economy is now the soundest it has been in a generation. And unlike the expansion of the 1980s, this growth is being felt in all regions of the country. America is growing, and that is helping your states to grow.

*We are also making prog in other areas*  
Our nation has made real and bipartisan progress on so many other areas as well.



We put in place an anti-crime strategy that was tough and smart. So we are putting 100,000 police on the streets. We are toughening penalties. We are taking guns off the streets by banning 19 deadly assault weapons and through the Brady Law. Not a single hunter has lost a gun due to these bills. But 60,000 felons, fugitives and stalkers have been denied guns. And we are encouraging communities to pull together to give their young people values and discipline. That is why I have been working to give communities the ability to impose curfews, enforce truancy laws, and require school uniforms.

②

These strategies are being tried in communities across America. All across our country, the crime rate is down for four years in a row. And we are committed to bringing this same focus to bear on the rising tide of youth crime. I ask you to work with my administration to tackle that challenge as well.

All these are areas where our country has moved forward -- not by clinging to old arrangements or discarded philosophies, but by moving together, developing new approaches, taking the best ideas from all sides, putting our values of opportunity and responsibility and community to work.

# from p. 2

And as you well know, none of our challenges cries out for these new approaches more than welfare. All Americans, without regard to party, know that the welfare system is broken. We all know that it teaches the wrong values, rewards the wrong choices, and hurts those it was meant to help. And we all know that no one wants to change the current system more than the people who are trapped in it.

Since the time when I served as co-chair of the NGA's welfare task force, I have been committed to ending welfare as we know it. I worked with many of you for years to fashion new solutions. And today, after long years of effort, I believe we are poised for a real breakthrough in welfare reform.

Real welfare reform requires work ... imposes time limits ... cracks down on deadbeat parents by enforcing child support ... provides child care.

It is a testament to all of you, and to innovators in statehouses all across America, that you have not waited for Washington to act. We have worked with you to change the face of welfare. We have cut through red tape and worked with you to set up 67 welfare reform experiments in 40 states. We have granted more waivers than all previous administrations put together. 75% of all welfare recipients are under new rules. The N.Y. Times called it a "quiet revolution in welfare." And I am proud that there are 1.3 Million fewer people on welfare now than the day I took office.

As you know, the State of Wisconsin has submitted a bold plan to reform welfare. We are working closely with Governor Thompson's staff. I am committed, as I have said before, to getting this done.

But I know every Governor would agree with me that for all the good that has come from these waivers, we can do more, much more, once we pass comprehensive, national welfare reform. If we pass welfare reform, we will eliminate this waiver process altogether.

For too long, the welfare issue has been marred by partisanship and mired in gridlock. But in recent weeks, all this has begun to change. I believe we have now reached a real turning point, a breakthrough for welfare reform.

The new leadership of the Senate, along with the leadership of the House of Representatives, have now indicated that they want to move forward with bipartisan welfare reform, and are dropping their insistence that welfare be linked to Medicaid legislation. They have said that they want to work to pass legislation I can sign, rather than sending me legislation they knew I would reject.

As you know, Congress sent me a welfare reform bill last year that fell short of my principles, and those expressed by the NGA in your February resolution.

After my veto and your unanimous resolution, I am pleased that the congressional leadership has made several significant improvements that have made this a much better bill. They have added \$4 Billion in child care. They have included a \$1 Billion work performance bonus to reward states for moving people from welfare to work. They have removed the spending cap on food stamps, so that states don't come up short in tough times.

Their original bill made cuts and structural changes that were tough on children -- a school lunch block grant, a 25% cut in SSI for disabled children, and cuts in foster care. Their current bill drops all these provisions. Congress has taken long strides in the right direction.

Now, as we approach the goal line, we have a chance to make history and make this bill even better. We can give all our people a chance to move from welfare to work, to transform our broken welfare system once and for all.

So I hope that Congress will continue to improve this bill along the lines you and I have advocated, and along the lines of the strong, bipartisan bills introduced by Senators John Breaux and John Chaffee, and Representatives John Tanner and Mike Castle.

We must not let this opportunity slip from our grasp, as it has so many times before. Let's put politics aside and give the American people the best possible welfare reform bill. And let's do it before the August congressional recess.

I am determined that this will be the year that we finally transform welfare across America. And if Congress does not act, we must continue to act . . . to make responsibility a way of life, not an option.

So today I am taking the steps that I can take as President to advance the central premise of welfare reform: that anyone who can work, must go to work. We will say to welfare recipients: within 2 years, you will be expected to go to work and earn a pay check, not draw a welfare check.

Here's how we will do it. I am directing the Department of Health and Human Services to require everyone who takes part in the JOBS program to sign a personal responsibility contract and commit to going to work within 2 years. And states can take away their benefits if they fail to live up to that commitment.

Today, 28 states impose work requirements and time limits, every one of them under waivers granted by my administration. I want all 50 states to follow that lead, and this action will ensure that they do.

Of course, this will take effect only if Congress fails to enact welfare reform. I want Congress to pass a bill, and so do you. But let's agree: One way or another, we will make work and responsibility the law of the land.

Ten years ago, at an NGA meeting in Hilton Head, I heard testimony from a woman named Lillie Harden. She had moved from welfare to work through the Arkansas "work program." She told us: "The best thing about work is not a check. The best thing is when my boy goes to school, and they say, 'What does your Momma do for a living,' he can give an answer."

Today, Lillie Harden works in a Little Rock grocery store. She has three grown children -- one is a physical therapist; one is an engineering technology student; one goes to college. By her undying effort and her unbreakable spirit, she shows us that we can make a difference, that we can break the cycle of welfare and make it a second chance, not a way of life.

Let me say in conclusion that we can meet all our challenges if we act the way the NGA acts. Bipartisan. Cooperative. Looking to results, not abstract rhetoric. If we put our values to work, we can reform welfare, and meet our nation's other challenges as well. And if we do that, we will enter the 21st Century stronger and more vibrant than ever before. Thank you.

Draft 10/27/96 lam

**PRESIDENT WILLIAM J. CLINTON  
REMARKS ON WELFARE REFORM  
VANDERBILT UNIVERSITY MEDICAL CENTER  
NASHVILLE, TENNESSEE  
October 27, 1996**

**Acknowledgments:** Vice-President Gore; Governor McWherter; Noah Liff.

Ten days from now, the American people will go to the polls and choose the next President. Ten days from now, the voters will have to decide: who can best lead our country into the 21st Century?

Tonight, and over the next week, I want the American people to think about how we can give our people the tools to master this moment of change, so they can make the most of their own lives. I am going to talk about the four greatest challenges we face as we build a bridge to the 21st century: First, how we finish the job of balancing the budget while we preserve our values. Second, setting world-class standards for public education, and making two years of college as universal as high school. Third, strengthening families by helping all Americans succeed at home and at work. And tonight, I want to talk about how we must carry on our historic efforts to reform welfare and end the permanent underclass.

Four years ago, when Al Gore and I came to Nashville, I said I wanted an America in which every person who is willing to work for it has a shot at the American Dream. An America that is still the world's strongest force for peace and freedom. An America that is coming together around its values.

Our strategy is simple, rooted in our oldest values: expanding opportunity for all; demanding responsibility from all; building a stronger community. America's basic bargain.

Then, I asked you to take me on faith. Today, I ask you to look at the record.

As the Vice-President spelled out, America is moving in the right direction. We have 10.5M new jobs -- 270,00 in Tenn.; unemployment here dropped by nearly a third, to 4.1%; we have the lowest comb rates of unemployment, inflation and mortgages in 28 years; household income is up \$1600; there are 4.5 million new homeowners -- the longest, steadies expansion of homeownership in 3 decades.

Here at the medical center, in science labs and biotech firms and universities across the country, in millions of homes in the everyday miracle of the Internet, we are seeing leaps of science technology that are no less dazzling for being so widespread.

Our progress must be only a beginning. If we are to make this new century truly an age of possibility for all our people, we must keep going.

We have cut the deficit by 60%. Now, we must finish the job of balancing the budget -- and do it in a way that reflects our values, by preserving Medicare, Medicaid, education and the environment.

We cut taxes for 15 million working families, [x] of them here in Tennessee. Now, we should give working families targeted tax cuts that help them when they need it most -- for education, child rearing, medical care, to buy a home.

We have improved educational standards, expanded college scholarships and student loans. Now, we must reform education at every level, so that every 8 year old can read, every 12 year old can log onto the Internet, every 18 year old can go to college.

We are putting 100,000 police on our streets, and getting gangs and guns and drugs off our streets. Crime is down, for four years in a row. Now, we should finish the job of putting those police on the streets -- and crack down on teen gangs with the same focus and the same law we are using to break the mob.

We have helped strengthen families, by giving parents family leave. Now, we should expand family leave and give employees the choice of flextime so that all our people can succeed at home and at work.

And we need to finish the job of welfare reform.

For decades, our welfare system failed our people. It undermined the basic values of work and responsibility and family, trapping generation after generation in poverty and dependency. Millions of our people were exiled from the world of work that gives structure, meaning and dignity to our lives. The welfare system instilled the wrong values, sent the wrong signals, gave children who have children a check to set up house on their own. It broke families apart instead of bringing them together. It left entire generations to grow up in homes without fathers and in communities without work.

The system did the most harm to the very people it was meant to help. Children who are born to a life on welfare are more likely to drop out of school, fall afoul of the law, become teen mothers or teen fathers, and raise their own children on welfare themselves.

That is why, four years ago, Al Gore and I pledged to end welfare as we know it. And with your help, that is what we have done. The old welfare system, that wasted taxpayers money while trapping millions in a lifetime of dependency -- that welfare system is over, and we have ended it.

I have been working on this issue for more than 15 years, as governor and now as President. Al Gore and I have made welfare reform a central mission of our administration. Even before I signed the welfare reform bill, we gave 43 states, including the "Families First" initiative the Vice-President described, freedom from federal rules and red tape so they could reform their own welfare systems.

We required teen mothers to live at home or stay in school, or lose their welfare benefits.

And we recognized that governments don't raise children; parents do. One of the main reasons people go on welfare is because fathers walk away from their responsibilities. If every parent paid the child support they owed, 800,000 people could move off the welfare rolls tomorrow. So we have launched an unprecedented crackdown on child support. I signed an executive order directing federal employees to pay child support.

We required hospitals to have programs to identify the father at the time of birth, and insisted that welfare recipients name the father or lose their benefits. We posted deadbeat parents in Post Offices and on the Internet, and we're going to deny them federal loans. We used the IRS to collect a record \$1 billion in child support. We worked with states on a new computer system to identify those who switched jobs or moved from their state to avoid paying child support. In the first few months, we identified 60,000 deadbeats.

All of these efforts, all across America, are bearing fruit. The welfare rolls are down by nearly 2 million over the last 4 years. Tennessee is leading the way, with 75,000 fewer recipients, a 25% drop.

Just this week the government released new statistics showing that across America, child support collections have increased 50% in the past 4 years -- up in every single state. That's \$4 billion more going to children and parents who otherwise would have to fend for themselves. Tennessee is one of the top 5 states in the country over the last four years, and child support collections have doubled.

And while too many young people are still having babies outside marriage, even here, we are making progress. Teen births have gone down four years in a row, and last year, the out-of-wedlock birth rate declined for the first time in nearly 20 years.

We are mending our social fabric. Now, the landmark welfare reform law that I signed gives us an historic chance to restore these basic values of work, responsibility, and family, and to end the exile of millions of poor people from the promise of American life.

The new law imposes strict time limits on welfare. It requires those who can work to go to work. It mounts the strictest crackdown ever on child-support collection. And it provides health care, child care, and nutrition for children, to give families the help they need as they move from welfare to work. It makes welfare what it was meant to be: a second chance, not a way of

life.

**From now on, people who can work will have to go to work, and no one who can work can stay on welfare forever. Let me be clear: The days of something-for-nothing are over. We have made responsibility a way of life. And we're not going back.**

This new law is true to America's basic bargain. We are demanding responsibility. We have literally changed the social contract -- as those 12,000 Tennessee families who have already signed personal responsibility contracts can tell you. Now, all of us must keep up our end of the bargain: As we require people to take responsibility and go to work, we must make sure they have the opportunity to work.

Every state, every citizen, every business, every religious leader has a moral obligation to help move people from welfare to work.

States must take responsibility. Under the new law, every state can now take the money that was spent on welfare checks and use it to help businesses provide paychecks. That's a good deal for businesses, who can create more jobs for less money. It's a good deal for the taxpayers, who save every time someone leaves welfare for work. And it's a good deal for the people who get to trade the trap of welfare for the pride and dignity of earning a living.

The national government has a responsibility, too. By raising the minimum wage and expanding the Earned Income Tax Credit, we have finally made work a better deal than welfare. By establishing the conditions for economic growth, building a network of community development banks, and creating Empowerment Zones in [x] communities, we are making sure that private capital floods into those poor communities that need it.

Now, I have proposed a plan to enlist the energy and creativity of private enterprise to move 1 million more people from welfare to work. We should give businesses a new tax credit for every person hired off welfare. We'll give the same private job placement firms that Americans use to get better jobs a bonus for helping people on welfare find their first job. And we'll help states and communities give businesses incentives to hire welfare recipients.

But in the end, the key to welfare reform will work only if private business takes responsibility, as well, to bring more Americans into the economic mainstream. Everywhere I go, I challenge every business person in America who has ever complained about the failure of the welfare system to join in this effort and hire somebody off welfare.

And I have been deeply gratified by the enthusiasm business people all across this country have shown for stepping up to this challenge. a month ago, in Kansas City, the CEO of Monsanto asked all his division heads to study every aspect of the company to see what they could do to help people on welfare find jobs at Monsanto, and to lean on their suppliers and other business contacts to do the same. The CEO of Sprint pledged to provide an 800-number that any

employer in America can call to find out how they can help move people off welfare. a few weeks ago, in Connecticut, hundreds of business leaders pledged to help their companies meet this challenge. And last week in Louisiana, the CEO of Northrop-Grumman did the same.

But I am particularly impressed by the Tennessee Business Partnership you have lined up here. From the east to the west, big business and small, from Fortune 500 companies to Opryland to companies like the recycling business Noah Liff described, from it represents the breadth and depth of the business community in this state. If we can get the business community in every state to stand up like the Tennessee Business Partnership is today, we can unleash the power, the dignity, and the ethic of work across this country.

From now on, everybody's going to take responsibility, from the women here today who are working their way off welfare and up the ladder, to our most powerful business leaders who are putting the force of their companies to work solving this great American challenge.

**For decades, government handed out checks in a welfare system that didn't work and that hurt the people it was supposed to help. Now, thanks to welfare reform, the time of something for nothing is over. Government will no longer try to do what it cannot do. But the private sector -- all of us, in our churches, our businesses, our universities -- not only can step in -- we must step in. We need an upsurge of personal responsibility, at every level, to master the economic and social problems of the underclass, once and for all.**

For too long, many Americans assumed that our social fabric could never be mended. Crime, welfare, teen pregnancy, the budget deficit -- all seemed destined to forever. In the past four years, we have shown that by persistent effort, we can begin to restore our communities and renew our values. We have not completed the job. But we have shown we can turn the tide, we are making progress, and we must continue.

Ten years ago, I met a woman from Little Rock named Lillie Harden, who we had helped move from welfare to work. She told me the best thing about being off welfare was that when her son went to school and they asked him, "what does your momma do for a living?", he could give an answer. Well, ten years later, Lillie Harden is still working. She has four children -- one has a good job, one's studying to be a doctor, one's in technical school, and the other's an honor student in high school. If we all do our part, we can make a lot more Lillie Hardens.

If we do that, we can bring people back from the margins to enjoy the full promise of America, and give all our children the chance to know the thrill of that first paycheck, the challenge of starting a business, the pride of making it on their own. Over the next four years and beyond, we can lift up the poor; we can end their isolation; we can end the permanent underclass. We can build a bridge to the 21st century that is broad enough and strong enough for all Americans to walk across. Will you help me build that bridge?



*child care, and health care needed to move welfare recipients into the work force. He added that new welfare legislation has destroyed the poor's safety net, and he thought it was irresponsible for the Government to abandon its obligation to provide opportunity to all its citizens.)*

**The President.** Let me say, with all respect, I don't think it's that simple. I don't think it's accurate to say that this bill destroys the safety net for poor people. It maintains a Federal guarantee for poor women and children for nutrition, a Federal guarantee for health care, spends \$4 billion more on child care, and says, simply, that if you are able bodied, you cannot stay on welfare forever without going into the work force. And the way the work participation requirements were put on States, by the year 2000 about 40 percent of all the able-bodied people in the welfare—able-bodied adults have to be in—have had some work experience within a given 2-year period. That's what it says.

Now, I hardly—and when you consider the fact that the welfare population, Earl, is different than it used to be and that there are some people who are on it perpetually, I think it is a good thing, not a bad thing, that we did that.

Number two, I do not think it is so simple to say that at any given moment in time there are a fixed number of people who have to be hired by all the employers in America, and if they hire a few more, they're all going down the tubes and lose money. This bill that I have proposed will give a 50 percent tax credit, up to \$5,000 a year, for people who hire people. That means you can hire somebody for \$10,000 a year and, in effect, the out-of-pocket cost to you is less than the minimum wage.

I met a man with only 25 employees in Kansas City, and 5 of his employees were former welfare recipients. And they were happy at work, and he was happy with them. And he only hired them because he figured that the marginal cost of hiring them, since he got the welfare check as a wage subsidy for a couple of years, lowered his risk of adding to the work force. And sure enough, when he added to the work force, he generated some more work and it turned out to be a profitable decision for him.

I talked to a former Governor last week who's back in private business, who's got a small business, who told me once I explained the proposal to him that he would now go hire three or four people from the welfare rolls because it lowered the marginal cost of adding employees to him. And there is no reason to believe, if we all work on this, that we can't create another million jobs over 4 years without bankrupting businesses and that it wouldn't be better for people who otherwise are going to be permanently dependent on welfare.

And it is not true that we have withdrawn all supports. We are spending more on child care. I want to also spend \$3 billion on public service related jobs to create over a third of a million there. And the health care and the nutrition guarantees are still there. So I think it will be a good thing if we make this work, but there is no automatic system for doing it, and that's why we need your help.

*[Ruth Penn, a fifth grade teacher who grew up in the welfare system and later attended college, suggested a program that empowered welfare recipients and pledged to give back to a system that had helped her in the past. Ted Lewis, director, Executive Recruiting for the Americas, reiterated the need for job training and education programs to help welfare recipients become successful in the work force. Public assistance recipient Nilda Roman explained that under the new legislation, she would be forced to leave college to meet work requirements. She added that many people were forced into jobs without sufficient training.]*

**The President.** Let me say this, first of all, I agree with what you said about people being in college—I don't think—people who are going to college who are full-time students. We are looking at whether—if there's some way to get—to deal with that because I don't think people should be pulled out of college. I agree with that.

Secondly, for one thing, you just—from the point of view of the State of New York, this is a—we need to—we're trying to work this out because the States basically have control of this. The State of New York would be much better with you as a college grad-

nate, which is the point you tried to make. So I believe that.

Now, the other problem is these training programs essentially are all run by the States and the cities. But I will do some—you've given me some things that we need to obviously do some work on. We need to make sure that there is an adequate training and preparation. That's one of the things I know that you've talked about what you can do here because an awful lot of people who move from welfare who are just thrown into these jobs don't last because they were never prepared for them in the first place, and they're traumatized as a result of it. And oftentimes, just basic preparation of a few months can make a—a few weeks even—can make all the difference in the world. So we'll go back and do—we will pay some more attention to that.

But on the college education thing, I think you're right, and I think we ought to find some way to accommodate that, and we're working on that.

*[A participant explained that in order to move New York City welfare recipients into the labor market, local companies must remain in the city and officials must work to generate new jobs. He concluded by stressing the significance of the Intermodal Surface Transportation Efficiency Act (ISTEA), which helps provide affordable public transportation for the working poor.]*

**The President.** If I could just make one point on that. Next to education and child care, the thing we hear most all around the country from people who seek to move from welfare to work or very often even to go to college is whether they have adequate transportation. And this ISTEA Act that Lou just mentioned, which is—it took me a long time to remember what all those little letters were for. But the bottom line is, I asked the new Secretary of Transportation, Rodney Slater, to look at that to see that we were allocating enough money in here not only for mass transit but also for the appropriate subsidies to make sure that poor people could have access to this. Otherwise they won't be able to get to work.

And this is an interesting opportunity for New York to make an alliance with smaller

cities. For example, there was just a study on Atlanta, which said that in something like 80 percent of the entry-level jobs in the city of Atlanta were filled by people who lived in low-income neighborhoods in Atlanta. In the suburban towns outside, just that touch Atlanta, only 55 percent were. And it was clearly the result of the inadequate ability of low-income people to access transportation to get there.

So this is a huge issue, Lou. It's a huge issue for welfare reform and basically for the integrity of poor families to be able to sort of aspire and move and do things.

Senator, were you going to say something about this?

**Senator Daniel Patrick Moynihan.** Yes. We very much appreciate your endorsing the existing formula, Mr. President. *[Laughter]*

**The President.** Is that what I did?

**Senator Moynihan.** Wyoming, Montana—

**The President.** I thought we could do a little better on mass transit.

**Senator Moynihan.** The newspapers out there, did you hear that? *[Laughter]*

**The President.** Never misses a lick. *[Laughter]*

*[Paul Sherry, president and CEO, United Church of Christ, supported a partnership between government, business, and churches that would be united in educating people about the seriousness of poverty in America, in promoting social services such as child care and job training, and in instituting public policy initiatives that would lead to a national commitment to families and children.]*

**The President.** Let me say, as I'm sure you know, all the Members of Congress who are present here supported the efforts we made last year to raise the minimum wage. And that, plus doubling the earned-income tax credit, the refundable earned-income tax credit for lower income working people, led in 1995, before the minimum wage even went into—we had the biggest drop in poverty, in the poverty rate among single women with children in 20 years. And so I couldn't agree with you more.

We have still 20 percent of our kids living in poverty. And it's not very complicated. I mean, it's the reverse of why we have low-

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ored the poverty rate among our seniors to 11 percent, and it's the lowest it's ever been in history because we met a national, common commitment to investing in retirement and health care for seniors. And one of the things that I earnestly hope we can do is—in the next 2 years is to do something really significant to deal with the fact there's still 10 million children in our country without health care. And they're not primarily people who are presently on public assistance because they're eligible for Medicaid.

But education, health care, and safety are the three big priorities that we have for our children. And I think they're all very important, and we're nowhere near where we ought to be there.

[A participant commended the President for his commitment to education and stated that education is an important step in reducing the number of social problems in the country. Ed Lewis, chairman, *Essence Communications and Essence magazine*, explained that in order to compete in the global marketplace, corporations must be committed to job training and education, but expressed concern that corporate downsizing will affect training and education programs. He called for businesses to contribute to welfare reform but added that the Government must play a major role in helping to train and educate former welfare recipients.]

**The President.** Let me just say very briefly, I think you're right on both counts. We have five American corporations, including UPS and Sprint, Monsanto, Burger King, and somebody I've left out—United Airlines—who have agreed to head a national effort to get major corporations to hire and train people in good jobs.

The second point you made, though, is absolutely right, we have to have—this will not work unless we also have a floor plan for publicly financed jobs for people in training programs in the beginning and also just continuing support for higher education. I'll give you an example. We've been working very hard for months now to try to get a new agreement among the world's nations on telecommunications services, giving American companies the right to compete in other countries for

telecommunications services. We finally got an agreement that was far better than I ever dreamed we could get. It is estimated it will bring a million new jobs to America—this one agreement—a million new jobs over the next 10 years, but not one of those new jobs will be a low-skilled job. Every one of those jobs will require a level of skills and education that the folks that want to go to work but don't have those skills desperately need.

[Ruth Messinger, Manhattan Borough president, explained that under the new legislation, college students who receive public assistance will have to leave school to meet city work requirements. She advocated a program that would allow welfare recipients to work part time at their colleges to help them meet work requirements.]

**The President.** One of the best things we did in the last session of Congress, in the last days, was to add 200,000 more work-study slots. There was another 100,000 in my new budget. If they pass we will go to a million people on work-study in this country in the next 2 years.

If we can do that, surely—if you think about the numbers you're talking about—you're talking about maybe 100,000 nationwide of the million people that must be in the work force—surely we can get some consideration for permitting a certain number of hours worked on the campus in connection with the legislation. I want to say that I think the one thing that I know that is not working the way this thing is being applied now is rules that, in effect, force people out of college. You know, we're cutting off our nose to spite our face. These are not people who do not want to work. So I will work on that for you.

[A participant presented the President with a gift.]

**The President.** Thank you.

**NOTE:** The President spoke at 11:07 a.m. at Riverside Church. In his remarks, he referred to Rev. James Washington, chair, Riverside Church Council.

and opens new opportunities for growth, prosperity, and progress. I also want to thank FCC Chairman Reed Hundt and Deputy U.S. Trade Representative Jeff Lang who helped bring these negotiations to their successful conclusion.

**Executive Order 13036—  
Establishing an Emergency Board To  
Investigate a Dispute Between  
American Airlines and Its Employees  
Represented by the Allied Pilots  
Association**

February 15, 1997

**Whereas**, a dispute exists between American Airlines and its employees represented by the Allied Pilots Association; and

**Whereas**, the dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188) (the “Act”); and

**Whereas**, in the judgment of the National Mediation Board, this dispute threatens substantially to interrupt interstate commerce to a degree that would deprive sections of the country of essential transportation service,

**Now, Therefore**, by the authority vested in me as President by the Constitution and the laws of the United States, including sections 10 and 201 of the Act, 45 U.S.C. 160 and 181, it is hereby ordered as follows:

**Section 1. Establishment of Emergency Board (“Board”).** There is established, effective February 15, 1997, a Board of three members to be appointed by the President to investigate this dispute. No member shall be pecuniarily or otherwise interested in any organization of airline employees or any air carrier. The Board shall perform its functions subject to the availability of funds.

**Sec. 2. Report.** The Board shall report to the President with respect to the dispute within 30 days of its creation.

**Sec. 3. Maintaining Conditions.** As provided by section 10 of the Act, from the date of the creation of the Board and for 30 days after the Board has submitted its report to the President, no change in the conditions out of which the dispute arose shall be made by the parties to the controversy, except by agreement of the parties.

**Sec. 4. Records Maintenance.** The records and files of the Board are records of the Office of the President and upon the Board’s termination shall be maintained in the physical custody of the National Mediation Board.

**Sec. 5. Expiration.** The Board shall terminate upon the submission of the report provided for in sections 2 and 3 of this order.

William J. Clinton

The White House,  
February 15, 1997.

[Filed with the Office of the Federal Register, 10:52 a.m., February 18, 1997]

NOTE: This Executive order was published in the *Federal Register* on February 19.

**Remarks in a Roundtable Discussion  
on Welfare Reform in New York City  
February 18, 1997**

**The President.** I now know that I came here because after a long holiday weekend, I needed a little good preaching to wake up for the rest of the week. [Laughter]

Let me thank you, Dr. Forbes, for welcoming me here, and, Dr. Washington, for giving me the chance just before we began to walk through the beautiful sanctuary upstairs, which I have heard about and known about for many years. The legendary story of Harry Emerson Fosdick and John D. Rockefeller even made its way to me many years ago.

I want to thank Senator Moynihan and Congressman Rangel for being here, as well as Congresswoman Nydia Velázquez and Congresswoman Carol Maloney, thank you for being here. The members of the panel, thank you all. I want to especially say a word of thanks to Secretary of Health and Human Services Donna Shalala who literally just got off an airplane this morning from South Africa, where she went with the Vice President, and got off one airplane and got on mine and came here. So if she nods out during the ceremony—[laughter]—we will forgive her.

Let me get right to business. I came here because I wanted to know a little about what this church is doing and because I wanted

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to say to the people of New York City and New York what is required of us to do together under this welfare reform law.

By way of background, in the last 4 years and before the law was passed, before the law was changed, the welfare rolls in America were reduced by almost 2.3 million. I received just yesterday an analysis by the Council of Economic Advisers—and that's a record, by the way—the welfare rolls had never gone down by that much in a 4-year period before—the Council of Economic Advisers saying to me that they thought about half of the welfare rolls reduction had come because the economy had improved. We, after all, had 11.5 million new jobs in the last 4 years, and no 4-year period had produced that many before. But about 30 percent of these jobs had materialized, or this movement had materialized, because of the welfare reform efforts already going on in 43 States, people in the States making an extra effort to move people from welfare to work. And about 20 percent happened for reasons that cannot be identified. But among other things, we had a 50 percent increase in child support collections over the last 4 years, and anything of that magnitude always enables some people to move out of the welfare rolls and out of the ranks of poverty.

Now, that's what happened in the last 4 years. In the next 4 years—I won't go through all the details of it, but Secretary Shalala and my staff have provided me with an analysis which says that, in essence, the welfare roll law now says that after a certain amount of time, everybody who's able to work should be in the work force, and therefore welfare can't be for a lifetime. And then there are all kinds of rules and regulations and requirements. But the bottom line is we have to move about a million people from the welfare rolls to the work rolls in the next 4 years. That's about the same number of people we moved in the last 4 years, because the average welfare family actually has about 2.5, 2.7 people in it.

Now, the problem is, in the last 4 years we had 11.5 million jobs. If we can produce 11.5 million jobs in the next 4 years, we'll be doing fine. But we have to do it without knowing that for sure. And how are we going to do this? That's what I want to talk about

today. And more importantly, how can we not just move people for 1 month or 2, or 3 or 4 or 5 or 6 months into a job but how can we help people who have been trapped in a culture of dependence and poverty to move to a culture of independence, family, and work?

I think it is fair to assume that whenever you reduce the welfare rolls, the people who are most employable move off first. Therefore, the people who are left may be more difficult to employ than the ones who have already moved.

I want to talk about just three or four things that we intend to continue to do. Number one, we believe that child support collections will continue to increase because we've made significant changes in the law to help us do that.

Number two, we have asked the Congress to pass a bill which would give employers who hire people from welfare to work or who hire single men off food stamps, who have no income and get food stamps, into the work force would get a 50 percent tax credit for a salary of up to \$10,000. So a maximum tax credit—actual reduction of the tax bill of \$5,000, which is quite a significant incentive.

Thirdly, we recommend funds to States and to cities sufficient to create about 380,000 jobs in the public sector over the next 4 years.

Fourthly, I would remind you that the existing law provides for now more funds for child care than before, \$4 billion, and continuing support for health care for people who have public assistance and who move into the work force.

Now, in addition to that, if you look at this pattern, I also want to point out that the State has some flexibility right now. The State of New York, for example, right now, can offer all or part of a monthly welfare check to an employer as a wage and training subsidy if the employer will hire someone off welfare. For a single man on food stamps but with no welfare check, the State of New York can cash out the food stamps and give it to the employer as a wage and training subsidy under the new law.

Some States—Secretary Shalala and I will work together to give some States the flexibility under the old law, and the results, the

preliminary results are quite encouraging. The State of Florida has just announced a program to try this.

How are we going to get all these people jobs? Let me give you some numbers. This country has 826,000 private sector business employers with 20 or more employees. A lot of them have a lot more than 20 employees. We have 1.1 million nonprofit organizations; many of them are large enough to hire someone else. We have 135,000 religious—churches, synagogues, mosques, and others with 200 or more members. Obviously, if half that many—50 percent of them hired one person, we could get there. And a lot of the big companies can hire more than one.

The point I want to make is that this is a manageable problem—if you look at the tax credits, if you look at the cash incentives that the States can offer, it's a manageable problem. But it will not work unless out of this we create what Dr. Forbes talked about at the beginning, in this partnership of hope here.

We have got to create a community-based system, supporting work and family, to make welfare a transitional program that is a program of support and movement to independence. The way the law is written, we have several years to phase in what has to be done, but we've worked out the numbers. We think we have to move another million people from the welfare rolls into the job market, which would reduce the overall rolls by about almost 3 million if we did that, with the children. So that's the background. Those are the incentives we can bring to the table. But we have to have your help to set up this network.

Let me just say one other thing that has particular impact in New York and five or six other States. I think it is imperative that in this budget we are about to pass, that Congress include the provisions that I have recommended to restore benefits to legal immigrants who have been damaged and have health and other problems through no fault of their own. And I assure you I intend to fight hard for that, and I know that your delegation will, but we need your support. The Congress needs to understand that there are an awful lot of people who came here legally who are not on welfare, who are out working,

who are paying taxes, and who wound up getting hurt and needing disability or health benefits through no fault of their own. And I think it's a mistake to cut them off. And so we're working on that, and I'd ask for your help on that.

I'd like to turn the program back over to Dr. Forbes, but let me just say again, we've moved about a million people into the work force in the last 4 years and reduced the welfare rolls by 2.3 million. To meet the requirements of the law, it is a calculation of the Department of Health and Human Services, we have to meet another million in the next 4 years. We may or may not create 11.5 million new jobs in the next 4 years. If we did it twice in a row, it would be something for sure. Whether or not we do, we're going to have to do that. We can only do it if churches, nonprofits, and private employers make maximum use of tax credits, if the cities and States get the funds that I recommended to hire people in the public sector, and if the States provide the kind of flexibility to private employers everywhere in America that some have done in some places.

You should know that Indiana and Wisconsin reduced their welfare rolls by 40 percent in the last 4 years—40 percent—by aggressive efforts and without particularly ungenerous programs either, just aggressive efforts. This can be done, and I need your help to do it. And I do think it's part of all of our mission in life, Doctor, to do this, anyway.

Thank you.

*[At this point, Rev. Dr. James Forbes, senior minister, Riverside Church, introduced Rev. Dr. Brenda Stiers, executive minister of the church, who said that the church has tried to respond to the needs of the poor in the past and will continue to do so through the Partnership of Hope, a program designed by the church to bring together business, government, and community providers to move welfare recipients permanently into the labor market. Earl C. Graves, CEO, Black Entertainment magazine, then explained that African-American churches and businesses have already done their fair share of helping the urban poor, and it is unrealistic for the Federal Government to expect them to provide the necessary job training, education,*