



DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield

Assistant Secretary for Public Affairs

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Date: 8/1 Total number of pages sent: 2

Comments:

Wall St. Jnl., 8-1-96

Clinton Says He Will Sign Welfare Bill

By DANA MILBANK

A3

Small Reporter of The Wall Street Journal
WASHINGTON - President Clinton said he will sign the momentous welfare-revision measure, ending the entitlement to cash assistance that has been the core of the nation's antipoverty programs for six decades.

The measure, which passed the House yesterday by a bipartisan majority of 324-170, turns welfare programs over to the states and imposes a five-year benefit time limit, a requirement that beneficiaries find work within two years, and provisions discouraging out-of-wedlock births. It would make deep cuts in food stamps and aid to immigrants, saving in all \$56 billion over six years. The Senate is expected to approve the measure today.

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

be -- a second chance, not a way of life," Mr. Clinton said, announcing his support yesterday after two years of haggling between the White House and the Republican Congress. "We have a duty to seize the opportunity it gives us to end welfare as we know it."

By endorsing the welfare overhaul, the president, after agonizing and wavering, sided with moderate Democrats over the liberals in the party who were pushing for a veto. His critics on the left, who fear the reform will drag millions of Americans into poverty, accused Mr. Clinton of choosing politics over principle.

"I never thought I would see it come to this under a Democratic president," said Roxie Nicholson, a Labor Department welfare-policy analyst who favored a veto. "This is an unconscionable act of cruelty to poor Americans," Mr. Nicholson said. Some House Democrats delivered impassioned denunciations. Rep. Charles Rangel, a New York Democrat, called the measure a "moral catastrophe" and a "radical and mean-spirited attack against the poor."

In backing the popular measure, though, Mr. Clinton fulfilled a campaign promise and produced the most significant piece of social policy to emerge from his administration and this Congress. He acknowledged that there had been "significant disagreement" within his administration. Several cabinet members had favored a veto, but the president's political advisers prevailed. The advisers feared not just vulnerability to an assault from Republican presidential challenger Robert Dole, but the prospect of an embarrassing override if Mr. Clinton were to veto the measure.

Mr. Dole, who had been hammering Mr. Clinton before for refusing to sign welfare-reform bills, immediately attempted to see that the credit for the new package goes to him rather than the president. "Now, as the election nears, the president has finally chosen to endorse our welfare-reform bill -- a bill so similar to legislation that he has already twice vetoed," Mr. Dole said in a statement. "While I cannot applaud the rationale behind the president's swiftly changing positions, I commend him for finally climbing on board the Dole welfare-reform proposal."

Welfare Cuts	
Reductions in projected spending over six years	
FOOD STAMPS	-\$24 billion
IMMIGRANTS	-\$23 billion
SUPPLEMENTAL SECURITY INCOME	-\$8 billion
CHILD NUTRITION	-\$3 billion

Note: Additions in other programs reduce the total to about \$46 billion.
 Source: Center on Budget and Policy Priorities

During negotiations between the House and Senate on competing versions of the bill, the White House had won various protections and loopholes that softened the reform's impact. For example, negotiators agreed that the legislation's work requirements wouldn't supersede the states' existing programs under waivers of federal regulations already granted.

Mr. Clinton's endorsement broadened the support in the House, which had passed its version of the legislation on July 18 by 236-170. Yesterday, 98 Democrats joined 236 Republicans in support. The Senate today is likely to produce a vote even more lopsided than its 74-21 support of its version of the measure July 23. "This was a tough decision for the president, but he has made the correct decision," said Sen. John Breaux, a Louisiana Democrat who backs the measure.

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FAX TO BRUCE
 REED & RAHM
 EMANUEL -

BRUCE -

REMEMBER
 HOW I ALWAYS

THOUGHT
 ROXIE

SOURCED

NYT IN

194 ?!

MELISSA

(AND NOW
 THAT SHE'S
 "OUTED," WHAT
 CAN WE DO
 ABOUT IT?)

URGENT

7/16

NOTE TO RICH, BRUCE, RAHM --

As discussed, I'd like to get these Q and As to McCurry's office no later than noon. Please call me, Amy or Sarah with any edits ASAP. Thank you.

Melissa

Draft Q and As
welfare 7/16/96

Q: White House aides are quoted in this morning's Washington Post saying that work on the Wisconsin welfare waiver is on hold while Congress considers national legislation. Is this right? Is the President reneging on his promise to grant the Wisconsin waiver?

A: The story is not correct. HHS officials have already had some good discussions with the state of Wisconsin, and they plan to continue their work on the waiver. For example, they are reviewing the comments from approximately 4,000 people which were received during the public comment period, which ended on Thursday, July 11. We intend to get the waiver done.

What Mike McCurry said yesterday was that many of the HHS officials who are working on the Wisconsin waiver are also working on national legislation. That bill, if approved by Congress and the President quickly, could give Wisconsin the authority to carry out its reforms without the need for a waiver. In fact, the state of Wisconsin has said that it doesn't intend to implement W-2 until 1997, and doesn't plan on getting federal approval until August 1. Nonetheless, HHS is working hard on both fronts.

Q: The President told MSNBC last night that he is willing to give away the national guarantee of welfare assistance. What are his bottom lines for national legislation?

A: The President said last night, as he has since taking office, that his bottom line is a reform bill that demands work and protects children. He believes we can and should keep the bipartisan progress going. And he believes that Congress can make the kinds of changes the NGA and the Administration have recommended, and produce an acceptable, bipartisan bill.

Q: Legal immigrants' rights groups have charged that the Administration is not being strong enough in its opposition to Republican bills to restrict benefits to legal immigrants. What is the Administration's position?

A: As the President said last night, we believe Republican bills go too far in this area, and we hope to work with Congress to amend those provisions. As Congress works out the bill, we'll be talking to them in more detail about the improvements we'd like to see, and we hope to get the best possible bill.

Q: CBO and HHS have both warned that the pending welfare reform bills would push millions of children into poverty. Could the President really sign such a bill?

A: As the President said last night, it depends what is in the final bill. And it's always been our belief that children will be better off, not worse off, if their parents leave welfare for work.

MSNBC Interview With President Clinton, 7/15/96

EXCERPT:

MR. BROKAW: Let's talk for a moment about welfare. The Republicans have a bill that they think you will sign on the Hill. It eliminates the federal guarantee of cash assistance for poor children in this country, a guarantee that we've had in place since the early 1930s. Are you prepared to have that happen?

PRESIDENT CLINTON: It depends on what else is in the bill.

MR. BROKAW: But you would --

PRESIDENT CLINTON: That is, if --

MR. BROKAW: You can foresee the possibility that will take away the ultimate safety net of no federal cash assistance for very poor children?

PRESIDENT CLINTON: Of a guarantee -- but if the bill has provisions in it which provide more child care to these same families, which has more flexibility to enhance the ability of the parents of these families to go to work, which help the young parents who have children at home to be better parents. The money will still be spent on the children.

The reason they want to get rid of the guarantee is so the states will have more flexibility to require people to move from welfare to work more quickly. And if that's what's going on, then I can support it -- if the rest of the supports are enough.

Let me just make one other point. There is a dramatic difference already in the welfare benefits from the poorest to the richest states. There's not really a national guarantee that amounts to much now.

MR. BROKAW: Mr. President, before we get back to the Internet questions, I wanted to follow up just for a moment on welfare if I can. If, in fact, you sign the Republican bill that's likely to come down from the Hill, all the projections show that that will push, at least short term, more than a million youngsters in this country below the poverty line. That's a high risk for youngsters in this country who are already in peril.

PRESIDENT CLINTON: That's right. There are two problems, though. The main reasons for that are the proposal on food stamps, which I think may be moderated some, and what I consider to be excessive cuts in assistance to legal immigrants. I'm not talking about illegal immigrants.

So before our budget negotiations broke up, I asked the speaker and the Senate Dole -- now it would be Senator Lott, of course -- to consider whether or not we ought to give assistance to the children of legal immigrants at least who were in trouble through no fault of their own -- their parents had an accident or got cancer or were mugged in a 7-11 or something. Those kind of folks, it seems to me we ought to take care of the children.

Now, if we did that, then I believe you'd see a continued reduction in poverty. Keep in mind we've let the states experiment with moving people from welfare to work. I've granted 67 experiments to 40 states. So 75 percent of the people on welfare today are already under welfare-to-work programs, which have helped to reduce the welfare rolls by 1.3 million. Those kids are better off, not worse off, when their folks get off welfare. So that's what I want to do for the whole country.

MR. BROKAW: You know, in 1992, you said we're going to end welfare as we now know it, as we've been practicing it in this country, but most of your welfare proposals have been reacting to what the Republicans have proposed for the last year or so. They've not been --

PRESIDENT CLINTON: That's not accurate. I started granting these waivers -- see, I helped to write the last welfare reform law, so I knew the president could tell the -- could give states permission to try their own experiments. I started doing this in 1993, and then I sent legislation to Congress which was not adopted in '94, so I just kept on doing the waivers. Then I vetoed the Republican welfare bill and I kept on doing the waivers. So now three out of four people in America are already -- on welfare are under welfare-to-work experiments. I think you can make a compelling case, as The New York Times said, that we've made a quiet revolution in welfare.

I'd like to finish it. I'd like to go on and pass welfare reform legislation. But we're clearly moving in the right direction.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget
Associate Director for Human Resources
260 Old Executive Office Building
Washington, DC 20503

Fax #: 395-5730

Phone #: 395-4844

FACSIMILE COVER SHEET

DATE:

July 17

TO:

John Appell John Hilley
Bruce Reed Bahm Emanuel

Fax Number:

Number of pages (including cover sheet):

2

FROM:

Ken Apfel

REMARKS:

We need to figure out how to respond.

Congress of the United States
Washington, DC 20515

Copy John Angel
John Hillery
Bruce Feed
Rob. Enomel

July 16, 1996

Dear Mr. Lew:

This is the third time in as many months that we have written to ask for the administration's estimate of how many children will be impoverished if the most recent Republican welfare legislation is enacted. Congress is expected to begin consideration of these bills as early as this coming Thursday, July 18. For generations now, it has been the fixed practice of the Bureau of the Budget, and later the Office of Management and Budget, to provide Congress with analyses of major legislation. To our knowledge, and certainly in our own experience, this is the first time ever that no such analysis has been forthcoming, even in response to a specific request.

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This silence is especially troubling in light of an article in *The New York Times* of Saturday, July 13, reporting that

We need

to figure out

how

to

provide

a

response

...Administration officials said the White House had instructed the Department of Health and Human Services not to prepare more detailed estimates of the bill's effects on child poverty.

We can understand how such a decision can be made, but can it not be reversed? The Department of Health and Human Services is fully capable of providing these estimates by Thursday if so instructed. Can you not, on behalf of the President, issue such an instruction?

Sincerely,

Sam M. Gibbons
Ranking Member, Committee
on Ways and Means

Daniel Patrick Moynihan
Ranking Member, Committee on Finance

The Honorable Jacob J. Lew
Office of Management and Budget
Old Executive Office Building
Washington, DC 20503

THE WHITE HOUSE
WASHINGTON

To: Bruce

From: Betsy

FYI

NATIONAL CALL-IN DAY — MONDAY JULY 22, 1996



THINGS ARE GETTING HOT IN THE CAPITOL!!! WELFARE BILLS NOW BEFORE THE HOUSE AND SENATE WOULD SHRED THE FEDERAL SAFETY NET FOR WOMEN, CHILDREN, THE ELDERLY, DISABLED, AND LEGAL IMMIGRANTS — ELIMINATING THE SIXTY-YEAR GUARANTEE OF ASSISTANCE FOR POOR WOMEN AND CHILDREN....THEY MUST BE STOPPED!!

The President has repeatedly said he would sign a *WELFARE ONLY BILL*. This would be a disaster for women and children. The current bills will hurt women and children by increasing child hunger, removing the guarantee of health care and child care, ending most training and education, and denying aid to legal immigrants, the elderly, and disabled children.

There are a number of amendments to the Senate bill of great concern to women. (While the House is likely to vote on a separate welfare bill this week, the Senate probably will not vote until next week). Some of these amendments are "message amendments", i.e. they raise issues but have little likelihood of passing, while others have a real possibility of achieving bipartisan support in the Senate. Either way, they will slow down the process, providing to opportunity to improve the bill and/or prevent its passage. Amendments that are currently being drafted would:

- Prevent states from block granting Food Stamps
- Protect recipients of federal energy assistance from reductions in food stamps
- Guarantee of health care for older children (13-18yrs) and their mothers
- Create exemptions from time limits for women experiencing domestic violence
- Remove the current bills' bars on most types of assistance to legal immigrants
- Require vouchers for families who have reached the time limit without finding jobs
- Would make the family cap state option

While these amendments would reduce some of the harshest effects of the bills, the fact still remains that millions of children and their families will be hurt under these bills. *Call your Senators at (202) 224-3121 and urge them to support the above amendments—but to still vote AGAINST the bill.*

Since it is likely that the House and Senate will pass the welfare bill, call President Clinton and his staff and tell them you support *REAL* welfare reform—**NOT THIS BILL!** Remember that the Welfare bill is the *only* Budget Bill now being considered and thus our nation's budget is being balanced on the backs of the poor.



Call President Clinton: (202) 456-1111
Fax the President at (202) 456-6218
E-mail the President: president@whitehouse.gov

Or call the Presidents' staff at:
Rahm Emanuel (202) 456-2531
Carol Rosco (202) 456-2216

If you have any questions, or want further information or please call Cindy Marano or Diana Pearce, at Wider Opportunities for Women (202) 638-3143

**TRANSCRIPT OF PRESS BRIEFING BY WHITE HOUSE PRESS SECRETARY
MIKE MCCURRY, JULY 18, 1996 -- 5:47 P.M. EDT**

Q Have you been asked yet about the welfare bill, the version that passed the --

MR. MCCURRY: No, I haven't. General reaction on the welfare reform bill -- because of the President's very firm stance, because he's twice told Congress they passed unacceptable bills, they keep making improvements. This bill is some improvement. It still is way short of what we need in order to be satisfied. We have reformed welfare as we know it. We look forward to improvements that can be made in this bill as it goes to the Senate. We'll be working very hard with members on both sides of the aisle in the Senate and ultimately as the bill goes to conference to get a bill that the President will be pleased to sign and Congress will be proud to call genuine bipartisan welfare reform.

Q What does he think about the big margin that the alternative that he backed lost by?

MR. MCCURRY: There are still going to have to be improvements in the bill and there are still a very substantial number of Democrats who want to see legislation that moves more in the direction the bills the President has expressed sympathy for -- the Castle-Tanner bill obviously being among them, and over in the Senate the Breaux-Chafee bill.

Q Are you as optimistic as you sounded earlier?

MR. MCCURRY: We are -- the President remains optimistic that when it comes to welfare reform we're talking signature not veto.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget
Associate Director for Human Resources
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FACSIMILE COVER SHEET

DATE: 07-18-96

TO: Jack Lew, John Hillery, John Angell,
Bruce Reed, Rahm Emanuel

Fax Number: _____

2

Number of pages (including cover sheet): _____

FROM: Iles Apfel

REMARKS: This passed 239-184.
The conference just got a
little tougher.

NEWS

UNITED STATES DEPARTMENT OF AGRICULTURE
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Washington, DC 20250-1300
Internet: News@usda.gov Phone: 202-720-9035
World Wide Web Home Page: <http://www.usda.gov>

Release No. 0383.96

Tom Amontree (202) 720-4623

Statement

by
Secretary Dan Glickman
on the Kasich Amendment for H.R. 3734
July 18, 1996

"I strongly oppose the amendment by Rep. Kasich to drastically limit food stamps to unemployed workers. The amendment would limit food stamp program participation to a total of three months for unemployed workers who are not raising children during the 32 years they are between the ages of 18 and 50. In a typical month, close to one million poor unemployed workers will be made eligible for food assistance without being offered a work slot. A factory worker who had worked 10 years and then been laid off when a plant closed would be denied assistance if that individual had received food stamps for three months while being unemployed during a recession 10 years earlier.

"This proposal would cause serious hardship among individuals who have been working and paying taxes for years, but who then lose their jobs and need temporary aid while they look for a new job. Forty percent of those who would be affected by this amendment are women. This proposal would hit hardest the unemployed workers in small towns and rural areas who lose their jobs when a business closes or downsizes, since there may be limited employment opportunities in the area and few, if any, workfare slots. The amendment would represent one of the deepest cuts ever contemplated in the food stamp program's history."

NOTE: USDA news releases and media advisories are available on the Internet. Access the USDA Home Page on the World Wide Web at <http://www.usda.gov>

To Jack Lew
John Hillery
John Angell
Bruce Reed
Rehm Emanuel

This passed 239-184. The conference just got a little tougher.

Kur A.

Bruce -

I would highlight the child protection and foster care improvements in the Summary document that breaks out the different pieces.

Jim Klein

Welfare Agenda

Talking Points

- Completed
 - general
 - summary of bill
 - women, families, children
 - supportive statements
- Remaining/Needed
 - successful waiver programs
 - proposed changes
- Distribution

Briefings

- WH staff
 - overall
 - specific offices (OPL, Women's office)
- constituency groups

Bill Signing

- status of bill

Departmental Activities Review

- Legislative Affairs
- Intergovernmental Affairs
- Cabinet Affairs
- Public Liaison
- Women's Office
- Press
- Political Affairs
- Communications/Strategic Planning
- Domestic Policy

ENDING WELFARE AS WE KNOW IT

August 2, 1996

"I will sign this bill. First and foremost because the current system is broken. Second, because Congress has made many of the changes I sought. And, third, because even though serious problems remain in the non-welfare reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it by moving people from welfare to work, demanding responsibility and doing better by children."

- President Clinton, July 31, 1996

- * **A broken system.** President Clinton will sign the current welfare bill because the existing welfare system undermines the basic values of work, responsibility and family, trapping generation after generation in dependency and hurting the very people it was designed to help.
- * **A last, best chance to move people from welfare to work.** President Clinton believes that passage and enactment of this bill is the last best chance to make welfare what it was meant to be -- a second chance, not a way of life. The bill presents an historic opportunity to finish the work of ending welfare as we know it.
- * **A much improved bill.** Because of President Clinton's earlier vetoes, objections and improvements, Congress is sending him a significantly better welfare reform bill. We have come a long way in this debate, and stopped extremists in Congress who wanted to ban help for poor, young, unmarried mothers and cut low-income programs and the Earned Income Tax Credit by \$110 billion. The new bill is **strong on work**, giving states performance incentives for placing people in jobs, guaranteeing health care, providing over \$4 billion more for child care, and maintaining health and safety standards for child care. Also, the bill is **better for children**. Unlike the vetoed bill, it keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant, and dropping the deep cuts in school lunch, child welfare and help for disabled children.
- * **Requiring work, and helping people succeed at work and at home.** President Clinton has always believed that the best anti-poverty program is a job. This bill will not only move people from welfare to work, it will help them make it in the workplace by providing the health care and child care they need to succeed at work and at home. With this bill, President Clinton also **preserved the Earned Income Tax Credit**, which rewards the hard work of 15 million hard-pressed working families and which Congress had tried to gut.
- * **The nation's basic safety net remains strong.** By standing firm throughout this debate, President Clinton has saved and strengthened the nation's basic safety net. He stopped the Congressional majority's attempt to take health care away from the poor, the elderly, and the disabled, and **saved the Medicaid guarantee once and for all**. He also blocked efforts to block grant Food Stamps, SSI for disabled children, child protection and foster care, and the school lunch program. This bill preserves those safety net programs, which work, and fundamentally reforms the welfare system, which does not.

children with disabilities

- * **Parts of the bill still need to be fixed.** President Clinton has pledged to fix some non-welfare provisions of the bill which he believes go too far:
 - * Congress insisted on a cut that would repeal the Excess Shelter Reduction, which helps some of our hardest-pressed working families. This provision is a mistake, and the President will work to correct it.
 - * Congress insisted on a provision that will hurt legal immigrants who work hard for their families, pay taxes and serve in our military. Immigrant children and disabled immigrants who fall on hard times through no fault of their own should get medical and other help when they need it.

- * **A record of accomplishment.** Over the past three and one-half years, President Clinton has done everything in his power as President to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. The Administration has also required teen mothers to stay in school, required federal employees to pay their child support, and cracked down on parents who owe child support and crossed state lines. *As a result, child support collections are up 40 percent, to \$11 billion, and there are 1.3 million fewer people on welfare today than there were when President Clinton took office.*

SUMMARY OF WELFARE REFORM BILL

AFDC, WORK & CHILD CARE

Medicaid Guarantee	Assures that all categories of people now eligible for Medicaid will be eligible for health care in the future and that there will be no loss of coverage, regardless of state welfare changes. At President's insistence, Republicans restored the Medicaid guarantee for welfare recipients and abandoned efforts to block grant Medicaid.
Child Care	Increases child care spending by \$4.5 billion above current law -- \$4 billion more than the bill the President vetoed. Preserves federal child care health and safety standards, which would have been repealed under the vetoed bill.
Work	Provides \$1 billion performance bonus to reward states for placing welfare recipients in jobs. Requires 50% of adults on welfare to be working by the year 2002.
State Funding	Requires states to continue their investment in welfare reform by maintaining 80% of their current spending.
Time Limits	Imposes five-year lifetime limit on welfare, but allows states to exempt 20% of caseload from the limit.
Vouchers	Allows states to use federal Social Services Block Grant funds to provide vouchers for children whose parents reach the time limit.
Contingency Fund	Creates a \$2 billion Contingency Fund for states experiencing economic downturn and growing number of children in need.
Family Cap	Allows states to decide for themselves whether to deny assistance to children born to a family on welfare. Under the vetoed bill, states would have had to vote to exempt themselves from a mandatory family cap nationwide.

FOOD STAMPS & CHILD NUTRITION

Food Stamp Program	Maintains national nutritional safety net. Does not allow states to block grant Food Stamps and does not impose a national cap on Food Stamp spending.
	Caps the excess shelter deduction, which was set to expire next year, at near its current level until FY2001. The President wants Congress to fix this provision because over time it will hurt working families.
	Limits food stamp eligibility for childless 18- to 50-year-olds to 3 months every 3 years, with a 3-month extension for laid-off workers.
School Lunch Program	Maintains the current national school lunch program. Drops the school lunch block grant that was in the vetoed bill.

LEGAL IMMIGRANTS

Bans	Over the Administration's objections, imposes 5-year ban on SSI, AFDC and Food Stamps for most legal immigrants, with some exceptions.
Medicaid	Over the Administration's objections, prohibits future immigrants from receiving Medicaid for 5 years. Drops the retroactive ban on current Medicaid recipients, which was included in the House bill.
	The President has said that immigrant children and the disabled should be able to get medical care and the help they need, and is determined to get Congress to fix these provisions.

OTHER PROGRAMS FOR CHILDREN

Child Welfare	Retains current law child protection entitlement programs and services. Drops the child welfare block grant that had been included in the vetoed bill.
Disabled Children with disabilities.	Provides full SSI benefits for children who will receive SSI under stricter eligibility rules. Drops the two-tiered eligibility system in the vetoed bill that would have cut benefits by 25% for more than half of the disabled children coming on the rolls.

KEY IMPROVEMENTS IN CONFERENCE REPORT OVER VETOED BILL

CLINTON PRIORITY	VETOED BILL	CONFERENCE BILL
Guaranteed Medicaid	NO	YES
More Child Care \$	NO	YES (+\$4 billion)
Work Performance Bonus \$	NO	YES (+\$1 billion)
80% Maintenance of Effort	NO	YES
Child Care Health/Safety Standards	NO	YES
20% Hardship Exemption	NO	YES
\$2 Billion Contingency Fund	NO	YES
Limits on Transferability	NO	YES
Option for Vouchers	YES	YES
Food Stamp Block Grant	YES	NO
Child Welfare Block Grant	YES	NO
School Lunch Block Grant Demo	YES	NO
25% Cut in SSI for Disabled Kids	YES	NO
Food Stamp Cap	YES	NO



DEMOCRATIC GOVERNORS' ASSOCIATION

July 31, 1996

The Honorable Bill Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

On behalf of Democratic Governors, we would like to commend you for your leadership on reform of our nation's welfare system and applaud your decision to sign the conference agreement before Congress.

The final agreement, although not perfect, represents a significant improvement over the bill vetoed last year and meets our shared goals for a reformed system. The bill is strong on work, time limits assistance and provides adequate protections for children.

A number of critical provisions, championed by you and Democratic Governors, have been included in the final agreement. These include adequate resources for child care, significant reform of the child support enforcement system, an economic contingency fund, an assurance of health care coverage for low-income families and the flexibility for states to provide assistance to children after the five-year time limit.

This bill does represent a real step forward. It is a victory for all who believe welfare must provide a second chance, but not a way of life. This bill will complement what Democratic Governors are doing in many of our states under waivers, and allow others to take the same initiative.

We continue to share your concerns on the level of cuts in the food stamp program and the restrictions on benefits for legal aliens, and we hope to work with you to revisit these issues.

You have kept your promise to the American people. Thank you for your leadership and congratulations for your successful work in improving and moving this welfare bill forward.

Sincerely,

Gaston Caperton
Governor of West Virginia
DGA Chair

Howard Dean, M.D.
Governor of Vermont
DGA Vice Chair

Governor Gaston Caperton
West Virginia
Chair

Governor Howard Dean
Vermont
Vice Chair

EXECUTIVE COMMITTEE

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Indiana

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Colorado

Governor Pedro Rossello
Puerto Rico

Katherine Whelan
Executive Director



NATIONAL CONFERENCE OF STATE LEGISLATURES

444 NORTH CAPITOL STREET, N.W. SUITE 515 WASHINGTON, D.C. 20001
202-624-5400 FAX: 202-737-1069

July 31, 1996

The Honorable Newt Gingrich
Speaker of the House
H-230 Capitol Building
Washington, D.C. 20515

JAMES J. LACK
STATE SENATOR
NEW YORK
PRESIDENT, NCSL

ALFRED W. SPEER
CLERK OF THE HOUSE
LOUISIANA
STAFF CHAIR, NCSL

WILLIAM FOUNO
EXECUTIVE DIRECTOR

Dear Speaker Gingrich:

The National Conference of State Legislatures (NCSL) has long sought federal legislation reforming our welfare system and now urges your support for the conference agreement on H.R. 3734. This legislation builds on the numerous state legislative welfare reform efforts of the past decade and on federal waivers granted in recent years.

We particularly are pleased with the creation of block grants for cash assistance and child care and the programmatic and administrative flexibility they may bring. The inclusion of increased child care funding, establishment of a contingency fund, preservation of child welfare entitlements and preservation of state legislative authority over block grant funds are notable achievements and represent key provisions recommended and sought by NCSL. We are further gratified with the inclusion of several policy options, such as the state option to provide Medicaid to legal immigrants and refugees, recognition of the need for adequate transition time, restructuring of child support collection systems and initiatives as well as an exemption for states from electronic benefit transfer liabilities.

We remain particularly concerned about work participation requirements and a related array of policy mandates and sanctions. These will be troublesome. The flexibility needed in the work participation area is missing. Furthermore, the Congressional Budget Office has repeatedly warned of the multi-billion dollar shortfall in federal funding for work efforts. We recommend that Congress and the Administration collaborate with state legislators and others to review and evaluate work requirements, state experiences with these requirements, funding needs and worker placement and job retention accomplishments commencing with the 105th Congress.

The Honorable Newt Gingrich
Speaker of the House
July 31, 1996
page 2

We continue to question policy changes in H.R. 3734 regarding income security accessibility for legal immigrants and refugees. We remain convinced that H.R. 3734 will produce unfunded mandates and cost shifts to state and local governments of unacceptable proportions. We strongly recommend that Congress and the Administration immediately begin an analysis and review of state experiences regarding income security program availability for legal immigrant populations, particularly children, the elderly and the disabled. Those provisions of H.R. 3734 regarding legal immigrants should be tested against the intent and objectives of S. 1, the Unfunded Mandate Reform Act of 1995, and Executive Order 12875. This recommended review and analysis should involve state legislators and other officials.

H.R. 3734 represents a number of policy compromises. It also offers states new opportunities to manage a welfare system most Americans agree needs restructuring and redirection. Despite some of its aforementioned shortcomings, we encourage your support for H.R. 3734 and urge you to work with state legislators to ensure its success.

Sincerely,



Michael E. Box
Majority Chairman, Alabama House
President, NCSL



James I. Lack
State Senator, New York
Immediate Past President, NCSL



LAWTON CHILES
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0011

FOR IMMEDIATE RELEASE:
July 31, 1996

CONTACT: April Herrle or
Karen Pankowski
(904) 488-5394

Statement by:
GOVERNOR LAWTON CHILES
Regarding Welfare Reform

"President Clinton's decision today to sign the compromise welfare reform measure is an extremely important event in our nation's history. The President's commitment to 'change welfare as we know it' combined with his determination to protect our neediest citizens -- the poor, our children and elders -- will ensure that, in the future, welfare will provide a hand up for people in need -- not a handout.

"I believe the President has made a constructive decision to sign this welfare reform measure. Unlike previous versions passed by this Congress, this welfare reform measure guarantees substantially more protections -- with expanded provisions for child care, extended protections for potential economic downturns and continued safeguards for child nutrition and health care programs.

"We are particularly pleased in Florida that we can move ahead with our landmark, bi-partisan welfare reform efforts which I recently signed into law. Florida has been a national leader in welfare reform with demonstration programs running in several counties. Now, with the federal reforms in place, our state will be able to quickly implement our new WAGES welfare reform program statewide.

"While I am pleased by the President's decision to sign this bill, I remain deeply concerned about restrictions on legal immigrant children and families from receiving federal assistance programs. However, I am pleased that Congressman Clay Shaw and others have worked diligently to allow Florida to continue to receive its fair share of federal refugee assistance. This provision will go far to minimize the additional fiscal burden imposed on Florida."

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John O. Norquist
Mayor

Milwaukee
150
1846 1996

Statement from Mayor John Norquist
July 31, 1996

For more information contact Jeff Fleming, 286-8531

I congratulate President Clinton for the significant step he took today to end welfare.

I agree with the President when he says, "the best anti-poverty program...is a job." Today's actions move us closer to a true, work based alternative to our failed welfare system.

There is room for improvement, especially in putting people to work in real jobs that pay real wages, instead of make-work jobs to earn grants. The work required of program participants ought to be real jobs paying minimum wage.

The President and I have had a number of discussions regarding the elimination of welfare, and I appreciate his thoughtful attention to my concerns and to the people of Milwaukee.

Office of the Mayor
City Hall
200 East Wells Street
Milwaukee,
Wisconsin
53202
(414) 286-2200

EXECUTIVE OFFICE OF THE PRESIDENT

02-Aug-1996 04:15pm

TO: Bruce N. Reed

FROM: Lisa Ross
Office of Public Liaison

CC: Rahm Emanuel

SUBJECT: Welfare Talking Points

A few additions to the Talking Points would help make them more appealing to women:

(1) State the President's support for women who needed welfare for their kids because jobs offered bad wages, no health insurance and no child care. Women leaders tell us (and Leon) again and again that they simply want to hear the President acknowledge that women on welfare are not irresponsible, bad people -- but instead were doing the best they could to protect their children.

(2) Try to say "women and children" as much as possible instead of gender neutral terms. Women leaders are highly aware that nearly 100% of all welfare recipients are women and children -- and they are highly aware that the President does not articulate this. (The point they made to Leon again and again is that they want to hear the President say the word "women" instead of being gender neutral.)

(2) Under "A Much Improved Bill" -- the Child care and food stamp provisions are BURIED. We'll need to highlight these if we want to appeal to women. We could, for instance, pull them out into a separate, sub-bullet on "Helping Families", where you could incorporate #1 above with a statement that says:

"The President understands that many women on welfare are struggling to protect their children and to ensure their kids get access to health insurance and child care. That is why the President fought to include: \$4 billion more for child care; health and safety standards for child care; nutritional safety net."

(3) Under "The Nation's basic safety net remains strong" -- we need an acknowledgement that the safety net was preserved "especially to help vulnerable women and children -- especially battered women, widowed or divorced women struggling to care for their children."

(4) Under "Parts of the Bill still need to be fixed" -- Women leaders care a lot about the legal immigrants. Maybe we could add the President's pledges to (a) speed the INS process and (b) help achieve legislation to reinstate legal

immigrants.

(5) Under "Parts of the Bill still need to be fixed" -- if you are ready to add the battered women pledge, it would be great to say the President will urge states to use their option to exempt battered women from time limits and restrictions. The Senate version mandated that all states waive the time limits for battered women. The final version made that OPTIONAL.

(6) Under the "Summary of Welfare Reform Bill" -- The 20 percent hardship exemption of the caseload is important to women and needs to be highlighted. How about a whole block on the 20 percent hardship exemption -- like you have on the "Key Improvements" page. Under that hardship exemption, it would be good to mention "battered women, widows and divorced women -- are especially vulnerable and may need extra time and help from the states."

Thanks. Please call us with any questions. 67300

Lisa

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 31, 1996

STATEMENT BY THE PRESIDENT

The Briefing Room

2:27 P.M. EDT

THE PRESIDENT: Good afternoon. When I ran for President four years ago, I pledged to end welfare as we know it. I have worked very hard for four years to do just that. Today, the Congress will vote on legislation that gives us a chance to live up to that promise -- to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence; to give people on welfare a chance to draw a paycheck, not a welfare check.

It gives us a better chance to give those on welfare what we want for all families in America, the opportunity to succeed at home and at work. For those reasons I will sign it into law. The legislation is, however, far from perfect. There are parts of it that are wrong, and I will address those parts in a moment.

But, on balance, this bill is a real step forward for our country, our values and for people who are on welfare. For 15 years I have worked on this problem, as governor and as a President. I've spent time in welfare offices, I have talked to mothers on welfare who desperately want the chance to work and support their families independently. A long time ago I concluded that the current welfare system undermines the basic values of work, responsibility and family, trapping generation after generation in dependency and hurting the very people it was designed to help.

Today we have an historic opportunity to make welfare what it was meant to be -- a second chance, not a way of life. And even though the bill has serious flaws that are unrelated to welfare reform, I believe we have a duty to seize the opportunity it gives us to end welfare as we know it. Over the past three and a half years I have done everything in my power as President to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. We have also required teen mothers to stay in school, required federal employees to pay their child support, cracked down on people who owe child support and crossed state lines.

As a result, child support collections are up 40 percent, to \$11 billion, and there are 1.3 million fewer people on welfare today than there were when I took office. From the outset, however, I have also worked with members of both parties in Congress to achieve a

national welfare reform bill that will make work and responsibility the law of the land. I made my principles for real welfare reform very clear from the beginning. First and foremost, it should be about moving people from welfare to work. It should impose time limits on welfare. It should give people the child care and the health care they need to move from welfare to work without hurting their children. It should crack down on child support enforcement and it should protect our children.

This legislation meets these principles. It gives us a chance we haven't had before -- to break the cycle of dependency that has existed for millions and millions of our fellow citizens, exiling them from the world of work that gives structure, meaning, and dignity to most of our lives.

We've come a long way in this debate. It's important to remember that not so very long ago, at the beginning of this very Congress, some wanted to put poor children in orphanages and take away all help for mothers simply because they were poor, young and unmarried. Last year the Republican majority in Congress sent me legislation that had its priorities backward. It was soft on work and tough on children. It failed to provide child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare and help for disabled children. The bill came to me twice and I vetoed it twice.

The bipartisan legislation before the Congress today is significantly better than the bills I vetoed. Many of the worst elements I objected to are out of it. And many of the improvements I asked for are included. First, the new bill is strong on work. It provides \$4 billion more for child care so that mothers can move from welfare to work, and protects their children by maintaining health and safety standards for day care. These things are very important. You cannot ask somebody on welfare to go to work if they're going to neglect their children in doing it.

It gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies as an incentive to hire people, or being used to create community service jobs.

Second, this new bill is better for children than the two I vetoed. It keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare and help for disabled children. It allows states to use federal money to provide vouchers for children whose parents can't find work after the time limits expire. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly and people on welfare.

Just as important, this bill continues to include the child support enforcement measures I proposed two years ago, the most sweeping crackdown on deadbeat parents in

history. If every parent paid the child support they should, we could move 800,000 women and children off welfare immediately. With this bill we say to parents, if you don't pay the child support you owe, we will garnish your wages, take away your drivers license, track you across state lines and, as necessary, make you work off what you owe. It is a very important advance that could only be achieved in legislation. I did not have the executive authority to do this without a bill.

So I will sign this bill. First and foremost because the current system is broken. Second, because Congress has made many of the changes I sought. And, third, because even though serious problems remain in the non-welfare reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it by moving people from welfare to work, demanding responsibility and doing better by children.

However, I want to be very clear. Some parts of this bill still go too far. And I am determined to see that those areas are corrected. First, I am concerned that although we have made great strides to maintain the national nutritional safety net, this bill still cuts deeper than it should in nutritional assistance, mostly for working families with children. In the budget talks, we reached a tentative agreement on \$21 billion in food stamp savings over the next several years. They are included in this bill.

However, the congressional majority insisted on another cut we did not agree to, repealing a reform adopted four years ago in Congress, which was to go into effect next year. It's called the Excess Shelter Reduction, which helps some of our hardest pressed working families. Finally, we were going to treat working families with children the same way we treat senior citizens who draw food stamps today. Now, blocking this change, I believe -- I know -- will make it harder for some of our hardest pressed working families with children. This provision is a mistake, and I will work to correct it.

Second, I am deeply disappointed that the congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military. This provision has nothing to do with welfare reform. It is simply a budget-saving measure, and it is not right.

These immigrant families with children who fall on hard times through no fault of their own -- for example because they face the same risks the rest of us do from accidents, from criminal assaults, from serious illnesses -- they should be eligible for medical and other help when they need it. The Republican majority could never have passed such a provision standing alone. You see that in the debate in the immigration bill, for example, over the Gallegly amendment and the question of education of undocumented and illegal immigrant children.

This provision will cause great stress for states, for localities, for medical facilities

that have to serve large numbers of legal immigrants. It is just wrong to say to people, we'll let you work here, you're helping our country, you'll pay taxes, you serve in our military, you may get killed defending America -- but if somebody mugs you on a street corner or you get cancer or you get hit by a car or the same thing happens to your children, we're not going to give you assistance any more. I am convinced this would never have passed alone and I am convinced when we send legislation to Congress to correct it, it will be corrected.

In the meantime, let me also say that I intend to take further executive action directing the INS to continue to work to remove the bureaucratic roadblocks to citizenship to all eligible, legal immigrants. I will do everything in my power, in other words, to make sure that this bill lifts people up and does not become an excuse for anyone to turn their backs on this problem or on people who are generally in need through no fault of their own. This bill must also not let anyone off the hook. The states asked for this responsibility, now they have to shoulder it and not run away from it. We have to make sure that in the coming years reform and change actually result in moving people from welfare to work.

The business community must provide greater private sector jobs that people on welfare need to build good lives and strong families. I challenge every state to adopt the reforms that Wisconsin, Oregon, Missouri and other states are proposing to do, to take the money that used to be available for welfare checks and offer it to the private sector as wage subsidies to begin to hire these people, to give them a chance to build their families and build their lives. All of us have to rise to this challenge and see that -- this reform not as a chance to demonize or demean anyone, but instead as an opportunity to bring everyone fully into the mainstream of American life, to give them a chance to share in the prosperity and the promise that most of our people are enjoying today.

And we here in Washington must continue to do everything in our power to reward work and to expand opportunity for all people. The Earned Income Tax Credit which we expanded in 1993 dramatically, is now rewarding the work of 15 million working families. I am pleased that congressional efforts to gut this tax cut for the hardest pressed working people have been blocked. This legislation preserves the EITC and its benefits for working families. Now we must increase the minimum wage, which also will benefit millions of working people with families and help them to offset the impact of some of the nutritional cuts in this bill.

Through these efforts, we all have to recognize, as I said in 1992, the best anti-poverty program is still a job. I want to congratulate the members of Congress in both parties who worked together on this welfare reform legislation. I want to challenge them to put politics aside and continue to work together to meet our other challenges and to correct the problems that are still there with this legislation. I am convinced that it does present an historic opportunity to finish the work of ending welfare as we know it, and that is why I have decided to sign it.

Q Mr. President, some civil rights groups and children's advocacy groups still

say that they believe that this is going to hurt children. I wonder what your response is to that. And, also, it took you a little while to decide whether you would go along with this bill or not. Can you give us some sense of what you and your advisers kind of talked about and the mood in the White House over this?

THE PRESIDENT: Sure. Well, first of all, the conference was not completed until late last evening, and there were changes being made in the bill right up to the very end. So when I went to bed last night, I didn't know what the bill said. And this was supposed to be a day off for me, and when I got up and I realized that the conference had completed its work late last night and that the bill was scheduled for a vote late this afternoon, after I did a little work around the house this morning, I came in and we went to work I think about 11:00.

And we simply -- we got everybody in who had an interest in this and we went through every provision of the bill, line by line, so that I made sure that I understood exactly what had come out of the conference. And then I gave everybody in the administration who was there a chance to voice their opinion on it and to explore what their views were and what our options were. And as soon as we finished the meeting, I went in and had a brief talk with the Vice President and with Mr. Panetta, and I told them that I had decided that, on balance, I should sign the bill. And then we called this press conference.

Q And what about the civil rights groups --

THE PRESIDENT: I would say to them that there are some groups who basically have never agreed with me on this, who never agreed that we should do anything to give the states much greater flexibility on this if it meant doing away with the individual entitlement to the welfare check. And that is still, I think, the central objection to most of the groups.

My view about that is that for a very long time it's hard to say that we've had anything that approaches a uniform AFDC system when the benefits range from a low of \$187 a month to a high of \$655 a month for a family of three or four. And I think that the system we have is not working. It works for half the people who just use it for a little while and get off. It will continue to work for them. I think the states will continue to provide for them.

For the other half of the people who are trapped on it, it is not working. And I believe that the child support provisions here, the child care provisions here, the protection of the medical benefits -- indeed, the expansion of the medical guarantee now from 1998 to 2002, mean that on balance these families will be better off. I think the problems in this bill are in the non-welfare reform provisions, in the nutritional provisions that I mentioned and especially in the legal immigrant provisions that I mentioned.

Q Mr. President, it seems likely there will be a kind of political contest to see who gets the credit or the blame on this measure. Senator Dole is out with a statement

calling -- saying that you've been brought along to sign his bill. Are you concerned at all that you will be seen as having been kind of dragged into going along with something that you originally promised to do and that this will look like you signing onto a Republican initiative?

THE PRESIDENT: No. First of all, because I don't -- you know, if we're doing the right thing there will be enough credit to go around. And if we're doing the wrong thing there will be enough blame to go around. I'm not worried about that. I've always wanted to work with Senator Dole and others. And before he left the Senate, I asked him not to leave the budget negotiations. So I'm not worried about that.

But that's a pretty hard case to make, since I vetoed their previous bills twice and since while they were talking about it we were doing it. It's now generally accepted by everybody who has looked at the evidence that we effected what the New York Times called a quiet revolution in welfare. There are 1.3 million fewer people on welfare today than there were when I took office.

But there are limits to what we can do with these waivers. We couldn't get the child support enforcement. We couldn't get the extra child care. Those are two things that we had to have legislation to do. And the third thing is we needed to put all the states in a position where they had to move right now to try to create more jobs. So far -- I know that we had Wisconsin and earlier, Oregon, and I believe Missouri. And I think those are the only three states, for example, that had taken up the challenge that I gave to the governors in Vermont a couple of years ago to start taking the welfare payments and use it for wage subsidies to the private sector to actually create jobs. You can't tell people to go to work if there is no job out there.

So now they all have the power and they have financial incentives to create jobs, plus we've got the child care locked in and the medical care locked in and the child support enforcement locked in. None of this could have happened without legislation. That's why I thought this legislation was important.

Q Mr. President, some of the critics of this bill say that the flaws will be very hard to fix because that will involve adding to the budget and in the current political climate adding to the expenditures is politically impossible. How would you respond to that?

THE PRESIDENT: Well, it just depends on what your priorities are. For one thing, it will be somewhat easier to balance the budget now in the time period because the deficit this year is \$23 billion less than it was the last time we did our budget calculations. So we've lowered that base \$23 billion this year. Now, in the out years it still comes up, but there's some savings there that we could turn around and put back into this.

Next, if you look at -- my budget corrects it right now. I had \$42 billion in savings, this bill has about \$57 billion in savings. You could correct all these problems that I

mentioned with money to spare in the gap there. So when we get down to the budget negotiations either at the end of this year or at the beginning of next year, I think the American people will say we can stand marginally smaller tax cuts, for example, or cut somewhere else to cure this problem of immigrants and children, to cure the nutritional problems. We're not talking about vast amounts of money over a six year period. It's not a big budget number and I think it can easily be fixed given where we are in the budget negotiations.

Q The last couple days in these meetings among your staff and this morning, would you say there was no disagreement among people in the administration about what you should do? Some disagreement? A lot of disagreement?

THE PRESIDENT: No, I would say that there was -- first of all, I have rarely been as impressed with the people who work in this administration on any issue as I have been on this. There was significant disagreement among my advisers about whether this bill should be signed or vetoed, but 100 percent of them recognized the power of the arguments on the other side. It was a very moving thing. Today the conversation was almost 100 percent about the merits of the bill and not the political implications of it. Because I think those things are very hard to calculate anyway. I think they're virtually impossible.

I have tried to thank all of them personally, including those who are here in the room and those who are not here, because they did have differences of opinion about whether we should sign or veto, but each side recognized the power of the arguments on the other side. And 100 percent of them, just like 100 percent of the Congress, recognized that we needed to change fundamentally the framework within which welfare operates in this country. The only question was whether the problems in the non-welfare reform provisions were so great that they would justify a veto and giving up what might be what I'm convinced is our last best chance to fundamentally change the system.

Q Mr. President, even in spite of all the details of this, you as a Democrat are actually helping to dismantle something that was put in place by Democrats 60 years ago. Did that give you pause, that overarching question?

THE PRESIDENT: No. No, because it was put in place 60 years ago when the poverty population of America was fundamentally different than it is now. As Senator Moynihan -- you know, Senator Moynihan strongly disagrees with me on this --but as he has pointed out repeatedly, when welfare was created the typical welfare recipient was a miner's widow with no education, small children, husband dies in the mine, no expectation that there was a job for the widow to do or that she ever could do it, very few out-of-wedlock pregnancies and births. The whole dynamics were different then.

So I have always thought that the Democratic party should be on the side of creating opportunity and promoting empowerment and responsibility for people, and a system that was in place 60 years ago that worked for the poverty population then is not the one we

need now. But that's why I have worked so hard too to veto previous bills. That does not mean I think we can walk away from the guarantee that our party gave on Medicaid, the guarantee our party gave on nutrition, the guarantee our party gave in school lunches, because that has not changed. But the nature of the poverty population is so different now that I am convinced we have got to be willing to experiment, to try to work to find ways to break the cycle of dependency that keeps dragging folks down.

And I think the states are going to find out pretty quickly that they're going to have to be willing to invest something in these people to make sure that they can go to work in the ways that I suggested.

Yes, one last question.

Q Mr. President, you have mentioned Senator Moynihan. Have you spoken to him or other congressional leaders, especially congressional Democrats? And what was the conversation and reaction to your indication?

THE PRESIDENT: Well, I talked to him as recently, I think, as about a week ago. When we went up to meet with the TWA families, we talked about it again. And, you know, I have an enormous amount of respect for him. And he has been a powerful and cogent critic of this whole move. I'll just have to hope that in this one case I'm right and he's wrong -- because I have an enormous regard for him. And I've spoken to a number of other Democrats, and some think I'm right and some don't.

This is a case where, you know, I have been working with this issue for such a long time -- a long time before it became -- to go back to Mr. Hume's question -- a long time before it became a cause celeb in Washington or anyone tried to make it a partisan political issue. It wasn't much of a political hot potato when I first started working on it. I just was concerned that the system didn't seem to be working. And I was most concerned about those who were trapped on it and their children and the prospect that their children would be trapped on it.

I think we all have to admit here -- we all need a certain level of humility today. We are trying to continue a process that I've been pushing for three and a half years. We're trying to get the legal changes we need in federal law that will work to move these folks to a position of independence where they can support their children and their lives as workers and in families will be stronger.

But if this were an easy question, we wouldn't have had the two and a half hour discussion with my advisers today and we'd all have a lot more answers than we do. But I'm convinced that we're moving in the right direction. I'm convinced it's an opportunity we should seize. I'm convinced that we have to change the two problems in this bill that are not related to welfare reform, that were just sort of put under the big shade of the tree here, that are part of this budget strategy with which I disagree. And I'm convinced when we

bring those things out into the light of day we will be able to do it. And I think some Republicans will agree with us and we'll be able to get what we need to do to change it.

Thank you.

THE PRESS: Thank you.

END

2:52 P.M. EDT

Date: 07/21/96 Time: 13:38

GGore Holds Out Hope For Welfare Bill Acceptable to White House

WASHINGTON (AP) Vice President Al Gore said Sunday that welfare legislation now moving through Congress has "some real shortcomings," but carefully avoided predicting that it faced a presidential veto that buried two previous Republican welfare bills.

The Senate is expected to vote Tuesday on a bill that would effectively end six decades of federal guarantees for the poor, setting time limits for how long a person can receive benefits and turning over to the states much of the management of welfare programs. The House passed a similar bill last Thursday.

President Clinton has praised the main objective of the measure crafted by congressional Republicans getting people off welfare rolls and into jobs but has voiced concern about specific aspects of it.

Gore repeated those concerns on CBS' "Face the Nation," particularly language that prohibits legal immigrants from receiving benefits, cuts food stamp programs and cuts off non-monetary vouchers for children whose parents have used up all their time for receiving welfare.

Before the bill reaches the president's desk, "we are going to work very hard to change the elements of the bill which we think still need attention. We've already gotten improvements in the bill that was just passed by the House, although there are still some real shortcomings," he said.

But Gore stopped short of the strong suggestion by White House press secretary Mike McCurry on Saturday that the bill was heading for a veto. "The welfare bill as it stands is unacceptable," McCurry said.

Both the House and Senate defeated proposed amendments that would have increased protections for the children of people losing welfare benefits or retained some aid for legal aliens. But Gore said he still hoped the House-Senate conference on the bill would take steps to make it acceptable to the White House.

"We believe that we can get a bill at the end of the process that the president can sign," he said.

Gore also skirted a question on whether the GOP leadership wants to give Clinton legislation that he will have to veto so that Republicans can use that veto as ammunition against him during the fall election campaign.

Clinton has vetoed two other welfare bills sent to him by the Republican-controlled Congress on the grounds that they were too harsh toward the poor or linked to other legislation that he found unacceptable.

Republicans say their plan would save the nation nearly \$60 billion over six years. It would require welfare recipients to find jobs within 24 months of joining the program and in most cases set a five-year lifetime limit for receiving benefits.

APNP-07-21-96 1344EDT

EXTRA LEON WIESELTIER LIES ABOUT JOE KLEIN

AUGUST 12, 1990 \$2.05

THE NEW REPUBLIC

Rosenblatt visits the J.W. tragedy • Gropman sees a cure for AIDS

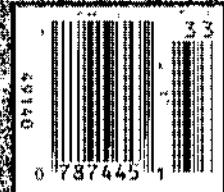
DAY OF RECKONING



Sign the Welfare Bill Now
The Editors

Where Do We Go from Here?
*David Ellwood, Alex Kollowitz, Glenn Lounsbury,
Kathie Pollitt, Theda Skocpol, James Q. Wilson*

The Battle Inside the White House
Matthew Cooper



AUGUST 12, 1996

SIGN IT

In September, 1983, on the twentieth anniversary of the Reverend Martin Luther King Jr.'s March on Washington, the editors of this magazine suggested that the continued social and economic progress of black Americans required acknowledging the existence of a

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

That 1983 editorial was moderately heretical, a leading indicator of the general mid-80s reawakening of Americans to the problems of the largely black, largely urban underclass. Now, some thirteen years later, concern about the underclass is a political cliché. Yet what has been done? Today, the percentage of black children living in single-parent homes is not 49 percent. It is 69 percent. In 1990, one out of every four young African American men was in prison, in jail, on probation or on parole. Today, the figure is one in three.

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

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

three years, on the (dole-if) private-sector work (was unavailable); community service jobs (and child care) would have been provided (if not otherwise). We supported Clinton's plan and hoped he would pass it before pursuing his ambitious health care reform. He didn't. We wish it were the bill he is now being asked to sign. It isn't. Instead, a Republican Congress is sending him a bill that replaces AFDC with block grants for states to spend on aid programs of their own devising. Readers of responsible editorial pages know by now that this block grant approach is dead wrong.

(*The Washington Post*), even "an obscene act of social regression" (Senator Daniel Patrick Moynihan quoted approvingly by *The New York Times*). Several of our own contributors this week agree (see "Welfare: Where Do We Go from Here?" page 19).

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

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

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

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



Welfare: Where Do We Go from Here?

The end of work

To its proponents, the welfare reform legislation before Congress will finally allow states the flexibility to shape their own anti-poverty policies. To opponents, it is dangerous because it repeals the national entitlement that poor children currently enjoy. Yet states have always had enormous control over Aid to Families with Dependent Children. Mississippi sets benefits at \$120 per month for a family of three; Connecticut at more than \$600. Children are entitled only to whatever states are willing to provide. And with the extraordinary willingness of the Clinton administration to grant waivers from existing federal statutes for state reform programs, the arguments that states can or cannot be trusted seem moot.

What is really at stake is far more fundamental: whether this legislation will, as real reform must, transform the current check-writing system into one based on work; or whether it will instead set in motion draconian budget cuts that leave poor families worse off than today.

There are draconian cuts in the bill, as drafted, enough that, according to the Office of Management and Budget estimates, more than a million more children will become poor if the legislation is enacted. There are sharp cuts in Food Stamps to working families, benefits to disabled children, support for needy legal immigrants who are not yet citizens.

Even more worrisome, the bill creates incentives for states to cut people off rather than get them into jobs. Prior to this legislation, any cut or increase in state spending for needy families was matched at least dollar for dollar with federal aid. For poorer states the federal match rate reached 4 to 1. Under the proposed congressional reform, federal money will be delivered in fixed block grants, largely unrelated to state spending, removing a powerful incentive to maintain state aid to struggling families.

Moreover, to continue receiving the full federal grants, states must move 50 percent of their caseload into jobs. I strongly support work requirements. But in the short run, work programs cost more than handouts. For states such as Mississippi and Arkansas, the proposed block grants would provide less than \$15 per poor child per week for cash aid, workfare, training, child-care and other supports combined. I

expect many poorer states will discover they simply cannot put people to work with so little money. So they will opt for a much cheaper way to reduce the rolls: set rigid time limits and then cut families off cold turkey. Under the proposed bill, recipients can be cut off even if there are no jobs available, and even if they would willingly take a workfare job. (Contrast this with the original Clinton bill, which required work of everyone after two years, but used the saved welfare money to help create temporary, subsidized employment for people who couldn't find jobs.)

Faced with these incentives, some states will surely reduce benefits. Neighboring states, fearing welfare migration, will feel compelled to do so, too. The race for the bottom will begin. Meanwhile, support seems sure to waver at the federal level as well. Who will defend the probably unpopular "welfare block grant" in future years when the budget chinate is event tighter?

I fear that welfare reform, which held so much promise two years ago, has become an election-fueled tragedy in the making.

DAVID T. ELLWOOD

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Hit and myth

Am I missing something? Throwing people off welfare in the name of strengthening families and alleviating poverty? The logic of the likely congressional welfare bill goes something like this: ending a mother's welfare payments will force her to find a job. Bingo. We've got a working mom, and she's no longer poor. Why didn't we think of this a long time ago?

Because it's not so simple. I, like most others familiar with AFD, believe that welfare hasn't worked as it was intended. It can act as a disincentive to work. It has for some become a way of life. There are children whose parents or grandparents have never held a job. But how is letting states throw people off welfare after two years going to help?

Myth #1: Stop welfare benefits and a mom will find a job. Anyone who runs a welfare-to-work program will tell you it takes extraordinary effort to get someone who has for many years been without a job into the workforce. People who don't work or can't hold onto work for

reasons that have nothing to do with laziness. Some don't have the skills or self-discipline. Or they can't afford childcare. Or they are depressed, as would be almost anyone assaulted by the crushing forces of drugs, violence and the physical collapse of entire neighborhoods. Jack Connelly, who runs Jobs for Youth, a Chicago-based job placement program for young inner-city men and women, figures his counselors must remain intimately involved with a client for two years before the client can be an independent and reliable worker. With Congress cutting overall funding, are the states going to pay to do this?

Myth #2: Dismantle welfare and we'll end the intergenerational poverty of the underclass. There's a town of 12,000 in southwestern Michigan, Benton Harbor, where 45 percent of households receive public assistance. The wealthier people in the surrounding areas blame the town's decline on Michigan's generous welfare benefits. Single mothers with kids in tow, the story goes, journeyed to Benton Harbor from Indiana and Illinois so they could live like royalty. But Benton Harbor many years ago actively recruited Southern blacks to work its foundries and auto parts plants. Most of them have since closed, leaving these same people jobless. Nothing has replaced these industrial jobs—and there will still be nothing when after two years families are told to work or sink.

Myth #3: Limit benefits to two years and we'll strengthen families. This may be the most damaging assumption of all. Sure, some moms will find work and the self-esteem that accompanies it. But since so many probably won't get or keep jobs, the loss of financial help for food, clothes and shelter (which is about all that welfare pays for) will lead to desperation, particularly among children. It's not as if other institutions can pick up the slack. Inner-city schools don't prepare kids for the workforce or college. The beat cop is too busy fighting the drug war to befriend the kids. And neighborhood-based programs have lost much of their public support. Jobs for Youth, for example, has had its annual federal funding slashed from \$600,000 six years ago to \$87,000 now.

Poor, urban communities, say both liberals and conservatives, are unraveling. Cutting financial assistance to families—without money for job creation, job training and daycare—will only accelerate that unraveling, not halt it.

ALEX KOTLOWITZ
ALEX KOTLOWITZ is author of *There Are No Children Here* (Doubleday).

Samaritan's dilemma

The welfare debate has shifted rightward with such remarkable speed that changes that until recently would have seemed beyond the pale are now deemed necessary and desirable. Ending the federal government's responsibility to provide for indigent children is one such change. I cannot predict the effect of such a momentous alteration of child welfare policy; neither, it seems, can those more expert than me. But I am deeply wary.

Is it really no concern of the federal government if a state spends so little on its poorest children that they go hungry? Or, from a different perspective, should Washington forgo the chance to introduce on a national basis reforms in welfare policy that promise to reduce illegitimate births, or move adults into the workforce? Few devolution advocates insist Congress leave crime policy entirely to the states. Most appreciate that crime is a national concern, on which their constituents expect them to deliberate and act. Is not the welfare of impoverished children as important?

Without doubt, America's social fabric has unraveled to some degree over the past two generations. By allowing young women to bear children outside of marriage and still marginally support themselves, AFDC has, in effect, pulled on our social fabric's loose threads. But I am not as sanguine as some that ending the federal welfare entitlement will put Humpty Dumpty back together again. In the first place, the decline of marriage, the rise in sexual promiscuity and the growth of out-of-wedlock childbearing are worldwide trends, observable across social classes and only modestly related to the incentives created by transfer programs. Welfare policy, whether undertaken at the state or the federal level, is a crude tool for cultural reform. I predict disappointing results for those bent on defending our values from the ignoble influences of modernity, by making it harder for indigent mothers to get the resources their children need to survive.

Second, whatever the encouragement given by AFDC to unwed childbearing, it is likely to persist under any system that offers hope to the families in which poor children live. Students of public finance are familiar with the Samaritan's Dilemma: since the Samaritan hates to see others suffer, he cannot credibly discourage irresponsible behavior by threatening to force others to live with the consequences of their acts. And a wealthy, decent society like ours will not tolerate the suffering of inno-

cent. Needy children born out of wedlock will, in the vast majority of cases, remain in the care of their mothers. When these mothers cannot provide food, clothing and shelter to their children, assistance will come from the Samaritans in their midst—and they know it. If federal aid is cut, local aid and private charity will rise to fill the gap. Changing the name of the Samaritan doesn't solve the dilemma.

By drastically cutting benefits to help less people, radical reformers invite a new "sanctuary movement," one that will dwarf the effort of the same name mounted in reaction to Reagan's Central America policy in the 1980s. The irony is that these humane responses by citizens in reaction to the harsh policy of their government will defeat, or substantially offset, the intention of that policy: to make unwed childbearing so miserable an experience that no young woman would choose to endure it.

GLENN LOURY
GLENN LOURY is author of *One by One From the Inside Out* (The Free Press).

What we know

With the federal entitlement to welfare apparently about to expire, we're told that the states, unfettered by federal requirements, will become laboratories in which the mysteries of persistent poverty can be probed and a multiplicity of daring experiments tried out. Why stop with welfare? Let's take the test-tube approach to all our difficulties: Michigan could test whether abolishing Social Security boosts savings rates or cal food consumption by humans; California could see if public flogging deters teen sex; New York could fire its costly police force and try out neighborhood posses instead.

The truth is, we may not know how to "restore" the stable working-class two-parent family, a historically specific social form now in decline around the globe. But we know a great deal about what children need if they are to grow up well. They need to eat, for one thing; the House welfare bill cuts the Food Stamp budget by \$27.5 billion over six years. They need well-staffed, quality daycare and preschools; the bill creates tremendous demand for childcare without providing anything like sufficient resources. We also know that New Jersey's three-year-old "family cap"—denying benefits to children born to a mother on welfare—has not reduced such births; nonetheless, the bill before

Congress imposes a federal version of the family cap. We know that there are fourteen applicants for every fast-food job in Harlem; the bill does nothing to create employment and thus welfare for mothers off—for life—after a maximum of five years, whether or not they can find work. What happens then?

On what basis do we assume that the states, left to their own devices, will use their powers wisely and fairly? Even under the current system, some states set benefits scandalously low. In 1994, a family of three received \$120 a week in Mississippi, \$184 in Texas, \$280 in Georgia. Block grant programs are, moreover, notoriously open to graft and abuse: in 1993, Mississippi's Human Services Department squandered its entire childcare and child-development block grant—\$8.3 million—on Pentagon-style bootlegging and frivolities. Block grant fans portray the states as beacons of practical experience in social innovation—and a few may be. But it's certainly suggestive that twenty-two states are today partially or totally under court supervision for having mishandled foster care and other programs protecting children from abuse or neglect. It's also suggestive that the Senate voted down Paul Wellstone when he proposed requiring the Department of Health and Human Services to keep track of the effect of the welfare bill on child poverty. Apparently, we are to conduct a grand experiment in the lives and health of children with no publishable results.

The notion that impoverishing the poor will bring about a reign of virtue and industry is a piece of pure ideology on a par with calling for "lavishly funded" orphanages. It bears no connection to how people actually live. You could say that Latin America has been one big laboratory for this idea—lots of religion, no social services. We know that's turned out, and we know how welfare reform will turn out: too many wages will go down, families will fracture, millions of children will be more miserable than ever.

KATHA POLLIT
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Bury it

The last thing Bill Clinton wants as the 1996 presidential campaign enters the home stretch is a bunch of television ads featuring his 1992 pledge to "end welfare as we know it," followed by Republican commentators.

intention that he blew "three chances" to do just that. So the president will probably endorse whatever the House and Senate plop on his desk.

But "welfare as we know it" will not end when Clinton signs. Ever since the Social Security Act of 1935, public assistance has been a patchwork of partial subsidies and mild oversight from Washington, channeled through widely varying state administrative arrangements and eligibility rules. If the current "reform" passes, the federal "guarantee" to contribute some aid to all eligible children will end.

That matters. But more consequential will be the dynamics set in motion in the states. Many states won't pay for much job training, and the new rules won't require them to do so. The new legislation will also encourage cost-conscious state governments to substitute federal funds, which they'll continue to receive, for monies of their own they must currently contribute to qualify for federal subsidies.

So the impending welfare changes should be called the "Shirk Responsibility for the Poor Act of 1996." Congress will proclaim that the federal government has ended the "failed welfare programs" of the past, while the states will save money on the poor. The federal state patchwork will remain, but with less money. Anyone who supposes the new legislation will produce large numbers of new intact working families is welcome to check the data in a few years.

Many Democratic Party progressives swear to battle these welfare transformations to the end. But I find myself unwilling to woman the barricades. Whether or not Clinton signs this summer, the Democrats have signaled their willingness to dismantle federal welfare guarantees. The death knell for Aid to Families with Dependent Children is tolling. It is time to bury the corpse and move on.

AFDC started—not in 1935, as many people think, but in the 1910s—when forty states passed mothers' pensions, allowing local governments to make payments to impoverished widows so they could care for children in their own homes (rather than surrendering them to orphanages or foster care). When mothers' pensions became federally subsidized with Aid to Dependent Children in 1935, Americans still presumed a mother's place was in the home. But in the late twentieth century, they no longer do. Across the class structure, fathers and mothers alike hold paid employment. People will no longer accept a welfare system that ostensibly pays poor mothers to stay

home. But the states are unlikely to turn AFDC into an effective work program.

Progressives should give up defending an outmoded and terribly inadequate welfare system centered on AFDC. They should call instead for work and family policies applicable to everyone, yet structured to give extra help to the least privileged working parents. Conservatives say they want work and responsible parenthood? Let's take them up on it—and try to create social policies that make it possible for all Americans, poor or not, to work while caring for children. Only when progressives adopt such an approach will welfare reform as we know it come, blessedly, to an end.

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In an ideal world

As long as government responds to all unmarried women and fatherless children with one program—AFDC—welfare cannot be fundamentally reformed. Poor divorced mothers need help to survive the end of a marriage, but they usually stay on AFDC a short time, and such help can be supplied by states with only modest federal assistance or direction.

Unmarried teenage moms, by contrast, are the heart of the underclass problem, bearing children who never have a father and who sometimes spend a lifetime on welfare. Since the crisis of the underclass affects the entire nation, substantial federal assistance, if only modest federal direction, is needed.

In an ideal world, AFDC would not exist. There would be instead three different programs run by different state agencies and receiving differing amounts of federal support. It might look something like this:

The *Program in Child Development* would offer cash, Food Stamps and medical care to unmarried mothers under 18. Administered by each state's department of child services, not a welfare agency, it would require, as a condition of aid, that the teenager live with her child in a group home or family shelter. The shelter, administered by a church or private organization, would supply parental instruction, supervise childcare, ban alcohol or drug use, and insist that each mother complete

high school. Men who father the children of underage mothers would, when identified, be offered a choice between marrying the mother or facing prosecution for statutory rape. The Program in Child Development would concentrate federal dollars on those mothers and children likely to spend lifetimes on welfare, and it would supply serious parental instruction free of a mandatory work requirement.

The *Program in Parent Training* would serve women age 18 and older who apply to it because they have had a child and lack a husband. Like the Program in Child Development, it would be run by a state's department of child services. It would supply not only cash, Food Stamps and medical care, but also a housing allowance. As a condition of receiving this aid, each mother would be required to receive regular home visits and parent-training sessions and to take available jobs provided adequate daycare was available for the child. Women would be eligible for three years of such aid, but no more.

The *Program in Maternal Assistance* would aid mothers who, though once married, have lost their husbands to death, desertion or divorce. It would be run by a state's employment service and consist of financial aid accompanied by a job training and job placement program. Its beneficiaries would be women hurt by temporary adversity, who now stay on AFDC for only a short time. Their plight would be clearly and bureaucratically separate from teenage illegitimacy.

Each of the three programs would have its own separate financing. Other than setting general rules, no program would receive any detailed federal guidance. The first would enjoy substantial federal financing but exclusively private management; the third would have the least federal financing and a mixture of public and private management. Periodically each state's programs would be subject to external review by something like the Manpower Demonstration Research Corporation.

If we had today's social problems but Aid to Families with Dependent Children had never existed, we would probably create something like this. Today, with AFDC, we are fighting over how to "fix" a program with diverse and incompatible ends. I doubt we can.

JAMES Q. WILSON is author of *The Moral Sense* (The Free Press).

G.O.P. MAY REVIVE A WELFARE PLAN TO SNARE CLINTON

AIM IS DEMOCRATIC SPLIT

Election-Year Maneuver Could Backfire on Republicans or Confound White House

A

By ROBERT PEARL

WASHINGTON, Jan. 29 — In a shift that could cause intense political difficulty for the White House, many leading House Republicans say they now want to pass the Senate version of a vast welfare bill, which President Clinton endorsed four months ago.

If he signed the bill, Mr. Clinton would infuriate many liberals in his own party. But if he vetoed it, he would disappoint voters hoping that he would fulfill his campaign promise to "end welfare as we know it."

For members of both parties, the decision about how to proceed is complicated by election-year politics and full of peril.

The White House and Congressional Republicans both have strong views about the need for change in Federal aid to the poor. The new Republican majorities in both houses passed separate welfare bills last year. Mr. Clinton declared that the House proposal was too harsh. To the dismay of many Democrats, he said last summer that he could accept the version drawn up in the Senate, though he later voiced concerns about the possibility that it would impoverish hundreds of thousands of children.

When House and Senate Republicans compromised and passed a welfare measure late last year, President Clinton vetoed it. Republican leaders in the House say they believe they can exploit that veto in the coming election campaign by confronting Mr. Clinton with the proposal he supported in the past.

Representative E. Clay Shaw Jr., a Florida Republican who is chairman of the Ways and Means subcommittee responsible for welfare legislation, said, "I favor taking the Senate bill up, passing it, sending it over to the Senate and then sending it to the President." Most Republicans on the Ways and Means Committee share that view, Mr. Shaw added.

And Representative Jimmy Hayes of Louisiana, a Democrat who switched to the Republican Party last month, said that he, too, wanted to send the Senate bill to the White House, in the hope that Mr. Clinton would sign it. He sees advantages for Republicans either way.

"If he signs the bill," Mr. Hayes said, "he will put himself at odds with many members of his own party, but it's good legislation and would make a vast improvement over the status quo. On the other hand, if he vetoes it, he will put himself at odds with his own past statements and show that he's not serious about welfare reform."

But other Republicans say they

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fear that if they send the bill to Mr. Clinton, he will sign it and take credit for improving the welfare system, depriving Republicans of a potent election issue. Aides to Speaker Newt Gingrich said he was still discussing strategy with fellow Republicans and had not decided whether to move the bill forward at this time.

The Senate bill would end the 60-year-old Federal guarantee of cash assistance for millions of poor children and would instead give each state a lump sum of Federal money for the general purpose of helping the poor.

Democrats worked with Republican moderates to refine the bill, which was approved in the Senate in September by a vote of 87 to 12, with support from 35 Democrats. The Senate bill would have provided more money than the House bill for child care; required states to continue spending their own money for welfare programs, and omitted stringent provisions of the House bill that, for example, would have denied cash assistance to families headed by unmarried women younger than 18.

In his State of the Union Message last week, Mr. Clinton said: "Congress and I are near agreement on sweeping welfare reform. We agree on time limits, tough work requirements and the toughest possible child support enforcement."

If Congress approves a bipartisan welfare bill that moves people from welfare to work and provides adequate child care, he said, "I will sign it immediately."

Though Mr. Clinton expressed support for the Senate bill in September, Administration officials refuse to say exactly where he stands on it today. Rahm I. Emanuel, a White House aide who coordinates welfare policy, said, "The President thinks the Senate bill is a good foundation for welfare reform, but we can do more" — for example, by adding money for child care.

The Senate bill provokes bitter disputes among Democrats. Some of the President's political advisers said they would urge him to sign it so that he could fulfill his 1992 campaign pledge to "end welfare as we know it," with a bill that would promote work and protect children.

But many liberal advocacy groups, like the Children's Defense Fund, agree with Senator Daniel Patrick Moynihan, Democrat of New York, who denounced the bill as "an obscene act of social regression," and White House officials said they believed that Hillary Rodham Clinton shared that view. Mr. Moynihan said that one of its provisions, a five-

year limit on payment of welfare benefits, could push a million children into poverty.

A Senate Democrat who is close to Mr. Clinton said: "If Congress sends him the Senate bill, that would be the worst situation in the world for Clinton. It would really put him in an untenable position."

Major changes in welfare policy were included in the budget bill that Mr. Clinton vetoed on Dec. 8. A month later, on Jan. 9, he vetoed a freestanding welfare bill, on the ground that it did not provide enough money for child care or job programs.

Despite those vetoes, White House officials say, Mr. Clinton is proud of his record on welfare. He has encouraged state welfare experiments by approving waivers for 35 states, and as a result, they say, welfare rolls are down and child support collections up.

The Senate bill is not conservative enough to satisfy some Republicans. In an interview today, Representative James M. Talent, Republican of Missouri, said that "the provisions of the Senate bill on illegitimacy were very weak" and that the work requirements ought to be stricter. Still, he said, "It's fine to use the Senate bill as a base."

Gov. Thomas R. Carper of Delaware, a Democrat, said tonight that it was conceivable the Administration and Congress could reach a compromise on welfare. He added: "I certainly intend to push for one. Most governors would like to have a compromise, and I sense the President would, too."

Among the Democrats who voted for the Senate bill in September were liberals like Christopher J. Dodd of Connecticut, Barbara A. Mikulski of Maryland and John D. Rockefeller 4th of West Virginia, as well as Tom Daschle of South Dakota, the minority leader. But Anita Schmeizer, a spokeswoman for Mr. Daschle, said today that it was not at all certain he would vote for it again.

Senator Moynihan said that one reason many Democrats supported the Senate bill was that "our caucus kept getting word that the White House wanted it."

In a budget proposal earlier this month, Mr. Clinton affirmed his support for welfare legislation that would end the Federal guarantee of cash assistance for poor children. Under his proposal, he said, the current program of Aid to Families With Dependent Children "would be terminated and replaced by a new conditional entitlement of limited duration." Mr. Clinton proposed "a five-year maximum time limit with a state option for vouchers at the end of that period to assist children."

That proposal infuriates many Democrats in Congress and many people at the Labor Department and the Department of Health and Human Services, who say the nation is morally obliged to preserve the Federal guarantee of cash assistance for poor children.

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Whitman Proposes Welfare Plan Intended to Ease a Shift to Work

THE NEW YORK TIMES,
TUESDAY, JANUARY 30, 1996

By JENNIFER PRESTON

Continued From Page A1

TRENTON, Jan. 30 — Gov. Christine Todd Whitman proposed an overhaul of the state welfare program today that would provide more state help to ease the transition to work and would let beneficiaries earn more outside income.

Calling her proposal "tough love at its best," Governor Whitman said the state would match this generosity with sternness. Benefits would be limited to five years, recipients would have to stay current with child support payments, and teen-age recipients would have to stay in school and live with a parent or other adult.

The proposals, outlined in the Governor's annual budget message to the State Legislature, borrow from dozens of pilot programs in other states and from proposed changes in the Federal welfare rules agreed to on Capitol Hill. In drawing up her list of proposals, Mrs. Whitman has remained on the moderate Republican course that she has set for her Administration in her first two years in office.

For example, she avoided many of the strictest proposals backed in other states, including a 21-month limit

on beneficiaries put into effect by Gov. John S. Rowland of Connecticut. And her plan includes not just more money for child care and job training, but a call for state-provided job counseling and help negotiating conflicts between welfare beneficiaries and employers.

To put her proposals into action, Mrs. Whitman needs the approval of the State Legislature and the Federal Government. Although she made the proposal in her budget address, Mrs. Whitman put no overall dollar figure on her welfare plan. She only said that it would cost no more than the state now spends on welfare.

"President Clinton has challenged

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the states to come up with ways to reform welfare." Mrs. Whitman said, adding to thunderous applause in the chambers of the General Assembly, "Mr. President, I accept that challenge.

"Give us block grants or give us waivers. But give New Jersey the green light to end welfare as we've known it — now."

Mrs. Whitman also announced today that she would support a proposal by the State Senate President, Donald T. DiFrancesco, to enable New Jerseyans to deduct their property taxes from their state income tax returns, as they could before 1990. The measure would cost approximately \$200 million and is not included in the Governor's proposed \$16 billion spending plan for the new fiscal year.

Mrs. Whitman also did not say how she would come up with \$400 million to replenish the expired fund that pays for hospital care for the poor.

The Governor said in her budget message that she intended to reduce overall state spending slightly, by less than 1 percent, but did not offer many specifics.

Senior Whitman administration officials began last week to make public some details of the budget, but the actual document will not be available until late next month, officials said. However, officials said that cuts would be proposed for several state agencies, particularly in the Departments of Environmental Protection and Human Services. And they are proposing to trim \$28 million from the state's prescription program for the elderly by making it off-limits to 33,000 seniors who have liquid assets of \$50,000 and greater.

The Whitman administration's spending plan assumes moderate growth in the state's economy, even though some economists see recent signs that the state's economy is weakening. Federal unemployment figures were 7.3 percent in December, and 7,000 workers from AT&T will be laid off in the coming months. The administration, however, assumes that fewer jobs will be created this year as in the previous year, which raises questions about how easy it will be for welfare recipients to find work in a declining economy.

"Certainly, any of those welfare reforms are going to be much easier in an up economy rather than a slowing economy," said James W. Hughes, dean of the Edward J. Bloustein School of Planning and Public Policy. "If we have vigorous

job growth, the question of job availability would be answered."

In New Jersey, the state now spends almost \$1 billion on welfare. There are almost 117,000 families, mostly single-parent homes, receiving welfare benefits that average \$424 a month. There are 35,021 single adults or childless couples receiving an average of \$140 a month in general assistance. The Whitman administration's goal is reduce the welfare rolls by 15 percent within five years.

Democrats were generally supportive of the Whitman proposal, noting that the author of the state's most recent welfare changes, State Senator Wayne Bryant of Camden, had been pressing for a requirement that teenagers on welfare live at home, provided that they were not victims of abuse or incest. But he said he is opposed to a five-year time limit. "When you start insisting that one size fits all," he said, "that's what the Federal government had been doing for years and that is what we are trying to get away from at the state level."

Governor Whitman's welfare program, called Work First New Jersey, would shift focus from providing recipients with job training and education programs aimed at obtaining jobs with competitive salaries and benefits to training and placing recipients in lower-paying, entry-level positions that do not necessarily offer health benefits. "We are saying that people have to start somewhere," said William Waldman, Commissioner of Human Services.

To assist those who get jobs, Mr. Waldman said that the program envisions offering more intensive job-counseling services, training and home visits. And if a new worker has problems with a boss, the state would provide "coaches" to intervene and try to smooth things over.

Under the current system, welfare recipients who find jobs lose their benefits. Under the Whitman proposal, they would preserve most of their benefits on a sliding scale. The administration would seek a waiver from the Federal government, allowing them to increase the level of earnings a recipient might collect before losing eligibility.

Currently, a mother of two could earn up to \$750 a month before losing her eligibility. The new proposal would allow her to earn \$848 a month. After leaving the welfare rolls, she would be able to keep her child-care benefits for one year, and Medicaid for two — just as she can now.

The plan allows participants to keep up to 100 percent of their earned income for the first month of employment and 50 percent of their income without losing benefits until they exceed income eligibility requirements.

The Whitman administration plan would double the investment the state now makes in supporting work activities and child care. The new plan also would expand available day-care services: At present, only 13,000 families have children in state-supported child-care programs. The Whitman proposal would also provide vouchers to participants to help them pay for transportation to their new jobs and to cover other work-related expenses.

Mrs. Whitman said that in exchange for this support, recipients would be required to show some "personal responsibility." Her plan would require mothers 18 or younger to live with a parent or a guardian and remain in school to remain eligible for benefits. The program also would require them to name their child's father and obtain a court order for child support.

After five years, recipients would be dropped from the welfare rolls.

Advocates for the poor called the time limit unfair. "The problem with time limits is that as long as we have unemployment there will be parents who can not find a job," said Mark Greenburg, senior staff attorney at the Center for Law and Justice in Washington.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 22, 1996

REMARKS BY THE PRESIDENT
AT THE SIGNING OF THE
PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. Thank you very much. Lillie, thank you. Thank you, Mr. Vice President, to the members of the Cabinet. All of the members of Congress who are here, thank you very much.

I'd like to say to Congressman Castle, I'm especially glad to see you here, because eight years ago about this time when you were the Governor of Delaware and Governor Carper was the Congressman from Delaware, you and I were together at a signing like this.

Thank you, Senator Long, for coming here. Thank you, Governors Romer, Carper, Miller and Caperton.

I'd also like to thank Penelope Howard and Janet Ferrel for coming here. They, too, have worked their way from welfare to independence and we're honored to have them here. I'd like to thank all of the people who worked on this bill who have been introduced from our staff and Cabinet, but I'd also like to especially thank Bruce Reed, who did a lot to do with working on the final compromises of this bill; I thank him.

Lillie Harden was up there talking, and I want to tell you how she happens to be here today. Ten years ago, Governor Castle and I were asked to cochair a Governors Task Force on Welfare Reform, and we were asked together on it, and when we met at Hilton Head in South Carolina, we had a little panel. And 41 governors showed up to listen to people who were on welfare from several states.

So I asked Carol Rasco to find me somebody from our state who had been in one of our welfare reform programs and had gone to work. She found Lillie Harden and Lillie showed up at the program. And I was conducting this meeting and I committed a mistake that they always tell lawyers never to do: never ask a question you do not know the answer to. (Laughter.)

But she was doing so well talking about it, as you saw how well-spoken she was today -- and I said, "Lillie, what's the best thing about being off welfare?" And she looked me straight in the eye and said, "When my boy goes to school and they say what does your mama do for a living, he can give an answer." I have never forgotten that. (Applause.) And when I saw the success of all of her children and the success that she's had in the past 10 years, I can tell you, you've had a bigger impact on me than I've had on you. And I thank you for the power of your example, for your family's. And for all of America, thank you very much. (Applause.)

What we are trying to do today is to overcome the flaws of the welfare system for the people who are trapped on it. We all

MORE

know that the typical family on welfare today is very different from the one that welfare was designed to deal with 60 years ago. We all know that there are a lot of good people on welfare who just get off of it in the ordinary course of business, but that a significant number of people are trapped on welfare for a very long time, exiling them from the entire community of work that gives structure to our lives.

Nearly 30 years ago, Robert Kennedy said, "Work is the meaning of what this country is all about. We need it as individuals, we need to sense it in our fellow citizens, and we need it as a society and as a people." He was right then, and it's right now.

From now on, our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life.

The bill I'm about to sign, as I have said many times, is far from perfect, but it has come a very long way. Congress sent me two previous bills that I strongly believe failed to protect our children and did too little to move people from welfare to work. I vetoed both of them. This bill had broad bipartisan support and is much, much better on both counts.

The new bill restores America's basic bargain of providing opportunity and demanding in return responsibility. It provides \$14 billion for child care, \$4 billion more than the present law does. It is good because without the assurance of child care it's all but impossible for a mother with young children to go to work. It requires states to maintain their own spending on welfare reform and gives them powerful performance incentives to place more people on welfare in jobs. It gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as subsidies as incentives to hire people. This bill will help people to go to work so they can stop drawing a welfare check and start drawing a paycheck.

It's also better for children. It preserves the national safety net of food stamps and school lunches. It drops the deep cuts and the devastating changes in child protection, adoption, and help for disabled children. It preserves the national guarantee of health care for poor children, the disabled, the elderly, and people on welfare -- the most important preservation of all.

It includes the tough child support enforcement measures that, as far as I know, every member of Congress and everybody in the administration and every thinking person in the country has supported for more than two years.

It's the most sweeping crackdown on deadbeat parents in history. We have succeeded in increasing child support collection 40 percent, but over a third of the cases where there's delinquencies, involve who cross state lines. For a lot of women and children, the only reason they're on welfare today -- the only reason -- is that the father up and walked away when he could have made a contribution to the welfare of the children. That is wrong. If every parent paid the child support that he or she owes legally today, we could move 800,000 women and children off welfare immediately.

With this bill we say, if you don't pay the child support you owe we'll garnish your wages, take away your driver's license, track you across state lines; if necessary, make you work off what you pay -- what you owe. It is a good thing and it will help dramatically to reduce welfare, increase independence, and reenforce parental responsibility. (Applause.)

As the Vice President said, we strongly disagree with a couple of provisions of this bill. We believe that the nutritional cuts are too deep, especially as they affect low-income working people and children. We should not be punishing people who are working for a living already; we should do everything we can to lift them up and keep them at work and help them to support their children. We also believe that the congressional leadership insisted in cuts in programs for legal immigrants that are far too deep.

These cuts, however, have nothing to do with the fundamental purpose of welfare reform. I signed this bill because this is an historic chance -- where Republicans and Democrats got together and said, we're going to take this historic chance to try to recreate the nation's social bargain with the poor. We're going to try to change the parameters of the debate. We're going to make it all new again and see if we can't create a system of incentives which reenforce work and family and independence.

We can change what is wrong. We should not have passed this historic opportunity to do what is right. And so I want to ask all of you, without regard to party, to think through the implications of these other non-welfare issues on the American people and let's work together in good spirits and good faith to remedy what is wrong. We can balance the budget without these cuts, but let's not obscure the fundamental purpose of the welfare provisions of this legislation which are good and solid, and which can give us at least the chance to end the terrible, almost physical isolation of huge numbers of poor people and their children from the rest of mainstream America. We have to do that. (Applause.)

Let me also say that there's something really good about this legislation. When I sign it we all have to start again. And this becomes everybody's responsibility. After I sign my name to this bill, welfare will no longer be a political issue. The two parties cannot attack each other over it. Politicians cannot attack poor people over it. There are no encrusted habits, systems and failures that can be laid at the foot of someone else. We have to begin again. This is not the end of welfare reform, this is the beginning. And we have to all assume responsibility. (Applause.)

Now that we are saying with this bill we expect work, we have to make sure the people have a chance to go to work. If we really value work, everybody in this society -- businesses, non-profits, religious institutions, individuals, those in government -- all have a responsibility to make sure the jobs are there.

These three women have great stories. Almost everybody on welfare would like to have a story like that. And the rest of us now have a responsibility to give them that story. We cannot blame the system for the jobs they don't have anymore. If it doesn't work now, it's everybody's fault -- mine, yours, and everybody else. There is no longer a system in the way. (Applause.)

I've worked hard over the past four years to create jobs and to steer investment into places where there are large numbers of people on welfare because there's been no economic recovery. That's what the empowerment zone program was all about. That's what the community development bank initiative was all about. That's what our urban Brownfield cleanup initiative was all about -- trying to give people the means to make a living in areas that had been left behind.

I think we have to do more here in Washington to do that, and I'll have more to say about that later. But let me say again, we have to build a new work and family system. And this is everybody's responsibility now. The people on welfare are people just like these three people we honor here today and their families.

They are human beings. And we owe it to all of them to give them a chance to come back.

I talked the other day when the Vice President and I went down to Tennessee and we were working with Congressman Tanner's district, we were working on a church that had burned. And there was a pastor there from a church in North Carolina that brought a group of his people in to work. And he started asking me about welfare reform, and I started telling him about it. And I said, "You know what you ought to do? You ought to go tell Governor Hunt that you would hire somebody on welfare to work in your church if he would give you the welfare check as a wage supplement, you'd double their pay and you'd keep them employed for a year or so and see if you couldn't train them and help their families and see if their kids were all right." I said, "Would you do that?" He said, "In a heartbeat."

I think there are people all over America like that. (Applause.) I think there are people all over America like that. That's what I want all of you to be thinking about today -- what are we going to do now? This is not over, this is just beginning. The Congress deserves our thanks for creating a new reality, but we have to fill in the blanks. The governors asked for this responsibility; now they've got to live up to it. There are mayors that have responsibilities, county officials that have responsibilities. Every employer in this country that ever made a disparaging remark about the welfare system needs to think about whether he or she should now hire somebody from welfare and go to work. Go to the state and say, okay, you give me the check, I'll use it as an income supplement, I'll train these people, I'll help them to start their lives and we'll go forward from here.

Every single person needs to be thinking -- every person in America tonight who sees a report of this who has ever said a disparaging word about the welfare system should now say, "Okay, that's gone. What is my responsibility to make it better?" (Applause.)

Two days ago we signed a bill increasing the minimum wage here and making it easier for people in small businesses to get and keep pensions. Yesterday we signed the Kassebaum-Kennedy bill which makes health care more available to up to 25 million Americans, many of them in lower-income jobs where they're more vulnerable.

The bill I'm signing today preserves the increases in the earned income tax credit for working families. It is now clearly better to go to work than to stay on welfare -- clearly better. Because of actions taken by the Congress in this session, it is clearly better. And what we have to do now is to make that work a reality.

I've said this many times, but, you know, most American families find that the greatest challenge of their lives is how to do a good job raising their kids and do a good job at work. Trying to balance work and family is the challenge that most Americans in the workplace face. Thankfully, that's the challenge Lillie Harden's had to face for the last 10 years. That's just what we want for everybody. We want at least the chance to strike the right balance for everybody.

Today, we are ending welfare as we know it. But I hope this day will be remembered not for what it ended, but for what it began -- a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor on welfare, but instead feels the responsibility to reach out to men and women and children who are isolated, who need opportunity, and who are willing to assume responsibility, and give them to opportunity and the terms of responsibility. (Applause.)

Now, I'd like to ask Penelope Howard, Janet Ferrel, Lillie Harden, the governors and the members of Congress from both parties who are here to come up and join me as I sign the welfare reform bill.

Q Mr. President, before you sign the bill, can you tell us whether you think it's right to regulate tobacco or nicotine as a drug?

THE PRESIDENT: You know, Wolf, under the law, I have to wait until the OMB makes a recommendation to me. I think we have to anticipate things. I can't say more than that right now.

(The bill is signed.)

Q Mr. President, some of your core constituencies are furious with you for signing this bill. What do you say to them?

THE PRESIDENT: Just what I said up there. We saved medical care. We saved food stamps. We saved child care. We saved the aid to disabled children. We saved the school lunch program. We saved the framework of support. What we did was to tell the state, now you have to create a system to give everyone a chance to go to work who is able-bodied, give everyone a chance to be independent. And we did -- that is the right thing to do.

And now, welfare is no longer a political football to be kicked around. It's a personal responsibility of every American who ever criticized the welfare system to help the poor people now to move from welfare to work. That's what I say.

This is going to be a good thing for the country. We're going to monitor it and we're going to fix whatever is wrong with it.

Q What guarantees are there that these things will be fixed, Mr. President, especially if Republicans remain in control of Congress?

THE PRESIDENT: That's what we have elections for.

END

11:33 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 22, 1996

STATEMENT BY THE PRESIDENT

Today, I have signed into law H.R. 3734, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996." While far from perfect, this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family.

This Act honors my basic principles of real welfare reform. It requires work of welfare recipients, limits the time they can stay on welfare, and provides child care and health care to help them make the move from welfare to work. It demands personal responsibility, and puts in place tough child support enforcement measures. It promotes family and protects children.

This bipartisan legislation is significantly better than the bills that I vetoed. The Congress has removed many of the worst provisions of the vetoed bills and has included many of the improvements that I sought. I am especially pleased that the Congress has preserved the guarantee of health care for the poor, the elderly, and the disabled.

Most important, this Act is tough on work. Not only does it include firm but fair work requirements, it provides \$4 billion more in child care than the vetoed bills -- so that parents can end their dependency on welfare and go to work -- and maintains health and safety standards for day care providers. The bill also gives States positive incentives to move people into jobs and holds them accountable for maintaining spending on welfare reform. In addition, it gives States the ability to create subsidized jobs and to provide employers with incentives to hire people off welfare.

The Act also does much more to protect children than the vetoed bills. It cuts spending on childhood disability programs less deeply and does not unwisely change the child protection programs. It maintains the national nutritional safety net, by eliminating the Food Stamp annual spending cap and the Food Stamp and School Lunch block grants that the vetoed bills contained. In addition, it preserves the Federal guarantee of health care for individuals who are currently eligible for Medicaid through the AFDC program or are in transition from welfare to work.

Furthermore, this Act includes the tough personal responsibility and child support enforcement measures that I proposed 2 years ago. It requires minor mothers to live at home and stay in school as a condition of assistance. It cracks down on parents who fail to pay child support by garnishing their wages, suspending their driver's licenses, tracking them across State lines, and, if necessary, making them work off what they owe.

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(OVER)

For these reasons, I am proud to have signed this legislation. The current welfare system is fundamentally broken, and this may be our last best chance to set it straight. I am doing so, however, with strong objections to certain provisions, which I am determined to correct.

First, while the Act preserves the national nutritional safety net, its cuts to the Food Stamp program are too deep. Among other things, the Act reinstates a maximum on the amount that can be deducted for shelter costs when determining a household's eligibility for Food Stamps. This provision will disproportionately affect low-income families with children and high housing costs.

Second, I am deeply disappointed that this legislation would deny Federal assistance to legal immigrants and their children, and give States the option of doing the same. My Administration supports holding sponsors who bring immigrants into this country more responsible for their well-being. Legal immigrants and their children, however, should not be penalized if they become disabled and require medical assistance through no fault of their own. Neither should they be deprived of food stamp assistance without proper procedures or due regard for individual circumstances. Therefore, I will direct the Immigration and Naturalization Service to accelerate its unprecedented progress in removing all bureaucratic obstacles that stand in the way of citizenship for legal immigrants who are eligible. In addition, I will take any possible executive actions to avoid inaccurate or inequitable decisions to cut off food stamp benefits -- for example, to a legal immigrant who has performed military service for this country or to one who has applied for and satisfied all the requirements of citizenship, but is awaiting governmental approval of his or her application.

In addition to placing an undue hardship on affected individuals, denial of Federal assistance to legal immigrants will shift costs to States, localities, hospitals, and medical clinics that serve large immigrant populations. Furthermore, States electing to deny these individuals assistance could be faced with serious constitutional challenges and protracted legal battles.

I have concerns about other provisions of this legislation as well. It fails to provide sufficient contingency funding for States that experience a serious economic downturn, and it fails to provide Food Stamp support to childless adults who want to work, but cannot find a job or are not given the opportunity to participate in a work program. In addition, we must work to ensure that States provide in-kind vouchers to children whose parents reach the 5-year Federal time limit without finding work.

This Act gives States the responsibility that they have sought to reform the welfare system. This is a profound responsibility, and States must face it squarely. We will hold them accountable, insisting that they fulfill their duty to move people from welfare to work and to do right by our most vulnerable citizens, including children and battered women. I challenge each State to take advantage of its new flexibility to use money formerly available for welfare checks to encourage the private sector to provide jobs.

The best antipoverty program is still a job. Combined with the newly increased minimum wage and the Earned Income Tax Credit -- which this legislation maintains -- H.R. 3734 will make work pay for more Americans.

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I am determined to work with the Congress in a bipartisan effort to correct the provisions of this legislation that go too far and have nothing to do with welfare reform. But, on balance, this bill is a real step forward for our country, for our values, and for people on welfare. It should represent not simply the ending of a system that too often hurts those it is supposed to help, but the beginning of a new era in which welfare will become what it was meant to be: a second chance, not a way of life. It is now up to all of us -- States and cities, the Federal Government, businesses and ordinary citizens -- to work together to make the promise of this new day real.

WILLIAM J. CLINTON

THE WHITE HOUSE,
August 22, 1996.

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THE DELEGATES ON THE ISSUES

Q: Do you support or oppose:

	Democratic Delegates	Democratic Registered Voters	All Registered Voters
<i>A constitutional amendment to require a balanced federal budget?</i>			
Support	32%	77%	82%
Oppose	65	19	16
<i>The death penalty for people convicted of murder?</i>			
Support	48%	67%	76%
Oppose	46	29	21
<i>Cutting off public assistance payments a poor person can receive after a maximum of five years?</i>			
Support	38%	67%	73%
Oppose	52	29	23
<i>The law banning the sale of most assault weapons?</i>			
Support	93%	78%	73%
Oppose	5	20	26
<i>A five-year freeze on legal immigration?</i>			
Support	15%	57%	59%
Oppose	76	39	38
<i>Reducing spending on social programs?</i>			
Support	20%	44%	55%
Oppose	72	53	42
<i>Reducing spending on defense and the military?</i>			
Support	65%	47%	44%
Oppose	29	48	52
<i>An amendment to the U.S. Constitution that would allow organized prayer in public schools?</i>			
Support	19%	66%	66%
Oppose	80	32	32
<i>Allowing homosexual couples the same benefits as married heterosexual couples, such as health, inheritance and Social Security survivor benefits?</i>			
Support	61%	38%	36%
Oppose	29	58	62
<i>Affirmative action programs giving preference to women, and blacks and other minorities?</i>			
Support	82%	163%	45%
Oppose	14	34	52
<i>A law barring illegal immigrants from public schools, hospitals and other state-run social services?</i>			
Support	16%	36%	48%
Oppose	79	61	49
Q: Do you think abortion should be legal?			
Legal in all cases	36%	25%	22%
Legal in most cases	52	40	34
Illegal in most cases	7	21	28
Illegal in all cases	1	10	13

THE DELEGATES ON CLINTON

Q: How would you rate President Clinton's campaign for president so far?

	Democratic Delegates	Democratic Registered Voters	All Registered Voters
Excellent	43%	11%	9%
Good	56	68	59
Not so good	1	17	21
Poor	0	3	8
Q: Has Clinton done an excellent job getting his views on these issues across to the American public, a good job, not so good or poor?			
<i>Abortion</i>			
Excellent/good	94%	78%	69%
Not so good/poor	5	19	27
<i>The assault weapons ban</i>			
Excellent/good	95%	78%	67%
Not so good/poor	4	20	27
<i>Cigarette smoking</i>			
Excellent/good	92%	65%	62%
Not so good/poor	6	27	30
<i>Where he wants to lead the country</i>			
Excellent/good	93%	80%	61%
Not so good/poor	7	19	38
<i>The economy</i>			
Excellent/good	93%	79%	64%
Not so good/poor	6	19	34
<i>Race relations</i>			
Excellent/good	93%	74%	63%
Not so good/poor	7	22	33
<i>The reasons to vote for him</i>			
Excellent/good	95%	79%	66%
Not so good/poor	5	21	33
<i>The reasons to vote against Dole</i>			
Excellent/good	78%	60%	54%
Not so good/poor	19	37	44

NOTE: Numbers may not add to 100 because of rounding or because those with no opinion were omitted.

The Washington Post/ABC News survey of Democratic delegates is based on telephone interviews with 508 randomly selected delegates to the party's national convention and was conducted Aug. 8-19. The margin of sampling error for the overall results is plus or minus 5 percentage points. The Washington Post/ABC News national survey of voters is based on telephone interviews with 1,514 randomly selected adults and was conducted Aug. 1-5. The margin of sampling error for the overall results is plus or minus 3 percentage points; the margin of error for subgroup populations is larger. Sampling error is but one source of many potential errors in this or any other opinion poll. Interviewing for both surveys was done by Chilton Research of Radnor, Pa.

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The Winds of Change

In the Democratic Convention, Chicago Sees an Opportunity to Rebuild Itself One More Time

By Ross Miller
Special to The Washington Post

CHICAGO

At the turn of the century, Theodore Dreiser observed the undisguised transformation of a prairie town into a metropolis and proclaimed Chicago a "seething city in the making."

Destroyed unintentionally by fire in the 19th century and then intentionally by the bulldozer in the 20th, the downtown alone has been remade three times in little more than a hundred years. Chicago, more than any other city, it seems, is infatuated with big plans.

In 1892 there was the World's Columbian Exposition, situating Chicago at the center of the nation's celebration of discovery. By the century's end, the Metropolitan Sanitary District had succeeded in reversing the flow of the Chicago River as the culmination of a mammoth 10-year public works project, an urban version of the Panama Canal. Later, with the famous though unrealized "Chicago Plan," the city envisioned replacing its celebrated skyscrapers with grand Parisian boulevards and squat classical buildings. The years after the Second World War brought wholesale urban renewal, interstate highways and the disappearance of the stockyards' foul smells and steelworks' hellish glow within the city limits.

Now Chicago is using the occasion of the Democratic National Convention to rebuild itself one more time.

On the eve of the Democrats' arrival, the city is being repaved and replanted. From the downtown to the nearby United Center, the site of the convention, Chicago is experiencing a long-delayed residential and commercial revival. Coffin planters with full-grown trees divide La Salle Street—the main financial and civic corridor—and delineate the route to the convention along Madison, the city's former skid row. State Street, a mile-long bus stop, is undergoing an around-the-clock face lift aimed to return it to its former glory as a preeminent retail strip, while the nearby Richard J. Daley Plaza with its signature Picasso sculpture has been provided a fresh \$8.5 million granite skin. The drawbridges with their herculean gearing are getting repainted. New street signs are everywhere.

Hosting the convention is like "having a party at your house," offers William M. Daley, a key adviser to the mayor, his brother Richard. It presents a good opportunity to "clean up."

Chicago has always been less interested in cleaning up than cleaning out, however. Bill Daley's father, when he was mayor from 1955 to 1976, enthusiastically embraced public housing, bulldozing ethnic enclaves like Bronzeville and Little Italy and segregating poor blacks. In one sense, the drive to start anew, the fascination with making things over—even if the immediate social costs are high—is an ingrained civic attitude that says Chicago's seemingly intractable problems are fixable. It has spawned a durable political culture that celebrates "the city that can" on its subway trains and a cunning optimism that persists despite a history of racial tensions, municipal corruption, crime and troubled schools. Chicago, with its brilliant tall buildings, railroads and teeming industrialism, is American opportunity made visible.

Financiers, laborers, immigrants and the native-born have all laid claim to the city. The population tripled to 1 million in the last three decades of the 19th century as Chicago's emergence as a rail hub helped it establish a monopoly on grain, lumber and meat processing.

The city was initially run as just another profitable franchise by the Armours, Swifts, Charnleys, Palmers, McCormicks and their agents. When millions in public assistance arrived after the Great Fire of 1871 to rebuild the city, the money was given not to public officials but directly to a group of prominent businessmen.

But it would never be business as usual again. German laborers, drawn in large numbers to work on constructing the new Chicago, went on strike for better wages and conditions, thereby laying the foundations for the modern labor movement in America. The fire had democratized opportunity, identifying Chicago for the next hundred years as a destination for ambition.

Beginning with the First World War and peaking after the Second, African Americans who left the Deep South and rode the Illinois Central to the end of the line found well-paying factory jobs and called Chicago the promised land. By the 1960s, close to a million had arrived; in 1990 they made up more than 40 percent of the city's population.

Of course, Chicago is no longer the manufacturing and industrial center it once was. Its economy is sustained by computer-driven markets and service industries managed from the high-tech offices downtown. The vast stockyards, leveled in the early 1970s, are now an anonymous tick-tack-toe of streets, anticipating an urban renewal that never happened. Steel mills long abandoned amid their plinths of slag have been looted and torched, awaiting demolition for a \$10 billion "third airport" for the city that was aborted in 1992 barely beyond the planning stages.

Still, the spectacle of "seething" change that transfixed early commentators like Dreiser is still observable. In the center of the downtown, Dearborn Street is a 100-year record of invention and ambition, left not in the rocks but in the architecture. Just stroll the mile from Congress Street at the southern edge of the business district to Wacker Drive on the river. The Delaware Building is the last of the once-plentiful commercial blocks put up in a hurry right after the Great Fire. Originally five stories—the city's height before steel frames, elevators and fireproof construction—the Delaware quickly gave way to taller buildings at least three times its size.

Twenty years later, John Root designed the 16-story Monadnock. He wanted its "mass and proportion [to] convey in some large elemental sense an idea of some of the great stable conserving forces of modern civilization." Named after a New England mountain, the Monadnock served as the setting for Henry Blake Fuller's "The Cliffdwellers," a popular novel of the 1890s about modern office workers.

In downtown Chicago, the contrast is of great steel and glass towers encircled by a rattling elevated railway that loops around this 38-block heartland. Chicago is an edited Manhattan, set off by wider streets and a penetrating reflected light from Lake Michigan that illuminates the buildings. When he came to town as a reporter in 1968, Norman Mailer, in the spirit of tough-guy locals like Nelson Algren and Studs Terkel, promoted Chicago as the only "great American city" because "nobody could ever forget how the money was made."

Politics is at least as important as money in Chicago, however. Indeed, when William and Richard Jr.'s father, Richard J. Daley, was running the city in the 1960s and cashing nearly \$1 billion in federal urban renewal funds (at one point, close to 70 percent of the entire national allotment), the distinction was entirely academic.

It still is, even though the old Daley political machine is dead from court challenges and a shift in population and power from the urban core out to the suburbs. Chicago currently has an African American and Hispanic majority. Harold Washington in 1983 became the city's

THE WASHINGTON POST

SUNDAY, AUGUST 25, 1996

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

July 31, 1996

PRESS BRIEFING
BY MARY ELLEN GLYNN

The Briefing Room

3:34 P.M. EDT

MS. GLYNN: If you all have anymore welfare questions, why don't you follow Bruce out and ask.

Q What's the status of being able to reach an agreement about a terrorism legislative package?

MS. GLYNN: As you know --

Q Nothing personal.

MS. GLYNN: I'm hurt.

As you know, Leon Panetta missed his 2:00 meeting with -- the scheduled meeting up on the Hill on terrorism. Deputy Attorney General Jamie Gorelick went instead. So we will give you a readout from that as soon as they get out of that. You know, there is supposed to be another one at 6:00 tonight.

Q Mary Ellen, what's the position of the administration on this English-only bill? Is the President going to sign it, veto it?

MS. GLYNN: At this point in time, we have not indicated any support for it. We think that the fact of the matter is that English is the language in the United States, so we will --

Q What does that mean, in terms of what the President will do?

MS. GLYNN: It's not necessary. We have not issued a veto statement on it because we have not seen the final legislation, but --

Q But you basically oppose it?

MS. GLYNN: Yes.

Q Can you tell us who was in this meeting?

MS. GLYNN: Yes. It was a fairly large group: the Vice President, Secretary Shalala, Secretary Kantor, Secretary Rubin, Secretary Reich, Secretary Cisneros, Chief of Staff Panetta, George Stephanopoulos, John Hilley, Raum Emanuel, Bruce Reed, Carol Rasco, Don Baer, Jack Lew, and Ken Apfel from the OMB.

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Q Not Dick Morris or Harold Ickes?

MS. GLYNN: No. Oh, excuse me, Harold Ickes was in there, too.

Q Tyson?

MS. GLYNN: She was not.

Q The President said two and a half hours; is that correct?

MS. GLYNN: It was about two and a half hours, yes. It took place in the Cabinet Room.

Q When he came down, the President gave the indication a couple of minutes ago that he woke up, he planned to have the day off, this was presented to him, he came down after a little bit of discussion, he said, we're going to sign it. Was there ever a time when he thought he wouldn't sign it?

MS. GLYNN: Absolutely. There were discussions all morning about it. As he said, it was a -- all the sides were presented to him, and he made his decision.

Q Have you been given any flavor what went on in the meeting?

MS. GLYNN: No, I have not.

Q On what they did. You know, did they --

MS. GLYNN: I think the President pretty much covered that, actually, in his last answer.

Q Was there anybody from the First Lady's office in that meeting?

MS. GLYNN: No.

Q And has he talked to her today -- she's out of town, I understand.

MS. GLYNN: I don't whether they have spoken about it. Not to my knowledge, though.

Q Do you have any update on what's going to happen with the deadline for the semiconductors and the discussions with the Japanese?

MS. GLYNN: I don't. I know that they are still discussing it, and to be frank I think an announcement will come out of Vancouver if there is one. But I think the deadline is midnight tonight.

Q On the Japanese trade talks.

MS. GLYNN: Yes.

Q Mary Ellen, with all the criticism that some of the members of your own party as well as groups that might be considered to be supporters for this administration have already put out front since this decision was made public, any concern that this is the kind of thing that could stretch as far as to the -- for instance, the convention in Chicago, some kind of backlash?

MS. GLYNN: I think that the President pretty much addressed that in his statement.

Q Do you want to talk about what kind of outreach you're doing, though, to maybe forestall any concerns along those lines?

MS. GLYNN: There is some outreach being done. As you know, the public liaison shop is making calls about this, as are our intergovernmental affairs. They called all the mayors and governors who would be affected by this to talk to them about it.

Q Leon Panetta said Sunday that to help D.C. the federal government would be bound to help other cities. Why shouldn't the District -- unique because it's the only city with state responsibilities and costs but without a state to help it out -- be afforded some kind of special attention? Just for my metro desk.

MS. GLYNN: And the question is?

Q Why shouldn't the District -- unique because it's the only city with state responsibilities and costs but without a state to help it out -- be afforded some kind of special attention?

MS. GLYNN: I think actually on Sunday that the Chief of Staff said that they were looking at some forms of targeted tax assistance such as empowerment zones.

Q Eleanor Holmes Norton said yesterday she had a productive discussion with Panetta on the subject of tax relief for the District. Has there been any change in the administration's positions as a result of that meeting and Speaker Gingrich's comments today in support of tax relief for the District?

MS. GLYNN: I'm not aware of Speaker Gingrich's comments but I don't believe there's been any change in our position today. We've been somewhat busy this morning.

THE PRESS: Thank you.

END

3:39 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 31, 1996

STATEMENT BY THE PRESIDENT

The Briefing Room

2:27 P.M. EDT

THE PRESIDENT: Good afternoon. When I ran for President four years ago, I pledged to end welfare as we know it. I have worked very hard for four years to do just that. Today, the Congress will vote on legislation that gives us a chance to live up to that promise -- to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence; to give people on welfare a chance to draw a paycheck, not a welfare check.

It gives us a better chance to give those on welfare what we want for all families in America, the opportunity to succeed at home and at work. For those reasons I will sign it into law. The legislation is, however, far from perfect. There are parts of it that are wrong, and I will address those parts in a moment.

But, on balance, this bill is a real step forward for our country, our values and for people who are on welfare. For 15 years I have worked on this problem, as governor and as a President. I've spent time in welfare offices, I have talked to mothers on welfare who desperately want the chance to work and support their families independently. A long time ago I concluded that the current welfare system undermines the basic values of work, responsibility and family, trapping generation after generation in dependency and hurting the very people it was designed to help.

Today we have an historic opportunity to make welfare what it was meant to be -- a second chance, not a way of life. And even though the bill has serious flaws that are unrelated to welfare reform, I believe we have a duty to seize the opportunity it gives us to end welfare as we know it. Over the past three and a half years I have done everything in my power as President to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. We have also required teen mothers to stay in school, required federal employees to pay their child support, cracked down on people who owe child support and crossed state lines.

As a result, child support collections are up 40 percent, to \$11 billion, and there are 1.3 million fewer people on welfare today than there were when I took office. From the outset, however, I have also worked with members of both parties in Congress to achieve a national welfare reform bill that will make work and responsibility the law of the land. I made my principles for real welfare reform very clear from the beginning. First and foremost, it should be about moving people from welfare to work. It should impose time limits on welfare. It should give people the child care and the health care they need to move from welfare to work without hurting their children. It should crack down on child support enforcement and it should protect our children.

This legislation meets these principles. It gives us a chance we haven't had before -- to break the cycle of dependency that has existed for millions and millions of our fellow citizens, exiling

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them from the world of work that gives structure, meaning, and dignity to most of our lives.

We've come a long way in this debate. It's important to remember that not so very long ago, at the beginning of this very Congress, some wanted to put poor children in orphanages and take away all help for mothers simply because they were poor, young and unmarried. Last year the Republican majority in Congress sent me legislation that had its priorities backward. It was soft on work and tough on children. It failed to provide child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare and help for disabled children. The bill came to me twice and I vetoed it twice.

The bipartisan legislation before the Congress today is significantly better than the bills I vetoed. Many of the worst elements I objected to are out of it. And many of the improvements I asked for are included. First, the new bill is strong on work. It provides \$4 billion more for child care so that mothers can move from welfare to work, and protects their children by maintaining health and safety standards for day care. These things are very important. You cannot ask somebody on welfare to go to work if they're going to neglect their children in doing it.

It gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies as an incentive to hire people, or being used to create community service jobs.

Second, this new bill is better for children than the two I vetoed. It keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare and help for disabled children. It allows states to use federal money to provide vouchers for children whose parents can't find work after the time limits expire. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly and people on welfare.

Just as important, this bill continues to include the child support enforcement measures I proposed two years ago, the most sweeping crackdown on deadbeat parents in history. If every parent paid the child support they should, we could move 800,000 women and children off welfare immediately. With this bill we say to parents, if you don't pay the child support you owe, we will garnish your wages, take away your drivers license, track you across state lines and, as necessary, make you work off what you owe. It is a very important advance that could only be achieved in legislation. I did not have the executive authority to do this without a bill.

So I will sign this bill. First and foremost because the current system is broken. Second, because Congress has made many of the changes I sought. And, third, because even though serious problems remain in the non-welfare reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it by moving people from welfare to work, demanding responsibility and doing better by children.

However, I want to be very clear. Some parts of this bill still go too far. And I am determined to see that those areas are corrected. First, I am concerned that although we have made great strides to maintain the national nutritional safety net, this bill still cuts deeper than it should in nutritional assistance, mostly for working families with children. In the budget talks, we

reached a tentative agreement on \$21 billion in food stamp savings over the next several years. They are included in this bill.

However, the congressional majority insisted on another cut we did not agree to, repealing a reform adopted four years ago in Congress, which was to go into effect next year. It's called the Excess Shelter Reduction, which helps some of our hardest pressed working families. Finally, we were going to treat working families with children the same way we treat senior citizens who draw food stamps today. Now, blocking this change, I believe -- I know -- will make it harder for some of our hardest pressed working families with children. This provision is a mistake, and I will work to correct it.

Second, I am deeply disappointed that the congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military. This provision has nothing to do with welfare reform. It is simply a budget-saving measure, and it is not right.

These immigrant families with children who fall on hard times through no fault of their own -- for example because they face the same risks the rest of us do from accidents, from criminal assaults, from serious illnesses -- they should be eligible for medical and other help when they need it. The Republican majority could never have passed such a provision standing alone. You see that in the debate in the immigration bill, for example, over the Gallegly amendment and the question of education of undocumented and illegal immigrant children.

This provision will cause great stress for states, for localities, for medical facilities that have to serve large numbers of legal immigrants. It is just wrong to say to people, we'll let you work here, you're helping our country, you'll pay taxes, you serve in our military, you may get killed defending America -- but if somebody mugs you on a street corner or you get cancer or you get hit by a car or the same thing happens to your children, we're not going to give you assistance any more. I am convinced this would never have passed alone and I am convinced when we send legislation to Congress to correct it, it will be corrected.

In the meantime, let me also say that I intend to take further executive action directing the INS to continue to work to remove the bureaucratic roadblocks to citizenship to all eligible, legal immigrants. I will do everything in my power, in other words, to make sure that this bill lifts people up and does not become an excuse for anyone to turn their backs on this problem or on people who are generally in need through no fault of their own. This bill must also not let anyone off the hook. The states asked for this responsibility, now they have to shoulder it and not run away from it. We have to make sure that in the coming years reform and change actually result in moving people from welfare to work.

The business community must provide greater private sector jobs that people on welfare need to build good lives and strong families. I challenge every state to adopt the reforms that Wisconsin, Oregon, Missouri and other states are proposing to do, to take the money that used to be available for welfare checks and offer it to the private sector as wage subsidies to begin to hire these people, to give them a chance to build their families and build their lives. All of us have to rise to this challenge and see that -- this reform not as a chance to demonize or demean anyone, but instead as an opportunity to bring everyone fully into the mainstream of American life, to give them a chance to share in the prosperity and the promise that most of our people are enjoying today.

And we here in Washington must continue to do everything in our power to reward work and to expand opportunity for all people. The Earned Income Tax Credit which we expanded in 1993 dramatically, is now rewarding the work of 15 million working families. I am pleased that congressional efforts to gut this tax cut for the hardest pressed working people have been blocked. This legislation preserves the EITC and its benefits for working families. Now we must increase the minimum wage, which also will benefit millions of working people with families and help them to offset the impact of some of the nutritional cuts in this bill.

Through these efforts, we all have to recognize, as I said in 1992, the best anti-poverty program is still a job. I want to congratulate the members of Congress in both parties who worked together on this welfare reform legislation. I want to challenge them to put politics aside and continue to work together to meet our other challenges and to correct the problems that are still there with this legislation. I am convinced that it does present an historic opportunity to finish the work of ending welfare as we know it, and that is why I have decided to sign it.

Q Mr. President, some civil rights groups and children's advocacy groups still say that they believe that this is going to hurt children. I wonder what your response is to that. And, also, it took you a little while to decide whether you would go along with this bill or not. Can you give us some sense of what you and your advisers kind of talked about and the mood in the White House over this?

THE PRESIDENT: Sure. Well, first of all, the conference was not completed until late last evening, and there were changes being made in the bill right up to the very end. So when I went to bed last night, I didn't know what the bill said. And this was supposed to be a day off for me, and when I got up and I realized that the conference had completed its work late last night and that the bill was scheduled for a vote late this afternoon, after I did a little work around the house this morning, I came in and we went to work I think about 11:00.

And we simply -- we got everybody in who had an interest in this and we went through every provision of the bill, line by line, so that I made sure that I understood exactly what had come out of the conference. And then I gave everybody in the administration who was there a chance to voice their opinion on it and to explore what their views were and what our options were. And as soon as we finished the meeting, I went in and had a brief talk with the Vice President and with Mr. Panetta, and I told them that I had decided that, on balance, I should sign the bill. And then we called this press conference.

Q And what about the civil rights groups --

THE PRESIDENT: I would say to them that there are some groups who basically have never agreed with me on this, who never agreed that we should do anything to give the states much greater flexibility on this if it meant doing away with the individual entitlement to the welfare check. And that is still, I think, the central objection to most of the groups.

My view about that is that for a very long time it's hard to say that we've had anything that approaches a uniform AFDC system when the benefits range from a low of \$187 a month to a high of \$655 a month for a family of three or four. And I think that the system we have is not working. It works for half the people who just use it for a little while and get off. It will continue to work for them. I think the states will continue to provide for them.

For the other half of the people who are trapped on it, it is not working. And I believe that the child support provisions here, the child care provisions here, the protection of the medical benefits -- indeed, the expansion of the medical guarantee now from 1998 to 2002, mean that on balance these families will be better off. I think the problems in this bill are in the non-welfare reform provisions, in the nutritional provisions that I mentioned and especially in the legal immigrant provisions that I mentioned.

Q Mr. President, it seems likely there will be a kind of political contest to see who gets the credit or the blame on this measure. Senator Dole is out with a statement calling -- saying that you've been brought along to sign his bill. Are you concerned at all that you will be seen as having been kind of dragged into going along with something that you originally promised to do and that this will look like you signing onto a Republican initiative?

THE PRESIDENT: No. First of all, because I don't -- you know, if we're doing the right thing there will be enough credit to go around. And if we're doing the wrong thing there will be enough blame to go around. I'm not worried about that. I've always wanted to work with Senator Dole and others. And before he left the Senate, I asked him not to leave the budget negotiations. So I'm not worried about that.

But that's a pretty hard case to make, since I vetoed their previous bills twice and since while they were talking about it we were doing it. It's now generally accepted by everybody who has looked at the evidence that we effected what the New York Times called a quiet revolution in welfare. There are 1.3 million fewer people on welfare today than there were when I took office.

But there are limits to what we can do with these waivers. We couldn't get the child support enforcement. We couldn't get the extra child care. Those are two things that we had to have legislation to do. And the third thing is we needed to put all the states in a position where they had to move right now to try to create more jobs. So far -- I know that we had Wisconsin and earlier, Oregon, and I believe Missouri. And I think those are the only three states, for example, that had taken up the challenge that I gave to the governors in Vermont a couple of years ago to start taking the welfare payments and use it for wage subsidies to the private sector to actually create jobs. You can't tell people to go to work if there is no job out there.

So now they all have the power and they have financial incentives to create jobs, plus we've got the child care locked in and the medical care locked in and the child support enforcement locked in. None of this could have happened without legislation. That's why I thought this legislation was important.

Q Mr. President, some of the critics of this bill say that the flaws will be very hard to fix because that will involve adding to the budget and in the current political climate adding to the expenditures is politically impossible. How would you respond to that?

THE PRESIDENT: Well, it just depends on what your priorities are. For one thing, it will be somewhat easier to balance the budget now in the time period because the deficit this year is \$23 billion less than it was the last time we did our budget calculations. So we've lowered that base \$23 billion this year. Now, in the out years it still comes up, but there's some savings there that we could turn around and put back into this.

Next, if you look at -- my budget corrects it right now. I had \$42 billion in savings, this bill has about \$57 billion in

savings. You could correct all these problems that I mentioned with money to spare in the gap there. So when we get down to the budget negotiations either at the end of this year or at the beginning of next year, I think the American people will say we can stand marginally smaller tax cuts, for example, or cut somewhere else to cure this problem of immigrants and children, to cure the nutritional problems. We're not talking about vast amounts of money over a six year period. It's not a big budget number and I think it can easily be fixed given where we are in the budget negotiations.

Q The last couple days in these meetings among your staff and this morning, would you say there was no disagreement among people in the administration about what you should do? Some disagreement? A lot of disagreement?

THE PRESIDENT: No, I would say that there was -- first of all, I have rarely been as impressed with the people who work in this administration on any issue as I have been on this. There was significant disagreement among my advisers about whether this bill should be signed or vetoed, but 100 percent of them recognized the power of the arguments on the other side. It was a very moving thing. Today the conversation was almost 100 percent about the merits of the bill and not the political implications of it. Because I think those things are very hard to calculate anyway. I think they're virtually impossible.

I have tried to thank all of them personally, including those who are here in the room and those who are not here, because they did have differences of opinion about whether we should sign or veto, but each side recognized the power of the arguments on the other side. And 100 percent of them, just like 100 percent of the Congress, recognized that we needed to change fundamentally the framework within which welfare operates in this country. The only question was whether the problems in the non-welfare reform provisions were so great that they would justify a veto and giving up what might be what I'm convinced is our last best chance to fundamentally change the system.

Q Mr. President, even in spite of all the details of this, you as a Democrat are actually helping to dismantle something that was put in place by Democrats 60 years ago. Did that give you pause, that overarching question?

THE PRESIDENT: No. No, because it was put in place 60 years ago when the poverty population of America was fundamentally different than it is now. As Senator Moynihan -- you know, Senator Moynihan strongly disagrees with me on this --but as he has pointed out repeatedly, when welfare was created the typical welfare recipient was a miner's widow with no education, small children, husband dies in the mine, no expectation that there was a job for the widow to do or that she ever could do it, very few out-of-wedlock pregnancies and births. The whole dynamics were different then.

So I have always thought that the Democratic party should be on the side of creating opportunity and promoting empowerment and responsibility for people, and a system that was in place 60 years ago that worked for the poverty population then is not the one we need now. But that's why I have worked so hard too to veto previous bills. That does not mean I think we can walk away from the guarantee that our party gave on Medicaid, the guarantee our party gave on nutrition, the guarantee our party gave in school lunches, because that has not changed. But the nature of the poverty population is so different now that I am convinced we have got to be willing to experiment, to try to work to find ways to break the cycle of dependency that keeps dragging folks down.

And I think the states are going to find out pretty quickly that they're going to have to be willing to invest something

in these people to make sure that they can go to work in the ways that I suggested.

Yes, one last question.

Q Mr. President, you have mentioned Senator Moynihan. Have you spoken to him or other congressional leaders, especially congressional Democrats? And what was the conversation and reaction to your indication?

THE PRESIDENT: Well, I talked to him as recently, I think, as about a week ago. When we went up to meet with the TWA families, we talked about it again. And, you know, I have an enormous amount of respect for him. And he has been a powerful and cogent critic of this whole move. I'll just have to hope that in this one case I'm right and he's wrong -- because I have an enormous regard for him. And I've spoken to a number of other Democrats, and some think I'm right and some don't.

This is a case where, you know, I have been working with this issue for such a long time -- a long time before it became -- to go back to Mr. Hume's question -- a long time before it became a cause celeb in Washington or anyone tried to make it a partisan political issue. It wasn't much of a political hot potato when I first started working on it. I just was concerned that the system didn't seem to be working. And I was most concerned about those who were trapped on it and their children and the prospect that their children would be trapped on it.

I think we all have to admit here -- we all need a certain level of humility today. We are trying to continue a process that I've been pushing for three and a half years. We're trying to get the legal changes we need in federal law that will work to move these folks to a position of independence where they can support their children and their lives as workers and in families will be stronger.

But if this were an easy question, we wouldn't have had the two and a half hour discussion with my advisers today and we'd all have a lot more answers than we do. But I'm convinced that we're moving in the right direction. I'm convinced it's an opportunity we should seize. I'm convinced that we have to change the two problems in this bill that are not related to welfare reform, that were just sort of put under the big shade of the tree here, that are part of this budget strategy with which I disagree. And I'm convinced when we bring those things out into the light of day we will be able to do it. And I think some Republicans will agree with us and we'll be able to get what we need to do to change it.

Thank you.

THE PRESS: Thank you.

END

2:52 P.M. EDT

THE WHITE HOUSE
Office of the Press Secretary

Policy Council

For Immediate Release

July 31, 1996

PRESS BRIEFING
BY
SECRETARY OF HEALTH AND HUMAN SERVICES DONNA SHALALA
AND
ASSISTANT TO THE PRESIDENT FOR
POLICY PLANNING BRUCE REED

The Briefing Room

3:12 P.M. EDT

MS. GLYNN: Good afternoon, everyone. To finish the briefing on welfare reform we have Secretary of Health and Human Services Donna Shalala and Assistant to the President for Policy Planning Bruce Reed.

SECRETARY SHALALA: Thank you very much. I think the President outlined his reasons for signing the bill brilliantly. Let me talk a little about the reasons why the President vetoed earlier bills and what we've gained, what the policy gains have been in this bill.

First, Medicaid is a stand-alone entitlement program. No longer is it linked -- it's not linked to welfare, and the Medicaid program is allowed to continue. We would still like some reforms in that Medicaid program, but the important thing is that welfare recipients will not be losing their Medicaid, and Medicaid will continue for millions of poor Americans who need health care.

Second, there's \$4 billion more for child care in this bill, and we were able to restore the health and safety standards for the child care system in this country, which were absolutely critical. There was an attempt by the Republicans to remove them.

Third, there is no food stamp block grant. The food stamp program stays intact. There's no ceiling limit on it. The President did outline that we have some concerns about the way the cuts were taken, and we'll be looking at those as we do our detailed analysis.

Fourth, there's no child welfare block grant. The child welfare services, which have been the most sensitive kind of services in this country, to limit them in any way -- these are the services that cover foster care, adoption services, 21 states are already under some court order. The Republicans originally wanted to curb those services, put caps on it, block grant it. We said not a chance. These are the most vulnerable children in our society and you have to back away from those proposals.

There are greater protections in this bill for disabled children. There is a doubling of the contingency fund to protect against economic downturns. It's now \$2 billion, instead of \$1 billion, which is what they had in previous bills. That's extremely important.

For those that believe that we ought to continue to entitlement, the contingency fund becomes critical. That's what is taken up and used if there is an economic downturn in a state. If a state goes into an economic downturn, the people that need help are

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working folks who get laid off from their jobs and need to come into the welfare system for a very short period of time. So a contingency fund or an alternative like an entitlement becomes increasingly important. The contingency fund here is \$2 billion to protect against economic downturns.

There is a 20 percent hardship exemption, which gives the states the flexibility of exempting a large group of people who cannot meet either the work requirements or the time requirements for one reason or another. There is no mandatory family cap. You'll remember that the Catholic Church in particular has been deeply concerned about a family cap that would limit the payments that a state gives, a national family cap if a family has another child -- if a woman has another child. The work requirements in this have actually been made more flexible at the 11th hour. A very interesting change was put in place in this bill, which has not actually been written about, which allows the states to keep the work requirements they negotiated with us in their waivers, as opposed to moving to the work requirements that are in the bill. So the states will have the options during the course of their waivers, and these waivers have been granted between five and 11 years. So for many states they'll have flexibility on the packages they put together.

The school lunch and the nutrition block grant was eliminated in this bill. We fought that early on. And any kind of cut in unmarried teen moms from getting assistance was eliminated. There are major gains in this bill that made it possible for the President to sign the bill, but more importantly from our point of view, made it possible for the bill to work.

Q Secretary Shalala, you have outlined a number of improvements of this bill over the previous two that he vetoed, but in your opinion is this a good bill, is this an improvement on the status quo? Secondly, did you recommend to the President this morning or last night that he in fact sign it? And third, did you ever consider resigning over this bill?

SECRETARY SHALALA: First, on the issue of is this an improvement over the status quo, it is a significant improvement over the status quo. As early as 1984 a number of my colleagues who are now with me at the Department of Health and Human Services, including Mary Jo Bane and I, recommended to Governor Cuomo that we move to an employment-based program with time limits. This program moves us into the modern age, moves -- gives people genuine opportunity to move from welfare to work and puts the support systems around. If you combine this with Earned Income Tax Credit and with the minimum wage, we have powerful incentives to support people, even as they're entering entry-level jobs in this country. And the President has always believed, as all of us do, that the best opportunity for anyone in this country is a job.

This is a significant improvement over the status quo. As to the other two questions, I never reveal publicly advice I give to the President. And I never considered resigning.

Q Ms. Secretary, on the 10 things that you named for us, I wanted to just ask a couple of clarifying questions. The doubling of the contingency fund from \$1 billion to \$2 billion, is that over what period of time?

SECRETARY SHALALA: Over six years.

Q And the same is true of the \$4 billion more for child care?

SECRETARY SHALALA: Yes.

Q What does that bring the total to of child care for the six years?

SECRETARY SHALALA: Fourteen billion dollars.

Q And the 10th thing -- one other question, guys. Will that 10th thing that you named -- you listed -- the unmarried teen moms --

SECRETARY SHALALA: Remember, one of the original bills

--

Q What's the provision now?

SECRETARY SHALALA: Unmarried teen moms will be able to finish high school. They'll get support while they're finishing high school as opposed to being cut off from any kind of aid.

Q Is that required or is it up to the states --

MR. REED: When the House Republicans put forward their bill early last year, they included a provision that would have required every state to ban every teen mother from receiving assistance just because they were poor, young and unmarried as the President said.

Q It wasn't in the bill that went to the President the first time was it?

MR. REED: No, no. That's something that was in the original House bill and the President singled that out in his 1995 State of the Union. We had a hard-fought battle which we won early on, and it's not included in the final bill.

SECRETARY SHALALA: Remember for many of us, it's the improvement since our first discussions with the Republicans. Dragging them originally into getting child support into the bill became very important. They did not have it in their original bill; we insisted on it. Child support enforcement for the first time will have the national dimension to it, which means we'll be able to track people down successfully across state lines.

Q Secretary Shalala, you never said whether you liked the bill in response to the last question. And, also, you have liberal Democrats like Charlie Rangel going to the floor saying my President will boldly throw 1 million children into the street. How do you react to those sorts of comments?

SECRETARY SHALALA: Well, first, I hope that the governors intend to prove Charlie, my good friend Charlie Brown -- Charlie Rangel -- Charlie Rangel wrong. And it's the way they're going to manage this program.

Second, I do think it's a good welfare bill. There are parts of it that the President outlined that are outside the welfare bill that we have deep and serious concerns about that include the immigration provisions and the nutrition provisions and, hopefully, we'll be able to make significant strides in getting improvements over our concerns.

Q Will you outline what it is exactly about the nutrition provisions that are objected to?

SECRETARY SHALALA: The President outlined the shelter allowance as one example. For people that -- for low income people working people in some cases, who have very high shelter costs having their calculation for food stamps based on taking into account a certain amount of their shelter costs, the issue is -- it's over 50

percent of their shelter cost, how much above that will be taken into account.

This bill makes some dollar improvements but the law was actually going to take off the limit over 50 percent, a law that was passed which would have protected those who live in high housing cost areas. That becomes extremely important for working families because they do have some income, because they have jobs, but they also need food stamps to supplement and we need to take into account those higher shelter costs.

That becomes a very sensitive issue for us.

Q -- bill does what as --

SECRETARY SHALALA: The bill puts a cap on that amount, and we simply want to be able to take a very careful look at that. In addition, the bill goes into the food stamp program and removes some increases that we have some concerns about, and we will be reviewing those. But remember, we got this bill at midnight last night. The President needed to make a decision fast, so we've done the analysis --

MR. REED: Just to add to what Donna said, there is a cap in current law that was set to expire, effectively next year, and this bill maintains that cap and shaves the increase --

SECRETARY SHALALA: It was the Mickey Leland Food Act, and it was Mickey Leland's legacy to take off that cap.

Q Madam Secretary, when you came this morning to this meeting, did you have a sense, or did you know in your bones what the outcome would be --

SECRETARY SHALALA: No.

Q -- and was it what you expected?

SECRETARY SHALALA: No, I didn't. I expected it to be a full and healthy discussion and thoughtful discussion with the President. And as he described it, that's exactly what it was.

Q And did you believe when you came that either outcome was possible and we just happened to arrive at this outcome?

SECRETARY SHALALA: I don't -- I don't know. I came for a discussion. The President has never invited me to a meeting in which he has already made up his mind, so it was a full discussion this morning.

Q Could you give some of the flavor of that meeting?

SECRETARY SHALALA: No, I think it's inappropriate. We have never described the meetings or the flavor of the meetings. I think the President described the meeting, and I'll stick with the President's description.

Q The President said there is an element of experiment about this. Nobody can say with absolute certainty how it will work or how different states will approach it. What do you think is a fair window of time to be reviewing what the states are doing? And if there is a race for the bottom, when will we know?

SECRETARY SHALALA: Well, as you well know, we have essentially taken the first step towards for welfare reform using the waiver process, so we know something about state behavior and we're just starting to get in the evaluations on state behavior and what's happening in those particular states. The President would want us to

monitor what's happening very carefully. We will be able to tell whether states are adding additional money. We will know how many states are moving people into jobs and whether they're staying in those jobs. So we will have information, hopefully state by state, that will tell us what's happening and be able to report to the President and report to Congress about what's going to happen.

The important thing about this bill, and every piece of research has told us, that the states must have a stake in the outcome. They must be a full partner. The more they're involved in it, the more likely you are to get success in terms of state programs. That's what the MDRC told us in their research, and so we have moved dramatically to give the states the authority to design their own programs.

Q Will the bill change anything that's happening in the many states with waivers? Are they exempt -- in addition to being exempt from the work requirements in the bill, are they exempt from any other provisions?

SECRETARY SHALALA: Well, the states will be able to -- we have to go back and look at this very carefully. I think that they will be able to take their waivers, look at the new bill, and be able to shape what their overall program -- and remember, some of our waivers are for one county. They will have a lot more flexibility in terms of statewide programs now, in terms of expanding some of those county activities. And so I do expect some changes in the states.

Q Will they be forced to change anything, though, or --

SECRETARY SHALALA: The bill basically allows them to keep their waivers and to work with the rest of the bill. So to the extent that they're forced to it, is -- I think the answer is, there is no forcing, but there are more opportunities in the new bill that they will want to take advantage of. And I think that's the best way to characterize it.

Q -- follow up to that. What's the fate of the Wisconsin waiver?

SECRETARY SHALALA: Well, Wisconsin now has -- I can't talk about Wisconsin. You're going to have to answer Wisconsin. I'm recused. Go ahead. I'm going to Wisconsin --

MR. REED: When this bill becomes law, Wisconsin should be able to do the welfare reform plan that they submitted to us.

Q In other words, the President will take no action on the pending waiver request? What's the --

Q Is it moot --

MR. REED: Yes, I think it's essentially moot.

Q Bruce, when will -- the President said he'd be sending legislation up to fix some of the holes, the problems he saw with the bill, notably the immigrants who will not get Medicaid and other proposals. When will that legislation be ready? When are you planning to send --

SECRETARY SHALALA: He is -- you know, we just analyzed this bill for the President. We just got it, and he told us to get to work. So, we'll let you --

MR. REED: I think that the prospects of enacting that legislation in this Congress are not very good given the circumstances we've run into in the last several weeks.

Q Just to follow up, the prospects of enactment have in the past not necessarily stopped you from the process of promulgation. And the President made it sound as if he thought that was a serious enough concern. Will a proposal from the administration be forthcoming in the remainder of this year or would that wait for the second term?

MR. REED: Well, I think it's likely, but I --

Q Which is likely --

SECRETARY SHALALA: I think it's -- what the President told us to do -- let me go back to the point. What the President told us to do was to get to work and to look at those -- we have to finish our analysis of this bill. We've seen, obviously we've read it and seen enough of it. We need to come back to him and tell him specifically what in the immigration parts of the bill, what in the food stamps parts of the bill that we need to change. And so we're going to work immediately.

You're detail questions about when we're going to have the legislation, we'll just have to answer later.

Q Can I just follow up one second. I think the question is prompted by the President's confidence in expressing that that as a stand-alone provision wouldn't have passed and his apparent resolve in saying that it's so unjust and really unjustifiable as to require a relatively immediate response by you and that it would in fact prevail.

MR. REED: I think as the President said, that he believes that over time as more is learned about the potential impact of these provisions that a consensus will emerge to fix them. But, you know, we have a month left in this Congress. It doesn't seem likely that it would happen.

Q Secretary Shalala, when the Republicans went after politically popular middle class programs from Medicare and on down -- some of them that they tried to block grant to the states -- the President fought like a tiger and said he was willing to put his political future on the line for them. Now here, he has a bill where he himself points to serious flaws affecting children and affecting legal immigrants. Is it just a coincidence that those who are adversely affected by this bill, by your own and by the President's own admission, don't have the vote?

SECRETARY SHALALA: In fact, I come to the opposite conclusion. We fought like tigers to make sure Medicaid wasn't block grant, which hurts -- seriously hurts poor people in this country. We fought like tigers to make sure food stamps wasn't block granted. We fought like tigers to make sure the child welfare services were not block granted or nutrition services. We were successful in holding off some of the most vicious proposals and in shaping a bill that sets out the goals and meets the President's goals that he laid out both in the campaign in the beginning and throughout this administration. And that combined with the earned income tax credit and the minimum wage are significant steps forward for low income Americans and genuine opportunities for them, which after all, is what welfare reform is all about.

Do you want to --

MR. REED: Can I just make one more point about how far we've come in this debate? The original House bill had \$75 billion in budget savings related to welfare reform and \$34 billion in EITC cuts -- a total of \$109 billion in their welfare package. This bill that the President has indicated his support for has \$57 billion. So we think that we've come a long way.

Q But from your own starting point --

MR. REED: Our own starting point was, I think --

SECRETARY SHALALA: Deficit-neutral, basically.

MR. REED: The President's 1996 welfare reform plan saved \$42 billion combined.

Q No, I mean your own starting point when --

MR. REED: In 1994?

Q Yes.

MR. REED: Which was deficit --

SECRETARY SHALALA: Which was deficit-neutral, basically. Let me also point out that the President has laid out a series of gains for the low income people in this country. From food stamps to Ryan White, to protections in the Medicare program, we have a superb record in this administration. For a generation of vulnerable Americans, this is the most important step we can take -- to move from the status quo, to move people from dependency on the welfare system to a job. And I support the President in his decision.

Q Secretary Shalala, can you talk about the sufficiency of the \$2 billion contingency fund? If we had a serious national downturn --

SECRETARY SHALALA: If we have a serious national downturn, we need to go back to Congress and make changes. Everybody knows that. The Republicans know that. We know that. The Fed just put out a report in Cleveland pointing out the importance of the economic stabilizing effect of federal money. If you don't, recessions go deeper and broader in states. And the business community could hardly be taxed to pull them out. And everybody will be clamoring back for more resources in the contingency fund. And that, I think, everybody has conceded.

MR. REED: But also, saving the food stamp program has an even greater stabilization effect. Food Stamps is much more responsive to economic downturns than the current AFDC program.

THE PRESS: Thank you.

END

3:34 P.M. EDT

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

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 balanced budget that is consistent with our priorities—one of which is to “reform welfare,” as November’s agreement between Republicans and Democrats made clear. Welfare reform must be considered in the context of other critical and related issues such as Medicaid and the Earned Income Tax Credit. Americans know we have to reform the broken 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 Administration 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 children would be protected. I strongly support time limits, work requirements, the toughest possible child support enforcement, and requiring 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 motivated 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 elements 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 shortcomings 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 provisions that are vital to welfare reform’s

success. The final welfare reform legislation should provide sufficient child care to enable recipients to leave welfare for work; reward States for placing people in jobs; restore the guarantee of health coverage for poor families; require States to maintain their stake in moving people from welfare to work; and protect States and families in the event of economic downturn and population growth. In addition, the Congress should abandon efforts included in the budget reconciliation bill that would gut the Earned Income Tax Credit, a powerful 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 designed to meet an arbitrary budget target rather than to achieve serious reform. 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, including foster care and adoption assistance, help for disabled children, legal immigrants, food stamps, and school lunch is not welfare reform. The final welfare reform legislation should reduce 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’ mistakes.

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

this opportunity 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.

Bruce

THE WORST THING BILL CLINTON HAS DONE

by PETER EDELMAN

A Clinton appointee who resigned in protest over the new welfare law explains why it is so bad and suggests how its worst effects could be mitigated

I HATE welfare. To be more precise, I hate the welfare system we had until last August, when Bill Clinton signed a historic bill ending "welfare as we know it." It was a system that contributed to chronic dependency among large numbers of people who would be the first to say they would rather have a job than collect a welfare check every month—and its benefits were never enough to lift people out of poverty. In April of 1967 I helped Robert Kennedy with a speech in which he called the welfare system bankrupt and said it was hated universally, by payers and recipients alike. Criticism of welfare for not helping people to become self-supporting is nothing new.

But the bill that President Clinton signed is not welfare reform. It does not promote work effectively, and it will hurt millions of poor children by the time it is fully implemented. What's more, it bars hundreds of thousands of legal immigrants—including many who have worked in the United States for decades and paid a considerable amount in Social Security and income taxes—from receiving disability and old-age assistance and food stamps, and reduces food-

stamp assistance for millions of children in working families.

When the President was campaigning for re-election last fall, he promised that if re-elected he would undertake to fix the flaws in the bill. We are now far enough into his second term to look at the validity of that promise, by assessing its initial credibility and examining what has happened since.

I resigned as the assistant secretary for planning and evaluation at the Department of Health and Human Services last September, because of my profound disagreement with the welfare bill. At the time, I confined my public statement to two sentences, saying only that I had worked as hard as I could over the past thirty-plus years to reduce poverty and that in my opinion this bill moved in the opposite direction. My judgment was that it was important to make clear the rea-

sons for my resignation but not helpful to politicize the issue further during an election campaign. And I did want to see President Clinton re-elected. Worse is not better, in my view, and Bob Dole would certainly have been worse on a wide range of issues, especially if coupled with a Republican Congress.





I am amazed at how many people have bought the line that be done away with. Congress and the President have

I feel free to speak out in more detail now, not to tell tales out of school but to clarify some of the history and especially to underscore the damage the bill will do and explain why the bill will be hard to fix in any fundamental way for a long time to come. It is also important to understand what is being done and could be done to minimize the damage in the short run, and what would be required for a real "fix": a strategy to prevent poverty and thus reduce the need for welfare in the first place.

Four questions are of interest now. Did the President have to sign the bill? How bad is it really, and how can the damage be minimized as the states move to implement it? Can it be fixed in this Congress? What would a real fix be, and what would it take to make that happen?

DID THE PRESIDENT HAVE TO SIGN THE BILL?

WAS the President in a tight political box in late July, when he had to decide whether to sign or veto? At the time, there was polling data in front of him showing that very few people were likely to change their intended vote in either direction if he vetoed the bill. But even if he accurately foresaw a daily pounding from Bob Dole that would ultimately draw political blood, the real point is that the President's quandary was one of his own making. He had put himself there, quite deliberately and by a series of steps that he had taken over a long period of time.

Governor Clinton campaigned in 1992 on the promise to "end welfare as we know it" and the companion phrase "Two years and you're off." He knew very well that a major piece of welfare-reform legislation, the Family Support Act, had already been passed, in 1988. As governor of Arkansas he had been deeply involved in the enactment of that law, which was based on extensive state experimentation with new welfare-to-work initiatives in the 1980s, especially GAIN in California. The 1988 law represented a major bipartisan compromise. The Democrats had given in on work requirements in return for Republican concessions on significant federal funding for job training, placement activities, and transitional child care and health coverage.

The Family Support Act had not been fully implemented, partly because not enough time had passed and partly because in the recession of the Bush years the states had been unable to provide the matching funds necessary to draw down their full share of job-related federal money. Candidate Clinton ought responsibly to have said that the Family Support Act was a major piece of legislation that needed

more time to be fully implemented before anyone could say whether it was a success or a failure.

Instead Clinton promised to end welfare as we know it and to institute what sounded like a two-year time limit. This was bumper-sticker politics—oversimplification to win votes. Polls during the campaign showed that it was very popular, and a salient item in garnering votes. Clinton's slogans were also cleverly ambiguous. On the one hand, as President, Clinton could take a relatively liberal path that was nonetheless consistent with his campaign rhetoric. In 1994 he proposed legislation that required everyone to be working by the time he or she had been on the rolls for two years. But it also said, more or less in the fine print, that people who played by the rules and couldn't find work could continue to get benefits within the same federal-state framework that had existed since 1935. The President didn't say so, but he was building—quite incrementally and on the whole responsibly—on the framework of the Family Support Act. On the other hand, candidate Clinton had let his listeners infer that he intended radical reform with real fall-off-the-cliff time limits. He never said so explicitly, though, so his liberal flank had nothing definitive to criticize. President Clinton's actual 1994 proposal was based on a responsible interpretation of what candidate Clinton had said.

Candidate Clinton, however, had let a powerful genie out of the bottle. During his first two years it mattered only insofar as his rhetoric promised far more than his legislative proposal actually offered. When the Republicans gained control of Congress in 1994, the bumper-sticker rhetoric began to matter. So you want time limits? the Republicans said in 1995. Good idea. We'll give you some serious time limits. We now propose an absolute lifetime limit of five years, cumulatively, that a family can be on welfare. End welfare as we know it? You bet. From now on we will have block grants. And what does that mean? First, that there will be no federal definition of who is eligible and therefore no guarantee of assistance to anyone; each state can decide whom to exclude in any way it wants, as long as it doesn't violate the Constitution (not much of a limitation when one reads the Supreme Court decisions on this subject). And second, that each state will get a fixed sum of federal money each year, even if a recession or a local calamity causes a state to run out of federal funds before the end of the year.

This was a truly radical proposal. For sixty years Aid to Families with Dependent Children had been premised on the idea of entitlement. "Entitlement" has become a dirty word, but it is actually a term of art. It meant two things in the AFDC program: a federally defined guarantee of assistance to families with children who met the statutory definition of

line that the welfare bill was a little set of adjustments that could easily have dynamited a structure that was in place for six decades.

need and complied with the other conditions of the law; and a federal guarantee to the states of a matching share of the money needed to help everyone in the state who qualified for help. (AFDC was never a guarantor of income at any particular level. States chose their own benefit levels, and no state's AFDC benefits, even when coupled with food stamps, currently lift families out of poverty.) The block grants will end the entitlement in both respects, and in addition the time limits say that federally supported help will end even if a family has done everything that was asked of it and even if it is still needy.

In 1995 the President had a new decision to make. What should he say about the Republican proposal? The Republicans started considering the issue in the House in the heady post-election period, when it seemed not at all dissonant for them to talk of reviving orphanages and turning the school-lunch program into block grants. The Administration concentrated its fire on these exponentially extreme measures and said nothing about time limits and the destruction of the entitlement. The President won the public argument about orphanages and school lunches, but his silence on the rest of the bill made it more difficult to oppose the time limits and the ending of the entitlement. For months, while the Republican bill was going through the House and the Senate, the President said nothing further. He might have said, "This isn't what I meant in my campaign rhetoric of 1992." He might have said, "This is totally inconsistent with the bill that I sent up to the Hill last year." He might have sent up a new bill that clearly outlined his position. He might have insisted that the waivers he was giving the states so that they could experiment with reform under the existing law were a strategy superior to the Republican proposals. He did none of these things, despite importuning from Hill Democrats, outside advocates, and people within the Administration.

The House Democrats had remained remarkably unified in opposition to the House Republicans' bill, which gave new meaning to the word "draconian." But when Democratic senators were deciding how to vote on the more moderate Senate bill, which nonetheless contained the entitlement-ending block grants and the absolute time limit, they looked to the President for a signal. Had he signaled that he remained firm in opposing block grants and the arbitrary time limit, there is every reason to believe that all but a handful of Democratic senators would have stayed with him. The opposite signal left them with no presidential cover for a vote against the Senate bill. It invited them to vote for the bill.

Prior to the Senate vote on September 19, 1995, the President sent the signal that he could sign the Senate bill (but warned that he would veto a bill that was too much like the

House version). The Senate Democrats collapsed and the Senate passed its version of the bill by a vote of 87 to 12. To make matters worse, the President had been presented with an analysis showing that the Senate bill would push more than a million children into poverty. The analysis had been commissioned from the Urban Institute by Secretary of Health and Human Services Donna Shalala's staff (specifically Wendell Primus, the deputy assistant secretary for human-services policy), and Shalala had personally handed it to the President on September 15.

THE BOTTOM, REACHED

THIS was *the* major milestone in the political race to the bottom. The President had said he was willing to sign legislation that would end a sixty-year commitment to provide assistance to all needy families with children who met the federal eligibility requirements. In the floor debate Senator Edward Kennedy, who voted against the bill, described it as "legislative child abuse."

In late 1995 and early 1996 the Republicans saved the President from having to make good on his willingness to sign a welfare block-grant bill by sending him versions of the bill that contained horrible provisions concerning food stamps, disabled children, and foster care, which he vetoed. The Republican strategy at the time was to run against the President as a hypocrite who talked welfare reform but wouldn't deliver when he had the chance.

But President Clinton was not finished. Perhaps he saw some threat to himself in the Republican strategy. Perhaps he did not see the entitlement as being quite so meaningful as others did. It is important to remember that he is not only a former governor but the former governor of Arkansas. AFDC benefits in Arkansas were so low that he might not have seen the entitlement as meaning what it does in higher-benefit states. He might have thought that as governor of Arkansas he would have been able to design a better program if he had received the federal money in the form of a block grant, without the restrictions, limited as they were, that were imposed by the federal AFDC program. And many people have remarked that he seems never to have met a governor he didn't like—an observation that appeared valid even after the 1994 elections reduced the number of Democrats in the gubernatorial ranks.

Whatever the reason, when the governors came to town for their winter meetings early last year, the President invited them to draft and submit new proposals on welfare and, for that matter, Medicaid. For a time it seemed to some observers that the President might even be willing to consider

block grants for Medicaid, but it quickly became apparent that Medicaid block grants would have negative consequences for a much larger slice of the electorate than would welfare block grants. Large numbers of middle-income people had elderly parents in nursing homes whose bills were paid by Medicaid—to say nothing of the potential impact on hospitals, physicians, and the nursing homes themselves, all of which groups have substantial political clout. Welfare had no politically powerful constituency that would be hurt by conversion to block grants.

Hill Republicans, still pursuing the strategy of giving the President only bills that he could not sign, tied the governors' welfare and Medicaid proposals into a single bill. It was clear that the President would veto the combined bill, because by spring he had come out firmly against block grants for Medicaid.

As of late spring it looked as if a stalemate had been reached, and that 1996 might pass without enactment of a welfare bill. Behind the scenes, however, White House political people—Rahm Emanuel and Bruce Reed, in particular—were telling Hill Republicans almost daily that if they separated the welfare and Medicaid bills, they could get a bill that the President would sign. In early summer a new dynamic arose on the Hill. House Republicans, especially freshmen, began to worry that they were vulnerable to defeat on the basis that they had accomplished so little of what they had come to Washington to do. Thinking that Bob Dole was a sure loser anyway, they decided to save their own skins even though it would be to the detriment of the Dole candidacy. The Republicans decided to separate welfare and Medicaid, and began to move a freestanding welfare bill through Congress. The Senate and House bills were each roughly comparable to the respective Senate and House bills passed in 1995, but this time the conference outcome was very different: the conference produced a bill that was fairly close to what the Senate had passed. This time the Hill Republicans wanted the President to sign it.

The game was over. Now no one could ever say again with any credibility that this President is an old liberal.

HOW BAD IS IT, REALLY?

BEFORE I begin my critique, I need to say something about the motivations of those who genuinely support this new approach. Some of them, anyway, had in my estimation gotten impatient with the chronicity of a significant part of the welfare caseload and the apparent intractability of the problem. I believe they had essentially decided that handing everything over to the states was the only thing left to try that didn't cost a huge amount of money. They may well understand that there will be a certain amount of suffering, and may believe that the bucket of ice-cold water being thrown on poor people now will result in a

future generation that will take much more personal responsibility for itself and its children. I think they have made a terrible mistake, as I will try to show, but I respect the frustration that motivated at least some of them.

How bad, then, is it? Very bad. The story has never been fully told, because so many of those who would have shouted their opposition from the rooftops if a Republican President had done this were boxed in by their desire to see the President re-elected and in some cases by their own votes for the bill (of which, many in the Senate had been foreordained by the President's squeeze play in September of 1995).

The same de facto conspiracy of silence has enveloped the issue of whether the bill can be easily fixed. The President got a free ride through the elections on that point because no one on his side, myself included, wanted to call him on it. He even made a campaign issue of it, saying that one reason he should be re-elected was that only he could be trusted to fix the flaws in the legislation. David Broder wrote in *The Washington Post* in late August that re-electing the President in response to this plea would be like giving Jack the Ripper a scholarship to medical school. **

Why is the new law so bad? To begin with, it turned out that after all the noise and heat over the past two years about balancing the budget, the only deep, multi-year budget cuts actually enacted were those in this bill, affecting low-income people.

The magnitude of the impact is stunning. Its dimensions were estimated by the Urban Institute, using the same model that produced the Department of Health and Human Services study a year earlier. To ensure credibility for the study, its authors made optimistic assumptions: two thirds of long-term recipients would find jobs, and all states would maintain their current levels of financial support for the benefit structure. Nonetheless, the study showed, the bill would move 2.6 million people, including 1.1 million children, into poverty. It also predicted some powerful effects not contained in the previous year's analysis, which had been constrained in what it could cover because it had been sponsored by the Administration. The new study showed that a total of 11 million families—10 percent of all American families—would lose income under the bill. This included more than eight million families with children, many of them working families affected by the food-stamp cuts, which would lose an average of about \$1,300 per family. Many working families with income a little above what we call the poverty line (right now \$12,158 for a family of three) would lose income without being made officially poor, and many families already poor would be made poorer.

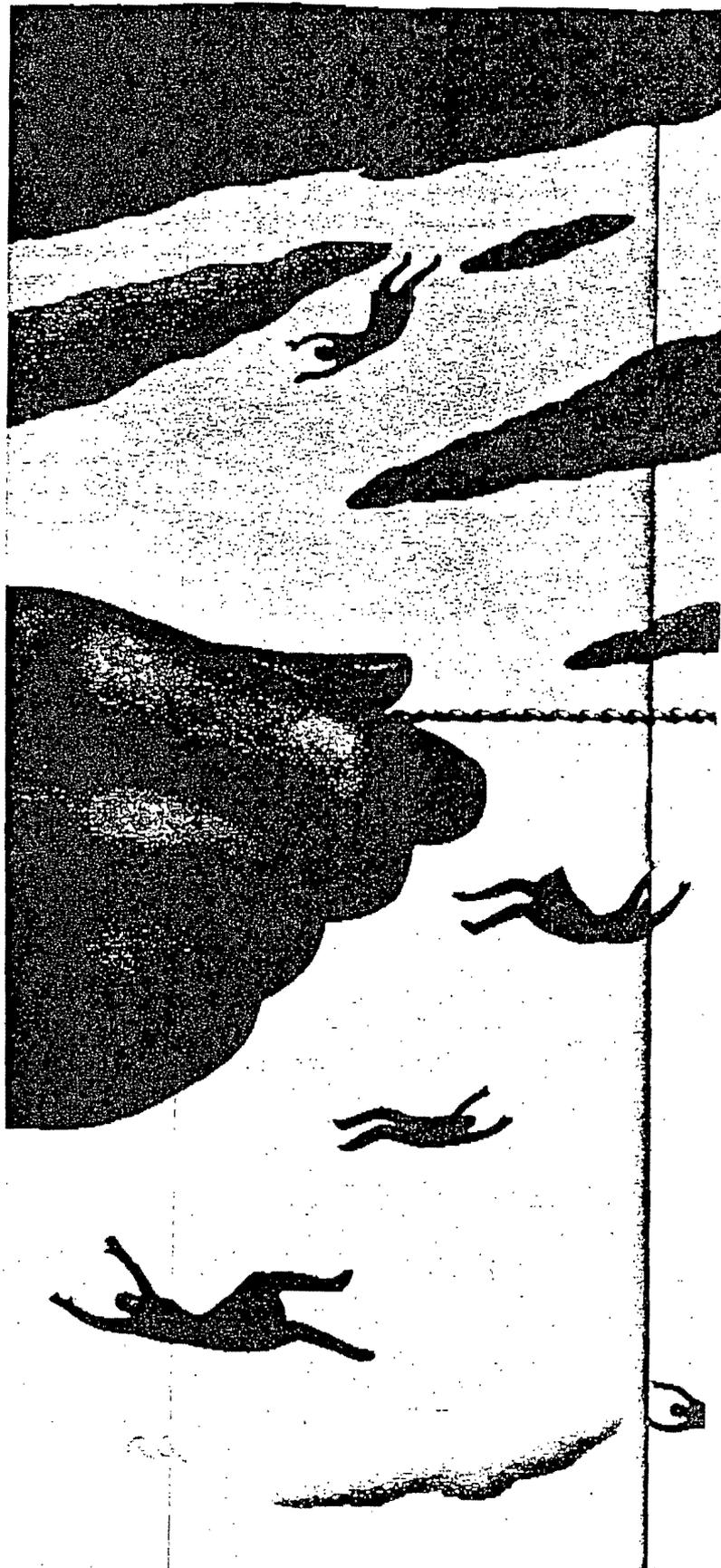
The view expressed by the White House and by Hill Democrats, who wanted to put their votes for the bill in the best light, was that the parts of the bill affecting immigrants and food stamps were awful (and would be re-addressed in

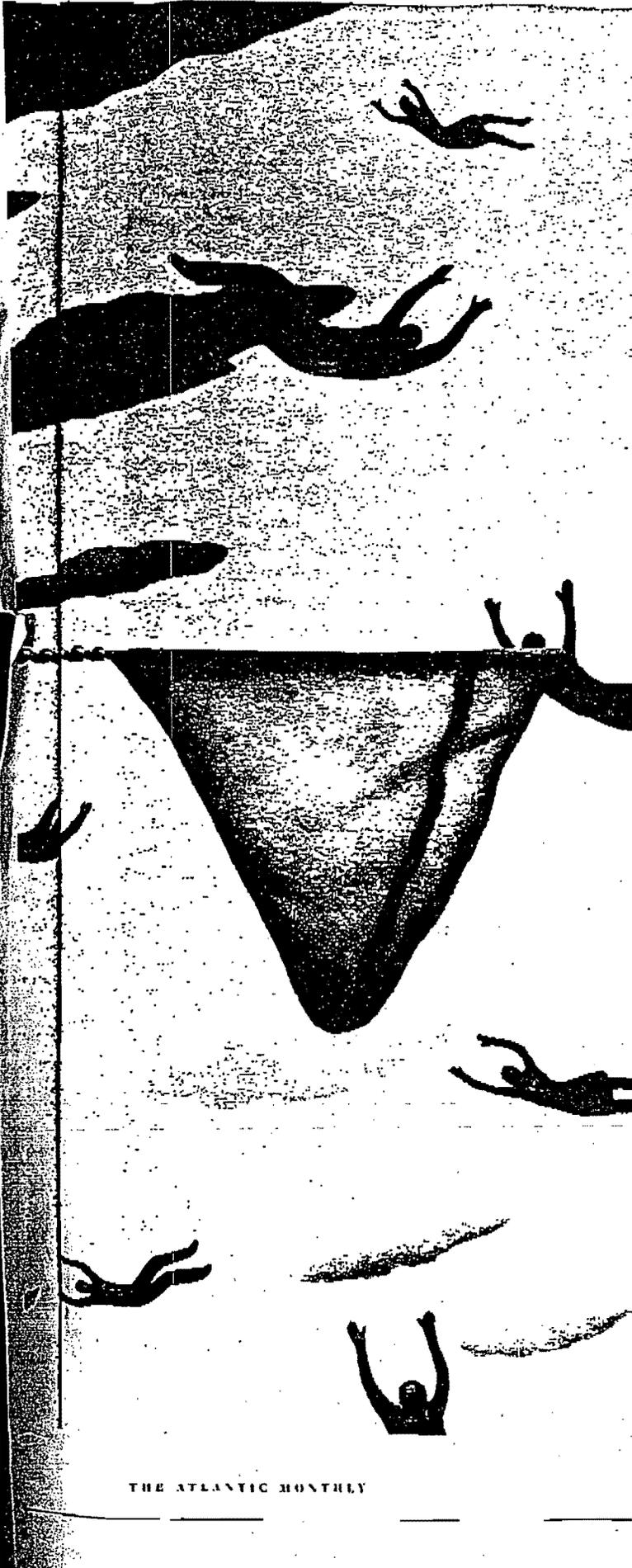
the future) but that the welfare-reform part of the bill was basically all right. The immigrant and food-stamp parts of the bill are awful, but so is the welfare part.

The immigrant provisions are strong stuff. Most legal immigrants currently in the country and nearly all future legal immigrants are to be denied Supplemental Security Income and food stamps. States have the option of denying them Medicaid and welfare as well. New immigrants will be excluded from most federal means-tested programs, including Medicaid, for the first five years they are in the country. All of this will save about \$22 billion over the next six years—about 40 percent of the savings in the bill. The SSI cuts are the worst. Almost 800,000 legal immigrants receive SSI, and most of these will be cut off. Many elderly and disabled noncitizens who have been in the United States for a long time and lack the mental capacity to do what is necessary to become citizens will be thrown out of their homes or out of nursing homes or other group residential settings that are no longer reimbursed for their care.

The food-stamp cuts are very troubling too. Exclusive of the food-stamp cuts for immigrants, they involve savings of about \$24 billion. Almost half of that is in across-the-board cuts in the way benefits are calculated. About two thirds of the benefit reductions will be borne by families with children, many of them working families (thus reflecting a policy outcome wildly inconsistent with the stated purposes of the overall bill). Perhaps the most troubling cut is the one limiting food stamps to three months out of every three years for unemployed adults under age fifty who are not raising children. The Center on Budget and Policy Priorities describes this as "probably the single harshest provision written into a major safety net program in at least 30 years"—although it turns out that more states than the drafters anticipated can ask for an exception that was written to accommodate places with disproportionate unemployment. One of the great strengths of food stamps until now has been that it was the one major program for the poor in which help was based only on need, with no reference to family status or age. It was the safety net under the safety net. That principle of pure need-based-eligibility has now been breached.

Neither the cuts for immigrants nor the food-stamp cuts have anything to do with welfare reform. Many of them are just mean, with no good policy justification. The bill also contains other budget and benefit reductions unrelated to welfare. The definition of SSI eligibility for disabled children has been narrowed, which will result in removal from the rolls of 100,000 to 200,000 of the 965,000 children who currently receive SSI. Although there was broad agreement that some tightening in eligibility was warranted, the changes actually made will result in the loss of coverage for some children who if they were adults would be considered disabled. Particularly affected are children with multiple impairments no one of which is severe enough to meet the new,





more stringent criteria. Child-nutrition programs have also been cut, by nearly \$3 billion over six years, affecting meals for children in family day care and in the summer food program. Federal funding for social services has been cut by a six-year total of \$2.5 billion. This is a 15 percent cut in an important area, and will hamper the states in providing exactly the kind of counseling and support that families often need if a parent is going to succeed in the workplace.

So this is hardly just a welfare bill. In fact, most of its budget reductions come in programs for the poor other than welfare, and many of them affect working families. Many of them are just cuts, not reform. (The bill also contains an elaborate reform of federal child-support laws, which had broad bipartisan support and could easily have been enacted as separate legislation.)

THIS brings us to welfare itself. Basically, the block grants mean that the states can now do almost anything they want—even provide no cash benefits at all. There is no requirement in the new law that the assistance provided to needy families be in the form of cash. States may contract out any or all of what they do to charitable, religious, or private organizations, and provide certificates or vouchers to recipients of assistance which can be redeemed with a contract organization. So the whole system could be run by a corporation or a religious organization if a state so chooses (although the latter could raise constitutional questions, depending on how the arrangement is configured). Or a state could delegate everything to the counties, since the law explicitly says that the program need not be run “in a uniform manner” throughout a state, and the counties could have varying benefit and program frameworks. For good or for ill, the states are in the process of working their way through an enormous—indeed, a bewildering—array of choices, which many of them are ill equipped to make, and which outside advocates are working hard to help them make well.

The change in the structure is total. Previously there was a national definition of eligibility. With some limitations regarding two-parent families, any needy family with children could get help. There were rules about participation in work and training, but anybody who played by the rules could continue to get assistance. If people were thrown off the rolls without justification, they could get a hearing to set things right, and could go to court if necessary. The system will no longer work that way.

The other major structural change is that federal money is now capped. The block grants total \$16.4 billion annually for the country, with no new funding for jobs and training and placement efforts, which are in fact very expensive activities to carry out. For the first couple of years most of the states will get a little more money than they have been getting, because the formula gives them what they were spending a couple of years ago, and welfare rolls have actually de-

creased somewhat almost everywhere (a fact frequently touted by the President, although one might wonder why the new law was so urgently needed if the rolls had gone down by more than two million people without it).

Many governors are currently crowing about this "wind-fall" of new federal money. But what they are not telling their voters is that the federal funding will stay the same for the next six years, with no adjustment for inflation or population growth, so by 2002 states will have considerably less federal money to spend than they would have had under AFDC. The states will soon have to choose between benefits and job-related activities, with the very real possibility that they will run out of federal money before the end of a given year. A small contingency fund exists for recessions, and an even smaller fund to compensate for disproportionate population increases, but it is easy to foresee a time when states will have to either tell applicants to wait for the next fiscal year or spend their own money to keep benefits flowing.

The bill closes its eyes to all the facts and complexities of the real world and essentially says to recipients. Find a job. That has a nice bumper-sticker ring to it. But as a one-size-fits-all recipe it is totally unrealistic.

Total cutoffs of help will be felt right away only by immigrants and disabled children—not insignificant exceptions. The big hit, which could be very big, will come when the time limits go into effect—in five years, or less if the state so chooses—or when a recession hits. State treasuries are relatively flush at the moment, with the nation in the midst of a modest boom period. When the time limits first take effect, a large group of people in each state will fall into the abyss all at once. Otherwise the effects will be fairly gradual. Calcutta will not break out instantly on American streets.

To the extent that there are any constraints on the states in the new law, they are negative. The two largest—and they are very large—are the time limit and the work-participation requirements.

There is a cumulative lifetime limit of five years on benefits paid for with federal money, and states are free to impose shorter time limits if they like. One exception is permitted, to be applied at the state's discretion: as much as 20 percent of the caseload at any particular time may be people who have already received assistance for five years. This sounds promising until one understands that about half the current caseload is composed of people who have been on the rolls longer than five years. A recent study sponsored by the Kaiser Foundation found that 30 percent of the caseload is composed of women who are caring for disabled children or are disabled themselves. The time limits will be especially tough in states that have large areas in chronic recession—for example, the coal-mining areas of Appalachia. And they will be even tougher when the country as a whole sinks into recession. It will make no difference if a recipient has played by all the rules and sought work faithfully, as required. When the

limit is reached and the state is unable or unwilling to grant an exception, welfare will be over for that family forever.

Under the work-participation requirements, 25 percent of the caseload must be working or in training this year, and 50 percent by 2002. For two-parent families 75 percent of the caseload must be working or in training, and the number goes up to 90 percent in two years. The Congressional Budget Office estimates that the bill falls \$12 billion short of providing enough funding over the next six years for the states to meet the work requirements. Even the highly advertised increased child-care funding falls more than \$1 billion short of providing enough funding for all who would have to work in order for the work requirements to be satisfied. States that fail to meet the work requirements lose increasing percentages of their block grants.

The states are given a rather Machiavellian out. The law in effect assumes that any reduction in the rolls reflects people who have gone to work. So states have a de facto incentive to get people off the rolls in any way they can, not necessarily by getting them into work activities.

The states can shift a big chunk of their own money out of the program if they want to. There is no matching requirement for the states, only a maintenance-of-effort requirement that each state keep spending at least 80 percent of what it was previously contributing. This will allow as much as \$40 billion nationally to be withheld from paying benefits over the next six years, on top of the \$55 billion cut by the bill itself. Moreover, the 80 percent requirement is a static number, so the funding base will immediately start being eroded by inflation.

Besides being able to transfer some of their own money out, the states are allowed to transfer up to 30 percent of their federal block grants to spending on child care or other social services. Among other things, this will encourage them to adopt time limits shorter than five years, because this would save federal money that could then be devoted to child care and other help that families need in order to be able to go to work. Hobson's choice will flourish.

The contingency fund to cushion against the impact of recessions or local economic crises is wholly inadequate—\$2 billion over five years. Welfare costs rose by \$6 billion in three years during the recession of the early nineties.

The federal AFDC law required the states to make decisions on applications within forty-five days and to pay, retroactively if necessary, from the thirtieth day after the application was put in. There is no such requirement in the new law. All we know from the new law is that the state has to tell the Secretary of Health and Human Services what its "objective criteria" will be for "the delivery of benefits," and how it will accord "fair and equitable treatment" to recipients, including how it will give "adversely affected" recipients an opportunity to be heard. This is weak, to say the least.

What can we predict will happen? No state will want to benefit structure. States will therefore try to make their

FIFTY WELFARE POLICIES

GIVEN this framework, what can we predict will happen? No state will want to be a magnet for people from other states by virtue of a relatively generous benefit structure. This is common sense, unfortunately. As states seek to ensure that they are not more generous than their neighbors, they will try to make their benefit structures less, not more, attractive. If states delegate decisions about benefit levels to their counties, the race to the bottom will develop within states as well.

I do not wish to imply that all states, or even most states,

are going to take the opportunity to engage in punitive policy behavior. There will be a political dynamic in the process whereby each state implements the law. Advocates can organize and express themselves to good effect, and legislatures can frustrate or soften governors' intentions. There is another important ameliorating factor: many welfare administrators are concerned about the dangers that lie in the new law and will seek to implement it as constructively as they can, working to avoid some of the more radical negative possibilities.

Citizens can make a difference in what happens in their state. They can push to make sure that it doesn't adopt a time limit shorter than five years, doesn't reduce its own investment of funds, doesn't cut benefits, doesn't transfer money out of the block grant, doesn't dismantle procedural protections, and doesn't create bureaucratic hurdles that will discourage recipients. They can press for state and local funds to help legal immigrants who have been cut off from SSI or food stamps and children who have been victimized by the time limits. They can advocate an energetic and realistic jobs and training strategy, with maximum involvement by the private sector. And they can begin organizing and putting together the elements of a real fix, which I will lay out shortly.

VILLANELLE AFTER A BURIAL

Whatever they turned into wasn't ash.
Afraid of finding teeth, or something bony.
We had to face the aftermath of flesh.

Father's looked like coral: coarse, whitish.
Mother's looked like sand, but a fine dark gray.
Whatever they turned into wasn't ash—

More like a grainy noise that rose, a shush
We buried under their willow, spilled really.
We had to face it: the aftermath of flesh

Takes just two shovelfuls of dirt to finish
Off completely. Don't expect epiphanies.
Whatever they turned into. Wasn't ash

A dusty enough word, though, for the wish
That bits of spirit settle in what we see
After we face the aftermath of flesh?

We drove off in three pairs, each astonished
By awkward living talk, jittery keys.
We had to face the aftermath of flesh
(Whatever they turned into) wasn't ash.

—STEVEN CRAMER

THE JOBS GAP

EVEN given effective advocacy, relatively responsive legislatures and welfare administrators, and serious efforts to find private-sector jobs, the deck is stacked against success, especially in states that have high concentrations of poverty and large welfare caseloads. The basic issue is jobs. *There simply are not enough jobs now.* Four million adults are receiving Aid to Families with Dependent Children. Half of them are long-term recipients. In city after city around America the number of people who will have to find jobs will quickly dwarf the number of new jobs created in recent years. Many cities have actually lost jobs over the past five to ten years. New York City, for example, has lost 227,000 jobs since 1990, and the New York metropolitan area overall has lost 260,000 over the same period. New York City had more than 300,000 adults in the AFDC caseload in 1995, to say nothing of the adults without dependent children who are receiving general assistance. Statistics aside, all one has to do is go to Chicago, or to Youngstown, Ohio, or to Newark, or peruse William Julius Wilson's powerful new book, *When Work Disappears*, to get the point. The fact is that there are not enough appropriate private-sector jobs in appropriate locations even now, when unem-

to be a magnet for people from other states by virtue of a generous benefits less, not more, attractive—a race to the bottom.

ployment is about as low as it ever gets in this country.

For some people, staying on welfare was dictated by economics, because it involved a choice between the "poor support" of welfare, to use the Harvard professor David Ellwood's term, and the even worse situation of a low-wage job, with its take-home pay reduced by the out-of-pocket costs of commuting and day care, and the potentially incalculable effects of losing health coverage. With time limits these people will no longer have that choice, unappetizing as it was, and will be forced to take a job that leaves them even deeper in poverty. How many people will be able to get and keep a job, even a lousy job, is impossible to say, but it is far from all of those who have been on welfare for an extended period of time.

The labor market, even in its current relatively heated state, is not friendly to people with little education and few marketable skills, poor work habits, and various personal and family problems that interfere with regular and punctual attendance. People spend long spells on welfare or are headed in that direction for reasons other than economic choice or, for that matter, laziness. If we are going to put long-term welfare recipients to work—and we should make every effort to do so—it will be difficult and it will cost money to train people, to place them, and to provide continuing support so that they can keep a job once they get it. If they are to have child care and health coverage, that will cost still more. Many of the jobs that people will get will not offer health coverage, so transitional Medicaid for a year or two will not suffice. People who have been on welfare for a long time will too often not make it in their first job and will need continuing help toward and into a second job. Both because the private sector may well not produce enough jobs right away and because not all welfare recipients will be ready for immediate placement in a private-sector job, it will be appropriate also to use public jobs or jobs with nonprofit organizations at least as a transition if not as permanent positions. All of this costs real money.

For a lot of people it will not work at all. Kansas City's experience is sadly instructive here. In the past two years, in a very well-designed and well-implemented effort, a local program was able to put 1,409 out of 15,562 welfare recipients to work. As of last December only 730 were still at work. The efforts of Toby Herr and Project Match in Chicago's Cabrini-Green public-housing project are another case in point. Working individually and intensively with women and supporting them through successive jobs until they found one they were able to keep, Herr had managed to place 54 percent of her clients in year-round jobs at the end of five years. This is a remarkable (and unusual) success

rate, but it also shows how unrealistic is a structure that offers only a 20 percent exception to the five-year time limit.

I want to be very clear: I am not questioning the willingness of long-term welfare recipients to work. Their unemployment is significantly related to their capacity to work, whether for personal or family reasons, far more than to their willingness to work. Many long-term welfare recipients are functionally disabled even if they are not disabled in a legal sense. News coverage of what the new law will mean has been replete with heartbreaking stories of women who desperately want to work but have severe trouble learning how to operate a cash register or can't remember basic things they need to master. A study in the state of Washington shows that 36 percent of the caseload have learning disabilities that have never been remediated. Many others have disabled children or parents for whom they are the primary caretakers. Large numbers are victims of domestic violence and risk physical retaliation if they enter the workplace. These personal and family problems make such people poor candidates for work in the best of circumstances. Arbitrary time limits on their benefits will not make them likelier to gain and hold employment. When unemployment goes back up to six or seven or eight percent nationally, as it will at some point, the idea that the private sector will employ and continue to employ those who are the hardest to employ will be even more fanciful than it is at the current, relatively propitious moment.

When the time limits take effect, the realities occasioned by the meeting of a bottom-line-based labor market with so many of our society's last hired and first fired will come into focus. Of course, a considerable number will not fall off the cliff. An increased number will have obtained jobs along the way. The time limits will help some people to discipline themselves and ration their years of available assistance. Some will move in with family or friends when their benefits are exhausted. The 20 percent exception will help as well.

But there will be suffering. Some of the damage will be obvious—more homelessness, for example, with more demand on already strapped shelters and soup kitchens. The ensuing problems will also appear as increases in the incidence of other problems, directly but perhaps not provably owing to the impact of the welfare bill. There will be more malnutrition and more crime, increased infant mortality, and increased drug and alcohol abuse. There will be increased family violence and abuse against children and women, and a consequent significant spillover of the problem into the already overloaded child-welfare system and battered-women's shelters.

CAN THE WELFARE BILL BE FIXED THIS YEAR?

I AM amazed by the number of people who have bought the line that the bill was some little set of adjustments that could easily be done away with. Congress and the President have dynamited a structure that was in place for six decades. A solid bipartisan majority of Congress and the President himself have a stake in what they have already done. Fundamental change in the bill is therefore not possible this year. So the answer to the question is no, not in any fundamental way.

One possible area for adjustment is in the immigrant and food-stamp provisions. These occasioned the most hand-wringing from the President and some of the people who voted for the bill. They could be changed without redoing everything. The President has made some proposals for limited change on these items.

The bigger question is welfare. If there is going to be a short-term fix of the new law, it will be not in the fundamentals of the new structure but rather in some of the details. It might possibly include the following, although I hasten to say that even this list stretches credulity.

- *Jobs.* Congress could make extra funds available to the states for job creation, wage subsidies, training, placement, support and retention services, and so on. The President has proposed a fund of \$3 billion over three years for this kind of activity, saying it would result in a million new jobs. As campaign rhetoric, this was pure spin. It amounts to \$3,000 per job. There is simply no way in which \$3,000 per job will get a million jobs for people who have been on the welfare rolls for extended periods of time. The President has also proposed a modest additional tax credit for hiring welfare recipients. This, too, will have little practical effect.

- *Time limits.* The Democrats tried very hard to create a voucher covering basic necessities for children in families that had run up against the time limit. The idea failed by a narrow margin in the Senate, and is worth pursuing. Another item worth advocating would be raising the 20 percent exception to the time limit to 25 or even 30 percent.

- *Work requirements.* The states are chafing under the requirements about the percentage of the caseload that has to be participating in work or related activities. It would help a little if people were permitted to receive vocational training for longer than the twelve months the law allows.

- *Limits on state flexibility in the use of funds.* The law is excessively flexible on what the states can do with the block-grant funds. A number of possible changes would be helpful: reducing the percentage that can be transferred out of the block; raising the requirement for states' contributions of their own funds; requiring states to comply with the plans they adopt; requiring states to process applications for assistance expeditiously; and clarifying the procedural

protections for people denied or cut off from assistance.

- *Data.* It is vitally important that adequate data be gathered and reported on what happens under the new legislation. The new law contains some funding for research and some instructions about data to be gathered, but additional funds and specification would be helpful.

If reliable and affordable health care and child care were added to this list, and were available beyond a transitional period, it would help a lot. However, my crystal ball tells me that whatever is enacted in these areas will be modest at best, and the new structure will remain substantially in place. And of course not even these adjustments would solve the fundamental problems created when the previous structure was dynamited: the disappearance of the national definition of eligibility and of the guarantee that federal funds will be available for all eligible children.

WHAT WOULD A REAL FIX INVOLVE?

A REAL fix would involve, first, jobs, jobs, jobs—preferably and as a first priority in the private sector, but also in the public sector, where there is real work to be done. And then everything that enables people to be productive citizens. Schools that teach every child as well as they teach every other child. Safe neighborhoods. Healthy communities. Continuing health-care and day-care coverage, so that people can not only go to work but also keep on working. Ending the racial and ethnic discrimination that plagues too many young people who try to enter the job market for the first time.

When we discuss jobs, we need to be talking about opportunities for men and women both. That may seem obvious, but the welfare bill skews our focus. By allocating to long-term welfare recipients such a large share of the limited resources available for jobs and training, we may be draining funds and attention from others who deserve to be a higher priority. Inner-city young men come particularly to mind. We need to be promoting responsible fatherhood, marriage, and two-parent families. If young men cannot find work, they are far less likely to marry. They may have children, but economics and low self-esteem may defeat responsibility. Tough child-support enforcement is part of the solution, but genuine opportunity and clear pathways to opportunity are vital.

The outside world tends to believe that the inner city is hopeless. (I do not mean to neglect strategies to reduce rural poverty.) That is not the case. In the toughest neighborhoods, with all the dangers and pitfalls of street life, there are young people who beat the odds, stay in school and graduate, and go to college or get a job. These young people have exceptional strength and resiliency. But there are many more who could make it with a little extra support and attention. It is enormously important that we increase

the number of young people who make it. We give a lot of lip service to prevention, whether of crime or drug abuse or teen pregnancy. But we will never prevent these negative outcomes as well as we could until we pursue a general strategy of creating opportunity and clear pathways to opportunity—a positive youth-development strategy.

Many of the jobs that welfare recipients and other low-income people get do not pay enough to pull them out of poverty. Continuing attention to the minimum wage and the Earned Income Tax Credit will be necessary. States should insist, as the city of Baltimore has, that all their contractors pay all their workers a sufficient wage to keep them out of poverty (or at least approximately enough to keep a family of four out of poverty), and should fund their contracts

accordingly. Current child-care and health-care policies are insufficient to allow low-wage workers to stay out of poverty even if transitional subsidies let them escape temporarily when they leave the welfare rolls. Federal and state child-care subsidies should help all workers who would otherwise be poor, not just those who have recently left the welfare rolls. And at the end of the day we still have 40 million Americans, including 10 million children, who do not have health coverage. We still have to deal with that as part of a real antipoverty strategy.

We have been reduced to the politics of the waitress mom. She says, all too legitimately, "I bust my tail. I don't have decent child care. I don't have health coverage. Why should 'these people' get what I don't have?" We started to bring greater equity to the working poor but, except for the recent minimum-wage increase, progress was halted by the 1994 congressional elections. A real fix would help the waitress mom as well as those a rung below her on the income ladder.

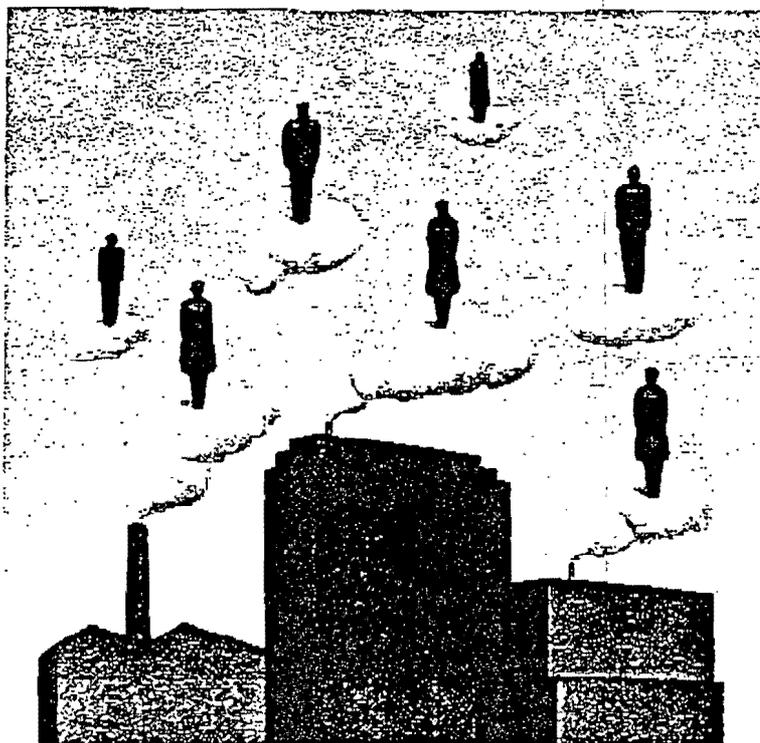
We are not just talking policy; we are talking values. We are talking people, especially young people growing up, who understand that they have to take responsibility for themselves, both as earners and as parents.

Personal responsibility and community responsibility need

to intersect. The community has a responsibility to help instill and nurture values. The community has a responsibility to offer support, especially to children and youths, so that everyone has an opportunity to acquire the tools necessary to achieve the personal responsibility that is such a vital element in the equation. The community has a responsibility

to help parents do their job. And community means something different from programs, something larger, although programs are part of the equation. Liberals have tended to think in terms of programs. The community's taking responsibility is a much larger idea. But communities cannot succeed in isolation. National leadership and policy are essential as well.

Welfare is what we do when everything else fails. It is what we do for people who can't make it after a genuine attempt



has been mounted to help the maximum possible number of people to make it. In fact, much of what we do in the name of welfare is more appropriately a subject for disability policy. The debate over welfare misses the point when all it seeks to do is tinker with welfare eligibility, requirements, and sanctions. The 1996 welfare law misses the point.

To do what needs to be done is going to take a lot of work—organizing, engaging in public education, broadening the base of people who believe that real action to reduce poverty and promote self-sufficiency in America is important and possible. We need to watch very carefully, and we need to document and publicize, the impact of the 1996 welfare legislation on children and families across America. We need to do everything we can to influence the choices the states have to make under the new law. We can ultimately come out in a better place. We should not want to go back to what we had. It was not good social policy. We want people to be able to hold up their heads and raise their children in dignity. The best that can be said about this terrible legislation is that perhaps we will learn from it and eventually arrive at a better approach. I am afraid, though, that along the way we will do some serious injury to American children, who should not have had to suffer from our national backlash. ☹

KEY IMPROVEMENTS IN CONFERENCE REPORT OVER VETOED BILL

CLINTON PRIORITY	VETOED BILL	CONFERENCE BILL
Guaranteed Medicaid	NO	YES
More Child Care \$	NO	YES (+\$4 billion)
Work Performance Bonus \$	NO	YES
80% Maintenance of Effort	NO	YES
Child Care Health/Safety Standards	NO	YES
20% Hardship Exemption	NO	YES
\$2 Billion Contingency Fund	NO	YES
Limits on Transferability	NO	YES
Equal Treatment	NO	YES
Personal Responsibility Agreements	NO	YES
Option for Vouchers	YES	YES
Food Stamp Block Grant	YES	NO
Child Welfare Block Grant	YES	NO
School Lunch Block Grant Demo	YES	NO
25% Cut in SSI for Disabled Kids	YES	NO
Food Stamp Cap	YES	NO

IMMIGRANTS

[Here are some of the arguments made by proponents of the immigrant bans.]

Length-of-residency: There are two categories of SSI for legal immigrants -- aged and disabled. According to a December 1993 analysis, 50% of legal immigrants receiving SSI for the aged and 65% of legal immigrants receiving SSI for the disabled have been U.S. residents for 5 years or longer (and therefore generally eligible to become citizens if they chose to) before they even apply for assistance. Those are the average percentages for applicants; the percentages for current recipients would be even higher. Around 27% of aged applicants and 36% of disabled applicants have been U.S. residents for 10 years or more before applying. (Again, the percentages for current recipients would be higher.)

Abuse of current rules: According to Census data, about 75% of elderly immigrants in California who receive public assistance have children whose incomes are above the state median. This could be addressed by stricter deeming instead of an outright ban, but proponents of bans argue that anyone who wants to get around the sponsorship rules can do so.

Not becoming a public charge is already a condition of entry into the U.S.: In order to enter the U.S., legal immigrants have to demonstrate that they will not become a public charge. In some cases, becoming a public charge is already grounds for deportation under current immigration law. The current provision, however, is difficult to enforce. The Jordan Commission called for a serious effort to strengthen and enforce the public charge provisions, and recommended that "deportation apply to sustained use of public benefits." (The Commission did not call for an outright ban.) Proponents of these bans argue that they will reduce legal immigration -- a goal the Commission and the Administration have endorsed, although we would obviously rather get there by lowering the annual caps on immigration instead of by reducing the attractiveness of legal residency.

NOTE TO BRUCE REED --

In thinking about our message if/when we sign the bill, it occurred to me that we need to do more than simply cite improvements and argue that there's more good than bad. Here are a few thoughts we should talk about some time.

Melissa

Critics say that this bill represents unprecedented change in the welfare system -- changing it from an indefinite source of support to a temporary, transitional one. That is true. But society has also undergone unprecedented change since AFDC was created in 1921. Single parent families are more common. Most mothers work. Most children who are not in school are in day care. And we now know that the right kind of child care can have enormous benefits for poor children.

Others say that turning over control of welfare programs to the states is dangerous. I could not disagree more. Since I took office, I have worked with 41 governors -- both Republicans and Democrats -- to begin welfare reforms at the state level. These are all good, strong, bipartisan changes, with work requirements, tougher child enforcement provisions, and time limits. This bill will allow those reforms to go forward, with their current work incentives, their current time limits, and their current exemptions from the time limit. And these state reforms are proof positive that local governments can and will demand work while still protecting children.

But we must do more. While today's welfare system does a good job of handing out welfare checks, it does a lousy job of helping people earn paychecks. This bill may not be perfect, but it is a big improvement over the status quo. Today, we begin a new era, in which welfare offers a hand up rather than a handout. And today I challenge every American to do their part: to offer a job, to teach a teenager how to be a good parent, to help someone learn how to read.

We're prepared to do our part. In addition to signing this bill, I'm pleased to announce that (the Labor Department will provide grants to states to help them turn welfare offices into employment offices? I've directed the Treasury Department to investigate a tax break for businesses that hire welfare recipients? other?)

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The Buffalo News

December 14, 1996, Saturday, FINAL EDITION

SECTION: VIEWPOINTS, Pg. 3B

LENGTH: 628 words

HEADLINE: CLINTON RENEGING ON 'FIXING' WELFARE REFORM

BYLINE: Carl Rowan

DATELINE: WASHINGTON

BODY:

I always had my doubts that President Clinton ever intended to "fix" the dreadful "welfare reform" bill that he signed in the heart of his re-election campaign. With the Republicans still controlling Congress, I figured that he couldn't give legal relief to the poorest Americans and immigrants if he wanted to. And Clinton's radio address to the nation last Saturday indicates that he doesn't want to, and is already trying to justify renegeing on his promise.

Clinton boasted that during his first term the number of Americans on welfare fell by 2.1 million people, down to 12 million, or "the biggest drop in the welfare rolls in history."

Now that is surely good news for the hate-the-poor Americans who don't want anybody receiving welfare, no matter how deep into social desperation and degradation they have sunk.

It sounds great for Clinton to say he lopped 2 million people off the welfare rolls -- that is until he tells us who went off public assistance and what happened to them.

How many of the 2 million were children who, above all, make up the overwhelming percentage of people benefiting from welfare? Do the "off" children now have access to food, shelter, medicine, education and day care as they did when they were benevolent targets of Aid to Families With Dependent Children? Are their futures truly brighter?

And the parents, the adults who make Clinton happy that they are not on welfare? Did they get jobs and become self-sufficient, or did they just fall off a cliff, right through one of the gaping holes in what we used to call the "social safety net?" Surely, some did get jobs of some sort as the national economy improved, but current unemployment figures suggest that while some joined the ranks of the working poor, hundreds of thousands of others lost welfare and became part of that vast American "underclass" that feeds intensifying racial and class conflicts across this land.

The New York Times, reporting on Mr. Clinton's speech, said that, "In a sentence that could have been written by Republicans, Mr. Clinton said, 'The door has now been opened to a new era of freedom and independence. . . . We can make the permanent underclass a thing of the past.'"

The Buffalo News, December 14, 1996

This kind of unperfumed bull is expected during a political campaign, but it is dismaying for Clinton to shovel it out in the early stages of a second term, in which he purportedly wants to secure "a place in history."

I don't know anyone, liberal or conservative, who likes having 12 million people on welfare, or who wouldn't prefer to see jobs available at which everyone could earn at least poverty-level wages. But our past failures in education and training, sweeping technological changes, the revolution in our sexual mores, the insistence of some on having slave-wage workers and many other things make full employment at decent pay impossible to achieve.

Clinton boasted that, "We are determined to move millions from welfare to work, and our strategy has worked."

The goal is unassailable; the assertion that his strategy has worked is pure poppycock. We won't know that it has worked until we know how many people have been consigned to utter misery and alienation by the federal policy of giving states "rights" to abandon the hopelessly destitute while spending reduced federal grants often in ways never meant to benefit the truly needy.

Millions of Americans have speculated for weeks about the true social and political colors of Bill Clinton, and about what kind of president he will be now that he doesn't have to worry about re-election. That Saturday speech about welfare suggests, sadly, that he will be the same kind of president he was when nothing mattered more to him than winning re-election. North America Syndicate

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LOAD-DATE: December 15, 1996

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CNN

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HEADLINE: Jackson, Cuomo Keep Liberal Fires Alive, Analysts Say

GUESTS: DAVID BRODER, "Washington Post"; KELLYANNE FITZPATRICK, CNN Political Analyst (LIVE); JACK GERMOND, "Baltimore Sun"; FARAI CHIDAYA, CNN Pol

HIGHLIGHT:

Four political analysts comment on Reverend Jackson's and Mario Cuomo's addresses to the Democratic Convention, and reflect on the decreasing liberal presence in the party heirarchy.

BODY:

JUDY WOODRUFF, Anchor: Welcome back to our live coverage of the Democratic Convention in Chicago. Last night the theme was crime - fighting crime. Tonight it is families first. We are hearing from speakers as diverse as Jesse Jackson and Mario Cuomo to the Indiana Governor Evan Bayh.

Joining me now to talk about what we've been listening to, two CNN analysts, Kellyanne Fitzpatrick, who is also a Republican pollster, Farai Chidaya, and David Broder of the Washington Post, Jack Germond of the Baltimore Sun.

I want to ask all four of you, it seemed to me that last night what happened was you had sort of a subliminal, if anything, values message. You didn't hear from any politicians, but slam-bang tonight we heard two politicians with very partisan messages - Jesse Jackson and former governor Cuomo of New York.

David Broder, what are the Democrats trying to do tonight?

DAVID BRODER, "Washington Post": Well, they've let the country in on a big secret - there are still liberals in the Democratic Party. In fact, this convention hall - delegates are filled with liberals. And the congressional Democratic Party is still a liberal party, but most of the message so far has been, 'We've changed, we're new, we're different.' What you heard tonight was a very old-fashioned, partisan, Democratic message.

JUDY WOODRUFF: Was this smart, Kellyanne?

KELLYANNE FITZPATRICK, CNN Political Analyst: It's smart, but it's interesting because what the Democrats need to do is forget the last six months of attacking the Republicans for disagreeing on abortion, for Bob Dole choosing Jack Kemp -

two men who have rarely agreed with each other in politics - and say, 'You know what, we think disagreements are a virtue, as well.' That- the more- it's almost the more dissension, the more inclusive we are as a party. It worked two weeks ago, in San Diego to a certain degree, and I suppose it'll work here in Chicago.

I'm absolutely struck by Mario Cuomo's call for a Democratic Congress to help President Clinton. I think the American people will remember that, for the first two years of Bill Clinton's term, he had a Democratic Congress. That marriage was an absolute disaster - to quote Mr. Cuomo, to co-opt a word of his tonight - leading to relinquishing control of the House for the Democrats for the first time in 40 years. We've gone down that path.

JUDY WOODRUFF: Jack Germond, does it matter that these speeches came early in the evening, not in the most highlighted time of this convention?

JACK GERMOND, "Baltimore Sun": Of course it does. What does this tell you about the Democratic Party today, and about the country today? That the Democratic Party feels obliged to put the message that we just heard from Jesse Jackson and Mario Cuomo where they'll get a minimal audience. We could say, well, it shouldn't be on at all. They wouldn't dare leave them off the program; they have too much of a following within the party.

So they hide them, and, you know, Cuomo was a cheerleader for Clinton, Jackson was his usual Jackson. The idea that you have to hide them tells me that the Democratic Party is trying to hide from what it has always stood for. And maybe they can get away with it, maybe they can't - they have so far.

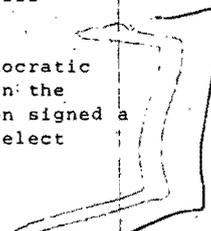
JUDY WOODRUFF: Well, they weren't hiding on CNN. We did run the whole speech for both of them, but the point is, you're right, that the broadcast networks don't carry this until 9:00 Central time.

FARAI CHIDAYA, CNN Political Analyst: Well, what's really interesting is that the Democratic Party has never recovered from Michael Dukakis's loss of the work 'liberal' in 1988, when he decided not to fight after being called a liberal, and say, 'Well, being a liberal is sometimes a very good thing to be.' Then we've had this cycle where Democrats have had to escape. Now we've escaped into the 'New Democratic' era, which, very interesting, is that Cuomo and Jesse Jackson - Reverend Jesse Jackson - are both excellent speakers.

Jesse Jackson's speech was extraordinary in its sense of hope, purpose, and vision, even if this country does not always treat you fairly, even if your race and your skin color prevents you from being given a fair shake, there still is this sense of possibility, hope, and even patriotism. But they were shunted aside from the prime-time hours because it was felt that the L-word was just too strong.

JUDY WOODRUFF: David, is it- is this message getting through to the public the way the Democrats want, that there is some disagreement in the party, but there- for the time being, for the next ten weeks, they're together with Bill Clinton?

DAVID BRODER: Well, if the- there's one particular part of this Democratic message, which if they can sell they are the slickest salespeople in the country. If they can convince the country that because Bill Clinton signed a welfare bill, which all of them think is a bad bill, they should reelect



Clinton to fix the bill that he signed. Then, you know, that's as logical as saying that the guy who fumbled the ball on the two-yard-line ought to be put back in, because he's the one who might carry it through the next time.

JUDY WOODRUFF: I mean, Mario- I wrote down what Mario Cuomo wrote. He said we- he said, 'It is a risk to children that is too great to justify signing the bill.'

KELLYANNE FITZPATRICK: That's right. I mean, he's trying to use the guy who's divided the party in the last week or two as the only galvanizing factor to get out and vote Democratic this fall. It's a risky strategy, but what are they to do?

JACK GERMOND: You talk- you talk to the black leaders on the floor - I talked to many of them last night- black Democratic leaders. They understand that, whatever their problems with Clinton, which are considerable and are not limited to the welfare reform bill - he is so immensely preferable to Bob Dole and Jack Kemp, Newt Gingrich and his merry men, that they- and they also know that they need to turn out- they have to get the black turnout up, because it was down in '94. It cost them House seats, unquestionably.

They- of course, they're going to rationalize it. I mean, I agree with David. It's a tough sell, but they're going to do it.

FARAI CHIDAYA: Well, I mean, it's very analogous to the situation of the Buchanan brigades in the Republican Party. If you look at Bob Dole, he recently, just this weekend, said that he absolutely is not going to change Constitution to prevent children born in the U.S. of illegal parents to- you know, from being citizens. That is something that the Buchaninites are absolutely rabid about. What are they going to do? They'll vote for Clinton? I doubt it.

JUDY WOODRUFF: David Broder, look ahead. Tonight we're going to hear a keynote speech from the governor of Indiana - some people have called him Indiana's Bill Clinton. We're going to hear from Hillary Clinton, who I thought it was interesting that Mario Cuomo said he checked with Hillary Clinton, before he even named the vice president to talk about the welfare bill. We're going to hear from Tipper Gore as an introduction.

What- what is it that the Democrats need to come out of this night with?

DAVID BRODER: Judy, they don't need a whole lot. They're holding a lead. If they just can keep things sort of rocking along where they are- but I do think that Mrs. Clinton has something that she wants to achieve for herself, which is to show the American people that this sort of devilish characterization of her, that the Republicans have done, is a caricature, and not who she really is.

JUDY WOODRUFF: Can she do that, Kellyanne?

KELLYANNE FITZPATRICK: Oh, I think she can do it. I hope that her speech hasn't been the work in progress she claimed yesterday, because I would- I would think that parts of it have been focus-grouped and polled, as most things in politics today, with both of these conventions, have been. I think she can pull it off. She is a wonderful speaker. She is a very intelligent woman. America respects her for that. Her negatives are as high as they've been in a long time, and I

think that you will probably see Hillary Clinton, the wife and the mother, as well as Hillary Clinton, the accomplished woman.

JUDY WOODRUFF: One last comment.

JACK GERMOND: It doesn't matter. Nobody's going to vote for Bob Dole because Hillary Clinton gives a good or bad speech. Let's not kid ourselves.

[laughter]

JUDY WOODRUFF: What do you mean 'nobody's going to vote'? You mean in this building.

JACK GERMOND: Because the first lady gives a speech? No.

JUDY WOODRUFF: All right, Jack Germond, memorable words. David Broder, Farai Chidaya, Kellyanne Fitzpatrick, thank you all for joining us.

Our live coverage of the Democratic Convention will continue. We'll be right back.

The preceding text has been professionally transcribed. However, although the text has been checked against an audio track, in order to meet rigid distribution and transmission deadlines, it may not have been proofread against tape.

LANGUAGE: ENGLISH

LOAD-DATE: August 28, 1996

and respect encourages the prospect for achieving workplace innovation, improved productivity, and enhanced efficiency and workplace performance. Any ambiguities in this situation should be resolved, but without weakening or eliminating the fundamental rights of employees to collective bargaining.

William J. Clinton

The White House,
July 30, 1996.

**Remarks on Welfare Reform
Legislation and an Exchange With
Reporters
July 31, 1996**

Good afternoon. When I ran for President 4 years ago, I pledged to end welfare as we know it. I have worked very hard for 4 years to do just that. Today the Congress will vote on legislation that gives us a chance to live up to that promise: to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence, to give people on welfare a chance to draw a paycheck, not a welfare check. It gives us a better chance to give those on welfare what we want for all families in America, the opportunity to succeed at home and at work. For those reasons I will sign it into law. The legislation is, however, far from perfect. There are parts of it that are wrong, and I will address those parts in a moment.

But on balance, this bill is a real step forward for our country, our values, and for people who are on welfare. For 15 years, I have worked on this problem, as Governor and as a President. I've spent time in welfare offices. I have talked to mothers on welfare who desperately want the chance to work and support their families independently. A long time ago I concluded that the current welfare system undermines the basic values of work, responsibility, and family, trapping generation after generation in dependency and hurting the very people it was designed to help.

Today we have an historic opportunity to make welfare what it was meant to be, a second chance, not a way of life. And even though the bill has serious flaws that are un-

related to welfare reform, I believe we have a duty to seize the opportunity it gives us to end welfare as we know it. Over the past 3½ years, I have done everything in my power as President to promote work and responsibility, working with 41 States to give them 69 welfare reform experiments. We have also required teen mothers to stay in school, required Federal employees to pay their child support, cracked down on people who owe child support and crossed State lines.

As a result, child support collections are up 40 percent, to \$11 billion, and there are 1.3 million fewer people on welfare today than there were when I took office. From the outset, however, I have also worked with Members of both parties in Congress to achieve a national welfare reform bill that will make work and responsibility the law of the land. I made my principles for real welfare reform very clear from the beginning. First and foremost, it should be about moving people from welfare to work. It should impose time limits on welfare. It should give people the child care and the health care they need to move from welfare to work without hurting their children. It should crack down on child support enforcement, and it should protect our children.

This legislation meets these principles. It gives us a chance we haven't had before to break the cycle of dependency that has existed for millions and millions of our fellow citizens, exiling them from the world of work that gives structure, meaning, and dignity to most of our lives.

We've come a long way in this debate. It's important to remember that not so very long ago, at the beginning of this very Congress, some wanted to put poor children in orphanages and take away all help for mothers simply because they were poor, young, and unmarried. Last year the Republican majority in Congress sent me legislation that had its priorities backward. It was soft on work and tough on children. It failed to provide child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to me twice, and I vetoed it twice.

The bipartisan legislation before the Congress today is significantly better than the

bills I vetoed. Many of the worst elements I objected to are out of it. And many of the improvements I asked for are included. First, the new bill is strong on work. It provides \$4 billion more for child care so that mothers can move from welfare to work and protects their children by maintaining health and safety standards for day care. These things are very important. You cannot ask somebody on welfare to go to work if they're going to neglect their children in doing it.

It gives States powerful performance incentives to place people in jobs. It requires States to hold up their end of the bargain by maintaining their own spending on welfare. And it gives States the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies as an incentive to hire people or being used to create community service jobs.

Second, this new bill is better for children than the two I vetoed. It keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare, and help for disabled children. It allows States to use Federal money to provide vouchers to children whose parents can't find work after the time limits expire. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.

Just as important, this bill continues to include the child support enforcement measures I proposed 2 years ago, the most sweeping crackdown on deadbeat parents in history. If every parent paid the child support they should, we could move 800,000 women and children off welfare immediately. With this bill we say to parents, if you don't pay the child support you owe, we will garnish your wages, take away your driver's license, track you across State lines and, as necessary, make you work off what you owe. It is a very important advance that could only be achieved in legislation. I did not have the executive authority to do this without a bill.

So I will sign this bill, first and foremost because the current system is broken; second, because Congress has made many of the changes I sought; and third, because even though serious problems remain in the non-

welfare reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it by moving people from welfare to work, demanding responsibility, and doing better by children.

However, I want to be very clear. Some parts of this bill still go too far, and I am determined to see that those areas are corrected. First, I am concerned that although we have made great strides to maintain the national nutritional safety net, this bill still cuts deeper than it should in nutritional assistance, mostly for working families with children. In the budget talks, we reached a tentative agreement on \$21 billion in food stamp savings over the next several years. They are included in this bill.

However, the congressional majority insisted on another cut we did not agree to, repealing a reform adopted 4 years ago in Congress which was to go into effect next year. It's called the excess shelter reduction, which helps some of our hardest pressed working families. Finally, we were going to treat working families with children the same way we treat senior citizens who draw food stamps today. Now, blocking this change, I believe—I know—will make it harder for some of our hardest pressed working families with children. This provision is a mistake, and I will work to correct it.

Second, I am deeply disappointed that the congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military. This provision has nothing to do with welfare reform. It is simply a budget-saving measure, and it is not right.

These immigrant families with children who fall on hard times through no fault of their own—for example, because they face the same risks the rest of us do from accidents, from criminal assaults, from serious illnesses—they should be eligible for medical and other help when they need it. The Republican majority could never have passed such a provision standing alone. You see that in the debate in the immigration bill, for example, over the Gallegly amendment, and

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the question of education of undocumented and illegal immigrant children.

This provision will cause great stress for States, for localities, for medical facilities that have to serve large numbers of legal immigrants. It is just wrong to say to people, we'll let you work here, you're helping our country, you'll pay taxes, you serve in our military, you may get killed defending America, but if somebody mugs you on a street corner or you get cancer or you get hit by a car or the same thing happens to your children, we're not going to give you assistance anymore. I am convinced this would never have passed alone, and I am convinced when we send legislation to Congress to correct it, it will be corrected.

In the meantime, let me also say that I intend to take further executive action directing the INS to continue to work to remove the bureaucratic roadblocks to citizenship to all eligible, legal immigrants. I will do everything in my power, in other words, to make sure that this bill lifts people up and does not become an excuse for anyone to turn their backs on this problem or on people who are generally in need through no fault of their own. This bill must also not let anyone off the hook. The States asked for this responsibility; now they have to shoulder it and not run away from it. We have to make sure that in the coming years reform and change actually result in moving people from welfare to work.

The business community must provide greater private-sector jobs that people on welfare need to build good lives and strong families. I challenge every State to adopt the reforms that Wisconsin, Oregon, Missouri, and other States are proposing to do, to take the money that used to be available for welfare checks and offer it to the private sector as wage subsidies to begin to hire these people, to give them a chance to build their families and build their lives. All of us have to rise to this challenge and see that—this reform not as a chance to demonize or demean anyone but instead as an opportunity to bring everyone fully into the mainstream of American life, to give them a chance to share in the prosperity and the promise that most of our people are enjoying today.

And we here in Washington must continue to do everything in our power to reward work and to expand opportunity for all people. The earned-income tax credit, which we expanded in 1993 dramatically, is now rewarding the work of 15 million working families. I am pleased that congressional efforts to gut this tax cut for the hardest pressed working people have been blocked. This legislation preserves the EITC and its benefits for working families. Now we must increase the minimum wage, which also will benefit millions of working people with families and help them to offset the impact of some of the nutritional cuts in this bill.

Through these efforts, we all have to recognize, as I said in 1992, the best antipoverty program is still a job. I want to congratulate the Members of Congress in both parties who worked together on this welfare reform legislation. I want to challenge them to put politics aside and continue to work together to meet our other challenges and to correct the problems that are still there with this legislation. I am convinced that it does present an historic opportunity to finish the work of ending welfare as we know it, and that is why I have decided to sign it.

Q. Mr. President, some civil rights groups and children's advocacy groups still say that they believe that this is going to hurt children. I wonder what your response is to that. And also, it took you a little while to decide whether you would go along with this bill or not. Can you give us some sense of what you and your advisers kind of talked about and the mood in the White House over this?

The President. Sure. Well, first of all, the conference was not completed until late last evening, and there were changes being made in the bill right up to the very end. So when I went to bed last night, I didn't know what the bill said. And this was supposed to be a day off for me, and when I got up and I realized that the conference had completed its work late last night and that the bill was scheduled for a vote late this afternoon, after I did a little work around the house this morning, I came in and we went to work I think about 11 o'clock.

And we simply—we got everybody in who had an interest in this, and we went through every provision of the bill, line by line, so

that I made sure that I understood exactly what had come out of the conference. And then I gave everybody in the administration who was there a chance to voice their opinion on it and to explore what their views were and what our options were. And as soon as we finished the meeting, I went in and had a brief talk with the Vice President and with Mr. Panetta, and I told them that I had decided that, on balance, I should sign the bill. And then we called this press conference.

Q. And what about the civil rights groups—

The President. I would say to them that there are some groups who basically have never agreed with me on this, who never agreed that we should do anything to give the States much greater flexibility on this if it meant doing away with the individual entitlement to the welfare check. And that is still, I think, the central objection to most of the groups.

My view about that is that for a very long time it's hard to say that we've had anything that approaches a uniform AFDC system when the benefits range from a low of \$187 a month to a high of \$655 a month for a family of 3 or 4. And I think that the system we have is not working. It works for half the people who just use it for a little while and get off. It will continue to work for them. I think the States will continue to provide for them.

For the other half of the people who are trapped on it, it is not working. And I believe that the child support provisions here, the child care provisions here, the protection of the medical benefits, indeed, the expansion of the medical guarantee now from 1998 to 2002, mean that on balance these families will be better off. I think the problems in this bill are in the nonwelfare reform provisions, in the nutritional provisions that I mentioned, and especially in the legal immigrant provisions that I mentioned.

Q. Mr. President, it seems likely there will be a kind of political contest to see who gets the credit or the blame on this measure. Senator Dole is out with a statement saying that you've been brought along to sign his bill. Are you concerned at all that you will be seen as having been kind of dragged into going along with something that you originally

promised to do and that this will look like you signing onto a Republican initiative?

The President. No. First of all, because I don't—you know, if we're doing the right thing there will be enough credit to go around. And if we're doing the wrong thing there will be enough blame to go around. I'm not worried about that. I've always wanted to work with Senator Dole and others. And before he left the Senate, I asked him not to leave the budget negotiations. So I'm not worried about that.

But that's a pretty hard case to make, since I vetoed their previous bills twice and since while they were talking about it we were doing it. It's now generally accepted by everybody who has looked at the evidence that we effected what the New York Times called a quiet revolution in welfare. There are 1.3 million fewer people on welfare today than there were when I took office.

But there are limits to what we can do with these waivers. We couldn't get the child support enforcement. We couldn't get the extra child care. Those are two things that we had to have legislation to do. And the third thing is we needed to put all the States in a position where they had to move right now to try to create more jobs. So far—I know that we had Wisconsin and, earlier, Oregon and I believe Missouri. And I think those are the only three States, for example, that had taken up the challenge that I gave to the Governors in Vermont a couple of years ago to start taking the welfare payments and use it for wage subsidies to the private sector to actually create jobs. You can't tell people to go to work if there is no job out there.

So now they all have the power, and they have financial incentives to create jobs, plus we've got the child care locked in and the medical care locked in and the child support enforcement locked in. None of this could have happened without legislation. That's why I thought this legislation was important.

Q. Mr. President, some of the critics of this bill say that the flaws will be very hard to fix because that will involve adding to the budget and in the current political climate adding to the expenditures is politically impossible. How would you respond to that?

The President. Well, it just depends on what your priorities are. For one thing, it will be somewhat easier to balance the budget now in the time period because the deficit this year is \$23 billion less than it was the last time we did our budget calculations. So we've lowered that base \$23 billion this year. Now, in the out years it still comes up, but there's some savings there that we could turn around and put back into this.

Next, if you look at—my budget corrects it right now. I had \$42 billion in savings; this bill has about \$57 billion in savings. You could correct all these problems that I mentioned with money to spare in the gap there. So when we get down to the budget negotiations either at the end of this year or at the beginning of next year, I think the American people will say, we can stand marginally smaller tax cuts, for example, or cut somewhere else to cure this problem of immigrants and children, to cure the nutritional problems. We're not talking about vast amounts of money over a 6-year period. It's not a big budget number, and I think it can easily be fixed given where we are in the budget negotiations.

Q. The last couple days in these meetings among your staff and this morning, would you say there was no disagreement among people in the administration about what you should do? Some disagreement? A lot of disagreement?

The President. No, I would say that there was—first of all, I have rarely been as impressed with the people who work in this administration on any issue as I have been on this. There was significant disagreement among my advisers about whether this bill should be signed or vetoed, but 100 percent of them recognized the power of the arguments on the other side. It was a very moving thing. Today the conversation was almost 100 percent about the merits of the bill and not the political implications of it, because I think those things are very hard to calculate anyway. I think they're virtually impossible.

I have tried to thank all of them personally, including those who are here in the room and those who are not here, because they did have differences of opinion about whether we should sign or veto, but each side recognized the power of the arguments on the

other side. And 100 percent of them, just like 100 percent of the Congress, recognized that we needed to change fundamentally the framework within which welfare operates in this country. The only question was whether the problems in the nonwelfare reform provisions were so great that they would justify a veto and giving up what might be what I'm convinced is our last best chance to fundamentally change the system.

Q. Mr. President, even in spite of all the details of this, you as a Democrat are actually helping to dismantle something that was put in place by Democrats 60 years ago. Did that give you pause, that overarching question?

The President. No. No, because it was put in place 60 years ago when the poverty population of America was fundamentally different than it is now. As Senator Moynihan—you know, Senator Moynihan strongly disagrees with me on this, but as he has pointed out repeatedly, when welfare was created the typical welfare recipient was a miner's widow with no education, small children, husband dies in the mine, no expectation that there was a job for the widow to do or that she ever could do it—very few out-of-wedlock pregnancies and births. The whole dynamics were different then.

So I have always thought that the Democratic Party should be on the side of creating opportunity and promoting empowerment and responsibility for people, and a system that was in place 60 years ago that worked for the poverty population then is not the one we need now. But that's why I have worked so hard too to veto previous bills. That does not mean I think we can walk away from the guarantee that our party gave on Medicaid, the guarantee our party gave on nutrition, the guarantee our party gave in school lunches, because that has not changed. But the nature of the poverty population is so different now that I am convinced we have got to be willing to experiment, to try to work to find ways to break the cycle of dependency that keeps dragging folks down.

And I think the States are going to find out pretty quickly that they're going to have to be willing to invest something in these people to make sure that they can go to work in the ways that I suggested.

Yes, one last question.

Q. Mr. President, you mentioned Senator Moynihan. Have you spoken to him or other congressional leaders, especially congressional Democrats? And what was the conversation and the reaction to your indication?

The President. Well, I talked to him as recently, I think, as about a week ago. When we went up to meet with the TWA families, we talked about it again. And you know, I have an enormous amount of respect for him. And he has been a powerful and cogent critic of this whole move. I'll just have to hope that in this one case I'm right and he's wrong, because I have an enormous regard for him. And I've spoken to a number of other Democrats, and some think I'm right and some don't.

This is a case where, you know, I have been working with this issue for such a long time, a long time before it became—to go back to Mr. Hume's [Brit Hume, ABC News] question, a long time before it became a cause celebre in Washington or anyone tried to make it a partisan political issue. It wasn't much of a political hot potato when I first started working on it. I just was concerned that the system didn't seem to be working. And I was most concerned about those who were trapped on it and their children and the prospect that their children would be trapped on it.

I think we all have to admit here—we all need a certain level of humility today. We are trying to continue a process that I've been pushing for 3½ years. We're trying to get the legal changes we need in Federal law that will work to move these folks to a position of independence where they can support their children and their lives as workers and in families will be stronger.

But if this were an easy question, we wouldn't have had the 2½-hour discussion with my advisers today and we'd all have a lot more answers than we do. But I'm convinced that we're moving in the right direction. I'm convinced it's an opportunity we should seize. I'm convinced that we have to change the two problems in this bill that are not related to welfare reform, that were just sort of put under the big shade of the tree here, that are part of this budget strategy with which I disagree. And I'm convinced

when we bring those things out into the light of day we will be able to do it. And I think some Republicans will agree with us, and we'll be able to get what we need to do to change it.

Thank you.

NOTE: The President spoke at 2:27 p.m. in the Briefing Room at the White House.

Statement on Proposed Health Care Legislation

July 31, 1996

Today we have apparently achieved a long overdue victory for the millions of Americans who live in fear of losing their health insurance when they change or lose their jobs or because of preexisting conditions. I hope all Democrats and Republicans will work together to pass this important legislation before the Congress begins its August recess.

Remarks on the Economy and an Exchange With Reporters

August 1, 1996

The President. Good morning. A strong and growing economy is the best way to offer opportunity to every American who is willing to work for it. Today we received fresh news that our economy grew at a strong 4.2 percent rate in the last quarter. This robust growth, 4.2 percent, is touching the lives of all our people with 10 million new jobs, low unemployment, and inflation in check. This is good news for America and more evidence that our economy continues to surge ahead and that our economic strategy is working.

Four years ago today, the economy was drifting, unemployment was nearly 8 percent, job growth was weak, the deficit was at an all-time high, great American industries were falling behind. For the last 3 years, we have had in place a comprehensive plan to put our economic house in order and to create opportunity for the American people. My economic team, which has joined me here today, has worked day and night to put this strategy in place over stiff partisan opposition who said our plan wouldn't work and would actually make things worse. But today's good

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NATO. For those Partners interested in joining NATO, PFP is the best path to membership. As you will see from the enclosed report, NATO and its Partners have made impressive progress in broadening and deepening the Partnership over the past year. We are working with our Allies and Partners to build on the Partnership's early momentum in the shared conviction that cooperation and common action are the best means to achieving lasting security throughout the Euro-Atlantic area.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Jesse Helms, chairman, and Claiborne Pell, ranking member, Senate Committee on Foreign Relations; and Benjamin A. Gilman, chairman, and Lee H. Hamilton, ranking member, House Committee on International Relations.

Remarks on Signing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and an Exchange With Reporters

August 22, 1996

The President. Thank you very much. Lillie, thank you. Thank you, Mr. Vice President; to the members of the Cabinet; all of the Members of Congress who are here, thank you very much.

I'd like to say to Congressman Castle, I'm especially glad to see you here because 8 years ago about this time, when you were the Governor of Delaware and Governor Carper was the Congressman from Delaware, you and I were together at a signing like this.

Thank you, Senator Long, for coming here. Thank you, Governors Romer, Carper, Miller, and Caperton.

I'd also like to thank Penelope Howard and Janet Ferrel for coming here. They, too, have worked their way from welfare to independence, and we're honored to have them here. I'd like to thank all of the people who worked on this bill who have been introduced from our staff and Cabinet, but I'd also like to especially thank Bruce Reed, who

had a lot to do with working on the final compromises of this bill; I thank him.

Lillie Harden was up there talking, and I want to tell you how she happens to be here today. Ten years ago, Governor Castle and I were asked to cochair a Governors Task Force on Welfare Reform, and we were asked to work together on it. And when we met at Hilton Head in South Carolina, we had a little panel, and 41 Governors showed up to listen to people who were on welfare from several States. So I asked Carol Rasco to find me somebody from our State who had been in one of our welfare reform programs and had gone to work. She found Lillie Harden, and Lillie showed up at the program.

And I was conducting this meeting, and I committed a mistake that they always tell lawyers never to do: Never ask a question you do not know the answer to. [Laughter] But she was doing so well talking about it, as you saw how well-spoken she was today, and I said, "Lillie, what's the best thing about being off welfare?" And she looked me straight in the eye and said, "When my boy goes to school, and they say what does your mama do for a living, he can give an answer." I have never forgotten that. And when I saw the success of all of her children and the success that she's had in the past 10 years—I can tell you, you've had a bigger impact on me than I've had on you. And I thank you for the power of your example, for your family's. And for all of America, thank you very much.

What we are trying to do today is to overcome the flaws of the welfare system for the people who are trapped on it. We all know that the typical family on welfare today is very different from the one that welfare was designed to deal with 60 years ago. We all know that there are a lot of good people on welfare who just get off of it in the ordinary course of business but that a significant number of people are trapped on welfare for a very long time, exiling them from the entire community of work that gives structure to our lives.

Nearly 30 years ago, Robert Kennedy said, "Work is the meaning of what this country is all about. We need it as individuals, we need to sense it in our fellow citizens, and

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we need it as a society and as a people." He was right then, and it's right now. From now on, our Nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power, and the ethic of work. Today we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life.

The bill I'm about to sign, as I have said many times, is far from perfect, but it has come a very long way. Congress sent me two previous bills that I strongly believe failed to protect our children and did too little to move people from welfare to work. I vetoed both of them. This bill had broad bipartisan support and is much, much better on both counts.

The new bill restores America's basic bargain of providing opportunity and demanding, in return, responsibility. It provides \$14 billion for child care, \$4 billion more than the present law does. It is good because without the assurance of child care it's all but impossible for a mother with young children to go to work. It requires States to maintain their own spending on welfare reform and gives them powerful performance incentives to place more people on welfare in jobs. It gives States the capacity to create jobs by taking money now used for welfare checks and giving it to employers as subsidies as incentives to hire people. This bill will help people to go to work so they can stop drawing a welfare check and start drawing a paycheck.

It's also better for children. It preserves the national safety net of food stamps and school lunches. It drops the deep cuts and the devastating changes in child protection, adoption, and help for disabled children. It preserves the national guarantee of health care for poor children, the disabled, the elderly, and people on welfare—the most important preservation of all.

It includes the tough child support enforcement measures that, as far as I know, every Member of Congress and everybody in the administration and every thinking person in the country has supported for more than 2 years now. It's the most sweeping crackdown on deadbeat parents in history. We have succeeded in increasing child support collection 40 percent, but over a third

of the cases where there's delinquencies involve people who cross State lines. For a lot of women and children, the only reason they're on welfare today—the only reason—is that the father up and walked away when he could have made a contribution to the welfare of the children. That is wrong. If every parent paid the child support that he or she owes legally today, we could move 800,000 women and children off welfare immediately.

With this bill we say, if you don't pay the child support you owe we'll garnish your wages, take away your driver's license, track you across State lines, if necessary, make you work off what you pay—what you owe. It is a good thing, and it will help dramatically to reduce welfare, increase independence, and reinforce parental responsibility.

As the Vice President said, we strongly disagree with a couple of provisions of this bill. We believe that the nutritional cuts are too deep, especially as they affect low-income working people and children. We should not be punishing people who are working for a living already; we should do everything we can to lift them up and keep them at work and help them to support their children. We also believe that the congressional leadership insisted on cuts in programs for legal immigrants that are far too deep.

These cuts, however, have nothing to do with the fundamental purpose of welfare reform. I signed this bill because this is an historic chance, where Republicans and Democrats got together and said, we're going to take this historic chance to try to recreate the Nation's social bargain with the poor. We're going to try to change the parameters of the debate. We're going to make it all new again and see if we can't create a system of incentives which reinforce work and family and independence. We can change what is wrong. We should not have passed this historic opportunity to do what is right.

And so I want to ask all of you, without regard to party, to think through the implications of these other non-welfare issues on the American people, and let's work together in good spirits and good faith to remedy what is wrong. We can balance the budget without these cuts. But let's not obscure the fundamental purpose of the welfare provisions

of this legislation, which are good and solid and which can give us at least the chance to end the terrible, almost physical isolation of huge numbers of poor people and their children from the rest of mainstream America. We have to do that.

Let me also say that there's something really good about this legislation: When I sign it, we all have to start again, and this becomes everybody's responsibility. After I sign my name to this bill, welfare will no longer be a political issue. The two parties cannot attack each other over it. Politicians cannot attack poor people over it. There are no entrenched habits, systems, and failures that can be laid at the foot of someone else. We have to begin again. This is not the end of welfare reform; this is the beginning. And we have to all assume responsibility. Now that we are saying with this bill we expect work, we have to make sure the people have a chance to go to work. If we really value work, everybody in this society—businesses, nonprofits, religious institutions, individuals, those in government—all have a responsibility to make sure the jobs are there.

These three women have great stories. Almost everybody on welfare would like to have a story like that. And the rest of us now have a responsibility to give them that story. We cannot blame the system for the jobs they don't have anymore. If it doesn't work now, it's everybody's fault, mine, yours, and everybody else. There is no longer a system in the way.

I've worked hard over the past 4 years to create jobs and to steer investment into places where there are large numbers of people on welfare because there's been no economic recovery. That's what the empowerment zone program was all about. That's what the community development bank initiative was all about. That's what our urban Brownfield cleanup initiative was all about—trying to give people the means to make a living in areas that had been left behind.

I think we have to do more here in Washington to do that, and I'll have more to say about that later. But let me say again, we have to build a new work and family system. And this is everybody's responsibility now. The people on welfare are people just like

these three people we honor here today and their families. They are human beings. And we owe it to all of them to give them a chance to come back.

I talked the other day when the Vice President and I went down to Tennessee, and we were working with Congressman Tanner's district; we were working on a church that had burned. And there was a pastor there from a church in North Carolina that brought a group of his people in to work. And he started asking me about welfare reform, and I started telling him about it. And I said, "You know what you ought to do? You ought to go tell Governor Hunt that you would hire somebody on welfare to work in your church if he would give you the welfare check as a wage supplement, you'd double their pay, and you'd keep them employed for a year or so and see if you couldn't train them and help their families and see if their kids were all right." I said, "Would you do that?" He said, "In a heartbeat."

I think there are people all over America like that. I think there are people all over America like that. That's what I want all of you to be thinking about today: What are we going to do now? This is not over; this is just beginning. The Congress deserves our thanks for creating a new reality, but we have to fill in the blanks. The Governors asked for this responsibility; now they've got to live up to it. There are mayors that have responsibilities, county officials that have responsibilities. Every employer in this country that ever made a disparaging remark about the welfare system needs to think about whether he or she should now hire somebody from welfare and go to work, go to the State and say, "Okay, you give me the check. I'll use it as an income supplement. I'll train these people. I'll help them to start their lives, and we'll go forward from here."

Every single person needs to be thinking—every person in America tonight who sees a report of this who has ever said a disparaging word about the welfare system should now say, "Okay, that's gone. What is my responsibility to make it better?"

Two days ago we signed a bill increasing the minimum wage here and making it easier for people in small businesses to get and keep pensions. Yesterday we signed the Kasse-

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People are taking responsibility. No one is making them do it.

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baum-Kennedy bill which makes health care available to up to 25 million Americans, many of them in lower income jobs where they're more vulnerable. The bill I'm signing today preserves the increases in the earned-income tax credit for working families. It is now clearly better to go to work than to stay on welfare—clearly better. Because of actions taken by the Congress in this session, it is clearly better. And what we have to do now is to make that work a reality.

I've said this many times, but, you know, most American families find that the greatest challenge of their lives is how to do a good job raising their kids and do a good job at work. Trying to balance work and family is the challenge that most Americans in the workplace face. Thankfully, that's the challenge Lillie Harden's had to face for the last 10 years. That's just what we want for everybody. We want at least the chance to strike the right balance for everybody.

Today we are ending welfare as we know it. But I hope this day will be remembered not for what it ended but for what it began: a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor on welfare but instead feels the responsibility to reach out to men and women and children who are isolated, who need opportunity, and who are willing to assume responsibility, and give them the opportunity and the terms of responsibility.

Now, I'd like to ask Penelope Howard, Janet Ferrel, Lillie Harden, the Governors, and the Members of Congress from both parties who are here to come up and join me as I sign the welfare reform bill.

Tobacco Regulation

Q. Mr. President, before you sign the bill, could you tell us whether you think it's right to regulate tobacco or nicotine as a drug?

The President. You know, Wolf [Wolf Blitzer, CNN], under the law, I have to wait until the OMB makes a recommendation to me. I think we have to anticipate things. I can't say more than that right now.

[At this point, the President signed the bill.]

Reaction to Welfare Reform

Q. Mr. President, some of your core constituencies are furious with you for signing this bill. What do you say to them?

The President. Just what I said up there. We saved medical care. We saved food stamps. We saved child care. We saved the aid to disabled children. We saved the school lunch program. We saved the framework of support. What we did was to tell the State, now you have to create a system to give everyone a chance to go to work who is able-bodied, give everyone a chance to be independent. And we did—that is the right thing to do.

And now welfare is no longer a political football to be kicked around. It's a personal responsibility of every American who ever criticized the welfare system to help the poor people now to move from welfare to work. That's what I say.

This is going to be a good thing for the country. We're going to monitor it, and we're going to fix whatever is wrong with it.

Q. What guarantees are there that these things will be fixed, Mr. President, especially if Republicans remain in control of Congress?

The President. That's what we have elections for.

NOTE: The President spoke at 11:15 a.m. in the Rose Garden at the White House. In his remarks he referred to Governors Tom Carper of Delaware, Roy Romer of Colorado, Zell Miller of Georgia, and Gaston Caperton of West Virginia and former Senator Russell B. Long. A portion of these remarks could not be verified because the tape was incomplete.

Statement on Signing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996

August 22, 1996

Today, I have signed into law H.R. 3754, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996." While far from perfect, this legislation provides a historic opportunity to end welfare as we know it and transform our broken welfare

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August 8, 1996, Thursday, SOONER EDITION

SECTION: EDITORIAL, Pg. A-19

LENGTH: 795 words

HEADLINE: THE OTHER INTRAPARTY FIGHT;
ABORTION DIVIDES THE GOP, BUT WELFARE REFORM PITS DEMOCRAT AGAINST DEMOCRAT

BYLINE: DAVID S. BRODER

DATELINE: WASHINGTON

BODY:

The focus on the Republican battle over the abortion plank in the 1996 platform has obscured the fact that President Clinton's decision to sign the Republican welfare reform bill has set the stage for what is likely to be an even more divisive struggle inside the Democratic Party over the next four years.

If the plan works as its designers hope in moving people from welfare to work, Clinton will be hailed along with such Republican sponsors as Sen. Pete Domenici (N.M.), and Reps. Clay Shaw (Fla.) and Mike Castle (Del.). These are decent people who have no wish to inflict hardship on welfare mothers or their children, let alone exploit the ill-disguised racism that lurks behind much of the welfare issue demagoguery. Appalled as virtually all Americans are by the human and financial cost of welfare dependency, they are looking for that elusive fix.

But the step they have taken in ending the 60-year-old federal guarantee of minimal financial support for needy parents and children is fraught with peril. There is enormous uncertainty whether state-run programs, partially funded by limited federal block grants, will in fact induce people to leave welfare and find jobs or whether they will collapse when the first downturn in the economy swells the unemployment rolls.

The best evidence from the evaluations of experimental welfare-to-work programs - as Sen. Daniel Patrick Moynihan, D-N.Y., a lifelong student of poverty problems, repeatedly has pointed out - is that they reduce the numbers needing assistance only marginally, and only if more money is invested in job-training, counseling, child care and transportation subsidies at the start.

The bill the Republicans wrote and Clinton agreed to sign calls for less federal spending and demands greater results - something that is possible in the real world only if states and localities vastly increase the human and dollar resources they commit to the effort. And that is both a fiscal and a political improbability.

Whether the effort succeeds or fails, Clinton will go down in history as the man who made a historic break with the tradition and the core of his Democratic Party. Already, it is clear that he has driven a wedge down the center of the party and caused a split that is likely to echo in the primaries of the year

2000 - and beyond.

Even knowing that Republican votes would send the bill to Clinton's desk and that he had decided to sign it, exactly half the Democrats in the House and 21 of the 46 voting on it in the Senate voted no, because they could not stomach what the president swallowed.

Almost all the members of the Congressional Black Caucus, representing the Democrats' most loyal constituency, voted no. So did prominent advocates of women's issues and those with Latino constituencies. House Minority Leader Dick Gephardt (Mo.) and Sen. Bob Kerrey (Neb.), both of whom have sought the presidential nomination already and may well challenge again, voted no. So did Senate Minority Leader Tom Daschle (S.D.); the general chairman of the Democratic Party, Sen. Christopher Dodd (Conn.); Sen. Ted Kennedy (Mass.); and both the Democratic senators from California, Dianne Feinstein and Barbara Boxer.

That Clinton went one way and all of them the other will be remembered in the year 2000, when someone - maybe Gephardt, maybe Kerrey, maybe Dodd or Daschle - challenges Vice President Al Gore, who will have Clinton's backing (assuming they're both still in office) for the presidential nomination.

But that is just the beginning of it. Democratic governors, unlike their Republican counterparts, are mainly very skeptical of taking on the welfare problem under the terms of the bill President Clinton will sign. They think it is underfunded and offers too little in the way of protection for their budgets when, as is likely, the economy again runs out of gas and another recession develops.

Democratic mayors and county officials are even more vehemently opposed. They object particularly to the provision ending welfare benefits for legal aliens, who live by the hundreds of thousands in their jurisdictions and whose needs will now have to be met from strained local budgets.

Add in the fact that most of the major interest groups with influence in the Democratic Party - the unions, civil rights groups, children's advocates and feminist organizations - also condemned Clinton's decision to sign the bill, and the political stakes are obvious. More than anything he has done until now, Clinton's welfare decision puts his party's future at risk. If Ronald Reagan's 1981 tax cuts were "a riverboat gamble," as Howard Baker said, then this is like betting the ranch.

David S. Broder is a syndicated columnist for The Washington Post.

LOAD-DATE: August 13, 1996

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August 07, 1996

SECTION: OPINION

LENGTH: 1080 words

HEADLINE: Democrats Risk Schism With the Welfare Plan

BYLINE: David S. Broder

DATELINE: WASHINGTON

BODY:

Bill Clinton's decision to sign the Republican welfare reform bill has set the stage for what is likely to be a seriously divisive struggle inside the Democratic Party over the next four years.

If the plan works as its designers hope in moving people from welfare to work, Mr. Clinton will be hailed along with such Republican sponsors as Senator Pete Domenici of New Mexico and Representatives Clay Shaw of Florida and Mike Castle of Delaware. These are decent people who have no wish to inflict hardship on welfare mothers or their children. Appalled as virtually all Americans are by the human and financial cost of welfare dependency, they are looking for that elusive fix.

But the step they have taken in ending the 60-year-old federal guarantee of minimal financial support for needy parents and children is fraught with peril. There is enormous uncertainty whether state-run programs, partially funded by limited federal block grants, will in fact induce people to leave welfare and find jobs or whether they will collapse when the first downturn in the economy swells the unemployment rolls.

The best evidence from the evaluations of experimental welfare-to-work programs - as Senator Daniel Patrick Moynihan, Democrat of New York, a lifelong student of poverty problems, repeatedly has pointed out - is that they reduce the numbers needing assistance only marginally, and only if more money is invested in job training, counseling, child care and transportation subsidies at the start.

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Whether the effort succeeds or fails, Mr. Clinton will go down in history as the man who made a break with the core of his Democratic Party. Already, it is clear that he has caused a split that is likely to echo in the primaries of the year 2000, and beyond.

Even knowing that Republican votes would send the bill to Mr. Clinton's desk and that he had decided to sign it, exactly half the Democrats in the House

and 21 of the 46 voting on it in the Senate voted "no," because they could not stomach what the president swallowed.

Almost all the members of the Congressional Black Caucus, representing the Democrats' most loyal constituency, voted "no." So did prominent advocates of women's issues and those with Latino constituencies. The House minority leader, Dick Gephardt of Missouri, and Senator Bob Kerrey of Nebraska, both of whom have sought the presidential nomination already and may well challenge again, voted "no."

That Mr. Clinton went one way and all of them the other will be remembered in the year 2000, when someone challenges Vice President Al Gore, who will have Mr. Clinton's backing (assuming they are both still in office), for the presidential nomination.

But that is just the beginning of it. Democratic governors, unlike their Republican counterparts, are skeptical of taking on the welfare problem under the terms of the bill President Clinton will sign. They think it is underfunded and offers too little in the way of protection for their budgets when, as is likely, another recession develops.

Democratic mayors and county officials are even more vehemently opposed. They object particularly to the provision ending welfare benefits for legal aliens, who live by the hundreds of thousands in their jurisdictions and whose needs will now have to be met from strained local budgets.

Add in the fact that most of the major interest groups with influence in the Democratic Party - the unions, civil rights groups, children's advocates and feminist organizations - also condemned Mr. Clinton's decision to sign the bill, and the political stakes are obvious.

More than anything he has done until now, Mr. Clinton's welfare decision puts his party's future at risk. If Ronald Reagan's 1981 tax cuts were "a riverboat gamble," as Howard Baker said, then this is like betting the ranch.

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HEADLINE: WHOOPI'S TAKE ON WELFARE REFORM

BODY:

"I worry that there are too many children who are going to fall by the wayside. Listen, I know welfare. It is very degrading. And people don't go on welfare because they want to, despite what the Republicans say. I raised my child partially on welfare, and I know how much it can help, even if it is degrading. It gave me some breathing space and gave me a little bit of dignity. It needs to be fixed, there needs to be a safety net. . . . It was degrading. But not as much as going out and prostituting yourself. That's the bottom line."

So says Whoopi Goldberg, talking to Playboy's David Sheff, in the mag's January issue.

Articulate, passionate and amusing, Goldberg talks about everything from that infamous Friars' Club appearance with ex-beau Ted Danson ("if people had understood what a Friars' roast was, they wouldn't have been shocked at all") . . . her favorite TV shows ("The X-Files" is high on her list) . . . her not-so-favorite movies (she didn't like "Independence Day") . . . her much-disputed, speculated-upon age (she insists she's 41) . . . and Jesse Jackson.

Of Jackson, she begins by saying to Sheff, "Oh, don't get me started!" (Jackson called for a boycott against the Academy Awards, to protest the lack of black actors working in Hollywood. It was the year Goldberg hosted the show.)

Oscar winner Whoopi ends up categorizing the famous civil rights leader thus: "He said, 'Well, you know, we've got to get together.' I ain't heard from him since. Yeah, that's Jesse. He's basically full of ----."

Gossip emanating from Miramax's recent "Citizen Ruth" press junket says that Laura Dern and her longtime love, Jeff Goldblum, aren't so cozy anymore. The tall, blond Dern, so good in "Citizen Ruth," was reported to be "somewhat cryptic" about the status of her relationship with Goldblum.

This is the problem with public life. If you don't feel like discussing your private life, it is immediately assumed that you have something to hide. Maybe Laura was just feeling cryptic that day. She's entitled.

Ray Liotta, he of the piercing blue-blue eyes, is supposed to wed his honey, actress Michele Grace, next year in Thailand.

Liotta's upcoming film is the thriller "Turbulence."

We can only hope that reports emanating from the British tabloids, saying that Pamela and Tommy Lee have reconciled, are incorrect. Not that we don't

The Buffalo News, December 4, 1996

believe in true love and marriage. But we think everybody will be better off if Pamela and Tommy accept the inevitable -- they were too hot not to cool down. And now they're stone cold!

Tim Robbins just filmed a guest appearance for an upcoming "Sesame Street." The tall actor is welcomed by "Sesame's" fuzzy creatures and put up in the Furry Arms Hotel, where the Muppet-size beds force Robbins into a bit of a pretzel. Tim, of "Dead Man Walking" and "The Shawshank Redemption" fame -grim adult fare -- did this comic TV stint for his kids.

ABC-TV will soon announce the fate of its critically acclaimed "Relativity" series, which has been struggling in the ratings. Perhaps the efforts of the Gay and Lesbian Alliance Against Defamation and the National Conference of Christians and Jews will help. Both organizations are spearheading a "Keep 'Relativity' Alive" campaign.

GLAAD applauds the show's portrayal of a young gay woman, and the NCCJ is impressed by the series' exploration of interfaith romance.

Yoko Ono, artist and activist, has donated a whopping \$ 1 million to Gay Men's Health Crisis, in recognition of World AIDS Day.

Despite some encouraging advances in medicine, the AIDS pandemic is far from over. Indeed, every hour one more New York man, woman or child is diagnosed with HIV or AIDS. As for Third World countries, such as Uganda, the devastation -- both in the toll of human lives and financially -- continues to be staggering.

Yoko, long a supporter of many AIDS causes, has been a member of GMHC's advisory group since 1992.

The big holiday issue of Playboy with Marilyn Monroe on the cover hitting newsstands in about a week will be a disappointment to fans looking for unpublished treasures.

Of the 19 photos displayed, only one has never been seen -- a nude backside shot from the famous "Something's Got to Give" pool sequence. Those who are Monroemaniacs might well be pleased -- it is Marilyn, naked, after all -- but aficionados will turn thumbs down to this hastily assembled tribute.

LANGUAGE: ENGLISH

LOAD-DATE: December 6, 1996

The Revival of Liberalism

By Mickey Kaus

LOS ANGELES

Three themes dominate the news coverage of the welfare reform bill President Clinton says he will sign. First, there is the Dick Morris Triumph, in which Mr. Clinton sells out his principles, and the poor, for a mess of votes on the advice of his cynical strategist. There is the Gingrich Resurgence, in which Congressional Republicans recapture their glory by fulfilling the biggest promise in their Contract With America. Finally, there is the Death of Liberalism: If a Democratic President can end the "guarantee" of cash aid to the poor begun in the New Deal, what does the party stand for?

Each of these story lines is thoroughly misleading. Indeed, something like their opposite is closer to the truth. Not only did Mr. Clinton make a justified and principled decision to sign the welfare bill, but, in doing so, he set the stage for a revival of liberalism and, more generally, public faith in government.

To understand why, consider some realities about welfare and its reform that are not so widely reported:

- *The new welfare bill does not mean the Federal Government is abandoning the antipoverty fight.* "This bill simply says, we give up," declares E. J. Dionne in the Washington Post. That's absurd. Under the new law, Washington will continue sending some \$20 billion a year to the states to spend on aid to needy families. What Washington is saying is that the current welfare program, Aid to Families With Dependent Children, sustains a debilitating culture of non-work and nonmarriage — but we don't know exactly what sort of change in the system will best transform that culture. So states will take

Mickey Kaus is the author of "The End of Equality."

the Federal money they now spend on A.F.D.C. and try out various reforms.

Some officials will try to replace welfare with public jobs. Others will try various time limits and cutoffs. There is a risk some states will be too harsh. But Congress does not give away \$20 billion, even in block grants, without keeping a close eye

The welfare bill spells the end of Gingrichism.

on how the money is spent.

Governors, for their part, will be competing for the national prominence that will go not to the cruelest state, but to whoever figures out how best to get welfare recipients into the work force. If a state comes up with a winning formula, there will be intense pressure for other states to adopt it and for Congress to nationalize it.

- *The bill will probably result in spending more money, not less, on poor families.* The bill saves some \$55 billion over six years, mainly in food stamp reductions and cuts in aid to legal immigrants. But the basic welfare and child-care grants in the bill include at least \$3 billion more over this period than the A.F.D.C. program they replace. Liberals charge this isn't enough extra money to provide child care and public jobs for poor single mothers who can't find private-sector work. Conservatives respond that once welfare is no longer a free ride, so many people will leave the rolls that the savings can be used to pay for the jobs.

If the conservatives are too optimistic, as most experts think they are, even Republican governors will start demanding the extra Federal money they need, and conservatives, having promised to replace welfare

with work, will be in no position to deny them. Indeed, states are already complaining about the cost of creating enough last-resort jobs to meet the bill's work targets. Meanwhile, liberal antipoverty groups that haven't previously given a fig about replacing welfare with work are now calling for new spending, not on welfare but on W.P.A.-style public jobs.

- *Aid to Families With Dependent Children, far from being a cornerstone of the New Deal, was an aberration.* The original W.P.A., remember, was started by Franklin Roosevelt in 1935, at the founding of the New Deal's "welfare state." Roosevelt thought he was ending cash aid to the able-bodied poor, which he branded a "narcotic," and replacing it with the W.P.A.'s work program. Indeed all the big assistance programs in the Social Security Act of 1935 — unemployment compensation, Social Security pensions, aid for the elderly and the disabled — upheld the work ethic. They were restricted to those who either worked or were unable to work.

There was only one exception, nestled almost unnoticed in the massive New Deal structure — a tiny program, intended to help widows, that eventually grew into A.F.D.C., which now sustains more than four million single mothers, half never married. It's no accident that it is also the only New Deal program despised by the voters.

- *A.F.D.C. has poisoned the public against all government spending.* Republicans have skillfully used the program's unpopularity to taint all Democratic antipoverty efforts, indeed all government. "By invoking with a sneer the phrase *welfare state*," the journalist Jacob Weisberg writes, Newt Gingrich "implies that collective action is typified by welfare." The trick worked, but with A.F.D.C. gone, it won't work anymore.

Nor can Mr. Gingrich keep railing against the "culture" of the urban underclass sustained by A.F.D.C. ("12-year-olds having babies, 15-year-olds killing each other"). The under-

class is now the Republicans' problem as well as the Democrats'. So what does Mr. Gingrich have left to say? Repeal environmental protections? Privatize Social Security? The Republicans may soon discover that the voters never really hated government; they just hated welfare.

- *Liberals can now rebuild an active government on a more defensible foundation.* Even as the welfare bill was passing, conservative Republican Congressmen were talking of the need for a new Federal effort to revive impoverished communities. These Republicans had enterprise zones and tax breaks in mind.

But, with government cleansed of A.F.D.C.'s taint, Democrats can think bigger. They don't need a "new paradigm." They mainly need to develop programs that, like most of the New Deal, build on the work ethic — not just W.P.A.-style jobs, but also the ambitious training efforts that the Clinton Administration has so far failed to finance.

- *Gingrichism is doomed.* With the welfare bill safely out of Republican hands, the truth can be admitted: the Republicans have been snookered, especially the Speaker of the House. Mr. Gingrich has now accomplished what the voters wanted him to accomplish, namely reforming the "corrupt liberal welfare state." They don't need him anymore. Meanwhile, Democrats have been liberated to meet the public's legitimate, unfulfilled expectations of government. I suspect we will see the results clearly, if not in this election then the next. Sorry, Newt. Congratulations, and goodbye. □

Correction

An article on Wednesday about gay marriage misidentified a street in Baltimore where Gertrude Stein lived. It is Biddle Street.

WELFARE REFORM REBUTTAL

ATTACK:

DIFFERENCES IN BILLS? Why is the bill President Clinton signed better than the earlier G.O.P. bills?

REBUTTAL:

PRESIDENT CLINTON PERSUADED THE REPUBLICAN CONGRESS TO PRODUCE A BETTER BILL
Several Wrong-headed G.O.P. Ideas were changed:

- **Protected Children's Health Care** -- Medicaid remains a separate program guaranteeing millions of poor children needed health care.
- **More Child Care Funding** -- This bill contains \$4 billion more in child care funding and it restores health and safety standards for the nation's child care system.
- **No Food Stamp Block Grant** -- The Food Stamp program stays intact and there is no ceiling limit.
- **No Child Welfare Block Grant** -- Child protective services is protected -- including foster care and adoptive services -- protecting our most vulnerable children.
- **Greater Protection of Disabled Children** -- Cuts of 25% to cash assistance for some disabled children are not included.
- **Emergency Contingency Fund in Place** -- The contingency fund was doubled from \$1 billion to \$2 billion to protect against economic downturns.
- **Hardship Exemption** -- States are given ^{more} flexibility to exempt persons who cannot meet the work requirements or time limits.
- **No Mandatory Family Cap** -- This would have limited payments to families if they had more children. *Leaves choice to states* [Many public advocacy groups including the National Conference of Catholic Bishops were deeply opposed to this.]
- **More Work Requirements Flexibility for States** -- *Mandatory* State may keep the work requirements granted under waivers or follow the ones in the bill.
- **Does Not Deny Assistance to Teen Moms** -- *Mandatory* Cuts to unmarried teen mothers were eliminated.

[HHS Sec. Shalala/Bruce Reed Briefing, 7/31/96]

Robin
479-5147

NEED TO END WELFARE SYSTEM, NOT JUST TALK ABOUT IT

"I think that's what the American people, people in Macomb County, this area, have a right to know, ... about ending, and not just talking about, the welfare system that has literally condemned generations to dependency and despair" [Sen. Dole's Michigan Speech on Economy, Macomb County, MI, 6/3/96]

PRESIDENT CLINTON IS REFORMING WELFARE

- **The President signed legislation to help move people from welfare to work while protecting children's health care.**

"Bill Clinton can justifiably claim that he has indeed ended welfare as we know it." [Douglas J. Besharov, American Enterprise Institute, Business Week, 5/20/96]

A quiet revolution in 41 out of 50 states -- President Clinton has granted 69 welfare ^{re}form waivers to 41 states, allowing them to bypass existing welfare rules and set time limits on benefits, require recipients to work or stay in school, provide child care and give employers incentives to hire welfare recipients. By granting states these waivers, President Clinton is making work and responsibility a way of life for 75% of all welfare recipients. [Announcement of Executive Action for Child Support Enforcement, 6/18/96; President's Statement, 7/31/96]

- **WELFARE CASELOADS DOWN** -- Because he is working with the states while strengthening the economy, the President's actions have reduced welfare caseloads by 10 percent -- from 14.4 million to 12.9 million recipients -- over 1.3 million. [Administration for Children and Families, Dept. of Health and Human Services]
- **FOOD STAMP ROLLS DOWN** -- Between February 1993 and February 1996, 2 million food stamp recipients have left the welfare rolls. This participation decline has resulted in savings of more than \$1.6 billion since August 1994. [Program Information Division, Food and Consumer Services, USDA]
- **REQUIRING WORK** -- ¹⁰9.9 million welfare recipients are now in households in which the parents are required to work or take more responsibility for their children and themselves. [FY97 Budget Report]

Require Time Limits, Work for Welfare: Under demonstrations approved by this Administration, 32 states are helping people move from welfare to work by requiring work or training for benefits; 27 states have time limits on benefits, making welfare a second chance, not a way of life. [HHS, 6/96]

*Autonomy***CLINTON WELFARE STATE'S
REAR-GUARD**

"President Clinton may well be the rear-guard of the welfare state."

[Dole Response to State of Union, 1/23/96]

CLINTON IS CHANGING WELFARE

- The President signed legislation to help move people from welfare to work while protecting children's health care.

UNDER PRESIDENT CLINTON:

- **No Welfare to Teen Mothers Unless They Stay in School**: President Clinton required teen mothers on welfare to be more responsible, to stay in school and sign personal responsibility plans, or lose their benefits. His four executive actions include: requiring all states to submit plans for requiring teens mothers to stay in school and prepare for work; cutting red tape to allow states to reward teen mothers who complete high school with cash bonuses; requiring all states to have teen mothers who have dropped out of school return to school and sign personal responsibility plans; and challenging all states to require teen mothers to live at home or with a responsible adult in order to receive assistance. [HHS Fact Sheet, 5/4/96]
- **Paternity Establishment Efforts**: "Today I also directed the Department of Health and Human Services to require mothers who apply for welfare to provide the name of the father and other identifying information when they apply for assistance and before they get the benefits." [Remarks by the President to the 100th Anniversary Convention of the American Nurses Association, 6/18/96]
- **Child Support**: Tracking deadbeats across state lines and from job to job. This pilot program will help track parents who cross state lines to avoid their child support obligations. States which have new hire reporting programs can send their information to the Department of Health and Human Services, where it will be matched against a list of non-paying parents sent to HHS from all the states.... Today, 25 states have new hire reporting programs in place. President Clinton is challenging the other 25 to join them, increasing their collections and helping more of our children. [Executive Action for Child Support Enforcement, 6/18/96]

VETO DEFENDS VALUELESS SYSTEM

"The president has chosen to defend, with his veto, a welfare system that no one can defend -- for it is a daily assault on the values of self-reliance and family." [Dole Response to State of Union, 1/23/96]

VETOES OF GOP WELFARE BILLS PROTECT CHILDREN

- "Americans know we have to reform the broken welfare system, but cutting child care that helps mothers move from welfare to work, cutting help for abused and disabled children, cutting school lunch, that's not welfare reform. Real welfare reform should be tough on work and tough on responsibility, but not tough on children or tough on parents who are responsible and who want to work. We shouldn't lose this historic chance to end welfare as we know it by using the words 'welfare reform' as just another cover to violate our values." [Remarks by President Clinton on His Veto of the Republican Reconciliation Bill, 12/6/95]
- President Clinton again stated his objections plainly: "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 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." [President's Letter to the House of Representatives Re: Veto of H.R. 4, 1/9/96]

Problems with H.R. 4, the G.O.P. welfare bill conference report:

- cuts money for child care, which is the linchpin between welfare and work;
- reduces State maintenance-of-effort, necessary to ensure that we can move single parents from welfare to work;
- dismantles child protection programs like foster care, and child abuse and neglect funding, by block-granting and capping funds at the same time that reports of child abuse and neglect are rising;
- reduces or terminates SSI benefits for one million children with disabilities -- the Senate bill had tough reforms but the conference report is too extreme, cutting \$4 billion more than the Senate bill; and,
- ends the current automatic guarantee of Medicaid eligibility for all welfare recipients. [Senate Democratic Policy Committee, 12/21/95]

President Signed New Welfare Bill Because Several Wrong-headed G.O.P. ideas were changed:

- Protected Children's Health Care
- More Child Care Funding
- No Food Stamp Block Grant
- No Child Welfare Block Grant
- Greater Protection of Disabled Children
- Emergency Contingency Fund in Place
- Hardship Exemption
- No Mandatory Family Cap
- More Work Requirements Flexibility for States
- Does Not Deny Assistance to Teen Moms
[HHS Sec. Shalala/Bruce Reed Briefing, 7/31/96]

CLINTON HAS NOT LIFTED A FINGER TO KEEP HIS WELFARE PROMISE

Bill Clinton vowed to "end welfare as we know it" when he was on the campaign trail in 1992, but he did not submit one piece of legislation or lift on finger in the past three years to try to keep his promise. [Bob Dole for President talking points, 9/20/95]

He's never had a welfare plan...
[Bob Dole, Mack's Apples, Londonderry, NH, 9/17/95]

PRESIDENT CLINTON SIGNED WELFARE REFORM

- This legislation moves people from welfare to work while protecting children's health care.

THROUGH HIS ADMINISTRATION, THE PRESIDENT HAS WORKED TO REFORM WELFARE

- President Clinton's 1996 Balanced Budget plan (fiscal year 1997) included comprehensive welfare reform legislation. Turn to page 69 of the President's Balanced Budget Plan (Fiscal Year 1997 Budget). The section is titled "Making Work Pay." The President's plan is outlined in these pages -- the legislation includes: tough work requirements; more funding for child care; incentives to reward States for placing people in jobs; strict time limits (a two year time limit on benefits and a five year lifetime limit); makes deadbeat parents pay child support; and other child protections (maintains the school lunch program, safeguards Medicaid coverage for poor children, and protects disabled children). [FY97 Budget Report]
- In 1994, President Clinton's Work and Responsibility Act was introduced both in the House and Senate (H.R. 4605 and S. 2224). Congress did not finish work on the legislation before the end of the 103rd. However, the child support enforcement provisions in the current Republican welfare reform plan were taken from the President's 1994 Work and Responsibility Act. [1994 Work and Responsibility Act]

wkpla enacted in 1996

**WELFARE SYSTEM
ENCOURAGES ILLEGITIMACY**

This means we must transform a welfare system that undermines marriage and encourages illegitimacy. [Bob Dole, Remarks to the National Governors' Association, 7/16/96]

CLINTON'S PROPOSALS ENCOURAGE PARENTAL RESPONSIBILITY

- **No Welfare to Teen Mothers Unless They Stay in School**: President Clinton required teen mothers on welfare to be more responsible, to stay in school and sign personal responsibility plans, or lose their benefits. His four executive actions include: requiring all states to submit plans for requiring teens mothers to stay in school and prepare for work; cutting red tape to allow states to reward teen mothers who complete high school with cash bonuses; requiring all states to have teen mothers who have dropped out of school return to school and sign personal responsibility plans; and challenging all states to require teen mothers to live at home or with a responsible adult in order to receive assistance. [HHS Fact Sheet, 5/4/96]
- **Paternity Establishment Efforts**: Today I also directed the Department of Health and Human Services to require mothers who apply for welfare to provide the name of the father and other identifying information when they apply for assistance and before they get the benefits. [Remarks by the President to the 100th Anniversary Convention of the American Nurses Association, 6/18/96]
- **Find Deadbeat Dads**: Since taking office, the Clinton Administration's partnership with states has yielded unprecedented financial support for children. From 1992 to 1995, collections grew by nearly 40 percent and paternity establishments rose by more than 40 percent. In 1995, the federal-state child support enforcement system collected a record \$11 billion from non-custodial parents, up from \$8 billion in FY92. Preliminary data for paternity establishment show an estimated 735,000 in FY95, up from 515,857 in FY92. Under legislative proposals supported by the President, child support collections could increase by \$24 billion over the next 10 years. [Administration for Children and Families, Dept. of HHS]
- **Teen Pregnancy Initiative**: During the State of the Union, the President announced his teen pregnancy initiative saying, "To strengthen the family, we must do everything we can to keep the teen pregnancy rate going down." In January, President Clinton announced the National Campaign to Reduce Teenage Pregnancy. The campaign, headed by Dr. Henry Foster, "will work in partnership with community-based organizations all across America to help give ... young people the strength and the tools they need to lead responsible and successful lives." [State of the Union, 1/23/96; President's Statement on Teen Pregnancy, 1/29/96]

STATES HAVE TO COME BEGGING TO WASHINGTON FOR REFORM

Bob Dole and Republicans think it's absurd that the states, where the only genuinely successful welfare reform has taken place, must come begging to Washington -- to the very people who are the architects and protectors of our current failed welfare system -- to get a waiver. It's Washington's disgraceful mess, after all, that the states are having to clean up. [RNC Chairman Haley Barbour, RNC Press Release, 7/10/96]

THE PRESIDENT HAS GIVEN 41 STATES WELFARE REFORM WAIVERS

Over the past three years, the President has given *41 states the flexibility to initiate welfare reforms on their own -- more than any other Administration in history.*

- **Cuts red tape:** Freed 41 states from red tape ... While Congress has yet to send President Clinton a welfare bill that demands work while protecting the nation's children. President Clinton has worked directly with states to reform welfare. This Administration has used its authority under the Social Security Act to grant states waivers -- giving 80% of all states the opportunity to reform welfare -- granting waivers to more states than all the previous administrations combined. [HHS, 6/96; President's Statement, 7/31/96]
- *New flex for states, New bill gives states new flex, new tools, + new resource for more p for w to w.*

EVERY GOVERNOR IS FOR GOP WELFARE REFORM

"We passed welfare reform with an overwhelming vote, and every governor I know of and every ex-governor except Lamar Alexander is for, and he vetoed that." [GOP Presidential Primary Debate, Manchester NH, 2/15/96]

- **All 50 Governors Said GOP Welfare Bill President Vetoed Needed Changes.** All of the nation's governors gathered in Washington in February 1996. And the one thing they agreed on? The GOP's welfare reform bill -- the one President Clinton vetoed -- needed to be improved. *They adopted unanimous ~~by the~~ resolution calling for changes that were ultimately included in the bill enacted.*
- **Some Republicans Agreed With The President, Voted Against GOP Plan.** Some Republicans agreed with the President. Representatives Bunn (R-OR), Diaz-Balart (R-FL), Campbell (R-CA) and Ros-Lehtinen (R-FL) in the House and Senators Campbell (R-CO) and Hatfield (R-OR) voted against the GOP conference report.

DOLE: PRESIDENT CLINTON BEARS TOTAL RESPONSIBILITY FOR FAILED WELFARE SYSTEM

"In the State of the Union speech President Clinton delivered nearly one year ago, he said--and I quote -- 'Nothing has done more to undermine our sense of common responsibility that our failed welfare system.' In just a few weeks, President Clinton will deliver another State of the Union Speech. And he will do so with the knowledge that he bears total responsibility for the continuation of that failed welfare system." [Remarks delivered on Senate floor Dole Press Release, 1/10/96]

PRESIDENT CLINTON IS REFORMING WELFARE

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"Bill Clinton can justifiably claim that he has indeed ended welfare as we know it." [Douglas J. Besharov, American Enterprise Institute, Business Week, 5/20/96]

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- **REQUIRING WORK --** 9.9 million welfare recipients are now in households in which the parents are required to work or take more responsibility for their children and themselves. [FY97 Budget Report]

Require Time Limits, Work for Welfare: Under demonstrations approved by this Administration, 32 states are helping people move from welfare to work by requiring work or training for benefits; 27 states have time limits on benefits, making welfare a second chance, not a way of life. [HHS, 6/96]

**DOLE: CLINTON SIGNED ON
TO DEMOCRATIC WELFARE
BILL ONLY 16 SENATOR'S
SIGNED**

"President Clinton promised to end welfare as we know it, but he has no plan that we know of. Instead of leading, the President has followed, signing on to a flawed plan cosponsored by just 16 Senate Democrats." [Dole Press Release, 8/9/95]

August 3, 1995, Statement by the President on Daschle, Breaux, Mikulski's bill:

"I strongly support the Work First bill proposed by Senators Daschle, Breaux, and Mikulski. Instead of maintaining the current welfare system -- which undermines our basic values of work, responsibility, and family -- this plan sends people to work so they can earn a paycheck, not a welfare check. It provides the child care people need to move from welfare to work, and to enable them to stay off welfare in the first place. It holds state bureaucracies accountable for real results, and rewards states for putting people to work, not just cutting people off. It saves money by moving people to work, not by shipping the states more problems and less money. The Work First plan is real reform, and it should be the basis for a strong bipartisan bill. It is time for Congress to reach across party lines and pass real welfare reform. The American people have waited long enough." [8/3/95]

Endorsed by Castle, Tamm & Breaux, Chafee

30

bills I vetoed. Many of the worst elements I objected to are out of it. And many of the improvements I asked for are included. First, the new bill is strong on work. It provides \$4 billion more for child care so that mothers can move from welfare to work and protects their children by maintaining health and safety standards for day care. These things are very important. You cannot ask somebody on welfare to go to work if they're going to neglect their children in doing it.

It gives States powerful performance incentives to place people in jobs. It requires States to hold up their end of the bargain by maintaining their own spending on welfare. And it gives States the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies as an incentive to hire people or being used to create community service jobs.

Second, this new bill is better for children than the two I vetoed. It keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare, and help for disabled children. It allows States to use Federal money to provide vouchers to children whose parents can't find work after the time limits expire. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.

Just as important, this bill continues to include the child support enforcement measures I proposed 2 years ago, the most sweeping crackdown on deadbeat parents in history. If every parent paid the child support they should, we could move 800,000 women and children off welfare immediately. With this bill we say to parents, if you don't pay the child support you owe, we will garnish your wages, take away your driver's license, track you across State lines and, as necessary, make you work off what you owe. It is a very important advance that could only be achieved in legislation. I did not have the executive authority to do this without a bill.

So I will sign this bill, first and foremost because the current system is broken; second, because Congress has made many of the changes I sought; and third, because even though serious problems remain in the non-

welfare reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it by moving people from welfare to work, demanding responsibility, and doing better by children.

However, I want to be very clear. Some parts of this bill still go too far, and I am determined to see that those areas are corrected. First, I am concerned that although we have made great strides to maintain the national nutritional safety net, this bill still cuts deeper than it should in nutritional assistance, mostly for working families with children. In the budget talks, we reached a tentative agreement on \$21 billion in food stamp savings over the next several years. They are included in this bill.

However, the congressional majority insisted on another cut we did not agree to, repealing a reform adopted 4 years ago in Congress which was to go into effect next year. It's called the excess shelter reduction, which helps some of our hardest pressed working families. Finally, we were going to treat working families with children the same way we treat senior citizens who draw food stamps today. Now, blocking this change, I believe—I know—will make it harder for some of our hardest pressed working families with children. This provision is a mistake, and I will work to correct it.

Second, I am deeply disappointed that the congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military. This provision has nothing to do with welfare reform. It is simply a budget-saving measure, and it is not right.

These immigrant families with children who fall on hard times through no fault of their own—for example, because they face the same risks the rest of us do from accidents, from criminal assaults, from serious illnesses—they should be eligible for medical and other help when they need it. The Republican majority could never have passed such a provision standing alone. You see that in the debate in the immigration bill, for example, over the Gallegly amendment, and

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the question of education of undocumented and illegal immigrant children.

This provision will cause great stress for States, for localities, for medical facilities that have to serve large numbers of legal immigrants. It is just wrong to say to people, we'll let you work here, you're helping our country, you'll pay taxes, you serve in our military, you may get killed defending America, but if somebody mugs you on a street corner or you get cancer or you get hit by a car or the same thing happens to your children, we're not going to give you assistance anymore. I am convinced this would never have passed alone, and I am convinced when we send legislation to Congress to correct it, it will be corrected.

In the meantime, let me also say that I intend to take further executive action directing the INS to continue to work to remove the bureaucratic roadblocks to citizenship to all eligible, legal immigrants. I will do everything in my power, in other words, to make sure that this bill lifts people up and does not become an excuse for anyone to turn their backs on this problem or on people who are generally in need through no fault of their own. This bill must also not let anyone off the hook. The States asked for this responsibility; now they have to shoulder it and not run away from it. We have to make sure that in the coming years reform and change actually result in moving people from welfare to work.

The business community must provide greater private-sector jobs that people on welfare need to build good lives and strong families. I challenge every State to adopt the reforms that Wisconsin, Oregon, Missouri, and other States are proposing to do, to take the money that used to be available for welfare checks and offer it to the private sector as wage subsidies to begin to hire these people, to give them a chance to build their families and build their lives. All of us have to rise to this challenge and see that—this reform not as a chance to demonize or demean anyone but instead as an opportunity to bring everyone fully into the mainstream of American life, to give them a chance to share in the prosperity and the promise that most of our people are enjoying today.

And we here in Washington must continue to do everything in our power to reward work and to expand opportunity for all people. The earned-income tax credit, which we expanded in 1993 dramatically, is now rewarding the work of 15 million working families. I am pleased that congressional efforts to gut this tax cut for the hardest pressed working people have been blocked. This legislation preserves the EITC and its benefits for working families. Now we must increase the minimum wage, which also will benefit millions of working people with families and help them to offset the impact of some of the nutritional cuts in this bill.

Through these efforts, we all have to recognize, as I said in 1992, the best antipoverty program is still a job. I want to congratulate the Members of Congress in both parties who worked together on this welfare reform legislation. I want to challenge them to put politics aside and continue to work together to meet our other challenges and to correct the problems that are still there with this legislation. I am convinced that it does present an historic opportunity to finish the work of ending welfare as we know it, and that is why I have decided to sign it.

Q. Mr. President, some civil rights groups and children's advocacy groups still say that they believe that this is going to hurt children. I wonder what your response is to that. And also, it took you a little while to decide whether you would go along with this bill or not. Can you give us some sense of what you and your advisers kind of talked about and the mood in the White House over this?

The President. Sure. Well, first of all, the conference was not completed until late last evening, and there were changes being made in the bill right up to the very end. So when I went to bed last night, I didn't know what the bill said. And this was supposed to be a day off for me, and when I got up and I realized that the conference had completed its work late last night and that the bill was scheduled for a vote late this afternoon, after I did a little work around the house this morning, I came in and we went to work I think about 11 o'clock.

And we simply—we got everybody in who had an interest in this, and we went through every provision of the bill, line by line, so

that I made sure that I understood exactly what had come out of the conference. And then I gave everybody in the administration who was there a chance to voice their opinion on it and to explore what their views were and what our options were. And as soon as we finished the meeting, I went in and had a brief talk with the Vice President and with Mr. Panetta, and I told them that I had decided that, on balance, I should sign the bill. And then we called this press conference.

Q. And what about the civil rights groups—

The President. I would say to them that there are some groups who basically have never agreed with me on this, who never agreed that we should do anything to give the States much greater flexibility on this if it meant doing away with the individual entitlement to the welfare check. And that is still, I think, the central objection to most of the groups.

My view about that is that for a very long time it's hard to say that we've had anything that approaches a uniform AFDC system when the benefits range from a low of \$187 a month to a high of \$655 a month for a family of 3 or 4. And I think that the system we have is not working. It works for half the people who just use it for a little while and get off. It will continue to work for them. I think the States will continue to provide for them.

For the other half of the people who are trapped on it, it is not working. And I believe that the child support provisions here, the child care provisions here, the protection of the medical benefits, indeed, the expansion of the medical guarantee now from 1998 to 2002, mean that on balance these families will be better off. I think the problems in this bill are in the nonwelfare reform provisions, in the nutritional provisions that I mentioned, and especially in the legal immigrant provisions that I mentioned.

Q. Mr. President, it seems likely there will be a kind of political contest to see who gets the credit or the blame on this measure. Senator Dole is out with a statement saying that you've been brought along to sign his bill. Are you concerned at all that you will be seen as having been kind of dragged into going along with something that you originally

promised to do and that this will look like you signing onto a Republican initiative?

The President. No. First of all, because I don't—you know, if we're doing the right thing there will be enough credit to go around. And if we're doing the wrong thing there will be enough blame to go around. I'm not worried about that. I've always wanted to work with Senator Dole and others. And before he left the Senate, I asked him not to leave the budget negotiations. So I'm not worried about that.

But that's a pretty hard case to make, since I vetoed their previous bills twice and since while they were talking about it we were doing it. It's now generally accepted by everybody who has looked at the evidence that we effected what the New York Times called a quiet revolution in welfare. There are 1.3 million fewer people on welfare today than there were when I took office.

But there are limits to what we can do with these waivers. We couldn't get the child support enforcement. We couldn't get the extra child care. Those are two things that we had to have legislation to do. And the third thing is we needed to put all the States in a position where they had to move right now to try to create more jobs. So far—I know that we had Wisconsin and, earlier, Oregon and I believe Missouri. And I think those are the only three States, for example, that had taken up the challenge that I gave to the Governors in Vermont a couple of years ago to start taking the welfare payments and use it for wage subsidies to the private sector to actually create jobs. You can't tell people to go to work if there is no job out there.

So now they all have the power, and they have financial incentives to create jobs, plus we've got the child care locked in and the medical care locked in and the child support enforcement locked in. None of this could have happened without legislation. That's why I thought this legislation was important.

Q. Mr. President, some of the critics of this bill say that the flaws will be very hard to fix because that will involve adding to the budget and in the current political climate adding to the expenditures is politically impossible. How would you respond to that?

The President. Well, it just depends on what your priorities are. For one thing, it will be somewhat easier to balance the budget now in the time period because the deficit this year is \$23 billion less than it was the last time we did our budget calculations. So we've lowered that base \$23 billion this year. Now, in the out years it still comes up, but there's some savings there that we could turn around and put back into this.

Next, if you look at—my budget corrects it right now. I had \$42 billion in savings; this bill has about \$57 billion in savings. You could correct all these problems that I mentioned with money to spare in the gap there. So when we get down to the budget negotiations either at the end of this year or at the beginning of next year, I think the American people will say, we can stand marginally smaller tax cuts, for example, or cut somewhere else to cure this problem of immigrants and children, to cure the nutritional problems. We're not talking about vast amounts of money over a 6-year period. It's not a big budget number, and I think it can easily be fixed given where we are in the budget negotiations.

Q. The last couple days in these meetings among your staff and this morning, would you say there was no disagreement among people in the administration about what you should do? Some disagreement? A lot of disagreement?

The President. No, I would say that there was—first of all, I have rarely been as impressed with the people who work in this administration on any issue as I have been on this. There was significant disagreement among my advisers about whether this bill should be signed or vetoed, but 100 percent of them recognized the power of the arguments on the other side. It was a very moving thing. Today the conversation was almost 100 percent about the merits of the bill and not the political implications of it, because I think those things are very hard to calculate anyway. I think they're virtually impossible.

I have tried to thank all of them personally, including those who are here in the room and those who are not here, because they did have differences of opinion about whether we should sign or veto, but each side recognized the power of the arguments on the

other side. And 100 percent of them, just like 100 percent of the Congress, recognized that we needed to change fundamentally the framework within which welfare operates in this country. The only question was whether the problems in the nonwelfare reform provisions were so great that they would justify a veto and giving up what might be what I'm convinced is our last best chance to fundamentally change the system.

Q. Mr. President, even in spite of all the details of this, you as a Democrat are actually helping to dismantle something that was put in place by Democrats 60 years ago. Did that give you pause, that overarching question?

The President. No. No, because it was put in place 60 years ago when the poverty population of America was fundamentally different than it is now. As Senator Moynihan—you know, Senator Moynihan strongly disagrees with me on this, but as he has pointed out repeatedly, when welfare was created the typical welfare recipient was a miner's widow with no education, small children, husband dies in the mine, no expectation that there was a job for the widow to do or that she ever could do it—very few out-of-wedlock pregnancies and births. The whole dynamics were different then.

So I have always thought that the Democratic Party should be on the side of creating opportunity and promoting empowerment and responsibility for people, and a system that was in place 60 years ago that worked for the poverty population then is not the one we need now. But that's why I have worked so hard too to veto previous bills. That does not mean I think we can walk away from the guarantee that our party gave on Medicaid, the guarantee our party gave on nutrition, the guarantee our party gave in school lunches, because that has not changed. But the nature of the poverty population is so different now that I am convinced we have got to be willing to experiment, to try to work to find ways to break the cycle of dependency that keeps dragging folks down.

And I think the States are going to find out pretty quickly that they're going to have to be willing to invest something in these people to make sure that they can go to work in the ways that I suggested.

Yes, one last question.

Q. Mr. President, you mentioned Senator Moynihan. Have you spoken to him or other congressional leaders, especially congressional Democrats? And what was the conversation and the reaction to your indication?

The President. Well, I talked to him as recently, I think, as about a week ago. When we went up to meet with the TWA families, we talked about it again. And you know, I have an enormous amount of respect for him. And he has been a powerful and cogent critic of this whole move. I'll just have to hope that in this one case I'm right and he's wrong, because I have an enormous regard for him. And I've spoken to a number of other Democrats, and some think I'm right and some don't.

This is a case where, you know, I have been working with this issue for such a long time, a long time before it became—to go back to Mr. Hume's [Brit Hume, ABC News] question, a long time before it became a cause celebre in Washington or anyone tried to make it a partisan political issue. It wasn't much of a political hot potato when I first started working on it. I just was concerned that the system didn't seem to be working. And I was most concerned about those who were trapped on it and their children and the prospect that their children would be trapped on it.

I think we all have to admit here—we all need a certain level of humility today. We are trying to continue a process that I've been pushing for 3½ years. We're trying to get the legal changes we need in Federal law that will work to move these folks to a position of independence where they can support their children and their lives as workers and in families will be stronger.

But if this were an easy question, we wouldn't have had the 2½-hour discussion with my advisers today and we'd all have a lot more answers than we do. But I'm convinced that we're moving in the right direction. I'm convinced it's an opportunity we should seize. I'm convinced that we have to change the two problems in this bill that are not related to welfare reform, that were just sort of put under the big shade of the tree here, that are part of this budget strategy with which I disagree. And I'm convinced

when we bring those things out into the light of day we will be able to do it. And I think some Republicans will agree with us, and we'll be able to get what we need to do to change it.

Thank you.

NOTE: The President spoke at 2:27 p.m. in the Briefing Room at the White House.

Statement on Proposed Health Care Legislation

July 31, 1996

Today we have apparently achieved a long overdue victory for the millions of Americans who live in fear of losing their health insurance when they change or lose their jobs or because of preexisting conditions. I hope all Democrats and Republicans will work together to pass this important legislation before the Congress begins its August recess.

Remarks on the Economy and an Exchange With Reporters

August 1, 1996

The President. Good morning. A strong and growing economy is the best way to offer opportunity to every American who is willing to work for it. Today we received fresh news that our economy grew at a strong 4.2 percent rate in the last quarter. This robust growth, 4.2 percent, is touching the lives of all our people with 10 million new jobs, low unemployment, and inflation in check. This is good news for America and more evidence that our economy continues to surge ahead and that our economic strategy is working.

Four years ago today, the economy was drifting, unemployment was nearly 8 percent, job growth was weak, the deficit was at an all-time high, great American industries were falling behind. For the last 3 years, we have had in place a comprehensive plan to put our economic house in order and to create opportunity for the American people. My economic team, which has joined me here today, has worked day and night to put this strategy in place over stiff partisan opposition who said our plan wouldn't work and would actually make things worse. But today's good

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NATO. For those Partners interested in joining NATO, PFP is the best path to membership. As you will see from the enclosed report, NATO and its Partners have made impressive progress in broadening and deepening the Partnership over the past year. We are working with our Allies and Partners to build on the Partnership's early momentum in the shared conviction that cooperation and common action are the best means to achieving lasting security throughout the Euro-Atlantic area.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Jesse Helms, chairman, and Claiborne Pell, ranking member, Senate Committee on Foreign Relations; and Benjamin A. Gilman, chairman, and Lee H. Hamilton, ranking member, House Committee on International Relations.

Remarks on Signing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and an Exchange With Reporters

August 22, 1996

The President. Thank you very much. Lillie, thank you. Thank you, Mr. Vice President; to the members of the Cabinet; all of the Members of Congress who are here, thank you very much.

I'd like to say to Congressman Castle, I'm especially glad to see you here because 8 years ago about this time, when you were the Governor of Delaware and Governor Carper was the Congressman from Delaware, you and I were together at a signing like this.

Thank you, Senator Long, for coming here. Thank you, Governors Romer, Carper, Miller, and Caperton.

I'd also like to thank Penelope Howard and Janet Ferrel for coming here. They, too, have worked their way from welfare to independence, and we're honored to have them here. I'd like to thank all of the people who worked on this bill who have been introduced from our staff and Cabinet, but I'd also like to especially thank Bruce Reed, who

had a lot to do with working on the final compromises of this bill; I thank him.

Lillie Harden was up there talking, and I want to tell you how she happens to be here today. Ten years ago, Governor Castle and I were asked to cochair a Governors Task Force on Welfare Reform, and we were asked to work together on it. And when we met at Hilton Head in South Carolina, we had a little panel, and 41 Governors showed up to listen to people who were on welfare from several States. So I asked Carol Rasco to find me somebody from our State who had been in one of our welfare reform programs and had gone to work. She found Lillie Harden, and Lillie showed up at the program.

And I was conducting this meeting, and I committed a mistake that they always tell lawyers never to do: Never ask a question you do not know the answer to. [Laughter] But she was doing so well talking about it, as you saw how well-spoken she was today, and I said, "Lillie, what's the best thing about being off welfare?" And she looked me straight in the eye and said, "When my boy goes to school, and they say what does your mama do for a living, he can give an answer." I have never forgotten that. And when I saw the success of all of her children and the success that she's had in the past 10 years—I can tell you, you've had a bigger impact on me than I've had on you. And I thank you for the power of your example, for your family's. And for all of America, thank you very much.

What we are trying to do today is to overcome the flaws of the welfare system for the people who are trapped on it. We all know that the typical family on welfare today is very different from the one that welfare was designed to deal with 60 years ago. We all know that there are a lot of good people on welfare who just get off of it in the ordinary course of business but that a significant number of people are trapped on welfare for a very long time, exiling them from the entire community of work that gives structure to our lives.

Nearly 30 years ago, Robert Kennedy said, "Work is the meaning of what this country is all about. We need it as individuals, we need to sense it in our fellow citizens, and

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we need it as a society and as a people." He was right then, and it's right now. From now on, our Nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power, and the ethic of work. Today we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life.

The bill I'm about to sign, as I have said many times, is far from perfect, but it has come a very long way. Congress sent me two previous bills that I strongly believe failed to protect our children and did too little to move people from welfare to work. I vetoed both of them. This bill had broad bipartisan support and is much, much better on both counts.

The new bill restores America's basic bargain of providing opportunity and demanding, in return, responsibility. It provides \$14 billion for child care, \$4 billion more than the present law does. It is good because without the assurance of child care it's all but impossible for a mother with young children to go to work. It requires States to maintain their own spending on welfare reform and gives them powerful performance incentives to place more people on welfare in jobs. It gives States the capacity to create jobs by taking money now used for welfare checks and giving it to employers as subsidies as incentives to hire people. This bill will help people to go to work so they can stop drawing a welfare check and start drawing a paycheck.

It's also better for children. It preserves the national safety net of food stamps and school lunches. It drops the deep cuts and the devastating changes in child protection, adoption, and help for disabled children. It preserves the national guarantee of health care for poor children, the disabled, the elderly, and people on welfare—the most important preservation of all.

It includes the tough child support enforcement measures that, as far as I know, every Member of Congress and everybody in the administration and every thinking person in the country has supported for more than 2 years now. It's the most sweeping crackdown on deadbeat parents in history. We have succeeded in increasing child support collection 40 percent, but over a third

of the cases where there's delinquencies involve people who cross State lines. For a lot of women and children, the only reason they're on welfare today—the only reason—is that the father up and walked away when he could have made a contribution to the welfare of the children. That is wrong. If every parent paid the child support that he or she owes legally today, we could move 800,000 women and children off welfare immediately.

With this bill we say, if you don't pay the child support you owe we'll garnish your wages, take away your driver's license, track you across State lines, if necessary, make you work off what you pay—what you owe. It is a good thing, and it will help dramatically to reduce welfare, increase independence, and reinforce parental responsibility.

As the Vice President said, we strongly disagree with a couple of provisions of this bill. We believe that the nutritional cuts are too deep, especially as they affect low-income working people and children. We should not be punishing people who are working for a living already; we should do everything we can to lift them up and keep them at work and help them to support their children. We also believe that the congressional leadership insisted on cuts in programs for legal immigrants that are far too deep.

These cuts, however, have nothing to do with the fundamental purpose of welfare reform. I signed this bill because this is an historic chance, where Republicans and Democrats got together and said, we're going to take this historic chance to try to recreate the Nation's social bargain with the poor. We're going to try to change the parameters of the debate. We're going to make it all new again and see if we can't create a system of incentives which reinforce work and family and independence. We can change what is wrong. We should not have passed this historic opportunity to do what is right.

And so I want to ask all of you, without regard to party, to think through the implications of these other non-welfare issues on the American people, and let's work together in good spirits and good faith to remedy what is wrong. We can balance the budget without these cuts. But let's not obscure the fundamental purpose of the welfare provisions

of this legislation, which are good and solid and which can give us at least the chance to end the terrible, almost physical isolation of huge numbers of poor people and their children from the rest of mainstream America. We have to do that.

Let me also say that there's something really good about this legislation: When I sign it, we all have to start again, and this becomes everybody's responsibility. After I sign my name to this bill, welfare will no longer be a political issue. The two parties cannot attack each other over it. Politicians cannot attack poor people over it. There are no entrenched habits, systems, and failures that can be laid at the foot of someone else. We have to begin again. This is not the end of welfare reform; this is the beginning. And we have to all assume responsibility. Now that we are saying with this bill we expect work, we have to make sure the people have a chance to go to work. If we really value work, everybody in this society—businesses, nonprofits, religious institutions, individuals, those in government—all have a responsibility to make sure the jobs are there.

These three women have great stories. Almost everybody on welfare would like to have a story like that. And the rest of us now have a responsibility to give them that story. We cannot blame the system for the jobs they don't have anymore. If it doesn't work now, it's everybody's fault, mine, yours, and everybody else. There is no longer a system in the way.

I've worked hard over the past 4 years to create jobs and to steer investment into places where there are large numbers of people on welfare because there's been no economic recovery. That's what the empowerment zone program was all about. That's what the community development bank initiative was all about. That's what our urban Brownfield cleanup initiative was all about—trying to give people the means to make a living in areas that had been left behind.

I think we have to do more here in Washington to do that, and I'll have more to say about that later. But let me say again, we have to build a new work and family system. And this is everybody's responsibility now. The people on welfare are people just like

these three people we honor here today and their families. They are human beings. And we owe it to all of them to give them a chance to come back.

I talked the other day when the Vice President and I went down to Tennessee, and we were working with Congressman Tanner's district; we were working on a church that had burned. And there was a pastor there from a church in North Carolina that brought a group of his people in to work. And he started asking me about welfare reform, and I started telling him about it. And I said, "You know what you ought to do? You ought to go tell Governor Hunt that you would hire somebody on welfare to work in your church if he would give you the welfare check as a wage supplement, you'd double their pay, and you'd keep them employed for a year or so and see if you couldn't train them and help their families and see if their kids were all right." I said, "Would you do that?" He said, "In a heartbeat."

I think there are people all over America like that. I think there are people all over America like that. That's what I want all of you to be thinking about today: What are we going to do now? This is not over; this is just beginning. The Congress deserves our thanks for creating a new reality, but we have to fill in the blanks. The Governors asked for this responsibility; now they've got to live up to it. There are mayors that have responsibilities, county officials that have responsibilities. Every employer in this country that ever made a disparaging remark about the welfare system needs to think about whether he or she should now hire somebody from welfare and go to work, go to the State and say, "Okay, you give me the check. I'll use it as an income supplement. I'll train these people. I'll help them to start their lives, and we'll go forward from here."

Every single person needs to be thinking—every person in America tonight who sees a report of this who has ever said a disparaging word about the welfare system should now say, "Okay, that's gone. What is my responsibility to make it better?"

Two days ago we signed a bill increasing the minimum wage here and making it easier for people in small businesses to get and keep pensions. Yesterday we signed the Kasse-

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People not taking responsibility. No one is making them self-empowered.

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baum-Kennedy bill which makes health care available to up to 25 million Americans, many of them in lower income jobs where they're more vulnerable. The bill I'm signing today preserves the increases in the earned-income tax credit for working families. It is now clearly better to go to work than to stay on welfare—clearly better. Because of actions taken by the Congress in this session, it is clearly better. And what we have to do now is to make that work a reality.

I've said this many times, but, you know, most American families find that the greatest challenge of their lives is how to do a good job raising their kids and do a good job at work. Trying to balance work and family is the challenge that most Americans in the workplace face. Thankfully, that's the challenge Lillie Harden's had to face for the last 10 years. That's just what we want for everybody. We want at least the chance to strike the right balance for everybody.

Today we are ending welfare as we know it. But I hope this day will be remembered not for what it ended but for what it began: a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor on welfare but instead feels the responsibility to reach out to men and women and children who are isolated, who need opportunity, and who are willing to assume responsibility, and give them the opportunity and the terms of responsibility.

Now, I'd like to ask Penelope Howard, Janet Ferrel, Lillie Harden, the Governors, and the Members of Congress from both parties who are here to come up and join me as I sign the welfare reform bill.

Tobacco Regulation

Q. Mr. President, before you sign the bill, could you tell us whether you think it's right to regulate tobacco or nicotine as a drug?

The President. You know, Wolf [Wolf Blitzer, CNN], under the law, I have to wait until the OMB makes a recommendation to me. I think we have to anticipate things. I can't say more than that right now.

[At this point, the President signed the bill.]

Reaction to Welfare Reform

Q. Mr. President, some of your core constituencies are furious with you for signing this bill. What do you say to them?

The President. Just what I said up there. We saved medical care. We saved food stamps. We saved child care. We saved the aid to disabled children. We saved the school lunch program. We saved the framework of support. What we did was to tell the State, now you have to create a system to give everyone a chance to go to work who is able-bodied, give everyone a chance to be independent. And we did—that is the right thing to do.

And now welfare is no longer a political football to be kicked around. It's a personal responsibility of every American who ever criticized the welfare system to help the poor people now to move from welfare to work. That's what I say.

This is going to be a good thing for the country. We're going to monitor it, and we're going to fix whatever is wrong with it.

Q. What guarantees are there that these things will be fixed, Mr. President, especially if Republicans remain in control of Congress?

The President. That's what we have elections for.

NOTE: The President spoke at 11:15 a.m. in the Rose Garden at the White House. In his remarks he referred to Governors Tom Carper of Delaware, Roy Romer of Colorado, Zell Miller of Georgia, and Gaston Caperton of West Virginia and former Senator Russell B. Long. A portion of these remarks could not be verified because the tape was incomplete.

Statement on Signing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996

August 22, 1996

Today, I have signed into law H.R. 3754, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996." While far from perfect, this legislation provides a historic opportunity to end welfare as we know it and transform our broken welfare