

STATEMENT BY THE PRESIDENT
The Briefing Room
July 31, 1996

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.