

Chron

THE WHITE HOUSE

WASHINGTON

September 4, 1996

To: Leon
George

I think the problem with the health care executive order for tomorrow as currently written is that it sounds very broad -- especially number (3) on the second page. We don't need to provide Dole with ammunition to say "see, if you re-elect this guy he's going to turn back into a wild-eyed liberal, and if you doubt it just look at this blunderbuss commission he's creating. You elect him and we'll be onto Health Care II."

That would be an unfair distortion of what I understand the intent of this Commission to be. But as now worded, it sounds pretty broad.

This should be fixable by revising the language, and I can talk to Jen Klein and Chris Jennings to have that done.

Or do you think I'm overreacting?

Todd

NATIONAL COMMISSION ON HEALTH CARE QUALITY

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the National Commission on Health Care Quality ("Commission"). The Commission shall be composed of not more than 20 members to be appointed by the President. The members shall be representatives of the health care professions, institutional health care providers, other health care workers, health care insurers and purchasers, state government representatives, consumers, labor unions, and experts in health care quality, financing, and administration.

(b) The Secretary of Health and Human Services and the Secretary of Labor shall serve as Co-Chairs of the Commission. The Co-Chairs shall report through the Vice President to the President.

Sec. 2. Functions. (a) The Commission shall advise the President on changes occurring in the health care system and recommend the mechanisms necessary to promote and assure health care quality and value, protect consumers and workers in the health care system, and limit the unintended consequences of changes in the health care system. In particular, the Commission shall:

(1) Describe both the short term data relevant to policy formulation, and longer term initiatives for states, private organizations, and the Federal government in the area of appropriate consumer information and protections for those enrolled in health care plans;

(2) Build on existing and planned work that defines, measures, and promotes quality of health care, and help build further consensus on the development of a range of approaches to assure and promote quality of care in a changing delivery system;

and

(3) Collect and evaluate data on changes in patterns of access to care, particularly in historically underserved communities, and recommend private, state and federal initiatives to address problems in access to health care.

(b) For the purpose of carrying out its functions, ^{the Commission shall} hold hearings, ^{approve} establish subcommittees, and ~~sit~~ and act at such times and places as the Commission may find advisable.

Sec. 3. Reports. The Commission shall make a preliminary report to the President by September 30, 1997. A final report shall be submitted to the President 18 months after the first meeting.

Sec. 4. Administration. (a) To the extent permitted by law, the heads of executive departments, agencies, and independent establishments (collectively "agencies") shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) Upon request of the Chair of the Commission, the head of any agency shall, to the extent possible and subject to the discretion of such head: (1) make facilities and services of such agency available to the Commission; and (2) detail available personnel of such agency to the Commission, to assist the Commission, as necessary, in carrying out its duties.

(c) While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5 U.S.C. 5701-5707) to the extent funds are available for such purposes.

(d) To the extent permitted by law and subject to the availability of appropriations, the Department of Health and Human Services shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. The Secretary of Health and Human Services shall perform the functions of the President under the Federal Advisory Committee

Act, as amended (5 U.S.C. App.), with respect to the Commission.

Sec. 5. General Provision. The Commission shall terminate 30 days after submitting its final report, but not later than two years after its creation, unless extended by the President.

THE WHITE HOUSE,



Council for International Cooperation

ANNA C. CHENNAULT
Chairman

Chennault Building
1049 30th Street, N.W.
Washington, D.C. 20007

Tel: 202-333-5921
Fax: 202-347-0373

9/4/96

TO Doriskind for
thank you letter?

Yes

(NO

Need to find out if he
sent portrait

THE PRESIDENT HAS SEEN

9-4-96

Do try to

Anna & friends

Mr. Gong - *just done*



FINGER PAINTING

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THE PRESIDENT HAS SEEN
9-3-96

181357



PEACE CORPS

DIRECTOR

August 7, 1996

96 AUG 15 P3:26

9/3/96

MEMORANDUM FOR THE PRESIDENT

From: Mark Gearan *mg*
Peace Corps Director

Re: The Peace Corps in Haiti

*Very good
need to put a
many in as possible*

Todd -
Okay to send to
Mark Gearan
Yes ☒
No ☐
See attached for
sheet -
SEND TO
L.H., P. H. C.

The purpose of this memo is to provide you with an update of our efforts to place Peace Corps Volunteers in Haiti.

I am pleased to report that I have just returned from a successful visit to Haiti, where I was present to swear-in 10 new Peace Corps Volunteers for service. I met with President Preval to thank him for his assistance to the Peace Corps and to express our hope for the program's expansion.

To be responsive to Haitian needs, Volunteer assignments have been developed in close consultation with the Aristide and Preval administrations and with Haitian community organizations and leaders. The Volunteers will work mainly in agro-business, agro-forestry and organizational development at the local level. Their overall objective is to help community organizations identify environmentally sensitive income-generating activities. Toward that end, all Volunteers have received training in fruit-tree nursery development and soil conservation practices.

During their 12 weeks of language and technical training, the Volunteers lived with Haitian families. As a result, their language skills are excellent (one new Volunteer gave a five-minute speech entirely in Creole) and their enthusiasm exceptionally high. They were all eager to begin their projects in the Les Cayes region in the southern part of the country.

We plan to send 12 additional trainees to Haiti in early October, which would give us more than 20 Volunteers working on projects by the end of the year. The program will continue to grow as our budget permits, possibly to as many as 60 Volunteers by 1998.

MEMORANDUM FOR THE PRESIDENT

August 7, 1996

Page 2

While the challenges are indeed great, I am confident that with your leadership, and the support of so many in the U.S. and Haiti, our program will be successful.

cc: Chief of Staff Leon Panetta
National Security Advisor Anthony Lake
Secretary of State Warren Christopher

182716



THE DEPUTY SECRETARY OF AGRICULTURE
WASHINGTON, D.C.
20250-0100

THE PRESIDENT HAS SEEN
9-3-96

August 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD E. ROMINGER, DEPUTY SECRETARY OF AGRICULTURE

SUBJECT: The Inauguration of President Abadala Bucaram Ortiz of Ecuador

NOT to Rominger
cc [unclear]
See para 2
Thompson's Memo
Left on car by [unclear]
Car on [unclear]
W/ [unclear]
Be [unclear]
Pro [unclear]
Adm [unclear]

96 AUG 22 PM 17

It was an honor for me to lead the U. S. delegation to the inauguration of President Bucaram of Ecuador on August 10, 1996. The Delegation included:

- Evelyne Rominger (Spouse)
- Leslie Alexander, U. S. Ambassador to Ecuador, presented credentials on August 5, 1996
- Jeffrey Davidow, Assistant Secretary of State for Inter-American Affairs, sworn in on August 7, 1996
- General Wesley Clark, Commander-in-Chief, U. S. Southern Command, U. S. Army
- Nancy Soderberg, Deputy Assistant to the President for National Security Affairs
- Luigi Einaudi, Ambassador and Special Representative to the Peru-Ecuador Dispute
- Howard Glicken, Chairman, The Americas Group
- Maria Sotiropoulos, State Department Protocol Officer

President Bucaram ran on a populist theme promising expanded opportunity for Ecuador's poor. He promised increased spending for housing and education. In his inaugural address he blamed Ecuador's problems on an "oligarchy" and chastised the banks for too much speculation and not enough attention to small business. (See attached news report from the Miami Herald, Sunday, August 11, 1996) His words would indicate dramatic changes in policy, but his retention of several cabinet members from the previous administration, including the Foreign Minister, Finance Minister, and Central Bank Manager might signal otherwise. At age 44, he does represent a change in generations, succeeding President Sixto Duran-Ballen, age 75. Several Latin American leaders told me privately that Bucaram is more moderate in his actions than he is in speeches and they were assured of working relationships.

Continuing challenges remain for the U.S. in its relations with Ecuador. The border dispute between Ecuador and Peru has been ongoing since 1942. The U. S. is one of the Guarantors of the Rio Protocol and is attempting to help resolve the issue. Davidow, Soderberg, Einaudi and Clark held meetings before and after the inauguration in these continuing efforts. As part of the process the U.S. has a small military presence in the border area.

There are environmental challenges in the Galapagos Islands and the Amazon basin where oil exploration and production are taking place. The previous Ecuadoren Administration made substantial progress towards reducing inflation, improving public financing, restoring Ecuadors international credit, reducing domestic subsidies and price controls, liberalizing external trade, and enacting structural reform legislation, but much more needs to be done. They have been less successful in implementing reform, particularly privatization of major state enterprises and improving tax collection. A corruption scandal undermined investor confidence and weakened the domestic financial system.

President Bucaram called for increases in agricultural production in his inaugural remarks. Ecuador does have an abundance of good soil and water supplies. The U. S. now runs a deficit in agricultural trade with Ecuador, with our major imports being shrimp, bananas, coffee, tuna, cocoa, and cut flowers. Our major exports to Ecuador are wheat, cotton, sugar and sweeteners. Our 1995 exports totaled \$145 million and our imports were \$1,071 million. Our USDA Agricultural Attache, Daryl Brehm, is doing a good job covering Ecuador, Peru and Bolivia. The entire Embassy staff in Quito did an excellent job organizing everything needed, as did Maria Sotiropoulos, the State Department Protocol Officer.

While the mission of the delegation was successfully completed, the lateness of the U. S. response to the inauguration invitation was awkward and made proper planning and protocol more difficult for both countries. Ambassador Leslie Alexander was very helpful, and should be an extraordinary representative of the U. S. I would call your attention to the fact that Ambassador Alexander is now separated from his child and wife, due to a rule which prohibits spouses from serving together once one achieves the rank of Ambassador. Mrs. Alexander is a career Foreign Service officer in France. This rule should probably be reviewed in the future in light of the changing roles of men and women in the work environment.

Thank you for the opportunity to represent you and the United States in Ecuador.

Attachment

cc: Honorable Warren Christopher
Honorable Dan Glickman

September 4, 1996

TO: Maureen Lewis

FR: Phil Caplan **Phil**

The attached letter has a wonderful story.

The writer was along the rope line at the President's speech in De Pere, Wisconsin on Labor Day. She was separated from her 7-year old son Eric during the rally. McCurry made a lost-child announcement over the PA as the President was finishing up the rope line. I saw her crying, pulled her out of the crowd, brought her backstage and got her and her daughter something to drink. The President came over and I introduced them explaining that her son was lost but that the SS and the police were doing everything they could to find him. POTUS was very concerned. She handed him the attached letter. POTUS stood and read it and said, "Wow...what a great letter."

Her son was found about five minutes later.

I think he would like to sign the response.

Aug 29th, 1996

Dear Editor,

I was angered and insulted by Mr. Kinsley's assertion that there are no American citizens who swear for Bill Clinton.

Because Bill Clinton was elected President, America is a better place for my children to grow up. My children are safer from drugs and tobacco because Bill Clinton is our President. The little boy across the street doesn't have to lose his health insurance just because his dad lost his job. Because Bill Clinton was elected President my children still have parks to play in and clean water to swim in. Because Bill Clinton chose the amicable Al Gore as his Vice President my children's classrooms will have more computers and more access to information.

I believe that Bill Clinton is accomplishing a better and brighter future for our children. I believe that my children are safer with Bill Clinton. I am grateful that my daughter has Hillary for a role model and I want to grow older with Al & Tipper Gore. Mr. Kinsley count me as a swearer.

Molly Hansen-Netwick
Sturgeon Bay, Wis.

Molly Natwick

1005

N. 6th Ave

2nd fl

Sturgeon

54235

414/743-5664



96 SEP 14 8:08

Mississippi State Senate

COMMITTEE ASSIGNMENTS:

Juvenile Justice, Chairman
Interstate and Federal Cooperation,
Vice Chairman
Finance, Vice Chairman
Constitution
Corrections
Highways and Transportation
Public Health and Welfare
Rules

SENATOR ROBERT H. "Rob" SMITH

Copiah-Covington-Rankin-Simpson Counties
1401 U.S. Highway 49-S
Richland, Mississippi 39218
601-939-8445

BOARD MEMBERS

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FAGO-Vice Chairman, SREB
SLC Management Committee
ITD-Institute of Technology

August 29, 1996

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

Dear Mr. President:

I hope this letter finds you in great health, and I am wishing you the best of success in the coming week. My daughters, Tara and Karlie, have prayed for you personally and for your success and the health of your family.

As you are aware, our congressman, G.V. (Sonny) Montgomery, is retiring, and I would appreciate it if you would personally request that there be some special recognition from the White House.

I hope you have plans in the making for Sonny; however, Mississippi will be honoring Sonny in Washington on September 12 at a program at the Gateway Marriott. I wish your schedule would permit you to be there; however, I realize there are many demands on your time.

Sincerely yours,

Robert H. "Rob" Smith

RHS/ag

9/4/96
From the Oval.
Send to Scheduling
Yes _____
No _____

cc: Leg Affairs? y
✓ C.

I'm not sure how
this should be
handled.
Moxley
STB

96 SEP 4 18:58

Joy Shindler Rafey
6014 Johnson Ave.
Bethesda, MD 20817
DAY phone 202-822-0750, fax 202-833-2467
EVE phone 301-897-0369, fax 301-493-4217

August 27, 1996

President Clinton
White House
Washington, DC 20500-2000

Dear Mr. President:

I thought you should read the enclosed letter. My colleague and I wrote to "any service person" as a kindness to anyone serving in Operation Joint Endeavor and received the enclosed response. We wanted them to know that they have not been forgotten and it seems a shame that they feel unrecognized by their commander in chief. Please take a moment to thank them -- they vote too.

Sincerely,



Joy Shindler Rafey

Enclosure

9/4/96

Send to Donsky?

Yes ☒

No ☐

C

17 AUG 96

Dear Jay and Patti,

Thanks for sending a letter of recognition for what we're doing here and something Clinton has never done. I guess you know my feelings now. We do find a lot of good in each day especially when we see the Bosnian kids playing safely. We did watch some of the Olympics on T.V.. I just went home for R+R in the states and on the way back at the airport in Philadelphia there were about 25 of us sitting in a bar at the airport ~~oops~~ and one of the Olympic boxers walked by and didn't even notice us, a little bit later one of the Olympic sprinters walked by and as he was walking by he looked over and saw us and came back to us and shook our hands and told us what a great job we were doing. I thought

B-40TH INF BN 2nd BCT
OPERATION JOINT ENDEAVOR
APO AE 09789

that was pretty nice of him since that was his moment and he came back to us to wish us good luck. It's good to know there's still a few people back here who remember us. Thanks. At this moment our unit doesn't know when we'll be coming home, at least back to our home station in Germany. Hopefully we'll be back by December if not January. We've been here since this past January. Well better get going before I write a book. Hope to hear ~~for~~ ^{from} you soon.

Sincerely

THAT'S MY
SUPERVISOR

Harry
BEETS
THAT'S LIKE A DOCTOR HA! HA!

EMBASSY OF THE
UNITED STATES OF AMERICA
SANTIAGO, CHILE

26 SEP 13 P5:13

THE AMBASSADOR

PERSONAL

August 19, 1996

Dear Mr. President:

Happy birthday on your 50th. Important day. I went through it 3 years ago. I can tell you, things do get better. Anyhow, you look younger than your age.

It was great to see Roger in Santiago; fine young man.

Do well in Chicago. Unfortunately, we cannot be there with you, as you know, but we will be there in spirit.

My very best, your friend,

Sincerely,

Gabriel

Gabriel Guerra-Mondragon

913196

The President
The White House
Washington

From McHarty:

Send to Donskind for
Reply?

Yes ☒

No ☐

Coordinate w/ NSC ☒

THE PRESIDENT HAS SEEN

7-31-96

It is important
to reply to these after
we see the bill and
a final decision
is made—

Bc

JIM DORSKIND:
Please coordinate
the reply.

THE WHITE HOUSE
WASHINGTON

96 JUL 30 P12:17

~~PERSONAL AND CONFIDENTIAL~~

July 30, 1996

Dear Mr. President,

I know that you are facing one of the most difficult political and policy decisions of your first term on whether to sign or veto the welfare reform bill. As your national economic adviser, I feel compelled to share my views with you.

I believe there are several economic reasons why you should veto the bill. First, the deep cuts in the food stamp program and the conversion of the AFDC guarantee into a bloc grant with a clearly inadequate contingency fund will reduce the automatic stabilizers that the economy relies upon to moderate the personal and national costs of unforeseen economic slowdowns and recessions. I wish I could promise you that our economic policy has made recessions obsolete, but truth in advertising tells me I cannot. Second, economic logic indicates that a bloc grant approach to AFDC with an inadequate maintenance of effort provision will gradually but inexorably cause a race to the bottom among states, even those whose populations might otherwise be inclined to support more generous provisions for their poor. Thus, the long-run implications of this bill for those who are today eligible for AFDC are considerably worse than the short-run implications. Third, the United States already enjoys the scurrilous distinction of having the largest fraction of its children living in poverty, and children who are poor in the United States are actually poorer than their counterparts in the other advanced industrial countries. How can we support legislation that threatens to increase the number of children living in poverty by more than 1 million according to the Urban Institute (upon which this Administration has relied for much of its own analytical work on health and welfare)?

* { The moral arguments against signing legislation that threatens the physical and mental well-being of more than a million helpless, young, innocent Americans are strong enough. But there is also a powerful economic argument. A 1995 study by a group of economists chaired by Robert Solow examined the effects of childhood poverty on an individual's future productivity and living standards. The study concluded that childhood poverty itself, as distinct from such factors as family structure, race, and parental education, has a significant adverse effect on both the educational attainment and the future wages of the nation's poor children. The study found that children who experience poverty between the ages of 6 and 15 years are two to three times more likely than those who are never poor to become high-school dropouts. Using years of schooling as a predictor of future hourly wages, the study concluded that just 1 year of poverty for the 14.6 million children and their families in

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526

Sec. 3.2(C) Initials: OB Date: 7/18/19

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poverty in 1992 costs the economy somewhere between \$36 billion and \$177 billion in reduced future productivity and employment. These results indicate that a bill that saves \$60 billion by throwing a million more children into poverty will exact a serious offsetting cost in terms of lower productivity in the future, not to mention more blighted personal lives. Nor, as the CBO itself has documented, does the bill provide adequate money to support its own welfare to work requirements. Instead, to the extent that those who lose welfare are lucky enough to find a job, a likely result will be downward wage pressure on whatever low-income, low-skill jobs are available.

X (Moreover, the huge cuts in the food stamp program in the welfare bill threaten to undermine our commitment to provide an above-poverty living standard to any American family with one full-time employed worker through a combination of a higher minimum wage, an expanded EITC, and food stamp eligibility. Much of what we have won through the EITC and a hike in the minimum wage will be lost as a result of these unnecessarily large food stamp cuts. Finally, cutting \$60 billion out of our most important low income budgetary programs will exacerbate one of our nation's most glaring economic problems -- the widening income disparities between the rich and the poor and the decline in real incomes for the poorest over the past 20 years.

I regret that the economic team was not able to play a larger role in the Administration's evolving position on welfare. I believe that if we had you might find yourself confronted with a more palatable choice today. I hope the economic arguments I have provided here will help you make your decision. I have also taken the liberty to work with Alicia Munnell of the CEA to solicit a few letters on welfare reform to you from outstanding economists with whom the Administration has worked closely on a variety of issues. Attached you will find letters from Charlie Schultze, Henry Aaron, and Robert Solow, all urging you to veto the welfare reform bill.

James



July 29, 1996

The Honorable William Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500-2000

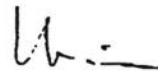
Dear Mr. President:

I always seek to share my about to be expressed public views with your staff and with you before I release them. Therefore, I enclose my statement on the pending anti-child Senate and House "welfare reform" legislation for your information. I hope you will veto it.

I request a five minute meeting with you today or Wednesday or before you decide whether or not to sign any pending "welfare reform" bill.

I look forward to hearing from you.

Sincerely yours,



Marian Wright Edelman

FOR IMMEDIATE RELEASE
Monday, July 29, 1996

Contact: Sarah Howe 202-662-3609
Lisa McDougal 202-662-3615

**SENATE AND HOUSE WELFARE BILLS A FRAUD ON AMERICAN PEOPLE
& POLITICAL CHILD ABUSE**

Edelman Urges Presidential Veto of Social Time Bomb

WASHINGTON, D.C. -- The following statement was issued today by Children's Defense Fund President Marian Wright Edelman during a news conference at the National Press Club:

"Calling the pending Senate and House legislation 'welfare reform' is like calling ketchup a vegetable. Unlike ketchup, the massive harm these so-called 'welfare reform' bills will inflict on poor, hungry, and disabled children and those at risk of domestic violence is life threatening and permanent for the many children they will leave behind in hunger and poverty.

"These pernicious Senate and House welfare bills are social and political time bombs that will explode in families, schools, neighborhoods, and cities all over America for years and decades to come. If enacted, they will leave a moral hole in the soul of America that can never be repaired.

"As an American, as a parent, as a child advocate, and as a person of faith, I am ashamed that I and my colleagues have to hold a press conference urging any of our political leaders from any party -- in the Congress or in the White House -- to reject legislation they know will hurt children. What kind of political leaders hold children hostage in an election year game of political chicken to see who will blink first in enacting reform that will hurt millions of poor and disabled children, working families, and legal immigrants?

"What kind of leaders would vote for a welfare bill that will throw another 2.6 million families, including 1.1 million children into poverty and further impoverish millions more already poor children and families in the richest nation on earth? What kind of political leaders would vote to eradicate a 61-year-old national safety net for children, permit states to decrease their own child investments by at least 20 percent, cut \$60 billion from poor families -- the majority of whom work and are struggling to make ends meet -- and from legal immigrants, while not cutting a dime from corporate welfare recipients, affluent individuals, or Pentagon fat?

-more-

"What kind of leaders would deny benefits to more than 300,000 disabled children and as many as 350,000 legal immigrant children and cut food benefits for 14 million children? What kind of political leaders would propose to take away an average of \$1300 from low-income families while considering new tax breaks for non-poor families and corporations?

"What kind of leaders would talk about putting people to work while guaranteeing not a single new job, and without assuring adequate child care for all the parents they require to work? What kind of leaders would deny millions of children survival assistance, even diapers, after their parents are cut off from all income assistance as millions will be under Senate and House bills?

"The American people ought to ask their leaders to cite the biblical and American principles of justice that would justify turning the needy into the greedy and the greedy into the needy official national policy.

"The President of the United States rightly has twice vetoed false welfare reform bills that hurt children. Moral and political consistency require him to veto current Senate and House bills which would hurt millions of children. At McClellan Air Force Base, California on July 23, the President said, "I just don't want to do anything that hurts children." That same day in Sacramento he said, "We want real welfare reform . . . that honors work and protects children." And so do we. We are committed to working with the Congress and with the Administration on real welfare reform that protects children, puts parents in training and into work after the election year games are over.

"Since the last anti-child welfare reform bill was vetoed by the President on January 9, 488,227 American children have been born into poverty and 5,230 children have died from poverty. It is unconscionable that Congress and President Clinton would knowingly exacerbate this indefensible and largely preventable poverty by making millions more children poor, hungry, and homeless.

"Albert Camus said in 1948, "perhaps we cannot prevent this from being a world in which children are tortured. But we can reduce the number of tortured children." Perhaps we cannot end child poverty this year, but we can surely keep more children from becoming poor by rejecting unjust legislation.

"If America cannot stand up for, protect and invest in its children, it does not stand for anything and will not stand strong in the new century and millennium. The infants and toddlers and school-age children whose lives will be stunted by this false 'welfare reform' legislation deserve more from their nation. I hope the Congress and the President of the United States will give our children what they deserve -- freedom from hunger, poverty, neglect and abuse."

MEMORANDUM TO THE PRESIDENT

From: RBR *Bob*

Date: July 26, 1996

Re: House and Senate welfare bills

You are probably getting more advice on this than you want or need, but I'd be remiss if I didn't weigh in.

I profess no expertise in welfare policy, but I am concerned about two aspects of the bills which would affect the unemployed. First, the lack of any mandatory job training funds for welfare recipients (by contrast to the \$1 billion per year mandated for job training under the current JONS program) would almost certainly cause states to turn to the very limited discretionary funding available for low-income and dislocated workers (now totaling about \$2 billion).

Secondly, the constraints on food stamp assistance would impose severe hardships on childless workers who have lost their jobs. (The House bill would limit food stamp assistance to three months in an entire lifetime; the Senate bill, to a few months per year.)

You know better than I what the politics of all this are. But were you to veto the bill, I believe that a number of Democrats who voted in favor would support you.

Your comfortable lead in the polls cannot be taken for granted, of course, but I do not think you stand to lose much by holding out for a better bill. Every time you have taken a stand on principle you have come out ahead.



The Brookings Institution

1775 Massachusetts Avenue, N.W. Washington, D.C. 20036-2188

Economic Studies Program

Charles L. Schultze
Tel: (202) 797-6295

Fax: (202) 797-6181

E-Mail: cschultze@brook.edu

July 29, 1996

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

Only unthinking partisans will fail to recognize the difficult decision you face on both substantive and political grounds in determining whether to veto the welfare bill. Nevertheless, I think the long-run good of the country strongly calls for a veto, even if the Congress sends you legislation closer to the Senate than the House version. Two aspects of the bills are particularly harmful:

- Both bills fail to provide the substantial sums necessary to make sure that during the difficult transition to a tougher welfare system, the new work requirements and benefit terminations do not substantially increase the number of poor families and children.
- Over the long run, the conversion of AFDC and possibly food stamps to block grants, and the accompanying elimination of a federally-supported individual eligibility standard, will have the pernicious and unintended effect of driving public assistance to the poor well below what a large majority of Americans would be willing to support.

I agree with the need to set rigorous work standards for welfare recipients and to introduce a very tough-minded policy against open-ended support for the formation of single-parent families with illegitimate children. But the federal government should then provide a major share of the large additional sums needed to make sure that these reforms occur without adding, as the present bills will do, another 1 million or more children to the rolls of the poor.

Block grants and devolution of many current federal responsibilities to the states make eminent good sense. But the one function that ought *not* to be devolved to the states is the full responsibility for determining the overall level of financial support for the poor (although, as you have already demonstrated, states can be given much more responsibility for program content).

To the extent that some states attempt to maintain a decent safety net while others skimp -- in order to attract industry, and to minimize the number of "tax eating" poor -- the taxpayers in the more generous states will be forced to pay twice: First they pay the direct costs of assistance to the poor, and second, they are saddled with the additional tax rates that are needed as the poor move in while industry and middle- and upper-income taxpayers move out. Over the long run no feasible maintenance of effort provisions will prevent this outcome -- certainly not those in the current welfare bills. And so, decent middle- and upper-income Americans and responsible state governments, who would be perfectly willing to pay the costs of a reasonable safety net, will gradually be forced into scaling back their support for the poor.

I realize, Mr. President, that with respect to the AFDC program you have not raised the objection to block grants that I spelled out above, so that you cannot veto the bill on that explicit ground. Nevertheless the other objectionable parts in the bill you will receive provide a substantive and politically saleable rationale for a veto. And to the specific arguments of those among your advisers who are recommending a veto, I would add the serious long-run dangers to American society that would ensue if, unlike virtually every other advanced nation, we abandoned the framework of a nationally-determined safety net for the country's poor.

I wish you every success, but particularly over the next four months.

Cordially,

A handwritten signature in black ink, reading "Charles L. Schultze". The signature is fluid and cursive, with the first name "Charles" being the most prominent part.

Charles L. Schultze
Senior Fellow

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29 July 1996

The Honorable William Jefferson Clinton
The White House
Washington, DC 20500

Dear Mr. President:

I realize that your decision whether to sign or veto the Welfare Reform Bill has all sorts of delicate and complex political consequences. And I know that every possible argument for and against specific provisions of the Senate bill has already been laid out for you. Nevertheless, I want to take a page to urge you to veto the bill, from a perspective that may not have been emphasized very much.

We both start from the belief that transforming welfare into work is important for the self-respect of the participants as well as for the comfort of society at large. That is the goal you had in mind when you first embraced welfare reform and it is still the right goal. All of the evidence tells us that it is a very difficult goal to achieve, especially at a time when the earning power of unskilled men and women who are lucky enough to hold jobs is decreasing. Cutting off AFDC payments will not automatically cause jobs to appear for those forced off the welfare rolls. A more likely result will be even lower wages for whatever jobs are available. The current bill is clearly inadequate in its approach to the provision of training for jobs to make the transition possible. Administering a work-welfare program with even a minimum of humanity and competence will be neither simple nor cheap.

To go at this in a mean-spirited and ham-handed way is simply not decent, and it may end up by discrediting the concept of welfare reform. No one has asserted more clearly than you that the costs of this punitive approach will fall very heavily on children. That is evil in itself, and it will have the effect of prolonging the existence of a hopeless underclass for another generation.

Precisely because transforming welfare into work is so difficult to do well, we will have to learn as we go along, with some turmoil in the process. That is the worst time in the world to be further shredding the safety net under poor children. I hope you will decide not to go along with that, and will be able to make people understand that your position rests both on analysis and on decency.

This is being written on a clear, beautiful day on the Vineyard. Wish you were here.

Sincerely,



Robert M. Solow

The Brookings Institution

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26 July 1996

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

Dear Mr. President:

I am writing to urge you to speak out strongly against Congressional approval of the welfare reform legislation that now appears likely to emerge from the House-Senate conference and then to veto the resulting bill.

* (The bills passed by both House and Senate grotesquely distort the goals you set for welfare reform four years ago. You called for reforms that would provide strong incentives to welfare recipients to find productive work and that would provide states with the flexibility and the means to effectuate those incentives. You presented such draft legislation to Congress. You have used waiver authority--ahead of legislative action--to provide states with much of the flexibility they need to implement desirable reforms

In contrast to the House and Senate bills, your draft legislation would not have plunged more than one million children--and more than 2-1/2 million people overall--into poverty. Your bill lowered the poverty income gap, while the current bills increase it dramatically--by as much as \$4 billion or 20 percent.

Your proposals did not slash per person food stamp benefits by more than one-fifth over the next six years--to a meager 66 cents per meal, or terminate benefits altogether for able-bodied adults who are willing and able to work.

Your proposal did not relieve states of any obligation to provide benefits to children, even if the child's parents were poor, met all state eligibility requirements, and were willing to work.

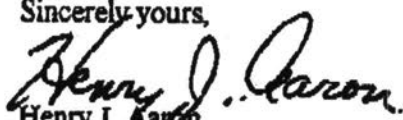
Your proposal did not make a mockery of the work requirement it imposed, as the House and Senate bills do, by denying states the resources they need to fulfill those bills' own work requirements.

Your bill did not treat legal immigrants as pariahs, as the current bill does by denying Medicaid benefits for as long as ten years.

The current bills now being reconciled in conference are, in most important respects, far more draconian than the earlier bill that you quite properly vetoed. I have studied welfare policy for a long time--long enough to know that the status quo is not acceptable--but also long enough to know that the bill now taking shape in conference is a programmatic disaster waiting to happen.

I understand that the political pressures are powerful to approve the bill that emerges from the conference committee. I also realize that I have few credentials as an expert on politics. But I strongly believe that by taking a firm and public position against the bill now emerging from Congress, you can recapture welfare reform as a major political asset. Your veto will be sustained if you make clear to wavering Democrats in a major public statement that you cannot support the legislation emerging from the Conference committee. Doing so in a prime-time news conference or a televised address would make it difficult for Democratic members of Congress to desert their president during an election year. Through such a venue, you can make clear to the American public that you initiated the debate on welfare reform because you fully appreciate that the current system cannot and should not continue as it is and that you have used waiver authority to enable constructive state reforms. You can reiterate that you stand ready to sign constructive legislation, but that reform should be compassionate and far-sighted, not mean-spirited and myopic. And you can make clear that on these principles you will not be moved.

Sincerely yours,


Henry J. Aaron
Senior Fellow

via facsimile

Memorandum to the President

July 30, 1996

From: Al From

Subject: Welfare Reform

Just a quick note to urge you to sign the welfare reform bill and to commit to you that I will do all I can to rally support of that decision. A couple of things for you to consider:

1. You have presided over an historic ideological transformation of the Democratic Party. Over the weekend, I read the party's platforms from 1980 through 1996. The change in our party's message is far greater than even I realized. We are truly a New Democratic party. You deserve enormous credit for that.
2. The challenge before us is now operational. We must demonstrate the ability to put the big ideas of this new ideology -- like ending welfare as we know it -- into action. The pressure you are getting to veto this bill proves that it will not be easy.
3. For you personally signing a welfare bill -- and Bruce Reed assures me this is one you can comfortably sign -- will not only cement your credentials as a New Democrat, but it will also end once and for all any talk of you campaigning one way and governing another.
4. Finally, signing this welfare bill will redeem your most important promise of 1992. At the same time, it will take Dole's most powerful potential issue away from him. Veto a third welfare bill -- and no matter the explanation -- Dole has an issue.

For those reasons and others, I hope you will sign this welfare bill.