

at how America is doing. The House Republican plan puts politics ahead of people and puts your future in the backseat. That is wrong. And if a bill like the one that is proposed by the House Republicans passes, I will veto it.

I have sent Congress a balanced budget that proves we can maintain our budget responsibility and still invest in our people. So far, Congress hasn't passed that budget or one of its own. Within less than 2 months, they'll have to act because our new budget year will start. Because of the delay they may decide to send me a barebones budget that fails to expand the critical investments we need to make, from education to summer jobs to school modernization to child care. But the last budget of the 20th century should be preparing our Nation for the challenges of the next. I will not accept a budget that fails to do this.

There are those in both parties who understand this. It was mentioned earlier that the Congress, just last Friday night, passed the Senate bid, the GI bill for America's workers, that consolidates scores and scores of disparate training programs into one program that will give skills grants to people in their working years, to adults who have to go back to school and learn new skills. It was one of the major commitments I made when I ran for President in '92. I have worked for 4 years on this. So there is the capacity there to forge this kind of bipartisan relationship. We have to do it for summer jobs and for education.

Let me just close with this—it's not in my notes, but I was looking at Terence up there talking and I thought you might like to know that over 30 years ago I was involved in two Federally-funded summer jobs programs. I didn't get to wear a shirt and tie to work; I was working at our National Park in my hometown doing basic maintenance and clearing work. And then I worked in a summer camp for disadvantaged young people where I was a counselor, after my first year in college. I loved that work, and I loved those kids. And I was very grateful that my country gave me an opportunity to do something productive, to learn something, and to make a little money.

I hope when the history books are written, it will look like a pretty good investment that

was made in a young man from a modest family in a small town a long time ago.

You, too, will do great things. And, in part, it will be because your country has believed in you and invested in you. And I don't want us to stop. I want us to do more.

Thank you, and God bless you.

NOTE: The President spoke at 11:36 a.m. in the Deitz Memorial Auditorium at Prince Georges Hospital Center. In his remarks, he referred to Terence Newton, who introduced the President; Prince Georges County Executive Wayne K. Curry; and Gov. Parris N. Glendening of Maryland. The President also referred to the Low Income Home Energy Assistance Program (LIHEAP).

### **Statement on Congressional Action on Campaign Finance Reform Legislation**

*August 3, 1998*

Tonight's vote for the Shays-Meehan bill is a breakthrough in the fight for bipartisan campaign finance reform. The breadth of its support, from Members of both parties, showed that reform is an idea whose time has come, even in the face of persistent obstruction by the Republican leaders of Congress. It is time to ban soft money, improve disclosure, and curb backdoor campaign spending. Now a majority of both the House and the Senate have gone on record for this legislation. I urge the House to move this legislation to final passage before they adjourn for the August recess. And I urge the Republican leaders of the Senate, who are using procedural tactics to block this measure, to listen to the will of the majority and the loud voice of the American people. I congratulate Representatives Chris Shays, Martin Meehan, and their colleagues for their courage and their persistence.

### **Remarks on the Anniversary of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996**

*August 4, 1998*

Thank you. Thank you very much, Vesta Kimble, for that fine statement and for the

good work you do. And I welcome your colleagues and co-workers from Maryland here. I thank Congressman Levin and Congressman Roemer for coming. There was a vote in the House of Representatives which was concluded literally 2 minutes before we started this ceremony, and they got here as quick as they could. We welcome you and thank you for your role in welfare reform.

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

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

As those of us who have been working for years and years to change the system know all too well, welfare had in too many ways failed our society and, more important, failed the millions of families it was designed to help. So in the Rose Garden we came together 2 years ago to restore our basic bargain of providing opportunity to all those willing to exercise responsibility in turn. We ended welfare as we knew it and made way for a system based on the dignity of independence and the value of work.

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

more in child care and other family supports."

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

But first, on this important anniversary, I think it's important to recognize that this new strategy, this great new experiment that we launched 2 years ago, has already shown remarkable signs of success. Two years ago we said welfare reform would spark a race to independence, not a race to the bottom, and this prediction is coming true.

According to the National Governors' Association, State investments in helping former welfare parents succeed at work have gone up by one-third, and spending on child care has increased by one-half. And let me remind you, I believe this has happened partly because the Congress in the balanced budget amendment appropriated \$3 billion for child care, but partly because there was a little-noticed provision in the welfare reform law which lets States keep the amount of money they were receiving for the welfare caseload in February of '94, when it had reached an all-time high. So as the caseloads go down, they can keep the money as long as they reinvest it in the potential of the families involved. And I think that was a very good thing to do.

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

For those of you who may not know it, the earned-income tax credit is a tax cut to lower income working people that is especially generous to working families with children. We doubled it in 1993. And because of that provision, today it's worth a tax cut of approximately \$1,000 a year to a family of four with an income of under \$30,000 a

year. Obviously, for people working for more modest wages than that, it means a very great deal.

Today we have more good news. In a few moments, I will release our first annual report to Congress on welfare reform, precisely the kind of report we had hoped for 2 years ago. It shows that the number of welfare recipients entering the work force rose by nearly 30 percent in a single year. It reports that States are spending more per person on welfare-to-work efforts than they did 2 years ago, including health care, job training, job placement, child care, and job retention.

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

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

One of the most important ways we can now build on these everyday triumphs is to make absolutely sure that parents who do enter the work force can go to bed at night without worrying that they will lose health coverage for their families. That is why I'm proud to announce that the Department of Health and Human Services will revise its regulations to allow all States to continue to provide Medicaid coverage to two-parent families after a parent takes a full-time job. Believe it or not, under the old rules, adults in two-parent families who worked more than 100 hours per month could actually be cut off Medicaid in many States.

Perhaps no aspect of the old welfare system did more to defy common sense and insult our common values than this so-called

100-hour rule. Just think of the message it sent. It took away health care from people who secured a full-time job just as we were imploring everybody to move from welfare to work. Instead of rewarding stable families, it actually punished couples that work and work hard to stay together. Instead of demanding responsibility, it basically said a father could do more for his children's health by sitting at home or walking away than earning a living.

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

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

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

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

Third, we must continue to welcome former welfare recipients into the Federal family work force. Today we released new data showing that the Federal Government has hired more than 5,700 former welfare recipients in just the past year. That means

we're well over half the way toward our goal of hiring 10,000 by the year 2000.

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

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

We have now the lowest unemployment in 28 years, the lowest inflation in 32 years, the highest homeownership in history. Wages are on the rise for our families after 20 years of stagnation. This is our window of maximum opportunity to make sure every poor person in America stuck on welfare has a chance to be a part of America's future and to share in the American dream. If we can't do it now, when our economy and our prospects and our confidence are so strong, then when?

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

To all of you who have made this day come to pass, who have played a role in the progress of the last 2 years, and to all of you

who are committed to keeping on until the job is done, I extend the thanks of our Nation. Great job. Let's do better.

Thank you very much, and God bless you.

NOTE: The President spoke at 3:15 p.m. in the East Room at the White House. In his remarks, he referred to Vesta Kimble, deputy director, Anne Arundel County Department of Social Services, MD; and Eli Segal, president and chief executive officer, Welfare to Work Partnership.

### **Statement on the Death of Arthur Barbieri**

*August 4, 1998*

Hillary and I are deeply saddened by the death of Arthur Barbieri. New Haven has lost a great political leader; I have lost a mentor and a friend.

When I was a law student, I was lucky enough to work by Arthur's side and learn grassroots politics at its absolute best. I'm forever grateful for all that he taught me. Our thoughts and prayers are with his loved ones.

### **Statement on House Action on Credit Union Legislation**

*August 4, 1998*

I am pleased that the House has passed the "Credit Union Membership Access Act" to protect and strengthen credit unions for the 71 million Americans who own, use, and rely upon them. This bill resolves uncertainty about the future of credit unions created by a recent Supreme Court decision by protecting existing credit union members and making it easier for credit unions to expand where appropriate. It also helps put credit unions on sounder footing by making important reforms that could pay enormous dividends in more difficult times. This bill ensures that consumers continue to have a broad array of choices in financial services, and, when Congress sends me this bill, I will sign it.