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past and, yet, revel in your own people's extraordinary ability to innovate for tomorrow.

Your personal interest in your nation's cultural heritage is matched by your vital curiosity about the world around you. And your travels have surely taken you far and wide. You have fully pursued professional knowledge, and yet, in your devotion to your family, you have set an example for us all. Through your words and deeds, Your Majesties have earned the respect and the admiration of the Japanese people. But those are sentiments we Americans also share.

Today, the ties that bind our two nations have never been stronger. The miracles of technology and the common search for democracy, prosperity, and peace have brought us together. Exchange between our two peoples has opened windows and shed great light. Yet, there is always more to learn. And as we gather here tonight in 1994, our relationship is still unfolding.

The Japanese poet Basho put it well in a haiku that sums up the distance ahead:

Nearing autumn's close,
My neighbor—how does he live?
I wonder.

May Your Majesties' visit provide new answers to that question and bring our peoples closer still. May your journey across our land be enjoyable and leave you wanting to visit us again. And may the sea that separates us be also a shining path between us.

Your Majesties, Hillary and I thank you for gracing our Nation's home tonight. It is with deep admiration and respect for you and the great nation you represent that I now ask all of us to raise our glasses to join in a toast to you and to the people of Japan.

NOTE: The President spoke at 8:58 p.m. in the Rose Garden at the White House.

## Remarks on Welfare Reform in Kansas City, Missouri

*June 14, 1994*

Thank you very much. Thank you, ladies and gentlemen, for that warm introduction and welcome. And thank you, Yolanda Magee, for presenting me today and, far more importantly, for presenting such a good example of a young American determined to be a good parent and a good worker and a successful citizen. Thank you, Mr. Kemper, for giving her a chance to be all that. Thank you, Congressman Wheat, for your leadership on welfare reform. And thank you, Mayor Cleaver, for your leadership on this issue. Thank you, Governor Carnahan, for proving once again that the States, just as James Madison and Thomas Jefferson intended, are still the laboratories of democracy, still capable of leading the way to change things that don't work in this country and to unleash the potential of our citizens. This is a remarkable welfare reform plan that you have put together. I'd like to thank also Secretary Shalala for her work here. Many people in the White House and in the Department of Health and Human Services worked with people all over America in putting this welfare reform plan together today. I thank them all.

Ladies and gentlemen, this is an important day for me because I have worked on this issue for about 14 years, and I care a great deal about it. I came out here to the heart of America, to a bank where Harry Truman had his first job, to talk about the values that sustain us all as citizens and as Americans, faith and family, work and responsibility, community and opportunity.

Last week, on behalf of all Americans, I took a journey of remembrance—many of you, at least, took it too through the television—to honor the sacrifices of the people who led our invasions at D-Day and on the Italian Peninsula. I came home from Normandy with a renewed sense, which I hope all of you share, of the work that we have to do in this time to be worthy of the sacrifices of that generation and to preserve this country for generations still to come.

The people who won World War II and rebuilt our country afterward were driven by certain bedrock values that have made our country the strongest in history. Facing the dawn of

a new century, it is up to us to take those same values to meet a new set of challenges.

Our challenge is different. Today we have to restore faith in the beginning in certain basic principles that our forebears took for granted: the bond of family, the virtue of community, the dignity of work. That is really what I ran for President to try to do, to restore our economy, to empower individuals and strengthen our communities, to make our Government work for ordinary citizens again.

I think we've made a good beginning. In the last year and a half, we have reversed an economic trend that was leading us into deeper and deeper debt, less investment, and a weaker economy. The Congress, as Congresswoman Danner and Congressman Wheat will attest, is about to put the finishing touches on a new budget which will give us 3 years of declining deficits in the Federal accounts for the first time since Harry Truman was President.

We worked to expand trade and the frontiers of technology, to have tax incentives for small businesses and for working families on modest wages to keep them moving ahead. And the results are pretty clear. Our economy has produced about 3.4 million jobs in the first 17 months of this administration. So we're moving ahead.

We're trying to empower people with new systems for job training and community service and other options for young people to rebuild their communities and go to college. We're trying to make this Government work again for ordinary citizens by reforming the way it works with our reinventing Government program that will lead us within 5 years to the smallest Federal bureaucracy since John Kennedy was President, doing more work than ever done before by the Federal Government; that will lead the Congress, I hope, in just a couple of weeks to pass the most comprehensive anticrime bill in the history of the country; that is helping all of us to restore that bond that has to exist between a Government and its people.

But I have to tell you that the challenge of the welfare system poses these issues, all of them in stark terms: how to make the economy work; how to make the Government work for ordinary citizens; how to empower individuals and strengthen communities. These difficulties are all present in the challenges presented by the current welfare system. There's no greater gap between our good intentions and our misguided consequences than you see in the welfare system.

It started for the right common purpose of helping people who fall by the wayside. And believe it or not, it still works that way for some, people who just hit a rough spot in their lives and have to go on public assistance for awhile, and then they get themselves off, and they do just fine. But for many the system has worked to undermine the very values that people need to put themselves and their lives back on track. We have to repair the damaged bond between our people and their Government, manifested in the way the welfare system works. We have to end welfare as we know it.

In a few days, as has already been said, I will send to Congress my plan to change the welfare system, to change it from a system based on dependence to a system that works toward independence, to change it—[*applause*]—thank you—to change it so that the focus is clearly on work.

I also want to say that I developed a phrase over the last few years that would end welfare as we know it by saying welfare ought to be a second chance, not a way of life. One young woman I met a few moments ago said, "It ought to be a stepping stone, not a way of life." Maybe that's even better, but you have the idea.

Long before I became President, as I said, I worked with other Governors and Members of Congress of both parties. I worked on it with people who were on welfare, a lot of them. And let me say first of all to all those whom I invite to join this great national debate, if you really want to know what's wrong with the welfare system, talk to the people who are stuck in it or who have been on it. They want to change it more than most people you know. And if you give them half a chance, they will.

Before I came down to see you, I met with Yolanda Magee, and she told me her story. I also met with several other people who are now working in this area, who used to be on welfare, people who get up every morning and go to work in factories or small businesses or banks, who do their best to take care of their children and to advance their capacity to succeed in our complex, modern society.

And I want to introduce them all to you and ask them to stand, so that when you look at them you'll know what this whole deal is about. And let me just—they're over here: Kathy Romero, who works at Lutheran Trinity Hospital—

stand up—Arlenda Moffitt, who works at Pitney-Bowes Management Services; Vicki Phelps who works at Continuum Vantage Research; Pamela Ruhnke, who works at Cates Sheet Metal; Birdella Smith at HOK Sports Facilities; Christine McDonald who works for Pepsi-Cola; Mimi Fluker who works at Payless Cashways; Audrey Williams who works at Allied Security; Judy Sutton, a teacher in the Kansas City School District; and Tracy Varron, a home health registered nurse at Excelsior Spring City Hospital.

Every one of those American citizens at one point in her life was on welfare. Every one now, thanks to programs and incentives and help with medical coverage and child care and training and just helping people put their lives back together through the initiatives that have already been discussed here, is now a working American. And I say to you, if these American citizens can do this here in Kansas City, we ought to be able to do this in every community in the country. And we ought to be able to change the system and get these people out of it.

How shall we change this system? Let me say first, I think we have to begin with responsibility, with the elemental proposition that governments do not raise children, people do, and that among other things, an awful lot of people are trapped in welfare because they are raising children on their own when the other parent of the child has refused to pay child support that is due, payable, and able to pay.

This plan includes the toughest child support enforcement measures in the history of this country that go after the $34—listen to this—the $34 billion gap in this country. That is, it is estimated that there are $34 billion worth of ordered but uncollected child support today in America, $34 billion.

How are we going to do that? First, by requiring both parents to be identified at a hospital when a baby's born. Second, by saying, if you don't provide for your children, you should have your wages garnished, your license suspended; you should be tracked across State lines. If necessary, you should have to work off what you owe. This is a very serious thing. We can no longer say that the business of bringing a child into the world carries no responsibility with it and that someone can walk away from it.

The second thing that responsibility means is not just going after people who aren't fulfilling it but rewarding those who are being responsible. The system now does just the opposite. Just for example, the welfare system will pay teen parents more to move out of their home than to stay there. In my opinion, that is wrong. We should encourage teen parents to live at home, stay in school, take responsibility for their own futures and their children's futures. And the financial incentives of the welfare system ought to do that instead of just the reverse. We have to change the signals we are sending here.

We also have to face the fact that we have a big welfare problem because the rate of children born out of wedlock, where there was no marriage, is going up dramatically. The rate of illegitimacy has literally quadrupled since Daniel Patrick Moynihan, now a Senator from New York, first called it to our attention 30 years ago. At the rate we're going, unless we reverse it, within 10 years more than half of our children will be born in homes where there has never been a marriage.

We must keep people from the need to go on welfare in the first place by emphasizing a national campaign against teen pregnancy, to send a powerful message that it is wrong to continue this trend, that children should not be born until parents are married and fully capable of taking care of them. And this trend did not develop overnight. There are many reasons for it. It will not be turned around overnight. But be sure of this: No Government edict can do it.

This is a free country with hundreds of millions of people making their decisions, billions of them every day. To change a country on a profound issue like this requires the efforts of millions and millions and millions of you talking openly and honestly and freely about these things; talking to people who have lived through these experiences and many of them doing the very best they can to be honorable and good parents; talking about what we can do to involve churches and civic clubs and groups of all kinds in this endeavor, not to point the finger at people to drive them down or embarrass them but to lift them up so that they can make the most of their lives and so they can be good parents when the time comes to do that.

But let us be clear on this: No nation has ever found a substitute for the family. And over the course of human history, several have tried. No country has ever devised any sort of program that would substitute for the consistent, loving devotion and dedication and role-modeling of

caring parents. We must do this work. This is not a Government mission; this is an American mission. But we must do it if we want to succeed over the long run.

And let me say finally that if you strengthen the families, we still can't change the welfare system unless it is rooted in getting people back to work. You can lecture people; you can encourage people; you can do whatever you want. But there has to be something at the end of the road for people who work hard and play by the rules. Work is the best social program this country ever devised. It gives hope and structure and meaning to our lives. All of us here who have our jobs would be lost without them.

Just stop for a moment sometime today and think about how much of your life is organized around your work, how much of your family life, how much of your social life, not to mention your work life. Think about the extent to which you are defined by the friends you have at work, by the sense that you do a good job, by the regularity of the paycheck.

One of these fine women who's agreed to come here today said that one of the best things about being off welfare was getting the check and being able to go buy her own groceries every 2 weeks. That's a big deal.

So I say to you, we propose to offer people on welfare a simple contract. We will help you get the skills you need, but after 2 years, anyone who can go to work must go to work, in the private sector if possible, in a subsidized job if necessary. But work is preferable to welfare. And it must be enforced.

Now, this plan will let communities do what's best for them. States can design their own programs; communities can design their own programs. This will support initiatives like the WEN program here, not take things away from them and substitute Government programs.

We want to give communities a chance to put their people to work in child care, home care, and other fields that are desperately needed. We want every community to do what you've done here in Kansas City, to bring together business and civic and church leaders, together to find out how you can make lasting jobs and lasting independence.

Let me say just a couple of other things. If you wish people to go to work, you also have to reward them for doing so. Now, a popular misconception is that a lot of people stay on welfare because the welfare check is so big. In fact, when you adjust it for inflation—[*laughter*]—right? When you adjust it for inflation, welfare checks are smaller than they were 20 years ago.

But there are things that do keep people on welfare. One is the tax burden of low wage work; another is the cost of child care; another is the cost of medical care. Now, a few years ago, I was active as a Governor in helping to rewrite the welfare laws so that States were given the opportunity to offer some people the chance to get child care and medical care continued when they got off welfare and went to work for a period of transition. Several of these women have taken advantage of that, and they talked about it.

But we must do more. Last year when the Congress passed our economic program, they expanded the earned-income tax credit dramatically, which lowered taxes on one in six working Americans working for modest wages so that there would never again be an incentive to stay on welfare instead of going to work. Instead of using the tax system to hold people in poverty, we want to use the tax system to lift workers out of poverty.

That was one of the least known aspects of the economic program last year, but more than 10 times as many Missourians, for example, got an income tax cut as the 1.2 percent of the wealthiest people got an income tax increase. Why? Because you want to reward people who are out there working who are hovering just above the poverty line.

What's the next issue? In our bill, we provide some more transitional funds for child support to help people deal with that. That's important.

But thirdly, one of the most important reasons we should pass a health care reform bill that makes America join the ranks of every other advanced country in the world that provides health insurance to all its people is that today you have this bizarre situation where people on welfare, if they take a job in a place which doesn't offer health insurance, are asked to give up their children's health care and go to work, earning money, paying taxes to pay for the health care of the children of people who didn't make the decision to go to work and stayed on welfare, while they made the decision to go to work and gave up their children's health care coverage. That does not make any sense.

And until we fix that, we will never close the circle and have a truly work-based system.

If we do the things we propose in this welfare reform program, even by the most conservative estimates, these changes together will move one million adults who would otherwise be on welfare into work or off welfare altogether by the year 2000.

And if we can change the whole value system, which has got us into the fix we're in today, the full savings over the long haul are more than we will ever be able to imagine, because the true issue on welfare, as Senator Moynihan said so many years ago, is not what it cost the taxpayers; it's what it cost the recipients. We should be worried about that.

And let me say, one of the most rewarding things that happened today in our little meeting before I came down was I asked all these fine ladies who are here, I said, "Now, if we were able to provide these services, do you believe that it should be mandatory to participate in this program?" Every one of them said, "Absolutely! Absolutely!"

So I ask you all here—let us be honest, none of this will be easy to accomplish. We know what the problems are. And we know they did not develop overnight. But we have to make a beginning. We owe it to the next generation. We cannot permit millions and millions and millions of American children to be trapped in a cycle of dependency with people who are not responsible for bringing them into the world, with parents who are trapped in a system that doesn't develop their human capacity to live up to the fullest of their God-given abilities and to succeed as both workers and parents. We must break this cycle.

For this reason, this ought to be a bipartisan issue. Over the last 30 years, poor folks in this country have seen about all the political posturing they can stand, one way or the other. Now, there are serious people in both political parties in Congress who have advanced proposals to change the welfare system. And I really believe that we have a chance finally to replace dependence with independence, welfare with work.

I don't care who gets the credit for this if we can rebuild the American family; if we can strengthen our communities; if we can give every person on welfare the dignity, the pride, the direction, the strength, the sheer person power I felt coming out of these ladies that I spoke with today; if we can give people the pride that I sense from Yolanda's coworkers when she stood up here to introduce me today. This is not a partisan issue; this is an American issue.

Let me tell you, several years ago when I was a Governor of my State, I brought in Governors from all over the country to a meeting in Washington, and then I brought in people from all over America who had been on welfare to talk to them. We had most of the Governors there, and they were shocked. Most of them had never met anybody who'd been on welfare before. And there was a woman from my State who was asked a question. I had no idea what she was going to answer. She was asked about her job, and she talked about her job and how she got on the job. And then she was asked by a Governor, "Well, do you think enrollment in these programs ought to be mandatory?" She said, "I sure do." And then a Governor said, "Well, can you tell us what the best thing about being in a full-time job is?" She said, "Yes, sir. When my boy goes to school, and they ask him, 'What does your mama do for a living?' he can give an answer."

Ladies and gentlemen, I thank you for proving today that we can give every child in America a chance to give an answer. Let's go do it.

Thank you.

NOTE: The President spoke at 1:12 p.m. at the Commerce Bank. In his remarks, he referred to Yolanda Magee, a participant in the Future Now program who introduced the President; Jonathan Kemper, president and CEO, Commerce Bank; Mayor Emanuel Cleaver II of Kansas City, MO; and Gov. Mel Carnahan of Missouri.