

Governors fail to agree on Gingrich's schemes

by H. Graham Lowry

The nation's policymakers ran smack into the wall again during the winter meeting of the National Governors Association (NGA), a four-day brawl which ended in Washington on Feb. 1, leaving the main issues on their agenda unresolved. Despite all the braying about balancing budgets and cutting welfare, most of the governors departed further bruised by the reality that nothing in their current bag of policies will work. Some even questioned whether amputation is the remedy for an economy they privately fear may be on its last legs.

The advance billing of the governor's conference highlighted a rigged debate over whether the federal or the state governments should have greater authority over slaveherding welfare recipients into minimum-wage jobs. The added pressure to succumb to massive budget cuts in either case, led by House Speaker Newt Gingrich (R-Ga.) and the gang of thieves waving the banner of the Conservative Revolution, forced a virtual breakdown in the deliberations.

Just three weeks prior to the conference, Vermont Gov. Howard Dean (D), chairman of the NGA, had dropped a bombshell of sorts into the preparations for it, by releasing a Treasury Department projection that Newt's cherished "Contract with America" scheme would slash more than a trillion dollars from federal aid to the states by 2002.

Governors allied to the Gingrich gang, led by NGA vice chairman Tommy Thompson (R-Wisc.), demanded that federal welfare assistance, for anyone in the United States who qualifies for aid, be replaced by so-called "block grants" to the states, which then would fit their own notions to the numbers. The block-grant plan presented to the governors was fermented by Michigan Gov. John Engler (R), whose credentials include utterly eliminating that state's meager General Assistance program for unemployed disabled work-

ers. The states would receive a single federal payment each year—and wield their own axe to limit welfare eligibility, the duration of payments, and the number of months before mothers were hauled off to work at the lowest wage allowed by law.

Governor Dean had instead sought a compromise granting the states the choice of maintaining individual entitlements for those needing assistance, or of operating under the block-grant approach. During the opening session on Jan. 28, Thompson and other GOP governors junked that, demanding that up to 300 federal assistance programs be consolidated into block grants. A number of governors reportedly expressed fears that Congress might later slash block-grant funding below minimal levels needed for even a pretense of a "safety net," especially if a balanced budget amendment were adopted.

Dean expressed particular concern over the fate of needy children under those conditions, and argued that the federal government had to recognize that children are a national interest, rather than merely something to relegate to the whims of the states. For those wondering why this matter was even debatable, Texas Gov. George W. Bush (R) supplied the answer by echoing the old Confederacy. He opposed the idea of a safety net, since that would mean "the federal government would still be running the program."

A contract on the victims

Gingrich told the governors during their concluding session that such proposals were "liberating." But coupled with his balanced-budget scheme, the block-grant proposal simply transfers the "freedom" to decide who dies. "I believe there is a national interest in making sure that children don't starve," Governor Dean declared. Balancing the budget and imposing

block grants, Dean noted during an interview on ABC News on Jan. 29, would "cause the states to lose huge amounts of money. In New York, for example, there will be about a \$10 billion shortfall if the 'Contract with America' is passed." The backers of this scheme, Dean said, "I think, are stuck. They want to cut the budget, and they want to do welfare reform. They can't do both, so they're going to push this problem off on the states; and I think kids are going to be the ultimate people who get hurt. And I'm not willing to do that."

Benefit payments for the nation's main welfare program (Aid to Families with Dependent Children) are already set by the states; and cutbacks over the last decade have pushed millions of recipients below subsistence levels. The number of AFDC recipients is currently about 14 million; approximately two-thirds of them are children. Even without enlarging the power of the states to determine the fate of the poor, there is inequity among the states—AFDC payments for a family of three today ranges from \$950 per month in Alaska, to \$120 in Mississippi. The Conservative Revolutionists would also put food stamps, school nutrition, child care, Head Start, and job training programs on the block.

But the problem goes well beyond welfare. A new study, issued on Jan. 30 by the National Center for Children in Poverty, reports that more than a quarter of American children under the age of six were living in poverty in 1992! Nearly 60% of them had working parents; yet the number of impoverished children jumped by 1 million between 1987 and 1992, reaching a total of 6 million. That figure, accounting for 26% of the population in that age group, represented the highest rate ever reached in the 25 years researchers have been tracking it.

The findings, the center noted, were "not consistent with public myths" about the poor. Among the unemployed, the poverty rate for children under six living with two married parents (83%) was nearly the same as for those living with unmarried mothers (82%). Less than one-third of the households relied entirely on public welfare assistance payments.

Looking into the eye of the Newt

Before voting on a resolution to endorse eliminating entitlements in favor of a block-grant scheme, the governors were treated to a disquieting display of Gingrich foaming at the mouth. Newt babbled about "the genuine rise of an information age," and about "the Alvin and Heidi Toffler model of a Third Wave of change." He crowed that the biggest job center in the Sioux City, Iowa area "now is actually just across the state line, and it's Gateway Computing, which surpassed the Iowa Beef Co. as the largest employer in the area." He gloated that the new Republican-controlled Congress "can do virtually anything under the Constitution. So we could wipe out Medicaid in the morning and say, 'Good luck.' That's reality. It's historically do-able. It's legal. It may not be wise. But you need to go back home and say to them, we are entering a new world and you'd better be

thinking about the new changes, because if you try to explain why we're staying in the old, you don't get it."

Gingrich thumped the governors with the Contract with America again, telling them "you have to keep your promises," principled or not. "That's why every time I speak I pull out the Contract. There's the Contract newsreel; this is the laminated version of the *TV Guide* ad. It now has a hole punched for the balanced budget amendment. As we do each of the ten items, we will keep punching the holes. The purpose is not because this is necessarily totally right, but it's what we campaigned on." Whether the amendment passes the Senate or not, he declared, "for as long as I am allowed to serve as Speaker, the House will make decisions based on achieving a balanced budget in 2002, with or without the amendment."

In the wake of Gingrich's New Age bilge, the governors refused to plunge into supporting the block-grant proposal, and opted instead to pass a compromise resolution and await the decisions of the Congress and the President. Given that Republicans now control 30 of the nation's governorships, the outcome was acknowledged to be a setback. Governor Thompson, the welfare terminator who led the charge for Newt, declared, "It's not everything I would like." President Clinton, who met privately with the governors three times and was directly involved in the negotiations, reported after the meeting on Jan. 30, "We did not reach a final agreement on the question of how the partnership should be structured, [or] what the implications of a block grant would be. . . . But we do have a national interest in protecting the welfare and the possibilities for our children." That issue, he said, is the "dividing line."

The final resolution, which required a three-fourths vote to pass, reflected the fact that no amount of budget cutting—nor reshuffling of state and federal authority—could solve any of the problems resulting from the ongoing disintegration of the world financial system. More directly, the governors registered their concern that Gingrich's agenda could plunge their states into ruin. Should Congress opt for block grants, the resolution recommends, current funding levels to the states should be guaranteed for five years, and include protections against "economic recession" and natural disasters. While supporting flexibility for the states in designing their welfare systems, the resolution also calls for recognizing "national goals" of aiding poor children, reducing out-of-wedlock births, and encouraging welfare recipients to find work.

The NGA as an organization will also be allowed to participate in the upcoming welfare debate in Congress. Rep. Clay Shaw (R-Fla.), who chairs the subcommittee of the House Ways and Means Committee working on welfare reform, announced on Jan. 30 that he plans to send a bill instituting block grants to the floor in late March. House GOPers believe it will pass; prospects in the Senate, where Democrats still hold 47 seats, are considered to be less certain. "This is going to be a contentious partnership," Governor Dean declared.