
Welfare 'Reform' in America

America's missing in action: Al Gore's genocide vs. the poor

by Michele Steinberg

On May 25, Sen. Paul Wellstone (D-Minn.) exposed the myth of welfare reform, and coined a new term, "The Disappeared," referring to the American families, mostly with children, who were thrown off the rolls of public assistance when the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) passed in August 1996.

Wellstone was proposing an amendment to the Defense Authorization Act for fiscal year 2000 that would require, for the first time, states to maintain follow-up information on former welfare recipients. In describing that amendment, Wellstone said, "Since August of 1996, 1.3 million families have left welfare. They are no longer receiving welfare assistance. That is 4.5 million recipients . . . the vast majority are children. On the basis of these numbers, too many people have deemed welfare reform a success. . . . No one seems to know what has happened to these families. Yet we keep trumpeting the 'victory' of welfare reform. . . . I am worried that they are just disappearing and this amendment is all about a new class of citizens in our country. I call them 'The Disappeared.'" The fact that the amendment nearly passed, losing by only one vote, 49 to 50, indicates that many Senators know the extent of the problem, but prefer to sweep it under the rug.

The following report is unique. To start with, *EIR* has for years, exposed the myth of the "booming" U.S. economy, and the bogus claim that 10 million new jobs have been created in the past nine years—which is the premise for those who say, "Anyone can find work."

For this report, *EIR* has documented that the former welfare recipients did *not* find work. *EIR* interviewed officials and investigated the studies, such as they exist, at the city, state, and county level, about the whereabouts, and the living standard of those thrown off welfare by PRWORA, the bill that terminated Franklin Delano Roosevelt's guarantee of a Federal safety net for America's poor. That 1996 legislation, which began as the Personal Responsibility Act (PRA) in Newt Gingrich's fascist "Contract on America," ended the Federal program Aid to Families with Dependent Children (AFDC), and replaced it with a state-run, patchwork mess

called Temporary Assistance to Needy Families (TANF).

Cross-gridding these state, city, and county follow-up reports with Congressional and Federal government information, *EIR* confirmed that the situation is worse than what Wellstone described—and with "time limits" set for a maximum of 2-5 years lifetime receipt of public assistance, there are millions more people who will be thrown off welfare in the next one to two years.

Under TANF, not only are states *not* required to account for former welfare recipients, but also the states are paid bounties, bonuses, and rewards for reducing the welfare rolls more quickly; so, the incentive is to keep America's poor "disappeared" and "missing in action." Immigrants have been particularly hard hit and terrorized. In the original 1996 bill, *all* non-citizens, including people with permanent resident (green card) status, were excluded from public assistance. In 1997, when public assistance was restored to immigrants at the initiative of President Clinton, many were too terrified to reapply.

Under TANF, education has been eliminated, in favor of "job training and life experience" for as little as four weeks. Many states provide no exemption for the age of a child, including newborn infants, forcing the mother to work as long as child care can be arranged by the state—the parent will have no say in the quality of the care. In several states, including South Dakota, a TANF recipient must be in a job within two months of receiving welfare. After two months, welfare recipients are thrown into "community service," like prison work programs, where they receive nothing more than their monthly grant, far less than minimum wage. If the adult recipient protests, some states punish the worker by cutting the benefits for the whole family.

States also use "subsidized jobs," which are sweetheart deals with private companies or government agencies, where the company or agency receives the recipient's entire monthly welfare check, and pays the "difference" of a set salary to the worker—sometimes as little as \$1 an hour. Pioneered in 1994 in Mississippi as a "pilot project," this modern-day slavery has become widespread.

Nazi economics

EIR is singularly qualified to fight this battle against the Nazi-style thinking behind the welfare reform. For decades, *EIR* founder Lyndon LaRouche, the renowned economist now running against Al Gore for the Year 2000 Democratic Party Presidential nomination, has campaigned against the policy of “labor recycling” that forces welfare recipients to compete to replace low-paid workers. Cropping up under various names such as the “work incentive program” and “workfare,” LaRouche defeated the policy in the 1970s, by exposing it as the same labor policy developed by Hitler’s Finance Minister, the banker Hjalmar Schacht (see box).

When the scheme surfaced again in 1995, LaRouche led the national movement to defeat the Newt Gingrich/Phil Gramm “Conservative Revolution.” As LaRouche correctly characterized, Gingrich’s Contract with America was a “Contract on America.” In 1996, LaRouche warned the Democratic Party that the so-called welfare reform bill would be another ratchet down in the U.S. economy which directly attacks the future labor force by destroying the family.

LaRouche sounded the alarm again in his study, “The Economics I.Q. Test” (*EIR*, May 14, 1999). There, LaRouche

exposes the consequences of America’s blind worship of the stock market bubble:

“If anyone tells you that a rising Dow-Jones stockmarket index proves that the U.S. economy is growing, your reply ought to be: ‘Oh, you mean that the cancer is growing. Tell me, Doctor: How is the patient doing. . . ?’

“During the coming six months, more U.S. citizens, especially the poor and the elderly, will die of the worsening economic sicknesses caused by current Federal Reserve Board Chairman Alan Greenspan and related *Wall Street Journal* policies, than of illnesses such as heart disease and cancer. Indeed, many of the preventable deaths from heart disease and cancer are the result of those financial and related budgetary policies.

“That is simply an actuarial fact; it is not the kind of deliberately misleading index which so many foolish Americans quote so triumphantly from the large-circulation mass-media. The present trends in U.S.A. general welfare policies, especially those of Wall Street’s carpetbagging HMO and related pilfering of health-care standards, are notable in this connection. No decent person would argue, that the present U.S. economy, which successfully increases the sickness and

The LaRouche movement’s record vs. welfare slave labor

In 1973, the young LaRouche political movement cut its teeth in the fight against Richard Nixon’s infamous “Phase Three”—the attempt to use welfare recipients as a slave-labor, union-busting force under the Work Incentive (WIN) program. Thousands of welfare recipients were being forced to work under WIN, being placed in municipal and private jobs, often replacing other workers who were laid off to make way for the welfare slave laborers whose “wages” were subsidized by tax incentives and reimbursement procedures, much as they are today under the Personal Responsibility and Work Opportunity Act.

In April 1973, LaRouche organizers intervened to turn the National Welfare Rights Organization into a vehicle to fight Phase Three, only to find that the leadership was prepared to herd welfare recipients into the low-paid jobs which Nixon and his cronies had planned (including Sir Caspar “Cap the Knife” Weinberger, who, as Nixon’s Secretary of Health, Education, and Welfare, had designed and implemented the workfare programs).

NUWRO formed

It was clear that a new organization was required, to unite the employed and the unemployed against workfare,

and for a program of real job creation. Thus was the National Unemployed and Welfare Rights Organization (NUWRO) founded in Philadelphia, in April 1973. Coordinated political campaigns were launched around the country, to intervene in ghetto and union ferment against Phase Three to defeat the slave-labor plans.

A key part of this battle was against the Communist Party U.S.A., an asset of the FBI, which was deployed against LaRouche and NUWRO to wreck their efforts. The founding NUWRO conference in Philadelphia itself was the target of a violent, FBI-orchestrated assault. The CPUSA set up a picket line, calling the LaRouche organizers “racist” and “fascist,” in an attempt to provoke a race riot. The conference participants refused to be provoked. They marched through the picket line into the hall, without incident, and the conference successfully launched NUWRO.

Over the next year, NUWRO organizing exposed the slave-labor programs at every turn, including the betrayal of the common interests of the employed and the unemployed by the AFL-CIO, which cooperated with Nixon’s labor-recycling policy by placing thousands of welfare recipients in unionized jobs.

The LaRouche movement’s fight resulted in the ultimate defeat of workfare, which died politically, together with Nixon. Only in 1996, with the emergence of “Newtzi” Gingrich and his “Contract on America,” did the forced-work programs reappear.

death rates of its people, especially among its elderly and poor, is a healthy economy.”

Gore and the ‘Contract on Americans’

In August 1996, the only reason that the hated welfare bill passed Congress was because Vice President Al Gore, working in tandem with White House “Rasputin,” Republican mole Dick Morris, protégé of Roy Cohn of McCarthy-era notoriety, supported it. Gore and Morris teamed up with a strategy to “out-Gingrich Gingrich,” by preempting the GOP’s program of fiscal austerity, balancing the budget, cutting welfare, and eliminating government jobs.

To Democrats like Henry Nicholas, International Vice President of the American Federation of State, County and Municipal Employees (AFSCME), the act was a death sentence for the poor. Nicholas (see interview) became one of the foremost advocates for “repeal” of the welfare bill, even fighting against the policy at the 1996 Democratic Party nominating convention.

Gore’s commitment to Gingrich’s dirty work was no accident. Gore’s “Third Way” and “Reinventing Government” programs are just repackaged versions of Gingrich’s “Contract on America.” Since 1978, shortly after Gore and Gingrich were first elected to Congress, they collaborated in the “futurist” organizations in Congress created by futurist guru Alvin Toffler. In the 1970s, Toffler groomed Gore and Gingrich to implement his radical population-reduction agenda, which includes overturning the American Declaration of Independence and U.S. Constitution. In a 1980s book for which Gingrich wrote the introduction, Toffler writes a “letter to the Founding Fathers,” telling them: “The system of government you fashioned, including the very principles on which you base it, is increasing obsolete, and hence increasingly . . . oppressive and dangerous to our welfare.”

Without Gore doing the “inside job” in 1996 in the administration, the welfare bill would have been *dead*. Gingrich and company had no ability to pass the welfare act through Congress with enough votes to override a Presidential veto.

Now, thanks to Gore, after nearly three years, 4.5 million poor Americans have been thrown off public assistance, many of them also without food stamps and Medicaid. The rapid 35% decrease in the number of people on public assistance, from 12,241,489 in August 1996 to 7,954,955 in September 1998 (see **Table 1** for states where the cuts have been greatest), has led hard-core Conservative Revolutionaries, such as racist Senate Majority Leader Trent Lott (R-Miss.), to call for eliminating welfare altogether. At a speech to the U.S. Chamber of Commerce on Jan. 27, Lott called for “Welfare Reform 2.” “Welfare reform has worked,” Lott said. “Let’s go to the next step; let’s keep this train moving. Let’s get everybody off of welfare and into a real job, and we’ll all be better off because of it.”

But, welfare reform *has not worked*. Of those 4.5 million cut off from assistance, *less than 1 million adults*, by EIR’s

TABLE 1

America’s ‘Disappeared’ families: reduction of welfare recipients under TANF, August 1996 to September 1998

States with highest percentage reduction		States with highest number reduction	
Alabama	48%	California	673,414
Colorado	52%	Florida	287,610
Florida	54%	Georgia	158,237
Georgia	48%	Illinois	193,198
Idaho	85%	Louisiana	106,343
Kansas	48%	New York	281,800
Mississippi	64%	Ohio	229,400
South Carolina	54%	Pennsylvania	185,107
West Virginia	61%	Texas	302,786
Wisconsin	77%	Wisconsin	114,857
Wyoming	84%	Total U.S.	2,532,752

*Temporary Assistance for Needy Families
Source: Administration for Children and Families, Office of Public Affairs, U.S. Department of Health and Human Services, January 1999.

At the time of this report, the total number of TANF recipients was 7,954,955, representing about 2,970,160 families. That was a 35% reduction in the number of welfare recipients in those two years.

best estimate, have jobs. And, according to a 1998 study by the Children’s Defense Fund, a private organization, the gruesome truth is that only 8% of those who *do* have jobs have an income above poverty level. The remaining 92% of the working welfare families — some completely off welfare, and some still receiving partial cash assistance — still live in poverty, are uneducated and under-educated, and now are forced to shove their children into hastily created child-care barns so that they can be put to work. That is the fate of the so-called “welfare-to-work” success stories.

Even more frightening is the fact that *no one knows* what has happened to the other 3.5 million people. No one knows how many former welfare recipients are working, or even if they’re alive. Studies from Los Angeles County, California; Cuyahoga County (Cleveland), Ohio; Philadelphia, Pennsylvania; and Mississippi which are presented here, are just the tip of the iceberg of devastation.

Contrary to the media “big lies,” such as the May 27 *Washington Post* headline “Most Adults Find Jobs After Leaving Welfare,” the reports show:

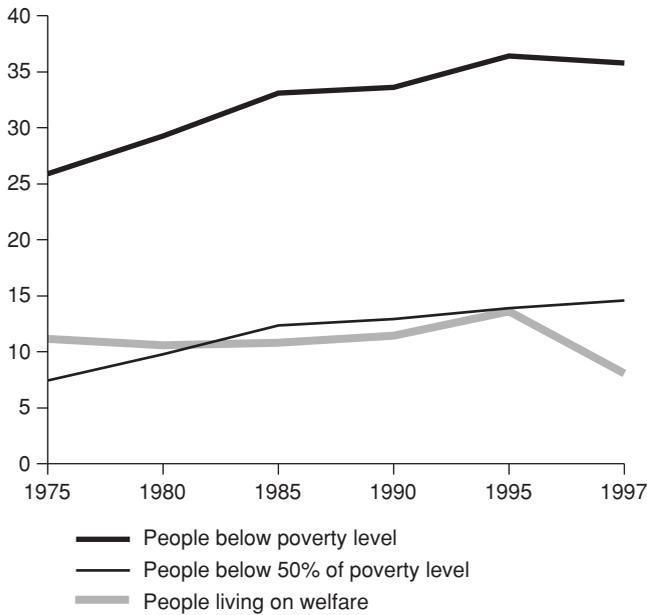
- In Ohio, nine months after exiting welfare, 44.8% of the adult recipients had no income, 78.2% of those who left the welfare rolls live below the poverty level, and 12% of those who worked were earning less than \$4,000, which is *less than one-third* of the official (1996) poverty level of \$12,516 for a family of three.

- In Los Angeles, 10% of people thrown off general relief survive by selling their blood for plasma, and 6% survive through prostitution and drug dealing. Some 19% of those

FIGURE 2

Poverty in America: 'Most Poor' group is increasing

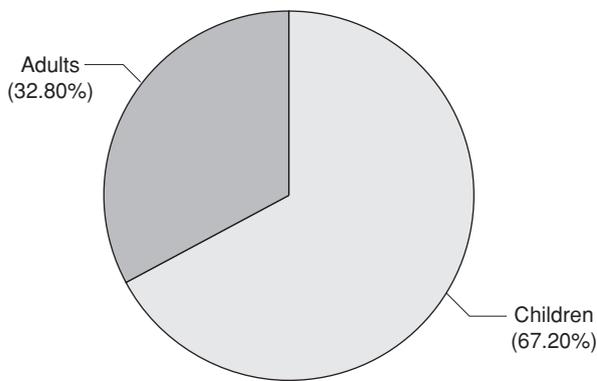
(millions)



Source: Bureau of the Census; Administration for Children and Families, U.S. Department of Health and Human Services.

FIGURE 4

Percentage of adults and children in families receiving TANF benefits

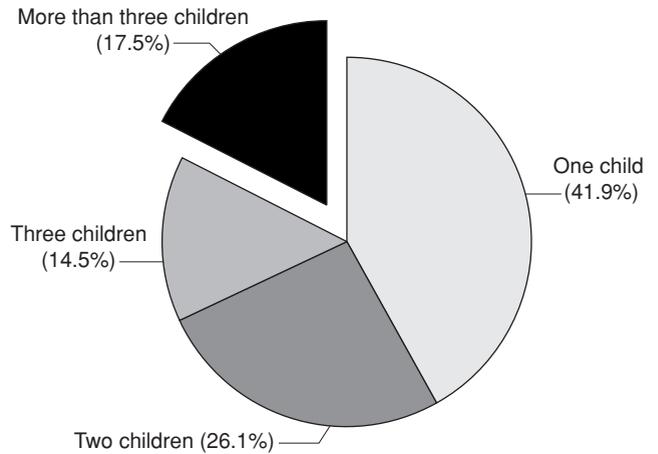


Source: U.S. Department of Health and Human Services, 1997.

but the number of Americans living on an income of less than \$6,258 (50% of the poverty level) for a family of three, is 14.59 million, a figure which increased from about 600,000 in 1995, the year that the Gore-Gingrich welfare reform crusade was launched. Figure 2 shows that the number of Americans

FIGURE 3

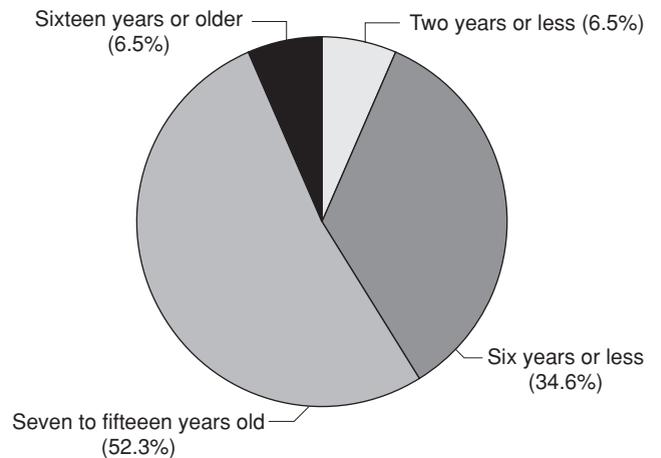
Average number of children in TANF families, October 1997



Source: U.S. Department of Health and Human Services, 1997.

FIGURE 5

Average age of children in TANF families, October 1997



Source: U.S. Department of Health and Human Services, 1997.

on TANF was 8.1 million in 1997, far below the number of families that require assistance to survive. Yet, under PRWORA, the states are required to reduce the number of people on the welfare rolls further every year, or face loss of their Federal grants.

In March 1995, *New Federalist*, the weekly newspaper of the LaRouche movement, presented a devastating exposé of the Contract on America, including how the Personal Responsibility Act slated poor people for extinction. (See "Phil

Gramm’s Contract on America Is Out to Get *You!* How the Conservative Revolution Crowd Plans to Destroy America.”) The Contract made the simple, false argument that all welfare recipients were failing to take “personal responsibility,” and could be gotten into line if they were forced to work under pain of losing all benefits for themselves and their children, including food assistance. Gingrich’s plan had two aspects: in conjunction with the balanced-budget efforts, the PRA proposed to cut \$140 billion by the year 2001.

The rationale for this big lie stereotype, is that welfare recipients with big families cause the budget deficit. *New Federalist* revealed the blatant racism found in the Contract on America’s own briefing book for the 104th Congress, entitled “Issues ’94.” For example, the briefing book reports, “Prof. C.R. Winegarden at the University of Toledo found that half the increase in black illegitimacy in recent decades was caused directly by the perverse incentive effects of welfare.”

New Federalist showed that, in reality, when the drumbeat

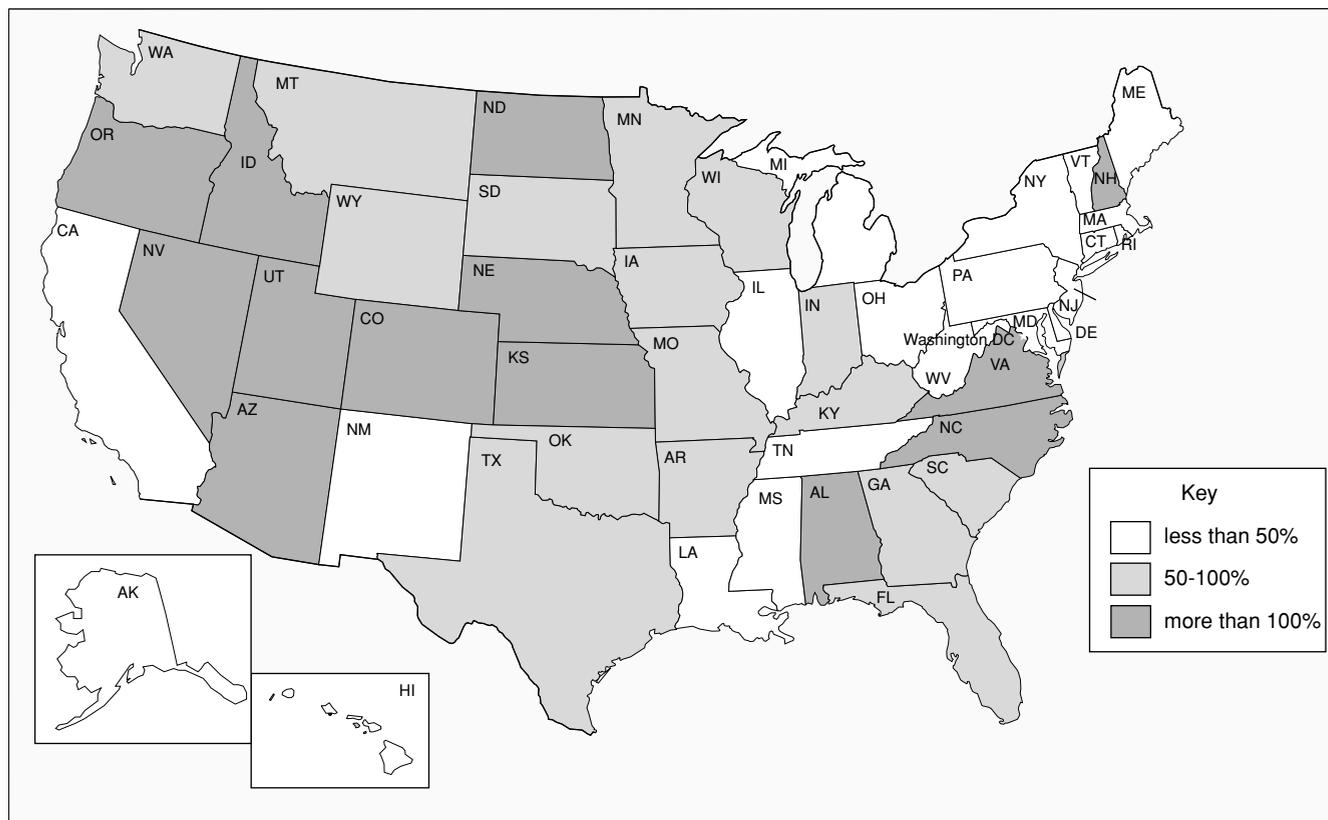
was sounding in 1995 to throw the welfare poor overboard to balance the budget, 42.5% of all welfare families had one child, and another 30.2% had two children. In 1997, a year after the 1996 repeal of FDR’s welfare protection, 41.9% of TANF families had only one child, and another 26.1% had two children. Only 17.5% of the families have more than three children (**Figure 3**). In welfare families, adults comprise 32.8% of recipients, and children, 67.2% (**Figure 4**). The average age of adult recipients is 30 years, and the average age of children is 8 years, but about 35% of those children are actually under 6 years (**Figure 5**). As the accompanying case study on Philadelphia shows in some depth, child care for pre-schoolers is straining social services to desperation levels.

Labor recycling

The major provision of the Contract on America’s welfare plan is slave labor. At a Schiller Institute conference in 1995, Richard Freeman of *EIR*’s Economics staff explained that this

FIGURE 6

The jobs aren’t there: net new (low-skilled) jobs as a percent of the number of former welfare recipients seeking jobs, 1997-98



Source: Cochrane, Horst and Koropecy (1997), cited in *Welfare Reform: The Jobs Aren't There*, by Mark Weisbrot, for The Preamble Center for Public Policy, 1997.

was nothing more than “labor recycling,” a term used by Nazi Labor Front coordinator Robert Ley.

Freeman explained how it works: “Take a worker who makes a moderate wage of \$30 per hour, including benefits, and force him or her, either by firing or busting his union, into a job (perhaps even the same job) that pays \$15 per hour, with reduced benefits. Then, from there, force him into a \$5 or \$6 per hour job at Walmart, and from there, into below-minimum-wage slave-labor. . . . A desperate pool of cheap labor consisting of prisoners, welfare recipients, those earning the minimum wage is being built up.”

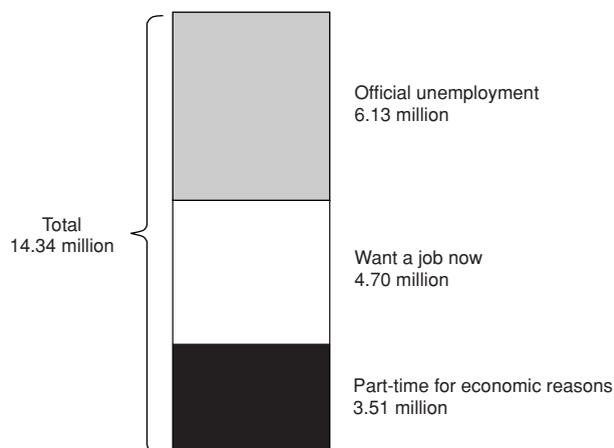
The workfare adopted under the Gore-Gingrich plan has completely confirmed what *EIR* and Freeman forecast. Major national companies such as United Parcel Service, Federal Express, Marriott Hotels, Gateway 2000 computer manufacturers, Cessna, Burger King, and so on, are signing up in droves to take advantage of the forced labor pool created by the welfare law. Unionized and full-time workers are being shoved out in favor of desperate former welfare recipients, who have to stay on the job, no matter what, or their children may lose all benefits as a “sanction” or punishment allowed under the new welfare reform. In some cases, the state will use funds provided through the Federal block grants to *subsidize* the salary of the worker from the welfare rolls. Or, the state may provide child care to force the welfare recipient to take the job. In some areas, the TANF workfare office arranges free bus fare and other transportation, only for the workforce assigned through welfare. Without similar child care and transportation guarantees, the non-welfare recipient forced to compete for the same low-paying job will end up on unemployment, or even on welfare, where, with luck, he or she might get their old job back at welfare wages.

There are not enough jobs. According to the 1997 study, “Welfare Reform—The Jobs Are Not There,” authored by Mark Weisbrot and put out by the Preamble Center for Public Policy in Washington, D.C., the national economy was projected to create only about half as many net low-skill jobs as the first 1.298 million adults leaving the welfare rolls by 1998. With the projected normal growth in the labor force factored in, the ratio of job-seekers to jobs is nearly three to one, says Weisbrot. In the whole nation, only 13 states, representing only 9% of the nation’s welfare caseload, are projected to create enough jobs to absorb the former welfare recipients eliminated from the rolls (**Figure 6**).

The picture becomes even more dismal when one takes the real unemployment figures for the United States (**Figure 7**), which include former workers who have fallen out of the statistics in absurd categories such as “Too Discouraged To Look for Work” after their unemployment benefits ran out. The Preamble Center’s study also shows that densely populated states have an even more pronounced problem: There will be a shortage of more than 1 million jobs for six Midwestern states: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. In these states, the competition for jobs at poverty wages (described by the Preamble Center as \$12,278 for a

FIGURE 7

Real unemployment, March 1999



Source: Bureau of Labor Statistics, U.S. Department of Labor.

family of three) is 22 workers for every one job; at the rate of 150% of poverty, 64 workers for every one job; and for jobs that pay “at least a livable wage” (\$25,907 for a family of three), there are 97 workers for every job.

Only by resorting to blatant lies have the advocates of the workfare slave-labor plan been able to cover this up. On May 26, House Republican leaders put out a press release, according to the next day’s *Washington Post*, which claimed that a report by the General Accounting Office (GAO, Congress’s research arm) showed “an unprecedented increase in labor force participation by low-income mothers.” The *Post* was complicit in the lie, writing that “between 61 and 87% of adults leaving public assistance have gotten jobs . . . according to a comprehensive review of welfare research . . . from 17 states.”

In fact, the GAO report, “Welfare Reform: States’ Implementation Progress and Information on Former Recipients,” is a masterpiece of “spin-doctoring.” The information in the study actually indicates that welfare reform has been a dangerous failure. In specific, the report shows:

- Forty-two out of the 50 states have *no* reliable or comprehensive information on the families that left welfare. Though the GAO gathered reports from 18 states, only eight of the studies had sufficient data to even vaguely represent the people who had left the welfare rolls.
- The job figures were so massaged and manipulated in these eight states, that they must be completely disregarded. For example, a fine-print footnote warns that families that returned to the welfare rolls have been taken out of the sample, thereby resulting in “higher employment rates.” Between 29% and 39% of the people who had been working at some point were *no longer working* when they were surveyed, so the maximum job success rate is only 61% to 71%, not the

mythical 63% to 87% being bandied about in Congress.

- The report gives estimated quarterly and annual earnings—still well below poverty levels—that are projections from an hourly wage. There is no evidence in the seven state reports used for the GAO study that these former welfare recipients actually worked 13 weeks in a quarter, or ever worked full time, let alone a full year.

Any reader, Congressman, or public official who fell for Trent Lott's, Al Gore's, and Newt Gingrich's "snake oil" spiel that "welfare reform" is working, has already failed LaRouche's "Economics I.Q. Test." But, now is the time to save yourself and the nation from the onrushing new dark age of this economic collapse.

Al Gore, Dick Morris: The unholy alliance

by Scott Thompson

This abridged article originally appeared in EIR, on Feb. 12, 1999.

During the 1996 Clinton reelection campaign, Lyndon LaRouche, then a candidate in the Democratic Presidential primary elections, warned President Clinton to purge the White House of so-called political consultant Richard "Dirty Dick" Morris. Morris, the cousin-once-removed and protégé of the late gangster attorney and closet homosexual Roy Cohn, slithered between the White House and his clients among the President's arch-enemies, the Republican Confederates, especially Sen. Trent Lott (R-Miss.), collecting and passing on bits of gossip and compromising information on Clinton.

For a time, Morris was President Clinton's chief reelection campaign strategist. Some in the White House labelled him a "GOP double agent" and a "Republican mole." In a June 27, 1995 Knight-Ridder story, Sandy Grady wrote that "some Clinton loyalists compare Morris to Rasputin, the 19th-century Russian mystic and faith healer who led the Tsar's family to destruction."

Morris was ousted as a campaign adviser in August 1996, during the Democratic nominating convention, when details of his affair with a call girl, and his foot fetish—especially sucking the toes of his sexual partners—broke in *The Star* supermarket tabloid and was then reported on the front page of the *New York Post*.

In two interviews with this author, corroborated by other published sources, Morris made a remarkable revelation: While he had a lot of opposition in the White House, he also had an ally—Vice President Al Gore, Jr.

Fact: Gore and Morris ran a "Mutt and Jeff" routine

against President Clinton, to force him to break with the "liberal wing" of the Congressional Democrats, who were engaged in political combat against House Speaker Newt Gingrich and his Conservative Revolutionaries.

Fact: Gore and Morris teamed up to ram through the 1996 Welfare Reform Act, over White House and Cabinet objections, in order to "out-Gingrich Gingrich." It was President Clinton's capitulation to this deal which jettisoned the Franklin Roosevelt coalition of traditional Democratic constituencies, and kept the Gingrichites in power in the Congress in both the 1996 and 1998 elections.

In listening to Morris, one is struck by the image of a "world class," deceitful self-promoter in action. Morris talks a lot. He maintains a toll-free phone number with a pager and forwarding function, so he can never miss a chance for publicity. But, *EIR* presents here only those things that we have been able to cross-check:

Q: From reading your book, *Behind the Oval Office*, it seems that you were being iced out by . . . the White House Staff.

Morris: Right. . . .

Q: And, you turned to Vice President Al Gore, who was suffering a similar problem, and made an alliance—

Morris: Yep. . . . I think the White House staff tried to sort of—froze Gore's staff out. And, one of the things I did [was to align] myself with Gore, and sort of reoriented the center of the White House back from staff toward the Vice President—

Q: You reoriented it back from the Congressional Democrats like Ted Kennedy—

Morris: Yep.

Q: Now, what issues did this exactly put on Gore's plate?

Morris: Well . . . the balanced-budget speech. The decision to give the balanced-budget speech was really the beginning of the period of Gore's ascendancy [starting in June 1995]. . . .

'The deal'

Morris repeatedly references the latest paperback edition of his book, *Behind the Oval Office: Getting Reelected Against All Odds* (Los Angeles: Renaissance Books, 1999), as the definitive source on how the Faustian bargain was cemented.

"Until mid-April 1995, I worked with the President without anyone outside the White House knowing about it. It was the happiest time of my life," Morris writes about being named chief strategist to the 1996 campaign.

But soon afterward, Morris writes (pp. 115-116): "I felt like a stranger. . . . I needed allies desperately, and *the vice president came to my rescue*."

"We met in mid-March in the office of Jack Quinn, Gore's chief of staff at the time and later White House counsel. . . . I explained my ideas and theories for about half an hour with little or no interruption. *I could sense that the vice president agreed with most of what I was saying*. He listened intently.