

(R-N.C.) to Massachusetts GOP Gov. William Weld. The same rules applied when Morris threw himself into the recent Israeli elections. While Morris unquestionably played a role in foisting Schoen on the failed Peres campaign, he also had a hand in the Likud campaign of Benjamin Netanyahu.

Alan Sipress, a *Philadelphia Inquirer* correspondent, in a May 20, 1996 article, reported that, by the mid-1980s, "Behind the scenes, he [Netanyahu] had already gathered a high-power clique of Israeli and Jewish-American backers—men of political savvy with millions of dollars, an operation so closely guarded that it was known to insiders as 'The Submarine.'" After Rabin and Peres ousted the Likud in 1992, "The Submarine provided him with lavish headquarters in a Tel Aviv suburb and paid for a big-money advertising campaign. . . . To launch Netanyahu's drive three months ago, his backers paid an American consulting firm \$200,000 to conduct public opinion research and help design a slogan. . . . Last week, the mass-circulation newspaper *Yediot Aharonot* reported that Netanyahu's media strategy was being overseen by U.S. election consultant Arthur J. Finkelstein, whose bruising ad campaigns secured victories for clients including conservative Republicans Jesse Helms, Alfonse D'Amato, and George Pataki."

An Ayn Rand libertarian, Finkelstein hung around Roy Cohn's East Side Conservative Club in the 1960s. He entered politics in 1970 by trying to convince drug-legalizer degenerate William F. Buckley, Jr., to run for the U.S. Senate, but, instead, wound up managing Buckley's brother, James, who was elected to the Senate on the Conservative Party line. Nassau County Republican boss Joe Margiotta promptly retained him as pollster and deployed him to elect Al D'Amato to the Senate in 1980.

Finkelstein has earned a reputation as the impresario of campaign sleaze. This often boils down to pure and simple racism, as in 1990, when Finkelstein hired Dick Morris to formulate the race-baiting commercial which re-elected Sen. Jesse Helms. Helms was running well behind former Charlotte Mayor Harvey Gantt, an Afro-American who had earned broad respect among white voters. The Morris-Finkelstein ad showed a white hand crumpling a job rejection notice, with the employer's voice stating, "You were the most qualified, but I had to hire a mi-no-ri-ty." Gantt, who himself opposed affirmative action quotas, lost the race.

According to author Bob Woodward, D'Amato brought Finkelstein to Dole in January 1995. Finkelstein told Dole that to be elected, he would have to shift from "theocratic moralism" to Pete Wilson's populist support of abortion, while bashing immigrants and the poor. D'Amato delivered Dole an ultimatum to let Finkelstein perform political surgery on his brain: "He'd be by your desk . . . and you wouldn't say *anything* unless Arthur tells you what to say." Dole gave Finkelstein a secondary position; but Dole's bad poll numbers are being used to pound him into letting Finkelstein loose to savage Clinton.

Welfare 'reform' bill cracks whip over poor

by Suzanne Rose

Within the space of only four days, the House and Senate voted up legislation to overhaul the nation's welfare system, modelled on the "Personal Responsibility Act" of the Contract with America. The bills, H.R. 3734 and S. 1956, would reduce payments by about \$60 billion to the 8.8 million children and 4 million adults who receive Aid to Families with Dependent Children (AFDC) over a period of six years. Further, the "reform" will force at least half of the adults into "workfare" programs within two years (those who refuse face termination of benefits), and will turn the federally guaranteed payments over to the states to be administered as block grants. There will be a five-year lifetime limit on receiving these benefits.

Welfare to families with dependent children will be ended as an entitlement program, which means that families are not guaranteed assistance if their income falls below a certain level, effectively terminating the federal safety net for the poor. Instead, states will receive a fixed sum and have a great deal of latitude as to how this money is spent and who receives benefits. Since the payments to each state are capped and based on historic participation in the program by state, states will have incentives to kick people off the rolls as need expands.

You might ask, what has changed that we no longer need a federal safety net for the poor? Has poverty or joblessness disappeared? Only in the minds of election strategists in both camps. On the one hand, Dick Morris, chief campaign strategist for President Clinton, hopes to entice the President into capturing "welfare reform" as his campaign issue by signing the Republican-authored bills. The President has come dangerously close to that, by letting it be known that he would sign a bill so long as it didn't include the "poison pill" of block grants for Medicaid. The Gingrichites, anxious to trap the President into endorsing their fascist overhaul of the economy, left those cuts out.

A Dickensian nightmare

Given real unemployment levels of 12-15% (some 17 million Americans, if you include people who have given up looking for work, or who have found temporary work instead of full time), and the steadily increasing poverty, financially strapped states are slashing their budgets. Republican gover-

nors from Mississippi, to Michigan, to Wisconsin are “experimenting” in putting welfare recipients and prison inmates to work, in order to cut labor costs for their corporate benefactors, or simply to streamline their state budget outlays with cheap labor.

This process will intensify as the real economy continues to shrivel. It is estimated by some Democratic Party sources that the manufacturing base of the economy, historically the source of governments’ tax revenue, is crumbling at the rate of 14,000 jobs a month. States, which, unlike the federal government, cannot expand their budgets to support growing numbers of poor, will “recycle” the newly unemployed into work programs or community service, rather than incur the expense of welfare benefits.

One notable example is the “workfare project” of Gov. Kirk Fordice in Mississippi. The federal government has given Fordice a green light to experiment with “reform.” AFDC recipients deemed capable of work, are sent into sweatshop industries. The employer is given the equivalent of the welfare check and Food Stamp benefits, as a supposed enticement for hiring a welfare recipient, while the recipient is paid the minimum wage. The employer acquires a captive workforce with no union protection, which cannot refuse speedup or any other hazardous condition. In many states, the welfare benefits are higher than a family’s minimum-wage income.

In Michigan’s welfare program, widely praised for reducing the unemployment levels, welfare recipients are forced to work off their grants for a required number of hours, at below minimum wage. The Wisconsin plan puts recipients into public service jobs, which do not have to pay the minimum wage, if they can’t find private sector jobs. If the recipient fails to work for the assigned number of hours, he or she will lose the entire grant.

Harsh opposition, but not sharp enough

The House and Senate bills were harshly criticized by some of the Democratic leadership during the limited debate, and a large coalition of religious and charitable groups mounted an offensive in Washington on July 18, the day the House bill passed. Representing at least 100 groups, the coalition held a press conference on Capitol Hill, claiming that the bill was being rushed through without public or Congressional hearings. They appealed to legislators’ consciences, stressing the harm to children from such bills. Rev. David Beckman, president of Bread for the World, told the press that the welfare reform bills would cause unacceptable harm to children and “lead to poverty like we saw in the 1930s. Children will be living under bridges.” A spokesman from the Food Research Action Council (FRAC) said that the welfare reform bills before Congress contained the most massive cutback in food assistance the country has ever seen. The bills will cut \$28 billion in Food Stamp benefits to the poor, over six years, including for 12 million children.

The FRAC spokesman said that, to make up for these cuts, charitable food distribution systems would have to increase their outlays five times, an impossible requirement for an already overloaded system. It was reported at the conference that the Republican leadership had passed a last-minute amendment to the House bill which would cut off most unemployed, childless adults from Food Stamp assistance, unless they find work within three months.

The House bill, slightly more vicious than the Senate’s, included an amendment which would bar legal immigrants from benefits, including AFDC, Food Stamps, Medicaid, and Supplemental Security Income for people with disabilities. The most merciless provision of all, adopted in both Senate and House versions, would prevent the government from authorizing voucher payments for the needs of children whose parents had been thrown off the rolls.

At the press conference, an *EIR* representative asked if the Nuremberg Code for crimes against humanity weren’t applicable to such cuts in social welfare, citing specifically the cutbacks authorized in Pennsylvania under the guise of welfare reform. There, Gov. Tom Ridge had 220,000 medically indigent people removed from the state’s medical insurance program for the poor. She cited the UCLA study which had been done, after California initiated similar cutbacks: The study determined that a specific number of people would die in the short term from lack of medical care. Would the authors of such cuts not be accountable for “crimes against humanity” under the Nuremberg Code, in cases like Pennsylvania where it is known that cuts in medical insurance will increase the death rate? *EIR* asked. Unfortunately, the chairman of the press conference punted, replying only that it would, indeed, be dangerous to turn the responsibility for welfare programs over to the states.

The Nuremberg precedent

The Democratic leadership in both the House and the Senate denounced the bills as harmful to children, but propitiated the drumbeat for “welfare reform.” The final vote reflected election-year pragmatism, with over 30 House Democrats, many in tight reelection campaigns, and 27 Senate Democrats voting for their respective versions.

Sen. Chris Dodd (D-Conn.) pointed out that the onus of the cuts would fall on children, who make up the majority of the AFDC rolls. He pointed out that the federal expenditures on welfare were less than 1% of the budget. He showed that the Republican bill has even eliminated the standards of health and safety for the childcare programs for mothers who must work, which had been in previous bills. Other questions of relevance were raised by senators such as Wendell Ford (D-Ky.), who asked, “What if we have a downturn?” Others offered palliative amendments, most of which were voted down. No one was prepared to offer the challenge that it is the economy, not the so-called welfare system, that needs fixing.