

## 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.