

REQUIEM FOR THE WAR ON POVERTY

Rethinking Welfare After the L.A. Riots

ROBERT RECTOR

The War on Poverty has failed. Twenty-five years after the riots under Lyndon Johnson led to a massive expansion of urban welfare programs, the riots in Los Angeles show that the problems of the inner city have not been solved and have actually gotten worse.

This failure is not due to a lack of spending. In 1990 federal, state, and local governments spent \$215 billion on assistance programs for low-income persons and communities. This figure includes only spending on programs for the poor and excludes middle-class entitlements such as Social Security and Medicare. Adjusting for inflation, total welfare spending in 1990 was five times the level of welfare spending in the mid-1960s when the War on Poverty began. Total welfare spending in the War on Poverty since its inception in 1964 has been \$3.5 trillion (in constant 1990 dollars); an amount that exceeds the entire cost of World War II after adjusting for inflation.

The problem with the welfare state is not the level of spending, it is that nearly all of this expenditure actively promotes self-destructive behavior among the poor. Current welfare may best be conceptualized as a system that offers each single mother a “paycheck” worth an average of between \$8,500 and \$15,000 a year, depending on the state. The mother has a contract with the government: She will continue to receive her “paycheck” as long as she fulfills two conditions: 1) she does not work; and 2) she does not marry an employed male. I call this the incentive system made in hell.

Material vs. Behavioral Poverty

All too often policy-makers fail to recognize that there are two separate kinds of poverty: “material poverty” and “behavioral poverty.” Material poverty means, in the simplest sense, having a family income below the official poverty income threshold, which was \$12,675 for a family of four in 1991.

To the average American, however, to say someone is poor implies that he or she is malnourished, inadequately clothed, and lives in inadequate housing. There is little material poverty in the United States in this sense generally understood by the public. Today, the fifth of the population with the lowest incomes has a level of

economic consumption higher than that of the median American family in 1955.

For instance, there is little or no poverty-induced malnutrition in the United States. People defined by the U.S. government as “poor” have almost the same average level of consumption of protein, vitamins, and other nutrients as people in the upper middle class. Children living in “poverty” today, far from being malnourished, actually grow up to be one inch taller and 10 pounds heavier than the average child of the same age in the general population in the late 1950s. The principal nutrition-related problem facing poor people in the United States today is obesity, not hunger.

Similarly, a “poor” American has more housing space and is less likely to be overcrowded than is the *average* citizen in Western Europe. Nearly all of the American poor live in decent housing that is well-maintained. In fact, nearly 40 percent of the households defined as poor by the government own their homes.

“Behavioral poverty,” by contrast, refers to a breakdown in the values and conduct that lead to the formation of healthy families, stable personalities, and self-sufficiency. Behavioral poverty is a cluster of social pathologies including: dependency and eroded work ethic, lack of educational aspiration and achievement, inability or unwillingness to control one’s children, increased single parenthood and illegitimacy, criminal activity, and drug and alcohol abuse. While there may be little material poverty in the United States, behavioral poverty is abundant and growing.

Liberalism’s Dashed Assumptions

There are three distinct approaches to dealing with the interrelated problems of material poverty and behavioral poverty. The first approach, which could be called “liberal,” maintains that decreasing material poverty leads to decreasing behavioral poverty. Thus raising the incomes of the poor through cash, food aid,

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Drawing by Anatol Woolf for Policy Review

**The welfare mother receives her paycheck on two conditions. She must not work.
And she must not marry an employed male.**

and housing assistance will increase emotional stability, educational success, and so forth.

The second approach, which could be called "redistributionist," posits no clear link between raising incomes and reducing behavioral problems. This theory promotes welfare expansion to raise the incomes of the less affluent for its own sake. While this approach focuses initially on dealing with vital needs such as eliminating malnutrition, its aims are open-ended. Thus, although welfare spending is already more than twice the amount needed to eliminate all poverty in the United States, demands for more spending are as vociferous as ever. Most advocates of this position believe strongly that income redistribution is a positive goal in and of itself, and seek to use welfare policy as a means of attaining that goal. The more income redistributed the better.

The third approach might be termed "conservative." It rests on the belief that spending on most welfare programs actually has increased behavioral poverty. In particular, this approach holds that welfare has led to an increase in prolonged dependency and has undermined family structure, thereby contributing to increases in other dysfunctional behaviors.

The assumptions behind the first, or liberal, approach to welfare policy are decisively refuted by historical experience. Throughout most of the 20th century the

incomes of Americans of all social classes have increased dramatically. As noted, after adjusting for inflation, the per capita economic consumption of the least affluent 20 percent of households today exceeds the per-capita income of the median-income U.S. family in 1955. In 1950, some 32 percent of Americans were "poor," having incomes below today's poverty income thresholds adjusted for inflation; in 1990, 13.5 percent of the population was poor. Going back further in time, we find that in the late 1920s the median income of American households was \$1,606 (or \$11,000 in 1990 dollars); at that time half of the population was probably poor by today's standards. According to the axioms of liberal welfare policy, as incomes in all social classes rose dramatically throughout the century, we should have seen increases in cognitive ability, emotional stability, and marital stability, and decreases in crime. Instead we have seen the opposite.

Most people alive today had at least one parent or grandparent who was "poor" by the current government definition adjusted for inflation. But most of these individuals were not poor in spirit or behavior. Although their incomes were low, their values, disciplines, and behavior were middle-class—as were the values they passed on to their children. Merely raising someone's income does not inculcate middle-class values and be-



States should require welfare recipients to work in exchange for benefits received.

havior; in fact, most welfare programs do exactly the opposite.

Community Devastation

Following the liberal and redistributionist approaches to welfare, the present welfare system is designed almost exclusively to raise the material living standards of less-affluent Americans. The federal government provides cash, food, housing and medical assistance, and other benefits through more than 75 separate welfare programs. As noted, total federal, state, and local welfare spending reached \$215 billion in 1990, excluding all middle-class entitlement programs such as Social Security and Medicare. This figure was more than twice the amount needed to raise the income of every American above the current poverty income thresholds.

But for the general public the real problem with welfare is not the rapidly expanding cost, which now absorbs over 4 percent of the entire national economy—but the sense that welfare actually harms rather than helps the poor. The key dilemma of the welfare state is that the prolific spending intended to alleviate material poverty has led to a dramatic increase in behavioral poverty. The War on Poverty may have raised the material standard of living of poor Americans, but at a cost of creating whole communities where traditional two-parent families have vanished, work is rare or non-existent, and multiple generations have grown up dependent on government transfers.

For a growing number of poor Americans, the existence of generous welfare programs makes not working a reasonable alternative to long-term employment. During the late 1960s and early 1970s, social scientists at the Office of Economic Opportunity conducted a series of controlled experiments to examine the effect of welfare benefits on work effort. The longest-running and most comprehensive of these experiments was conducted between 1971 and 1978 in Seattle and Denver, and became known as the Seattle/Denver Income Maintenance Experiment, or SIME/DIME.

Advocates of expanding welfare had hoped that

SIME/DIME and similar experiments conducted in other cities would prove that generous welfare benefits did not adversely affect work effort. Instead, the SIME/DIME experiment found that every dollar of extra welfare given to low-income persons reduced labor and earnings by 80 cents. The results of the SIME/DIME study are directly applicable to existing welfare programs: Nearly all have strong anti-work effects like those demonstrated in the SIME/DIME experiment.

Welfare's effectiveness in undermining the work ethic is readily apparent. In the mid-1950s nearly one-third of poor households were headed by an adult who worked full time throughout the year. Today, with greater welfare benefits available, only 16.4 percent of poor families are headed by a full-time working adult.

Husband as Handicap

Another devastating legacy of the past 25 years has been the dramatic reduction in family formation. The current welfare system has made marriage economically irrational for most low-income parents by converting the low-income working husband from a necessary breadwinner into a net financial handicap. It has transformed marriage from a legal institution designed to protect and nurture children into one that financially penalizes nearly all low-income parents who enter into it.

Across the nation, the current welfare system has all but destroyed family structure in the inner city by establishing strong financial disincentives to marriage. Suppose a young man fathers a child out of wedlock. If this young father abandons his responsibilities to the mother and child, government will step in and support them with welfare. If the mother has a second child out of wedlock, average combined benefits will reach around \$13,000 per year.

If, on the other hand, the young man does what society believes is morally correct (that is, marries the mother and takes a job to support the family), government policy takes the opposite course. Welfare benefits would be almost completely eliminated. If the young father makes more than \$4.50 per hour, the federal government actually begins taking away his income through taxes. (The federal welfare reform act of 1988 permits the young father to marry the mother and join the family to receive welfare, but only as long as he does not work. Once he takes a full-time job to support his family, the welfare benefits are quickly eliminated and the father's earnings are subject to taxation.)

The onset of the War on Poverty directly coincided with the disintegration of the low-income family—and the black family in particular. At the outset of World War II, the black illegitimate birth rate was slightly less than 19 percent. Between 1955 and 1965 it rose slowly, from 22 percent in 1955 to 28 percent in 1965. Beginning in the late 1960s, however, the relatively slow growth in black illegitimate births skyrocketed—reaching 49 percent in 1975 and 65 percent in 1989. If current trends continue, the black illegitimate birth rate will reach 75 percent in 10 years. The growth of illegitimacy, however, is not restricted to blacks; large increases in out-of-wedlock births are also occurring among low-income whites.

Generous welfare benefits to single mothers directly

contributed to the rise in illegitimate births. Recent research by Shelley Lundberg and Robert D. Plotnick of the University of Washington shows that an increase of roughly \$200 per month in welfare benefits per family correlates with a 150-percent increase in the teen-age illegitimate birth rate for a state. Similarly, high benefits discourage single mothers from remarrying. Research by Robert Hutchens of Cornell University shows that a 10-percent increase in AFDC benefits in a state corresponds with a decrease in the marriage rate of all single mothers in the state by 8 percent. The Seattle/Denver Income Maintenance Experiment (SIME/DIME) mentioned earlier found that providing generous welfare benefits increased the rate of marital dissolution by 40 percent among families participating in the experiment.

Crippling Family Breakdown

The collapse of family structure has crippling effects on the health, emotional stability, educational achievements, and life prospects of low-income children. Children raised in single-parent families, when compared with those in intact families, are one-third more likely to exhibit behavioral problems such as hyperactivity, antisocial behavior, and anxiety. Children deprived of a two-parent home are two to three times more likely to need psychiatric care than those in two-parent families. And as teen-agers they are more likely to commit suicide. Absence of a father increases the probability that a child will use drugs and engage in criminal activity.

Because the father plays a significant role in a child's cognitive development, children in single-parent families have lower IQs and score less well on other tests of aptitude and achievement. Children in single-parent families are three times as likely to fail and repeat a year in grade school as are children in two-parent families. In all respects, the differences between children raised in single-parent homes and those raised in intact homes are profound, and such differences persist even if single-parent homes are compared with two-parent homes of exactly the same income level and educational standing.

But the greatest tragedy is that family instability and its attendant problems are passed on to future generations. Children from single-parent homes are far less likely to establish a stable married life when they in turn become adults. White women raised in single-parent families are 164 percent more likely to bear children out of wedlock themselves; they are 111 percent more likely to have children as teen-agers. If these women do marry, their marriages are 92 percent more likely to end in divorce than are the marriages of women raised in two-parent families. Similar trends are found among black women.

Long-term dependency on welfare also appears to be passed down from one generation to another. Of the over four million families currently receiving assistance through Aid to Families with Dependent Children (AFDC), well over half will remain dependent for over 10 years, many for 15 years or longer. Children raised in families that receive welfare assistance are themselves three times more likely than other children to be on welfare when they become adults. This inter-generational dependency is a clear indication that the welfare

system is failing in its goal to lift the poor from poverty to self-sufficiency.

Welfare's Cruel Logic

By nature, Americans are optimists and believe that all problems have solutions. Therefore, American politicians and the public have difficulty believing that there are no easy solutions to the anti-marriage, anti-work incentives provided by the current welfare system. But no easy solutions exist.

In the current public debate there are a number of quick fixes to welfare that fall short of true reform. The most common of these is the current liberal drive to encourage work and reduce dependency by "making work pay." Under these proposals, the key to welfare reform is to ensure that all single mothers will be financially better off in the job market than on welfare.

While a step in the right direction, there are two problems with this idea. First, the average welfare mother receives around \$11,000 per year in welfare benefits plus Medicaid. Thus the mother must obtain a job with medical coverage paying more than \$11,000 per year (or \$5.50 per hour) in order to be even slightly better off

The present system has created whole communities where traditional two-parent families have vanished, work is rare or non-existent, and multiple generations have grown up dependent on government transfers.

with a job than on welfare. Second, even if every mother could be guaranteed a job with medical coverage paying say \$7.00 per hour, the financial incentives for taking a job would remain slight. For example, if a mother gives up welfare benefits worth \$11,000 per year plus Medicaid and takes a full-time job with medical coverage paying \$14,000 per year (or \$7.00 per hour), she obtains an annual post-tax income increase of about \$2,500 in exchange for working 2,000 hours during the course of the year. This is an effective pay rate of \$1.25 per hour. The AFDC mother is expected to make a very large increase in labor for very little, if any, financial reward.

A similar recommendation is to reduce the disincentives to marriage by raising the earnings capacity of low-income fathers. While this would be another step in the right direction, it would not eliminate the anti-marriage effects of conventional welfare. Even if the earnings capacity of all low-income fathers were raised to the point

where *every* working father could provide a standard of living for his family higher than the standard of living welfare provides to single mothers—low-income mothers and fathers would still be better off financially if they avoided marriage.

The economic logic of welfare is simple and cruel. If a mother and father do not marry, their joint income is the value of welfare benefits for the mother plus the father's earnings. If they do marry their joint income equals the father's earnings alone. Another way of expressing this dilemma is that the welfare system imposes an extraordinarily high marginal tax rate (that is, income loss rate) on the act of marriage. If a man earning \$10,000 per year marries a mother on welfare, their joint income (including the value of the welfare benefits) would fall by some 50 percent. If a man earning \$20,000 marries a mother on welfare, the couple's joint income would fall some 30 percent.

Seven Reforms

Many current liberal proposals fall short because they add small new rewards for constructive behavior while ignoring the huge rewards for idleness and single parenthood already embedded in the present welfare system.

Most unwed mothers are not promiscuous; the father of the child is well known to them. He should pay support.

Serious welfare reform must not only provide new incentives for positive behavior, it must also reduce the huge rewards for destructive behavior that exist in the current system.

What is needed is a comprehensive welfare reform strategy that would balance these two key elements. Not only must it increase the rewards for work and marriage among low-income families, it must reduce the incentives currently provided by welfare for non-work and single parenthood.

Although many elements of comprehensive reform can be implemented at the state level, state actions should be complemented by tax relief and an overhaul of the U.S. medical system at the federal level. While tax policy and medical reform are formally outside the welfare system, reforms in these areas would have a significant impact on the opportunities and behavior of low-income families, and therefore are an important part of any welfare reform strategy.

A comprehensive welfare reform package would include seven important policy innovations:

1) Require work in return for benefits. States should require some but not all welfare recipients to work in exchange for benefits received. Recipients of food

stamps and general assistance who are not elderly and not disabled and who are not directly caring for small children should be required to obtain a job or if a job is not available to perform community service for at least 20 hours per week. Within the AFDC program, mothers who do not have children under age five or who have received AFDC for over five years should be required to find private-sector employment. If such employment is not available, they should be required to perform community service for at least 35 hours per week in exchange for benefits. In all two-parent families receiving AFDC, one parent should be required to work. For all programs the work requirement should be permanent, lasting as long as the individual or family receives benefits.

This policy specifically exempts most mothers with pre-school children from the work requirement. Because of the high costs of providing day care, work requirements for mothers with pre-school children would almost certainly increase rather than cut welfare costs. Moreover, great caution should be exercised toward any policy that separates young children from their mothers, as this will often have a significant negative effect on the child's development. Thus a well-designed work program generally would not include mothers with young children. However, a second rule requiring work from mothers who have received AFDC payments for over five years, either continuously or in separate periods, is needed to discourage mothers from intentionally having additional children to avoid their work obligation.

If a work requirement of the sort outlined here were established, roughly 50 percent of AFDC mothers would be required to work as a condition of receiving benefits. This would be an enormous improvement from the present situation; in the average state only 6 percent of AFDC mothers currently participate in job search, work, or training programs.

Of the seven reforms of the welfare incentive system presented here, the work requirement is the most important. Under the current welfare system a non-working single mother receives an income from the government for free; if she becomes employed she must give up all or part of this free income. However, if the welfare recipient is required to work in exchange for benefits, a new cost is attached to welfare dependence and the attractiveness of welfare relative to employment is greatly reduced. Indeed, if the work requirement can be coupled with other government policies that ensure the family will be somewhat better off financially when the mother is employed than when the family is on welfare, then the anti-work incentives of welfare would be utterly eliminated. However, as long as the welfare recipient has the option of receiving a sizeable income from the government without work, then it will be impossible through other means to reduce significantly welfare's anti-work incentives.

Surprisingly, a work requirement also eliminates the anti-marriage incentives of the current welfare system. Under the current welfare system, when a single mother marries a fully employed male she loses most of her welfare benefits. Under a welfare system with a work requirement, a single mother still would lose her benefits upon marrying—but she would now be losing benefits

that she had to earn rather than a free income, so the loss would be far less significant. As long as the mother could obtain a private-sector job that paid roughly as much as welfare, then marriage would no longer impose a significant financial or personal cost on the mother or her prospective spouse. Indeed, if required to work for welfare benefits, some welfare mothers would prefer to marry and be supported by a husband's income rather than enter the labor force. Converting welfare from free income to income that must be earned would make marriage economically rational once again for millions of low-income parents.

While few states have attempted to establish serious work requirements for AFDC parents, those experimental programs that do exist indicate that work requirements can have a significant impact in reducing welfare dependency. As part of a workfare program operated on an experimental basis in six Ohio counties, AFDC mothers were required to perform community service for 20 hours per week. While only 25 percent of all AFDC mothers were required to participate, the work program reduced the overall number of families on AFDC by some 12 percent. In other words, for every 100 mothers who were required to work in exchange for benefits, over 40 mothers left welfare entirely.

2) Reduce benefits. Welfare benefits for families on AFDC should be reduced. This is particularly true in states with high benefits levels. AFDC recipients are eligible for benefits from nearly one dozen major welfare programs. In all but five states, the combined value of benefits received by the average AFDC family exceeds the federal poverty income threshold. Moreover, there is considerable inequality in welfare benefit levels within each state. Because some families receive aid from many programs, they will have overall benefits much greater than other welfare families of the same size and characteristics within the state. AFDC families who also receive housing aid will have overall benefits some \$4,000 to \$5,000 higher than other AFDC families within the state. In almost every state such families will have combined welfare benefits well above the poverty threshold. States should reduce AFDC payments to families who also receive housing aid.

3) Require responsible behavior. States should require responsible behavior as a condition of receiving welfare benefits. This would include policies such as insisting that unmarried minor mothers reside with their parents or in some other adult-supervised setting, and reducing payments to mothers who fail to provide their children with free immunizations. Most important, mothers who bear additional children while they are already receiving welfare should not receive an increase in welfare benefits.

4) Establish paternity and enforce child-support payments. Single mothers should not be eligible for welfare unless they are willing to identify the father of their children. Contrary to popular perception, most unwed mothers are not promiscuous; the father of the child is well known to them. In cases where more than one male



UPI/Bettmann

The current welfare system has made marriage economically irrational for most low-income parents.

may be the father, modern scientific methods permit the determination of the true biological parent with nearly absolute certainty.

All single mothers prospectively enrolling in the AFDC program should be required to have the paternity of their child legally established as a condition of receiving benefits. The absent fathers should then be required to pay child support to offset at least some of the costs of providing welfare to their children. If an absent father claims he cannot pay child support because he cannot find work, he should be required to perform community service to pay off his child-support obligations.

Establishing a rigorous paternity and child-support system will greatly reduce the incentives for young males to enhance their macho image by siring children out of wedlock whom they have no intention of supporting. Another benefit of the proposed system is that it increases the rewards to responsible couples who marry relative to those who do not and thus, over time, will encourage marriage. However, a warning is needed: the government should avoid aggressively pursuing child support payments among young, low-skilled males without the firm backup of required community service for absent fathers who report they are unemployed. Aggressive child-support activities among this group without an accompanying community service requirement will counterproductively induce many young men to leave the labor force or work "off the books" to evade their child-support obligations.

5) Enforce education requirements. States presently fail to enforce the current federal law requiring all AFDC mothers under age 18 who have not completed high school or passed a GED to attend school. This provision should be enforced. To avoid the negative affects of separating infants from their mothers, however, mothers

with infant children should not be required to participate for more than 20 hours per week.

6) Provide tax credits or vouchers for medical coverage to all working families. The current welfare system provides free medical coverage to single parents and non-working two-parent families on AFDC, but does not provide medical assistance to low-income working families. This discourages work because a welfare mother considering a low-income job in a small firm—which

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typically will not include a health benefits plan—faces the loss of thousands of dollars' worth of medical benefits if she accepts employment. It also discourages marriage because a welfare mother marrying a man in a low-wage job in a firm without family medical benefits will again lose medical coverage.

The federal government could reduce the anti-work/anti-marriage effects of welfare by enacting the comprehensive medical reform proposed by The Heritage Foundation in *A National Health System for America*. This plan would, among other reforms, provide federal tax credits and vouchers for the purchase of medical insurance to low-income working families not eligible for Medicaid. A proposal similar to the Heritage plan recently was introduced by President Bush.


7) Provide tax relief to all families with children. The federal government currently imposes heavy taxes on low-income working families with children. A family of four making \$20,000 a year currently pays \$3,780 in federal taxes. This heavy taxation promotes welfare dependence by reducing the rewards of work and marriage relative to welfare. A crucial step in welfare reform is broad family tax relief along the lines proposed in The

Heritage Foundation's *A Prosperity Plan for America: How to Strengthen Family Finances, Revive the Economy, and Balance the Budget*. This plan would provide a \$1,000 tax credit for each school-age child and a \$1,500 tax credit for each pre-school child; the tax credits could be used to reduce the family's income-tax liability and both the employee and employer share of the Social Security payroll tax. The plan would eliminate all federal taxes on working families with children with incomes below 120 percent of the poverty threshold. The revenue loss of these tax credits would be offset by corresponding spending constraints through capping the growth of total federal domestic spending at 5 percent per annum. Thus the plan would not add to the federal deficit.

Responsibility and Incentives

Reform of the welfare system must ultimately be based on two principles. The first is personal responsibility. Society should provide aid to those in need. But aid that is merely a one-way handout is harmful to both society and the recipient. Such aid undermines the individual's ability to take responsibility for his or her own life. If the habit of dependence becomes entrenched, it destroys the individual's capability to become a fully functioning member of mainstream society. Currently, welfare is a check in the mail with no obligations. Reformed welfare should be based on reciprocal responsibility; society will provide assistance, but able-bodied recipients must be expected to behave responsibly and to contribute back to society in exchange for the benefits they receive.

The second principle is that incentives matter. Any attempt to reform the current structure of public welfare must begin with the realization that most programs designed to alleviate material poverty have led to an increase in behavioral poverty. The rule in welfare, as in other government programs, is simple: you get what you pay for. For over 40 years the welfare system has been paying for non-work and single parenthood and has obtained dramatic increases in both. But welfare that discourages work and penalizes marriage ultimately harms its intended beneficiaries.

The incentives provided by welfare must be reversed. But balance is crucial: comprehensive welfare reform must combine toughness and refusal to reward negative behavior with positive rewards for constructive behavior. Reforms that fail to include both sides of the equation will not succeed. 

WHY AMERICANS ARE ANGRY

Rush Limbaugh on the Politics of 1992

AN INTERVIEW BY WILLIAM J. BENNETT

No one has a better pulse on the concerns of the American people than radio talk-show host Rush Limbaugh, whose daily three-hour midday show is carried on nearly 500 stations with an audience of 12 million. *Policy Review* asked William J. Bennett, former education secretary and now The Heritage Foundation's Distinguished Fellow in Cultural Policy Studies, to interview Limbaugh on the political and cultural issues of 1992.

The interview took place on June 1, 1992. On his show that day, a blind and mostly deaf woman called from San Francisco to thank Limbaugh for telling listeners to be as good as they can be. She said this had given her the courage to get a job. To the music of "She's Come Undone," Limbaugh quoted an Anita Hill commencement speech that he said totally discredited her testimony against Clarence Thomas. He read from a Bill Safire column critical of Ross Perot's explanations of why he used political pressure to leave the Navy early. He made fun of the enormous airconditioning units and "acres of carpet" installed at the Rio conference. Limbaugh also played a tape of a 30-year-old Hubert Humphrey speech on the family as "the basic social institution of all civilization" and compared it to Dan Quayle's speech on Murphy Brown.

Bennett: Why is there so much hostility to politicians this year as opposed to earlier years? Are politicians more corrupt than they used to be?

Limbaugh: The anger we are seeing is not at politics as usual, and it's not at existing political institutions. People are reacting to the welfare state, to the failure of liberalism. Say what you want about conservatives owning the White House, liberals have run the House of Representatives for 37 years. And people are sick and tired of being blamed for the failure of the grand liberal social experiment. The American people are blamed for homelessness; they're blamed for AIDS; when they get tax cuts, they're blamed for causing the deficit. They're tired of taking all this blame for problems they didn't cause.

Bennett: Would we have this disaffection if Ronald Reagan were still in the White House?

Limbaugh: If Reagan had had a third term that was like his second term, yes. Congress would still be in charge. The welfare state would still be there. Now we have Bush, who has caved on taxes, caved on the economy, caved on every principle except the pro-life movement. So Bush is seen to be part of the failure of liberalism.

If I could say anything to George Bush, it would be this: "Mr. President, the people of this country desperately want you to be and do what you said you were going to do in 1988. They would love to vote for you. And you can still do it, you can still make them feel that way. It's going to take an incredible amount of passion, because passion right now is the only thing that's going to make you believable, because there are too many legitimate doubts about your lip-service to these things that elected you in the first place."

Bennett: What accounts for Ross Perot's popularity?

Limbaugh: I think Perot convinces people that they matter again, that they're relevant, that what they want is what should happen. His message is, "You own the country, and we won't do anything until you say we should do it."

Say what you want about his lack of specificity, he's also the one candidate who doesn't run from a problem. Tell him you've got a problem, he says, "Our highest priority is to fix that. We'll do it, too. I'll do whatever it takes; you won't see me anywhere but that Oval Office, that midnight-oil light burning, sleeves rolled up, working on it." He makes people think that, by virtue of his presence, things are going to happen that haven't happened. It's his presence, the fact he's on the scene. The specificity of "how" is irrelevant to them at this point.

I talk to Perot people on my show, and meet them when travelling around the country. They are upwardly mobile, middle- and upper-middle-class people, who are just fed up with what they see as the decline of the country. They may not be able to voice it, it may be in their subconscious, and Perot is bringing it out.

Bennett: Why are you so concerned about the scandals in Congress? Is this a major issue in and of itself? Or is the corruption in Congress a symbol of a broader corrup-