

Elephants and Donkeys by Kathleen and Mel Klenetsky

Forbes falls flat in Iowa caucuses

Steve Forbes, the half-a-billionaire publishing mogul who has been pursuing the flat tax as though it were the Holy Grail, came a cropper in the Feb. 12 Iowa caucuses. Despite pouring millions into campaign advertising, Forbes found himself scrambling to place fourth or fifth, way behind Bob Dole, Pat Buchanan, and even Lamar Alexander.

One may expect that Forbes will lay the blame for his pathetic showing at the feet of Buchanan and Dole, whose organizations he accused of carrying out a smear campaign against him in Iowa. Forbes claimed that campaign workers for these two rivals had telephoned Iowa voters charging he favored taxpayer-funded abortions and same-sex marriages.

However, it may be that Forbes's media-hyped, flat-tax mania has gone a little flat, and that, as they find out more about him, voters will rule him out completely.

What will the impact be on the electorate as it becomes more widely known that Forbes favors privatizing Social Security, à la the Chilean model? (Such knowledge may have been a factor in Forbes's inglorious showing in Iowa, since Bob Dole ran TV ads in Iowa warning that "Steve Forbes plans to end Social Security as we know it.") Or that Forbes wants to privatize Medicare as well? Or that his flat tax will lay waste to what remains of the U.S. economy?

A friend of the British oligarchy

Forbes didn't cook up these horrors all by himself. He is linked to the networks of the Mont Pelerin Society, the

Swiss-based, British-backed organization which is bent on destroying the United States through free-market policies.

Indeed, Forbes's major issue, the flat tax, came straight out of the Hoover Institution, one of Mont Pelerin's principal outposts in the United States. It was picked up by Gingrichite Rep. Dick Armey, once a distinguished fellow at the Fisher Institute, whose board included Mont Pelerin founder Friedrich von Hayek!

The flat tax itself is a purely oligarchical scheme. Not only would it raise taxes on the middle class, by eliminating such crucial deductions as mortgage interest and medical expenses, but, far worse, it would tax *only* income from actual work, and exempt income from investments.

In other words, a Wall Street speculator, who made millions speculating on currency swaps, farm futures, or other derivatives, would pay no tax on his profits, but a steelworker or other salaried person would pay a hefty tax on his income.

Oligarchism dominates Forbes's life and outlook. Raised in wealthy New Jersey horse country, educated at Princeton, Forbes inherited control of the eponymous business weekly, which was founded by his grandfather, after the death of his father, the flamboyant Malcolm Forbes.

Forbes magazine has long served as a propaganda outlet for British-inspired attacks against the "American System" of dirigist economic development. Just take a look at some of its senior editors, beginning with Steve Hanke of Johns Hopkins University.

Affiliated with the Cato Institute, Heritage Foundation, and other "Conservative Revolution" hotbeds, Hanke co-authored a column for *Forbes* with Sir Alan Walters, then personal adviser to Prime Minister Maggie Thatcher.

Hanke attended the recent Mont Pelerin Society meeting in Cancún, Mexico. (See *EIR*, Feb. 9, 1996.)

Another senior editor is black conservative Thomas Sowell, housed at the Hoover Institution and a member of the Mont Pelerin Society.

Forbes's brother, Tim, a VP at Forbes, Inc., is a director of the Margaret Thatcher Foundation, while another brother, Kip, is married to a baroness, and holds membership in the English Speaking Union, the British Institute of the U.S., and other British organizations that were set up to extend British control over the United States.

The eugenics factor

Another senior editor is British-born Peter Brimelow, the author of the immigrant-bashing book *Alien Nation*, who is tied into various eugenics circles in the United States and Canada. This raises another point about Forbes: his affiliation with Nazi-style race science.

A key architect of Forbes's Presidential bid is Tom Ellis, a North Carolina political operator close to Jesse Helms. Ellis was a director of the brazenly pro-eugenics Pioneer Fund from 1973-77. The New York-based foundation has bankrolled research by Arthur Jensen and other "scholars," purporting to prove that blacks are genetically inferior to whites in intelligence. It has financed such publications as *Aryan Evolution*. Its first president, Harry Laughlin, was the associate editor of *Eugenical News*, secretary to the Third International Conference on Eugenics, and helped write the Model Eugenics Sterilization Law.

Is that what you have in store for us, Stevie?