

National News

U.S. Living Standards' Long-Term Decline

A new study has documented a long-term decline in living standards of young, white, male workers in the United States. The study, published as a book, *Divergent Paths*, followed 5,200 men for 16 years, and came to the conclusion that 90% of young, white, male workers today are worse off than they would have been 20 years ago. Those 90% can expect to have lower lifetime wage growth than their counterparts in the previous generation.

Two groups were studied, one starting in 1966, and one in 1979. The men were in their teens when the study began. The Bureau of Labor Statistics cooperated in the study.

The study shows a rising gap between high- and low-income workers. In the "New Economy," inequality in wage growth rose rapidly in the 1980s and 1990s. The gap between high- and low-income earners has widened by 20%, because those young men in the lower earning brackets are faring worse. Even college graduates are seeing lower wage gains; and more workers are going into low-paying jobs. In fact, the number-one job for projected growth in the coming years is expected to be that of cashier.

While focussing on redistribution, the study does raise questions about "shareholder" values taking precedence, and the free-market approach.

The work was funded by the Russell Sage Foundation and the Rockefeller Foundation. The authors are Annette Bernhardt of the University of Wisconsin, Mark Handcock of the University of Washington, and Marc Scott of New York University.

Cheney Betrays Fear of Coup

While the White House is preparing for war on the "axis of evil," Vice President Dick Cheney betrayed fear of the actual perpetrators of the Sept. 11 attacks, in answer to a

question by Georgie Anne Geyer of Universal Press Syndicate, after his speech at an event sponsored by the New York Council on Foreign Relations, in Washington on Feb. 15. Lyndon LaRouche and *EIR* have insisted, since the attacks first began on Sept. 11, that they were not masterminded by al-Qaeda, but by domestic military-utopian forces.

Cheney admitted that the U.S. government is still very much concerned about a possible attack on the country's leadership: "Clearly, sort of at the front edge of why I am often at undisclosed locations, is the need to avoid having the senior leadership of the U.S. government all in one location on any kind of predictable basis. . . . It's focussed, more than anything else, on our obligation to protect and preserve the continuity of government, the Presidential succession; and, therefore, . . . I've often stayed apart, away from the White House when the President's in, and vice versa."

Unlike before, he said, "now we've had to contemplate a whole different kind of threat, where we're talking about conspiracies, well-organized groups with, possibly, support from outside the nation"—hardly a formulation which fits al-Qaeda—"able to put together, for example, something such as the attack on Sept. 11. And I, personally, believe as well, and I think many people do, that the attackers of 9/11 clearly planned to do much more damage in Washington than they were able to do; and that the people who took down the airliner in Pennsylvania had . . . a very significant hand in thwarting what would have been a far more deadly attack had the hijackers been allowed to carry it out."

Bottom Gone From California Budget

California's huge and growing revenue deficit symptomizes national collapse of state budgets, and confirms *EIR*'s May 2001 forecast. The Legislative Analyst Office (LAO) on Feb. 21 issued its critique of Gov. Gray Davis' proposed 2002-03 budget, according to the *Los Angeles Times*. Due to an

estimated 62% decline in capital gains and stock option revenues, as compared to the administration's projected 47% decline of the same, the LAO expects that Davis' budget will come up \$5 billion short. This would bring the state's FY 2002-03 revenue shortfall to \$17.5 billion.

Davis' budget was constructed to plug a \$12.5-billion shortfall, but the LAO report estimated that despite all the cuts and budget adjustments, there is a further \$5 billion shortfall, which it attributes to "overstated revenues" (\$3.9 billion) and "understated expenses" (\$1.1 billion). Ironically, the LAO proposes even more draconian budget cuts than those Davis has already made.

EIR's May 4, 2001 feature on state budgets, showed that the states' addiction—especially California's—to reliance on the speculative economy as a revenue source, would foredoom their fiscal well-being. In the case of California, 20-22% of its revenue base was derived from capital gains and stock options. Now, the LAO forecast shows that nearly two-thirds of that revenue source has gone "poof."

Virginia Highway Construction Halts

The state of Virginia's severe cash crunch (a budget hole which has rapidly grown to nearly \$2 billion and rising) will halt nearly all highway construction until at least April 1, according to the *Richmond Times-Dispatch* of Feb. 22. The Virginia Department of Transportation (VDOT) has asked construction companies to stop work on all but 37 of its 500 transportation projects. The companies will be ordered to halt work if they don't do so voluntarily.

VDOT estimates that these stop-work orders directly idle 32,500 workers.

Newly assigned contract work, and design work for contracts scheduled to be let for bids, have also been postponed, and no contractors will be compensated for the costs of the delays.

At the same time, the Virginia Retirement System lost \$3.3 billion, or 7.8% of its value, in 2001. The Retirement System

MEDIA cartels won a huge victory for monopoly domination of public opinion, news and entertainment. A U.S. appeals court invalidated a Federal Communications Commission (FCC) regulation which has prevented one company from owning TV stations and cable franchises in the same market.

Former FCC chief Blair Levin said, "It allows for the creation of a powerful new entity we have never seen before." The Consumers' Union's view is that "the result could be the most massive consolidation of media this nation has ever seen." Immediately, it's expected that AOL-Time Warner will merge with NBC.

UNEMPLOYED workers have run out of unemployment insurance benefits, in larger numbers than at any time in the past 25 years. According to the Center for Budget and Policy, 81,000 workers are being dropped from unemployment rolls every week, on average. Legislation to extend benefits is stalled, and White House economic chief Lawrence Lindsey told the American Enterprise Institute that it's less important than "creating jobs."

UTOPIAN "American imperialist" Robert Strausz-Hupé, extremely influential in shaping the views of Clash of Civilizations theorists like Samuel Huntington, Zbigniew Brzezinski, and Henry Kissinger, died on Feb. 23, at 98. Founder of the Foreign Policy Research Institute, advocate of destruction of all nation-states, Strausz-Hupé had just been prominently exposed in the LaRouche in 2004 Special Report, *Zbigniew Brzezinski and September 11th*.

SALES of existing homes rose by a record 13.9% in January, over January 2001, with large-scale layoffs forcing many homeowners to sell and move quickly, according to the Feb. 26 *Wall Street Journal*. Conversely, *new home sales fell* by 15% from last January, according to the Commerce Department. The former statistic gained much greater publicity, than the latter.

represents half a million active and retired state employees.

Bush Welfare Plan Ignores Reality

President George W. Bush outlined an unworkable welfare plan on Feb. 26, to replace the draconian 1996 "welfare reform law" that is expiring; many of the welfare recipients pushed into the job market under that 1996 law, have been laid off during 2001, in particular, since Sept. 11. Under Bush's proposed, "tougher" plan:

- Every state would be required, by 2007, to have 70% of the welfare recipients working (up from the present 50% requirement); the recipients would have to work at least 40 hours per week (up from the current 30 hours). The President proposed that the states control the plan, even as states are going bankrupt, and companies are going belly-up. The 40-hour work requirement would allow for up to 16 hours of education or job training.

- Marriage programs would receive \$300 million, and abstinence education programs would get \$135 million.

- States would be allowed to spend however they see fit, the welfare block grant money—\$16.5 billion in the fiscal year starting Oct. 1—with waivers available to them to redesign Federal programs.

- The role of religious, or so-called "faith-based" groups, in administering Federal programs, would be increased.

ADL Pays Out of Court for Spying

Lawyer and former Congressman Pete McCloskey (R-Calif.) has won from the Anti-Defamation League of B'nai B'rith (ADL) a large cash settlement, in the nine-year-long civil court case that arose in April 1993, when the FBI and San Francisco Prosecutor's office launched raids on the ADL's West Coast offices. The cash settlement reflects the ADL's role, then and now, in main-

taining a massive dirty tricks spying apparatus, in close coordination with Israeli intelligence and elements of the FBI.

According to an article in the Feb. 25 *Counterpunch* magazine by two of McCloskey's clients—victims of ADL spying—"Almost a decade later the suit has been settled with a significant cash payment by the ADL and, we wish to emphasize, without our signing any agreement for confidentiality which the ADL had previously demanded. Our efforts to expose the organization's work in defending the policies of the Israeli government and stifling its opponents will continue, using new information gained in the pursuance of the suit."

The ADL's anti-LaRouche operative Mira Lansky Boland once threatened to resign if the ADL didn't succeed in backing Roy Bullock, its undercover operative, and shutting down the criminal case, involving confidential government files. The ADL did succeed, by 1994, in stopping the prosecution, which then left only the civil case.

Bullock was found to be in possession of an office key and floor plan to the office of Alex Odeh, the West Coast head of the Arab-American Anti-Discrimination Committee, who was killed by a 1985 booby trap bomb in his office. Bullock's intelligence was always cross-gridded with Israeli intelligence operatives in their Los Angeles consulate.

New York City Finances Turn Into a Joke

Mayor Michael Bloomberg of New York, facing a \$5 billion budget hole, is seriously considering selling the Brooklyn Bridge, along with three other old, toll-free city bridges. Bloomberg's scheme is to reap \$800 million a year for the city's coffers, as payment out of new tolls to be imposed by whatever financial entity might want to step into that old gag line, and buy the bridges. Mayor Bloomberg will need to hurry: It's already too late for the venerable Brooklyn span to become the Enron Bridge, the Kmart Bridge, the Winstar Bridge, the Global Crossing. . . . If the scheme goes through, the bridge is guaranteed to outlast its owner.