

But like a patient not wanting to hear the dreaded diagnosis, America cannot accept the plain truth that we are broke and that the welfare state is not repairable.

A Perot presidency will be the last desperate effort on behalf of Keynesianism. But it won't work. If he wins, he will be America's Gorbachev. Gorbachev's effort to liberalize communism in order to save it failed and ushered in a totally new era.

Perot is Mr. Fix It. It's necessary that we hear nothing of philosophy or of specific positions. Perot gets away with not answering the questions because America does not want to hear the truth.

Perot cannot fix the welfare state any more than Gorbachev could fix Soviet socialism. To achieve even a semblance of success, Perot may resort to authoritarian means. Maintaining order may be the number one priority, especially as the race riots grow.

If the idea that government should provide all the people's needs is not rejected, Perot will tend toward a tougher IRS, disarming the people, and responding to the loudest demands.

Since demands and needs are now construed as rights, these efforts will be seen as proper and "constitutional." Perot will be called upon to act just as he did when his employees were threatened in Iran.

There is only one good thing about the Perot campaign: it may cause the major realignment of politics in America that we have been waiting for. But only if

enough Americans are convinced that freedom, capitalism, and sound money are better than autocracy, welfarism, and paper money.

## Encore

Riot gear, tear gas, smashed windows, destruction, and death. These have become the symbols of urban America in 1992.

Just after a basketball game ended on June 14, blacks poured into the streets of Chicago in celebration. How to celebrate? How else? They broke the windows of stores to loot, even breaking through protective steel shutters with crowbars to steal everything in sight.

They set dozens of fires and burned down buildings along the former "Magnificent Mile." Clothing and grocery stores went up in flames. They flattened two taxicabs by turning them over and jumping up and down on them en masse, then diving head first into the crowd. (Is this why Hollywood tells us White Men Can't Jump?).

They shot or otherwise injured 95 police officers and wrecked 61 police cars. They killed five people, burning to death a liquor-store owner and his girlfriend desperately trying to get away. And they injured more than 100 other people. Police arrested more than 1,000 blacks.

"When you celebrate something in America, you break a window and grab something," explained Chicago Mayor Richard M. Daley. "When people have an excuse to loot, they loot. And when they have an excuse to shoot, they shoot." Oh? Not in my neighborhood or yours either.

Of all the stores that were looted, only one had its goods simply thrown on the sidewalk rather than stolen: a bookstore. The owner of Stuart Brent Books said, "Think of the shame they brought to one of the three or four great streets in America. The thing that frightens me is how close we are to barbarism."

Close? Mr. Brent, we've arrived, yet this rioting was barely mentioned by the national media. The liberals want to keep white America from taking action against black crime and welfare.

The media explained the L.A. killing, rioting, and looting as a considered protest over the Rodney King verdict. What's the excuse this time? Happiness over a Chicago Bulls victory?

Jury verdicts, basketball games, and even music are enough to set off black rage, it seems. On the same day as the Chicago riot, blacks in Belmar, New Jersey, went on a violent rampage.

Organizers of the MTV music festival had heard reports that cars nearby were being vandalized and so cut short a rap concert by one hour. That was enough to send the black mob into the streets setting fires, throwing bottles, and looting stores.

In Los Angeles, we were told, it was "No Justice, No Peace." What was it in Belmar? "No Music, No Peace"? Or in Chicago? "We Won, No Peace"?

## Sister Souljah

Polls show Bill Clinton's major negatives to be: a history

of sexual infidelity, kowtowing to blacks, and possible drug use. What does he do about it? He appears on the Arsenio Hall Show (a late-night black talk show) in dark sunglasses (a favorite of drug users) and plays the saxophone.

But even Clinton has gotten in trouble with Jesse Jackson and his black constituency in the Democratic party. Why? At a Rainbow Coalition conference, Clinton criticized the featured speaker of the previous night, a female rapper who calls herself Sister Souljah.

The Sis is an enthusiast of the Los Angeles riots. She thought it was a great idea to "have a week and kill white people." Her "music" advocates the same cause.

At the conference, Clinton mildly criticized those comments as sounding like David Duke turned around. (In fact, Duke never said anything of the kind. He was called Hitler for opposing black privileges.)

Jackson reacted to Clinton's comments with fury. He was "shocked and offended," he said--not at the Sis's call for murder--but at Clinton's repudiation of it. "Attacking rap artists are all diversions from the central issue," said Jackson.

"Why would he come here and say something like that?" asked Howard University political scientist and Jackson advisor Ronald Walters. "In a three-way presidential race, he's going to need a massive black turnout in November." Walters explained that Souljah "represents an authentic expression of sentiment among a substantial segment

of black youth and black people in general."

Clinton clarified his comments: "I think it would have been wrong to try to raise the issue to a conservative white group." And he said he wanted to meet with Sister Souljah to discuss their differences.

What does it say about a party when its candidate can't criticize those who advocate killing white people without upsetting its core voters? What does it say about blacks that they would find it upsetting to hear this criticized?

My guess is that Jesse Jackson and friends talk like this in private. If not, why wouldn't they repudiate it?

Note: The Senate insisted on tripling urban aid to \$2.3 billion after the L.A. riots. It was pushed through by liberal Ted Kennedy and "conservative" Orin Hatch.

## Liberation or Slavery?

This from Richard Maybury caught my eye:

"Last year hundreds of Americans died 'liberating' Kuwait, and now we are getting more information about what they died for. Foreign embassies in Kuwait are crowded with slaves--yes, slaves--who used the wartime confusion to escape from their rich Kuwaiti masters.

"The British government has documented more than 1,000 cases of Filipinos, Indians, Pakistanis, Bangladeshis, and West Africans held in bondage by the ruling Kuwaiti tribe.

"Note the irony of black Americans risking their lives to return Kuwaiti slave owners to power."

(Richard Maybury's U.S. and World Early Warning Report, Box 1281-Q, Orangevale, CA 95662, \$149/year.)

## The Government Temptation

My youngest son is starting his fourth year in medical school. He tells me there would be no way to persuade his fellow students of the case for economic liberty.

His colleagues have all borrowed tens of thousands, if not hundreds of thousands of dollars, from a government loan program. They can't possibly resist government intrusion in medicine once they've become so dependent.

An example: my son could be eligible for a \$3,500 grant--provided he borrows at least \$7,500 from the government. He wondered: why not borrow the \$7,500, bank it, and return it to the government immediately after graduation? In that way, he could get the \$3,500. Needless to say, my advice to him was not to accept stolen money.

## Panama's Gratitude

George Bush said he had to invade Panama because an American soldier was killed by Panamanians, but that the Panamanian people were grateful. On Bush's recent stop in Panama, huge efforts were made to get the people out in support of the President. But it ended in a political disaster for Bush

promise to impose stricter domestic environmental controls, and a step or two down the road to World Government, especially the beginnings of a global green police.

The Secretary-General of the conference, Maurice Strong, pronounced the conference a failure. But this should not encourage us. In the British Columbia Report, Mr. Strong described his "unfilled ambition" as follows:

"What if a small group of...world leaders were to conclude that...the only hope for the planet [is] that the industrialized civilizations collapse? Isn't it our responsibility to bring that about?" Or, as he put it earlier this year: "Frankly, we may get to the point where the only way of saving the world will be for industrial civilization to collapse."

## The Racial Racket

Racial politics is usually a pain in the neck. But these days the pain goes right to the heart of the economy: the money and banking system.

Immediately following the riots, the Federal Reserve promised to ignore non-performing loans to blacks when assessing a bank's soundness. That means we will never know the truth about any bank's financial shape insofar as they have been pressured to give race-based loans.

What's really disgraceful are the fraudulent studies pumped out by the Federal Reserve--and

pumped up by the Wall Street Journal--showing "discrimination" in lending.

Invariably, they demonstrate that blacks get fewer mortgage loans than whites. But it turns out the studies deliberately don't take into account the income or credit rating of customers--the two key factors that determine whether banks are willing to loan money.

Another good example is a study just released by ACORN (Association of Community Organizations for Reform Now) called "Take the Money and Run: The Siphoning of Deposits from Minority Neighborhoods." It alleges that banks take deposits from blacks and then don't grant them loans. They say that for every dollar on deposit, only 4 cents goes to blacks.

Ever vigilant against economic differences that express themselves in racial terms, the American elite are busy instituting race quotas in lending.

ACORN called for a summit meeting with bankers to "work out the differences"--meaning the blacks rant until the banks fork over the cash. Disgustingly, it was attended by Bank of America, Chemical Bank, NationsBank, Mellon Bank, Banc One, Continental Illinois Bank, Worthen, and 1st National Bank of Chicago. They all agreed to fork over more money--so long as the regulators don't notice that they are not paid back. It saves the banks "public relations" problems.

Another recent example of racial graft that involves banks comes from the Department of

Energy. It has decided to deposit part of the money extracted from oil companies that violated price controls into banks that then buy CDs from black-owned banks. Eight LA institutions will receive a total of \$22 million so they can grant new loans.

Leave aside the fancy transaction, this is just another form of welfare. But Jack Kemp-type conservatives like it because it facilitates "homeownership."

Never mind that the mortgages are not paid, never mind that the loans are not granted according to sound banking practices, and never mind that white taxpayers are the ones insuring the bank system.

In fact, Kemp's Department of Housing and Urban Development will assist the effort by conducting a \$1 million sting operation against mortgage lenders. Kemp will send a black man to various banks to see if he is denied credit. If so, the institutions are severely penalized.

## Real Racial Discrimination

A homebuilder in Arlington, Virginia, was fined \$1 million because, for five years, he used only white models in his ads.

## Foreign Buyout?

Should we worry that foreigners are buying up America? Probably not, especially since it is not happening. And trends point the other way. In 1991 foreign purchases of U.S. properties dropped 66%. It is now at its lowest level since 1984. That's the third straight year of decline in foreign direct investments. But despite foreigners' unwillingness to invest here, and the financial disaster the country faces, Congress doesn't mind dumping \$22 billion of direct foreign aid for next year.

Indirect foreign aid, as is found in the military budget and programs like the Export-Import Bank, runs this total up to more than \$100 billion.