

**1997 International Platform Association (IPA) annual convention,
Washington, D.C.**

TRANSCRIPT OF AUDIO RECORDINGS

Audio announcer: The International Platform Association presents this live recording from the 1997 *annual* convention held July 30th through August 3rd. We take you to Washington, DC, where the program is just *now* beginning.

MILLIE DEUTSCH: Gentlemen, fellow IPA members, greetings. I am Millie Deutsch, governor. But first of all, let's give a big round of applause to Georgia Luttrell, our music director [applause]. Thank you. On behalf of Luvie Owens, our chief executive officer, and all of the officers and governors of our organization, it is my honor and delight to welcome you to the 166th-year celebration of our cherished IPA. Enjoy the exciting five days ahead that Luvie Owens and her staff have planned for you, for us. A *special* welcome to our speakers this evening: president Jack Anderson, Christiane Amanpour, and Richard Behar. And now let us rise and pledge allegiance to the flag.

I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible with liberty and justice for all.

And now, ladies and gentlemen, please help me in welcoming governor [Robert] Bob Leiman, speaker extraordinaire [applause].

BOB LEIMAN: Thank you very much, Millie, for a grand, warm welcome, and to all of you I extend a welcome. About 28 years ago, I was in awe as I came to the platform world, met Ted Mack, many other leading speakers. Today I'm excited. I get more excited every year, and I want to bring to you welcome on behalf of the founders, Daniel Webster and Josiah Holbrook, who founded the [American] Lyceum in 1831. I'm going to jump to 1903 when Ralph Bingham and Edwin Barker founded the International Lyceum. I want to mention a couple of other things that happened. That happened to be in Steinway Hall and theater in Chicago in 1903. The Chautauqua joined the organization in 1916, and then a few years later it dropped, and Chautauqua went on its own. And all of these folks welcome us, and we claim them as our *roots* of the platform world. Fifty years ago, the IPA—International Platform Association—was born, started the first time we used that name. We've used it for 50 years. This is our 50th anniversary and our 166th birthday.

The Chautauqua was a great leader for us. And 70 years ago, Paul Pearson was involved in the platform lyceum world, who was the father of Drew Pearson, who some of you young folks may remember spearheaded the movement in Lakeside, Ohio. Then we claim that Drew Pearson was not the father, but he really wasn't the father—he was a relative of Dan Tyler Moore, who really lifted IPA up to become recognized as really and truly the marketplace of the platform world. This happened 50 years ago. We moved to Washington about 30 years ago, a little more than that. That's the first chapter in the story of the IPA.

Now we have some exciting programs and Luvie Owens said, 'Don't talk too much. Bob' [audience laughter]. Our first speaker today, tonight, at this lecture, this Platform meeting, is being recognized by the Lowell Thomas Bowl, or silver bowl award. Lowell Thomas, as many of you know, had the first radio program in 1930. We know Lowell Thomas as the person who had been the spokesman of the media starting over 60 years ago. We know Lowell Thomas as the lecturer that traveled around the world and collected biographies on famous people, including the Sheik of Arabia. We know also that Lowell Thomas was the president of the International Platform Association, and I had the pleasure of sitting on a platform with him two weeks before he died, at an IPA meeting. And I can remember those awards have gone to Barbara Walters, David Brinkley, Ted Turner, Tom Brokaw, Bernard Shaw, and many, many others. So, our speaker tonight, and the recipient tonight, certainly has tall shoes to step in. And the way I read her history, she's going to do it very, very well. First, she was born—she had to be born someplace—in London, England, and graduated from University of Rhode Island with Journalism summa cum laude from the University of Rhode Island.

Christiane Amanpour started her work in the radio business as a technician, and then grew into the radio business and reporting business. She had reports on Central Europe and the Persian Gulf. She was a CNN—excuse me if I pick this up because I can't, it's not my eye, it's a small print—CNN chief international correspondent Christiane Amanpour has worked in most of the hot spots in the 1990s. I won't mention them all, but it was Sarajevo, Haiti, Algeria, Rwanda and Yugoslavia. She called the attention of the world to the Bosnia tragedy. She also has been involved with the '60 Minutes' program and set them sort of on their ears. And she has received so many awards already, and this silver bowl award of the IPA platform, we're sure will take a prominent place on her place where she has all of her treasures. And I'd like to ask her to come forward and read what it says in this bowl as I present it to her.

The 1997 'Lowell Thomas broadcast journalism award' of the International Platform Association to Christiane Amanpour for her outstanding contribution to the broadcast journalism. And that's on here. It's printed on here, yes, but we can't read it as well, so we put it in here, and I'm pleased on behalf of the IPA's grand Lowell Thomas, to present this to you tonight [applause].

CHRISTIANE AMANPOUR: Thank you.

BOB: Congratulations.

CHRISTIANE: Thank you very much. It's beautiful. Lovely. Thank you very much. It's a great honor, particularly to receive this award, which is named for somebody so adventurous, such a globetrotter and so brilliant. You know, for us, sometimes standing here, it's hard, perhaps sometimes not to sound falsely modest or arrogant or just plain sappy. But I would like to say in receiving this and in thanking you for this, that journalists who do what I do, what we do, we *really* do feel that when our time comes, when our hour comes, and when our moment comes, we simply do our job, and therefore do our duty. And *maybe* we get recognized because there's such a difference to what, for instance, some of our governments have done, particularly over the war in Bosnia, the four-year war in Bosnia—governments in the United States, in Europe, international institutions really were so profoundly *derelict* in their duty that perhaps those of us who actually did what we were meant to do stand out in relation to that.

And by doing our duty, I mean that we as reporters were simply *there*, in Bosnia, for instance, in Rwanda, in Haiti and Somalia and all those other places we get sent to. We were there and we reported, and we told the story day after day after day. And in this particular case, in Bosnia, it was a story that was not *just* another story. It was perhaps, I think, one of the most important stories and crises and wars of our generation, because what we were doing there was reporting on genocide and crimes against humanity, and really today even I find it incredible that it could have gone on for so long on the continent that prides itself in democracy and freedom in *our* time, on *our* watch, at the end of the 20th century, on a continent that really has signed up to all sorts of human rights laws, to the laws of civilized society and to all sorts of conventions that we are bound to uphold. And it really *still* amazes me that this awful war and everything that went on there went on for so long with no intervention, *despite* the fact that we were the purveyors of journalism in an age of very sophisticated technology, and that *everything* that happened there was minutely recorded day in and day out, on the news, and also all the intelligence services in all the countries who were monitoring what was going on *knew* what was going on there. But it was the journalists who were the ones who revealed, for instance, the concentration camps, and who first confirmed that there were human bones in mass graves around Srebrenica after the fall of Srebrenica. I say that because it still amazes me that countries today were able to just stand back and watch and not really *do* anything until we journalists really sort of shoved it in their faces.

A lot has been written about how journalists covered Bosnia. A lot has been written about the whole idea of objectivity, and I'd like to address that because I think, particularly in this instance, particularly in *war*, objectivity is vital, and it's the essence. For many of us young journalists, Bosnia was the first test of our responsibility to our audiences, our responsibility as professionals and our responsibility as human beings. And I don't think any of us really realized

that at the moment, but certainly it shaped *my* reports. As I said, it was not really a report about—it was not really a story of armies fighting against each other on battlefields. Bosnia was a war against civilians, and as such, it was a massive and prolonged war *crime*. It was genocide. It was religious or ethnic extermination. It was the killing of men, women and children purely because of their *religion*. And it's been said before, and I'll say it again: 'Never again' was meant to be never *again*, but we saw it happening again in Europe. And *despite* the fact that during the Holocaust, many people were reasonably able to say 'We didn't know what was going on,' in Bosnia and of course in Rwanda as well, people were not able to say that. They *did* know what was going on because we showed it, night after night. And I think what people who didn't care and didn't do anything about it will have to say in the end is, 'It's that we *didn't* care.' And I think that's a very grave commentary on our society. Because Bosnia really was all about what we've been taught and brought up to believe in. It was multiethnic, it was multiracial, it was fairly tolerant. And as such, as I say, it represented all the values that we were taught to cherish and uphold.

And an *attack* on those values was an attack on *our* values. And if Bosnia lost, we all lost. As I say, it was very shocking to all of us that for four years all the political leaders really treated Bosnia like a humanitarian crisis, as if it was just a flood or an earthquake—which is *serious*, but in floods or in earthquakes you react a certain way. In serious political situations and serious crimes, and in events of serious crises like Bosnia, it requires a serious political response. And it was very, very late in coming. And we journalists realized that what we reported and *how* we reported shaped the public perception of what was going on, and really therefore shaped events and shaped the response. And we realized that perhaps more than any other time, certainly in *my* career, our words there mattered, and what we said and how we said it had consequences, and therefore we had to be very, very careful. And as such, we had to examine our golden rule, and that is the rule of objectivity, and ask ourselves what it really meant. For us, all of a sudden, morality entered the equation of our professional lives.

You know, we, as I say, all the political leaders and everybody who didn't want to intervene, repeated over and over again the mantra that 'This was just centuries of ethnic hatred, there was nothing we could do about it, it was tribalism, all sides were equally guilty—all sides were as bad as each other, so just let them get on with it.' Of course, none of that was true. It was not centuries of ethnic hatred. It was not 'all sides equally guilty.' There were clear, aggressive and clear victims, and our job became therefore to confront the double-talk that was going on in the public arena, and we were unable to finesse reality to suit what the politicians here and in Europe wanted the rest of the world to *believe*. For us, it was not an option simply to be neutral or to shut up in the face of the unspeakable crimes that we were witnessing. It was not an option, as I say, to be neutral. And this is where the whole idea of objectivity comes into play. Because for many people, they think objectivity means neutrality. But really, if we examine what

it means, it means giving all sides an equal hearing, but not necessarily *treating* all sides the same, particularly when all sides are *not* the same. Because when you do that, you blur the line, you enter the realm of moral equivalence when there is clear evil, and there's clear distinctions to be drawn. So, in any case, we didn't take sides, we just told the story, and that, I think, was what we did and what we should have done in Bosnia.

I think in general, great journalism, if one aspires to that, requires great commitment, great passion. It requires those who practice it to think of it not just as day labor, but really as a labor of love. And it requires, I think, special people to go into it, people who *want* to do it, people who have the energy to go out there, to seek out what's going on and to be able to come back and report it and want to do it. And I think that one of the *most* important things, I guess I would say that because I'm a foreign correspondent, but foreign news, I think, is very important. And I think speaking about that in today's America is kind of like, I don't know, speaking about the plague or something. Every time I come back, people say, 'Oh, Americans don't care about foreign news, and this, that and the other, and therefore we can't put too much of it on the television or in our newspapers.' And I think that's really a lot of rubbish, because I think that Americans, like any people in any countries, appreciate stories no matter *what* kind of stories they are, whether they're foreign or they're domestic, as long as they're well told.

Clearly, most Americans are going to give much more importance to what happens in their own country and what directly affects their lives. But there's a whole world out there that people can't ignore, and particularly Americans, because America is, whether you like it or not, the only superpower. It is the only country with any kind of direct and effective global reach and influence. Whatever America does affects the rest of the world. Wherever I go in the world people are *always* asking me what America thinks about *this* and what it will do about *that*, and does it care about X, Y and Z country or X, Y and Z problem.

So there are a lot of people out there really looking to this country for guidance, and really for example, and I think the least the people of this country can do is be interested and informed. And I think that's our *job*. It is to inform. It is to educate, to a certain extent. And so I hope that in the future, while all these news organizations and things that are going through sort of overhauls, and looking at how we present the news and what our role is, and I don't think it's a role just as a *follower*. In other words, it's not good enough for us to say, 'Well, people don't want it. They want trash and scandal. So we should give them trash and scandal.' I think that we should have as journalists, as a profession, the courage and the conviction to *lead* and to set the standards, and really, in some cases, to *give* into the public arena what we think is 'good,' if you like. You know, I mean, it's not to sound like we want to be going like schoolteachers giving out, sort of dispensing lectures here, there and everywhere. But for better or worse, the media today is the 'power broker' really. Perhaps in another era it was money, perhaps at one point it

was politics, but today it's the media. And we wield a very powerful tool, and therefore we have a great responsibility to use it properly and to use it well and responsibly. I think this profession, I speak particularly about broadcast journalism and particularly about television, is a great one, and it's a noble one, and it can be a force for *immense* good, and it simply depends on what *we* want to make of it. We *can* make a difference. It depends what kind of a difference we want to make. So tonight, I'm delighted to receive this award, which is named for one of the greatest in our profession, Lowell Thomas, and I'd be delighted to entertain any of your questions or comments, if you like [applause].

Andrea Spirtos: I'm Andrea Spirtos from Palm Desert, California. I'd like to tell you, Christiane, that your name has become a household word, and to add to that, there are thousands of children, particularly young women, who see you as a role model. For that, I thank you.

Christiane: Thank you.

Andrea: My two questions are *A*, do you anticipate writing a book soon? And *B*, what do you do to *relax*?

Christiane: [laugh] I've been asked a lot about the book. Not yet, if ever. I have a lot of life to live, and a lot more things to see and to report and to do. And I'm still working, I don't have time. And I think that a book, if I had one, is an end-of-career, an end-of-life kind of thing, because, as I say, there's an *awful* lot more to see, and I would like to be able to say it properly if I have anything to say in the end. And to *relax*, *yeah*, whatever normal people do to relax. You know, I go to movies, theatres, I see my friends, I go out to dinner, take long walks, do sports, come to Washington.

[pause] I was told people would like to ask questions. *Please*.

IPA officer: They're not warmed up yet. They will warm up.

Christiane: That's okay, *I'll* warm them up. Come on everybody, *line* up. Ethan, don't you have a question?

Nancy Aschaffenburg: Thank you. All right. Do I hold anything? All right. I'm Nancy Aschaffenburg, and my husband Albert is a member of the IPA, and this is my first meeting, and I came tonight, came to Washington, just to hear you. I just think you're a special lady, and like the other lady before me, I think you bring a lot to the young people of this country.

Christiane: Thank you.

Nancy: And when you mention about the United States, let me say my parents were English and Scotch, so I was sort of brought up a little differently than *most* of my friends, and always

felt such an important part of the rest of the world, and always wanted to know more about it. And I think that you have developed *a lot* of interest for young people in the rest of the world.

I really hope—that's a great compliment, because if you can reach, I think, the young people, that's really fantastic. And to *give* people—that's *all* we ask for. That's all we—we don't have a, you know, a *mission* to change the world or anything like that. All we want to do is bring this complex, incredible, great, sometimes terrible world that we live in, to *people*, and if we can just reach people and just make them *a little* bit more interested, or know *a little bit* more after one of our reports than they knew before, that's it. That's the greatest thing.

Jim Bohannon: It seems to be stuck to the floor.

Christiane: You have to bend.

Jim: I have to bend. Do the limbo. Jim Bohannon from Westwood One Radio. How would you compare the challenges and opportunities of '60 Minutes' in comparison with CNN?

Christiane: Completely different. I do two completely different things. For CNN, I'm always working. CNN is my prime and main job. And CNN is generally—what I do is breaking news, you know, a lot of being there in the middle of things when they're happening, and reporting on a daily basis, as well as sometimes doing longer programs. I've just done a longer program for CNN which turned out very well. But the challenges are very different. '60 Minutes,' what I do there, is much more *off*-news, if you like, it's more *feature-y*. And even though the topics I try to pick are certainly *international* topics and certainly topics with an edge, it's not the same kind of urgency, or, if you like, adrenaline or sort of immediacy to it, and it's simply a different pace of working.

John Stribling: My name is John Stribling from Caldwell, New Jersey. I would like to have you comment, and this may be out of line with your presentation. Most of the media are *liberally*-oriented. The conservative viewpoint is not presented very much in the media. Could you make a comment on that?

Christiane: *Yeah*, I could, I'm not sure whether I'm very well qualified to do that, because I think you're talking particularly about domestic media, media that *you* see in this country. I don't report in this country, nor do I report about what happens here. I have a completely different brief where liberal and conservative doesn't even enter the equation. You know, I've heard this *a lot*, but I feel that there are *all* types of people who make up the media. It's not just so-called liberals, it's people of all political persuasions, all religions, all races, if you like, all sexes, and I don't think you can really make such a clear categorization. I think what you *can* say is that the media is not really—in fact, I can quote something I just read this week, in an op-ed piece. Some people are commenting on the *state* of journalism today and saying that it's not the journalists, that are pro-Democrat, pro-Republican, pro-this, pro-that. Journalism becoming pro-*scandal*. I

mean, that's the tragedy of what's going on in our business right now, that *so much* of our business is motivated by this *weird* objective to titillate and to scandalize. I mean, the tabloidization of the *mainstream* media is one of the most disconcerting things that I see in our profession. And I think we face a crisis of confidence, and I think we've got to get a grip, pull ourselves together, and remember what we're here to do.

And I was *shocked* when I was driving in from the airport today, there was a talk radio station on, and there was a lady psychiatrist, I think, who speaks for about three hours, and *she* went off on a polemic against the media, her basically saying that we've completely squandered our authority and that we really can't be trusted or believed. And that *hurts*. I don't want to be part of a profession that has so dropped its standards. And I think that we need to pull our socks up, you know, and I think we need to—but I think there are a lot of us who *have* our socks up. And there are a lot of people who believe what I believe, but there are a lot of people who *don't*. And I think we need to realize, I think our bosses need to realize *who* they're hiring. They need to invest in the right people. The younger generation of journalists need to be people who are committed to this business and who are not committed just to making a quick buck or getting their face on television and that's *it*. I mean, I think we've made so much investment and commitment to the technological side of what we do that it's time to one more time, once again think about who it is that is wielding this technology. You know, I mean, I could go off for ages on this, but I think this is such a fantastic profession that we have to *really* gather whatever you call it, draw in the wagon, circle the wagons, and fight back at those who are trying to attack the best and the brightest and the good that this profession can do.

Another attendee: The question I had was almost precisely what you've been talking about. So you can either *pass* on this one or elaborate a little more, but I did want to hear your perspective on the tension between the business of broadcasting and what we'll call the profession of journalism. Going beyond, from what you said, I gather that you feel that the conflict right now is *not* a healthy one. I'm wondering whether you're ultimately optimistic or pessimistic. We know which side you're on, but given who wields the power and who makes the decisions, how can you see a way out of that to resolve this in favor of journalism?

Christiane: Well, I'm ultimately optimistic, because I think this profession is made up of people who *really* believe in the right thing. And I think that it's not just broadcast, it's print as well. I think it's across the board. Perhaps it's more in your face in broadcast. But I think the realities of the business and the realities of the current atmosphere will dictate change. I think if you go to any news executive right now, they'll all complain that people are turning off, that there's so much competition, that there's so, you know, there's the internet—that people are not looking as much as they did at television news. But I don't think it's just competition. I think it's creativity, and I think it's a lack of—a *crisis* of creativity right now. And I think that perhaps, and I

think people realize that. Our leaders realize that, our bosses realize that, and they're coming to grips with that situation. And I think that there are, as I say, a lot of *really* smart people who are running the networks who've had fantastic ideas in the past and who can still have fantastic ideas. And I think if they *truly* look at what people look at, they'll realize that there is the place and the viewership for quality programming. And you just have to point out, and you just have to say, '60 Minutes,' 'Nightline,' for instance. You know, I mean these two are constantly—yes, and CNN obviously. But I mean, in the popular broadcast mass media, you can't say there isn't a place for serious news, because there *is*, and when it's shown, it's *watched*. And. it's like, you know, what do they say in Field of Dreams: 'If you build it, they will come.' And I really believe that, you know, I *really* reject this business about, 'Oh, people want trash, so let's give them trash.' Because I think that's a fundamental disrespect for our audience and for people. I respect the people who I broadcast to, I believe that they care, that they're intelligent, that they can tell what they're getting, and if they are not getting what they want, they'll turn off [applause].

Patricia Anderson: Yes, I'm Patricia Anderson [sp?] from the Kennedy Political Union. I just wanted to ask you a bit of a lighter question. I wanted to know what your opinion was in the current debate of CNN anchors appearing as actors in current movies, and how that affects their appearance as journalists on television.

Christiane: *Thankfully*, I've been out of the country and have been completely unaware of this whole scandal, but suffice to say that I will *not* do that myself, so that's how I feel about it.

Lucina Campbell: *Well*, this is Lucinda Campbell from Houston, Texas. I am more than excited, and I don't have a question, but this is what I have—a comment. Having been in education for so long and seeing the demeanor that our children are in, I want everyone here to know that I hope that a tape has been made of your presentation tonight, and I want to get that and put it in *some* of the schools in the district where I work. I think if our children can look on and get all contaminated with what's happening on Mars, they need to get excited about what can happen among people of different mixes of life. And to me, may I say, thank you for delivering such a powerful set of information. And I just thank you.

Christiane: I thank *you*. And it's people like *you* who believe in that kind of stuff and who teach the young people that will make a *difference*.

Hoda Bishara: Hi Christiane. My name is Hoda Bishara [phonetic]. I live in Boston, Mass, but I'm originally from Lebanon. First, I have a comment. I would like to second Andrea Spirtos' comment on you being a role model to a lot of women. You're one of mine. Thank you. My question is, what do you think about the lifting of the ban of travel to Lebanon. And don't you think it's about time, and the whole time it wasn't—I mean, I really don't understand *why* it

was—I really understand a little bit in the beginning, but if you don't have a travel ban to Iran and Algeria and Libya, why did we have that? Why did it take that long?

Christiane: I think you can't really complain now that they've done it. You know, we don't want to revisit it. They've *done* it. I think it was good and timely and brave and right. I think that, you know, America had such a *traumatic* experience in Lebanon. Its people were killed, kidnapped, and it was, it was very traumatic. And still, there are certain areas of Lebanon that are unstable, and it's still not fully become, you know, the democracy or the stable or the criteria that the United States usually takes. But I mean, I understand what you're saying, there are other dangerous places in the world, and why, I think particularly because of the experience the United States had. But I think one should go forward and, you know, be happy that the ban is off and hope that it will—

Hoda: —Do you think that it was because of an economic reason or because of the lobbying and it's about time and they started thinking that it's safe—or it's because of economic reason, that Europeans are getting all the contracts of rebuilding?

Christiane: It's probably a lot of both. I think it's a lot of both.

Hoda: Thank you [applause].

Christiane: Thank *you*.

Bob: I would like to say thank you very much for a wonderful presentation and to set the stage for what I believe will be the greatest IPA meeting we've ever had in our history. Thank you very much, Christiane Amanpour.

Christiane: Thank you.

Bob: Congratulations, and good luck to you [applause].

Christiane: I went over there to say hi to Jack Anderson, who is one of the *real* greats of this business. And it's such a privilege for me to be in the same room as *he* is, and to meet him today, after reading him for all these years and *wishing* that I could do what *he* does as well as he does. We do different things, but boy, he's unbelievable. Thank you [applause].

Bob: It's been said she needs to leave in just a very few moments, so she will not be here to take a lot more discussion and questions, but I'd like to invite you to stay, because we have something very *exciting*, and I want to introduce the next speaker. At this time last year, when I was asked to introduce Jack Anderson, I was, 'Gee, I can't do *that*.' I can't, first, *expound* like he does, but I thought we're *fortunate* to have a gentleman of his caliber to serve as our leader and to set the pace for so *many* IPA meetings. A gentleman who has been praised by presidents and also condemned presidents, and kings, and the mafia, and almost every other profession and

leaders in the world. He talks about the work with the Young Astronaut Program. Talks about work with Peter Grace and the Citizens Against [Government] Waste. Television coverage of Jack Anderson's 'Confidential,' and 'Inside.' 'Good Morning America.' Our nation's best-known Sherlock Holmes. Pioneered the anti-nicotine movement. He tackles the mafia. Doesn't apologize for publishing the truth. In 1947, the 'Washington Merry-Go-Round' started and has been going around ever since. His radio program, daily radio programs, are *outstanding*. The first report of the savings and loan scandal. He penetrates the secret of all the White House and the legislative processes. A pollster is asked by President Reagan, 'Who is the most trusted commentator, news broadcaster in America?' They said 'Jack Anderson.' For many years, been impressed, been challenged, inspired IPA audiences, and I'd like to have you join me in a grand welcome for *our* president, Jack Anderson. *Jack?* [applause].

Jack Anderson: I'm almost afraid to respond to that. Thank you very much. I appreciated what Christiane had to say. I *agree* with what she said, with one possible exception. She said that she was not ready to write a book until she was prepared to die. And as I limped up here trembling with Parkinson's, age 75, I have to confess to you that I'm writing a book [audience laughter]. But I have no intention—I was asked a couple of years ago whether I was ready to retire, and when I intended to do so, and I said, 'In 50 years,' so I've still got quite a ways to go. But I didn't come before you now to give a speech, but rather to introduce someone who *is* going to talk to you, and I am proud to introduce him. I just wanted to add, though, to what Christiane said—that *our* profession is the only one mentioned in the Constitution. There's a good reason for that. Oh, we've had our martyrs and we've had our fools. We've had accurate stories and we've had inaccurate stories. But our founding fathers understood that government by its nature tends to oppress those it has power over. And they realized that there had to be someone who would keep a watch on government, and they selected the media. They selected the press. We haven't always done a good job of it, but this *is* our function.

Thomas Jefferson was *crucified* by the press, *excoriated* by the press, *savaged* by the press. He had nose-to-nose confrontations with more than one newspaper editor in his day. He said of a Pennsylvania paper, nothing that appeared in it was true, with the possible exception of the advertising. And he questioned *that* [audience laughter]. And yet that wise man said if [he] had to choose between 'government without newspapers or newspapers without government,' [he] wouldn't hesitate to choose the latter. Because he understood the government needs a watchdog. It is my great pleasure now to introduce to you one of the most *dogged* of our watchdogs. *Hounded* by a cult that he exposed, a group that he exposed. I'm not gonna mention their names, or they'll hound *me*, and I'm too old for it. Hounded him for years. Cost \$7 million to win the case. But I don't know that he's gonna talk about that. We're going to give him—I'm gonna give him my journalism award. I've given it to the most prominent newspaper people in the country. Woodward and Bernstein got it, others have gotten it. And it is my pleasure to

present it to a man who has dared to write about the mafia. It's a *garbage* story, but the story isn't garbage. It's *about* garbage, and about the mafia. I've been threatened a few times by the mafia, and so I know a little bit about what he's gone through. *Fortune* magazine's Richard Behar [applause].

Richard Behar: I found out I was winning this award, I thought, 'Wow, the mafia has been very good for me' [audience laughter]. Unfortunately, the mafia has *not* been good for the citizens of New York. For 40 years, a mob cartel controlled the commercial garbage industry. Now you might say, 'Ahh, it's garbage. Who really cares?' And in fact, nobody *did*. Nobody even wanted to be *in* the business, which helped to enable the mob to achieve such a stranglehold. Over time the garbage business became the mob's most lucrative *legitimate* business. Now, by legitimate, I mean ostensibly legal, as opposed to drugs, prostitution and gambling. We're talking about \$600 million per year in overcharges to New York's businesses, with at least 10% of that money being raked off the top by mafia kingpins. *Twenty* investigations failed to crack the racket. As a result, a study by the RAND Corporation in 1987 concluded, quote, "The participants increasingly believed, based on experience, that they could exploit customers in perpetuity."

The scheme was rather simple. The carters *owned* their customers locations, which were known as stops. Carters who *stole* the stops—in other words, those who *competed* for them—are known as *outlaws*, ironically enough. If you're an outlaw, you get four choices: Return the customer immediately. Keep the customer and pay a huge fee to the carter who you stole the customer from—

Audio announcer: This is the end of Side One. Please turn your cassette over at this time for Side Two.

Richard: ...[some missing words] another. *Or* do nothing and get beaten up. *Or* watch your garbage trucks go up in flames. It's called property rights, mafia-style. It means that if you haul the garbage of a little vegetable stand, *you* own the site. If IBM puts a plant where that vegetable stand was, *you* get to haul IBM, forever. Forty *years*. This lunacy existed for 40 years, until just a few years ago when a small carter named Sal Benedetto walked into the District Attorney's Office in New York to *complain* about it. The DA, Robert Morgenthau, had waited nearly 20 years for this to happen, for this opportunity. With the carter's permission, he would now plant an undercover detective inside the management ranks of that outlaw carter. And then a second thing happened, a second miracle in New York. A large national garbage conglomerate, BFI, decided to compete in New York—something that no other national firm had

ever dared to do. BFI also strolled into the DA's office and agreed to work secretly with the investigation.

As the Chairman of BFI later told me, 'Here you have New York, the capital of the free market system, being held hostage by a cartel for 40 years. How can you New Yorkers put up with it?' Well, I guess that's what makes New York great: New Yorkers can put up with *anything*. But he was convinced that New Yorkers were ready for a change, and he also viewed New York as the final frontier. He wanted to go where no garbage man had ever gone before [audience laughter].

Before long, it became the largest investigation in Morgenthau's history of 21 years as a DA. Five assistants on the case, more than 500 police officers raiding 26 locations, thousands of hours of secretly tape-recorded conversations. Massive, massive effort. But as you can imagine, the mafia didn't exactly roll over and play dead. BFI would sign up new customers, only to find many of them suddenly canceling. And when BFI would go to them and say 'Why are you canceling, service hasn't even begun yet?', they didn't really want to talk about it. They were being intimidated. The mob would send *goons* into companies, restaurants, offices that were switching to this new carter. The goons—the cops would call these goons 'torpedoes,' because of the way that they're shaped. These torpedoes would stand in the store for hours and just stare at the owners, just stare at the workers. In some cases, trucks were torched, stores were vandalized. A driver was even beaten within a hair of his life with baseball bats. The undercover detective was even beaten up, and all the cops could do was watch helplessly from their hiding places. If they intervened, it would blow the investigation. You can just imagine what that must have felt like, being one of those police officers and watching this take place. That took real courage. In fact, there were many moments of courage by everyday New Yorkers who had decided that enough was enough. There was the McDonald's franchisee in Harlem, an African-American woman, who *chased* a couple of these mafia torpedoes out of her restaurant after they tried to intimidate her. *Boy*, I would have loved to have seen that. There was Richard Parillo, an executive with Columbia Presbyterian, the city's largest hospital. He was visited by his former carter, Louis and Paul Mongelli. They told him that if they couldn't have the garbage contract, *nobody* would. And guess Richard told them. This is the mid-1990s. He looked in their eyes and he said, quote, 'You know, those days are over. And my name ends in a vowel, too.'

All over New York, scenes like this were taking place. Some of them were totally comical. One mafia carter simply refused to stop picking up the trash at a deli in midtown, so BFI had to race to the scene each day to get there first. One night, four police cars had to keep the peace between two BFI trucks and a rival carter, who were arguing outside the deli. Traffic was gridlocked for *blocks*. Horns were blaring and there were the police wondering, what on earth

were they doing adjudicating a dispute over who got to pick up leaky, rancid bags of spoiled food. Only in New York.

I will never forget people like Rob Donno. He coordinated the garbage pickups for BFI. One day, his secretary received the following phone message, quote, 'Tell those guys to stay out of the city and tell Robby we're going to hurt him, too.' So what did Donno do? He bricked up the windows of his garages. He used wire mesh to prevent objects from being tossed inside. He had armed guards follow his trucks. His containers were stolen. His drivers were threatened. But he wouldn't quit. I asked him, 'Are you crazy? Why did you do this?' He said that when he drives down Fifth Avenue and he sees a guy washing windows off the side of a building, he *knows* that he's done his part to save that guy's job by lowering the cost of doing business in New York. I then found out that Donno was also responsible for bringing 80 children into America every year—80 poor kids for heart surgery. He told me, quote, 'In ten years we'll all be dead, and what we make here isn't going to come with us. It's the spirit with which we live our lives that's going to count for something. And you have to do—you have to try and do what's right, and sometimes that takes courage. That's what Donno said. I don't know about you, but a guy like Donno, I think I'd like him to be Speaker of the House, and maybe we could get Newt Gingrich to pick up our garbage [audience laughter].

My *Fortune* article had a big impact on the garbage cartel, because what we essentially did was we *outed* major corporations and institutions that were continuing to do business with the mob—even though they didn't have to, even though there were alternatives. Some would do it out of *fear*. Some would do it out of corruption lower down inside the companies. But they *had* to change, so we outed them. We outed Citibank, Saks Fifth Avenue, the Waldorf Astoria, the *New York Times*, the United Nations, Lincoln Center. After the article, many of them quickly switched carters, which put a major dent in the mob's pocketbook.

The *New York Times*, incidentally, had written an *editorial* several years ago welcoming BFI and lauding them for coming into this market of racketeers and gougers. But the New York Times never let their readers know that *they* were being hauled by a mob carter, and they didn't change when they had the opportunity to change. We pointed that out. After the article, several national carters joined BFI in the struggle to rescue New York. Today, I'm happy to report that the era of mob rule in the trash business is *over*. Most of the mob carters are either in prison or on their way. Prices have come down 40 to 50%, even *higher*, and competition is very much alive. I'm delighted to have played a role in this success story, and I want to thank Jack Anderson for this award, who I've admired for *many, many* years as investigative reporter. And thank you to the International Platform Association [applause].

As long as nobody here is in the Witness Protection Program, I'll take some questions [audience laughter].

Lyndon Hall: I'm Lyndon Hall from Southern California. *I'd* like to know what kind of cooperation you had from the mayor.

Richard: So-so [audience laughter]. But the mayor has certainly jumped on the bandwagon over the past year and taken a lot of responsibility for driving the mob out of the garbage market, when really it was mostly free market forces and the District Attorney's investigation that did. I had a little bit of support and help from them, not very much. Some of these mob carters are now regrouping over in New Jersey, so [audience laughter]—I don't think Giuliani's particularly upset about that.

Norma Gilmore: Norma Gilmore. Brush, Colorado. I've been in *shock*. I was told 13 years ago that the BFI was owned by the *mafia*, and when you started saying these things that you said, I was shocked, because I believed this for all these years, and now I find the BFI does not, was *not* owned by the mafia.

Richard: No, not at all. BFI is a publicly-held corporation, and it's so heavily decentralized, and some of their units in particular cities, particularly in New Jersey, got into trouble in the mid-1980s. Some of their employees did do some deals with mob-linked companies. There were a few indictments. The CEO of BFI is Bill Ruckelshaus, formerly from the Justice Department. He was brought in to clean up BFI and clean these problems up more than ten years ago.

Auburn Lamb: Hello, my name is Auburn Lamb of Silver Spring. I heard you mention Newt taking out the garbage. Now, does that mean you're one of those left-leaning liberals who doesn't *like* Newt a *hoot*? [audience laughter]

Richard: Oh no, I just pick on him because he's so cute [audience laughter, applause].

Matros Larisa: My name is Matros Larisa. I am originally Russian, and you talk about *mafia*. I read in some Russian, American newspaper in Russia, that they now start to influence of *image* of Russian community—because many newspapers which wrote about *Russian* mafia, this is very bad influence of *image* of Russian community. Because Russian community, more of them is very *intelligent*, very *educated* people. And, what do you think? I live in United States only a few years. And what do you think: Is it *real*—Russian mafia is *real* influence, very bad crime situation in the United States—how is it?

Richard: Well, I think you'll be relieved and happy to know that there's an Asian mafia, a Jewish mafia, a Colombian mafia, the Irish mafia on the west side. Each group tends to have its own organized crime people. There was an upsurge in Russian immigrant organized crime during some of the waves of immigration, particularly centered around the Brighton Beach area. It got to be fairly large—large enough so that the FBI about two years ago started a unit just focused on Russian organized crime. But it's certainly nowhere near the level that Asian organized crime has reached, or that the Italian organized crime has reached. Unfortunately, there are bad

elements in every ethnic group, but it shouldn't cast a shadow on the group as a whole. It's still such a small percentage of people who are involved.

Another attendee: I am very curious in *where* does large money come from—the garbage collection? Is it the *fees* charged, or is it other sources of income?

Richard: I'm sorry, sources of income in the *industry*?

Attendee: Yes.

Richard: Forty years ago, New York City privatized commercial sanitation. Before then, the city was basically picking it up. So now you had hundreds of carters picking up the garbage for about, well, recently 250,000 businesses in New York. And they would charge a certain amount, presumably based on the yardage that they were hauling away. But the way they would rip off businesses is, the city set a maximum rate, which is now \$14 per cubic yard. The mob carters would always make you feel like you were getting a bargain by charging you 13 or 12, but then they would tell you that you're throwing out about ten times more garbage than you really are. So *that's* basically the way they're ripping people off.

Thank you very, very much [applause].

Jack: Instead of giving my annual speech here tonight, I'm going to introduce a new technique, gonna introduce a new form of reporting. This is the first time we have tried it. It may not work too well. Still got a lot of rough spots. But the publisher of about six newspapers that I edit, Doug Cohn, he and I have been working on this project for a couple of years. *We* have decided as we hurtle toward the 21st century that the interest in the future is *heightening*, and we have looked for ways to cover the future. You might call it anticipatory journalism. We think it's possible. Obviously, we have to project what we *expect* to happen based upon what we know is happening today. We don't gaze at crystal balls or read tea leaves. We have been using journalistic methods. We see planning documents that our government prepares, intelligence reports that project the future. We talk to people in the government largely and out of the government, whose job it is to try to track trends and to predict where those trends are going to take us. And we believe there is enough information about the 21st century to report on it.

And we're gonna devote a large part of one of our newspapers, *The National Forum*, I'm sure you've heard of it. We're gonna devote a large part of *The National Forum* now to reporting on the *future*. We've got a pretty good name for that news feature. We're gonna call it *USA Tomorrow*. Doug has agreed to join me here tonight to get this project launched. Doug's down here. Doug is highly qualified to report on the future, because the keys to the future, the *clues* to the future, lie in the past. In order to see forward, you've got to look backward. You need to understand the past, and Doug has a tremendous grasp of the past. He's a student of history. [Loud squealing outside the room] The rats are getting big around here [audience laughter].

By studying the past, and by checking these trends and these planning documents and these intelligence reports and the experts on these subjects, we have been able—I think we are going to *startle* people with the accuracy of our predictions. So, for the first time ever, we're gonna make an attempt to do what we've been studying and preparing for two years. Doug Cohn [applause].

I'm going to start it off by giving you the prediction, and letting Doug tell you the reason *why*. A large segment of the population now invests in the stock market. They're investing in the future of America. The stock market is spiraling upward. Should we cross President Clinton as a bridge to the 21st Century, or should we *swim* for it? How safe *is* it? How safe is the future? Oh, I can tell you this much, that people all over the world who have money to invest, are coming here to invest it. I can tell you that as long as more people are investing money than are selling—investing in the stock market than they're selling their stocks—the stock market is gonna continue to go up. But there's a great deal of uneasiness on Wall Street over how high the stock market now is. Has it gone too far? *Here* is our prediction. We predict, by October, the stock market will crash. We predict, however, that it will be a big *bounce* and bounce back up. Now here's Doug Cohn with the reason why.

Doug Cohn: Thank you, Jack. The essence of the stock market is that most people are wrong most of the time. If that weren't true, most people would be millionaires. So, this is what they call the contrarian point of view. And the contrarian point of view is a *technical* point of view. You've got the technical way of looking at the market, which really talks about charts and this sort of thing. And then you've got the other *normal* method, where people look at earnings, unemployment rates, and the like, and that tells you what the fundamentals are. And that's the fundamental approach. What's the long-term outlook? But the long-term outlook does not determine what happens in the short term. In the short term, the technical point of view is going to be the one that wins.

Let's look back at 1987. In 1987, the stock market crashed. 500 points. 22% of the market was evaporated in one day. But it was a *technical* drop, because the fundamentals were strong. So what happened? The next day the market went up, and it began its bull market rise, which runs to this day. So, what we're predicting has only to do with the technical aspect of it. The fundamentals are extremely strong. We've become a part of the global economy. Because we're involved in the global economy, we have the phenomenon of low unemployment rates at the same time that we have low inflation rates. Very, very strong for us, a bullish market for the foreseeable future. But what does a *technical* approach say? The technical approach says that most people are wrong most of the time. So, let's assume the stock market consisted of 100 people, and let's suppose 90 of those people said to you, 'It's time to buy.' Well, what have they already done? They've already *bought*. If they have already bought, are they potential sellers, or

are they potential buyers? They're potential *sellers*. That's why the contrarian point of view says 'Do the opposite of what most people say to do.' Now, this market has been climbing at an astronomical clip. Back in December, Alan Greenspan, chairman of the Fed, talked about this 'irrational exuberance.' In other words, he said the market is going to drop. Well, what did the market do? It went up another 2000 points. Alan Greenspan just spoke again before Congress, and what'd he say this time? *Nothing*. And everybody interpreted that as meaning one and only one thing: Alan Greenspan has turned *bullish* on the stock market. He thought it was going to drop when it was at 6000 but when it's at 8000 he thinks it's going up. At least that's the interpretation, because he said *nothing*.

Well, the real question is, what do most people say? How do you find out what that 90% says? It doesn't take 90% of course, it only takes 51% to say the market is going to go up in order for the market to drop. So, the one thing that I always recommend that people look at are puts and calls. And that's a simple thing. It's options, as most of you probably are aware. But if you're not, people who buy calls are betting that the market is going to rise. They're buying an option to buy stocks. Those people who buy *puts* say the market is going to drop. So if you look at the back of the paper, under the Standard and Poor's averages, the S&P 500, you'll have put volume and call volume. If you watch that put and call volume, and right now, there are more *puts* than there are calls being bought. In other words, most people are saying the market is going to drop, and that's why the market keeps rising. But when you see that change, and I think that change is coming momentarily—it's right around the corner.

When that change comes, *watch out*, the market is going to drop. And it has nothing whatever to do with the underlying values. It has to do with the technical approach of buying and selling stock, and *that's* what's gonna cause the market to fall, because there are too many sellers out there, not enough buyers. What will *happen*, though, is that the technical approach says you buy on bad news, sell on good news. Well, the news out there, folks, is *great*. So, if that old adage holds true, I couldn't think of a *better* time to be selling stock. That's the ultimate contrarian point of view. These are some of the reasons why we believe the stock market is gonna take a dive. If it takes a 22% dive, we're talking 1800 points on the Dow. Whether it will bounce, it's hard to say. The fundamentals say that it'll just be a bounce, it'll be a correction. If that's the case, then no problem. I remember in '87 a stockbroker called me in a panic when the market dropped those 500 points—said, 'My God, what do we do? What do we do?' And I said, '*Buy.*' This is a *buying* opportunity, and it was the best buying opportunity in our lifetime. So much for the stock market [applause].

Jack: I think there's one point that you didn't mention, and that is that so many Americans have gone out and borrowed money on their houses in order to invest in the stock market. And so when the stock market goes down, banks are going to start calling in those loans, and that will

precipitate the drop. One thing you forgot to mention. *Next prediction.* The White House and the Congress have reached a budget deal. Reached an agreement. What impact will that have on the economy? What impact will that have on taxes? Now, both the President and the Congress have declared that what they want to do is to simplify the tax code. What they want to do is to make it easier for taxpayers to pay their taxes.

Attendee: *Bull* [audience laughter].

Jack: Thank you. That is what they're promising to do. Did they accomplish that in this deal that they just made? Our answer is '*No*,' our answer is '*Bull*' [audience laughter]. And because the answer is '*Bull*,' we make this prediction: That there will be another tax rebellion. The last one occurred in the 1770s. It occurred because Britain had imposed a tariff of about 1% upon the American colonies. *Now* we are paying hidden or direct and indirect taxes, much of them hidden, much of them not even the public is aware of it. You are paying about half your income in government taxes of some kind or another. This is the stuff of rebellion. And so we predict that there will be a tax rebellion like we haven't seen since 1776. Now here's Doug with the reasons why.

Doug: In 1981, it was the last time taxes were reduced. In 1986, the tax system was reformed. Taxes were simplified. The whole idea of the 1986 Reform Act was to reduce the number of brackets, to reduce the amount of deductions, to simplify taxes. What has happened since 1986? Well, there have been a few tax increases in 1990, 1993, they added another bracket. They changed a few things, but they kept the changes fairly modest. But what are they doing *now*? Look at the latest budget that's coming out of Congress. They'll probably pass it tomorrow, the next day at the latest, because they're all going home on vacation after Friday, and they never miss *that*.

Just listen to what a deal this is for accountants and tax lawyers. You get your tax forms, you start to fill out your tax forms just like you always did, except *now* you start to say, you look at it, you say, 'Now let me see. Did I pay tax on this IRA going in, so I don't have to pay tax going out? Did I not pay tax on the IRA going in? So I *do* have to pay tax on the IRA coming out.' Now, what about the education tax credit? I have one child in, but I get \$1,500 credit off my taxes if they're in the first two years, but there's the second two years, so I only get \$1,000 off. What about the two years *before* that? Do I get it retroactive for them? Or is it just 2500 total? Then you turn around, you say, 'Well, I'm going to sell my home, and I now get up to \$500,000 tax-free selling my home. Now everybody thinks, 'Gee, this is a great idea, because I sell my home, and now I'm a baby boomer, and I can sell my home. My kids are off to college, and I can go to something smaller.' But all of a sudden the baby boomers start to scratch their heads and they say, 'Wait a minute. I can turn around and invest this in another home and sell it in two years, and I get *that* tax free. Now, how do I live meanwhile? Well, what I can do is I can go buy a home. I can let the

price rise a little bit, go to the bank, borrow some money back on the home I just bought, live off the borrowing, sell it in two years, do nothing else except sit there, live in the home, you know, and then I pay no taxes whatsoever.'

But, then you've got the minimum tax that they put through, but then they just lowered some of *that*. But how much did they lower it? We're not quite sure. They're still working on those details. And then you've got these people who've invested in stocks. Lots of people are in stocks now. Half the American public are in stocks, and 50% of the people who have bought stocks do not have a college education. The average American is now buying stocks. So the average American says, '*Great*, we got a capital gain tax reduction. So let's see now, the capital gain tax reduction, I was at 28% on the capital gain tax reduction. Now they've reduced it to 20% but that's if I hold it for 18 months, but I used to have to hold it for 12 months. So if I sell right now instead of wait six more months, what happens? Well, the answer is, if I do it between now and Monday, which is the truth, I can still do it in the 12 months, but otherwise I have to hold it on for six more months. But on the other hand, if I hold it for *five* years, then I only have to pay 18%. Uhh, wrong again, I'm in the 15% tax bracket. I only have to pay 8% because I held it for five years, but I didn't hold for five years, so I got to pay 10%' [audience laughter].

This is our *latest*. So the accountants have been coming on television, and they are *beside* themselves. If you're going to invest in the stock market, find a publicly traded accounting firm, go for H&R Block, their stock will skyrocket. The fact of the matter is, this is the most complex tax bill in the history of the country. They put something in for *everyone*. *Almost*. You can't forget about that \$400 per child tax credit, which is going to go to \$500 in another year or so. *But* that only counts down to \$18,000. So if you only make \$17,000 you don't get the tax credit. So on the other hand, the guy who's making \$18,000 is gonna pay less than the guy making \$17,000 so the guy making \$17,000 has to go out and borrow money and treat it as income to get another \$1,000 so he can get the tax credit for his four kids he's got at home, and that's another \$2,000 off his taxes, and then he's going to get paid that, whether he paid it in or not. Now the Republicans don't like *that*, but on the other hand, he did pay Social Security tax, and as we know, Social Security tax is a *tax* because, as we already have found out, the Social Security tax that you're paying in isn't for your retirement. That's for somebody else's retirement. It's the last generation. That's an intergenerational tax, and that's what it goes to. So we already know that. *Wrong again*. Where does that Social Security tax go? Social Security tax is paying the last generation, true, but the rest of it goes into the *surplus*. And where does the surplus go? It goes into the unified budget. What does that mean? In simple terms, the unified budget means that you're taking *all* the Social Security excess taxes and spending it as though it were current taxation. And so when they talk, when you see these charts, and they say, 'Oh, you know, in the year 2015, 2000-this, the Social Security Trust Fund is gonna run out of money.' Ladies and gentlemen, the Social Security Trust Fund doesn't even exist. It already *ran* out of

money. It's been spent. By law it's been spent. The unified budget includes it. So when they say, we've got a \$40 billion budget deficit. That's *after* they have subtracted the Social Security Trust Fund, so you don't have that money.

But meanwhile, back to our poor person who's earning under \$18,000, that person getting under \$18,000 *has* paid Social Security tax. So theoretically are getting some of that money back. Wrong again, because they already got the money back in the earned income credit. So they get the Earned Income Credit plus the tax credit for children who are under the age of—what is it?—under the age of 16? I think it's 16 instead of 18. They wanted to make it higher, but I think they're going for 16.

Now, this is tax *simplification* [audience laughter]. What they've done is—I like to use the analogy of a man from Mars. A man from Mars comes down, says, 'All right, how do you pay for all these things you do? You say, 'Well, it's simple. We just tax the public and we bring the money in and we pay for it.' 'Oh, well, that's good. That's all you should do.' Well, it's not quite that simple. You see, we bring their money in and then we turn around, we give it sort of back to them, a little bit here, a little bit there, and but they have to file the right things, and they have to invest in the right things, and then they get their money back, see, and want *this* group to get money back, and want *that* group to get money back. And so we start to feed it back to them. And the guy's scratching his head: 'I don't *get* it. Why don't you just figure out how much money you need to take from them and *take* it?' Well, you see, we can't do that because we take 50% of their money and they don't *know* that. You see, we have federal income tax, state income tax, federal social security, Medicare taxes, you've got local property taxes, you've got airline taxes, gas taxes, you've got restaurant taxes, sales taxes here, hotel taxes, the taxes, gasoline taxes, are taxes and taxes, taxes—about 50% of your income if you're making under \$100,000. So they can't do it that way.

That's why there's coming a tax rebellion. That's the reason. Does anybody know *why* they passed the 16th Amendment and it was ratified in 1913? Does anyone know why that was done in the first place? That was Teddy Roosevelt's idea. He was a trust buster. Actually, he was trying to accommodate some of it. But he was, he was the first one who really went after the trusts. He was going after the *robber* barons. The income tax was passed to go after the robber barons. 'Well, fellow robber barons, he got us.' *This* is who he got, *Middle America*. He never dreamed, in his wildest imagination, that the income tax and the IRS that followed it, was going to come after Middle America. And that's what's happened. We have created an agency in the IRS that can look into your private affairs, can tell you that you're guilty until proven innocent, can harass you, can attach to your belongings, and on and on and on. You all know the problems, and you all know that you've heard all the horror stories. That's not what the income tax was *ever*

intended to do. That isn't the purpose of it. So the rebellion that we believe is coming is a rebellion that says, 'Repeal the 16th Amendment' [applause].

Jack: I'm going to ask you, just to do in a few seconds, one additional prediction on the budget deal. The 20% in the reduction in the capital gains, what effect is that going to have on the economy?

Doug: I think the stock market is going to drop, but people are gonna want to invest *somewhere*, and there will be a loss of confidence when that happens, and there's something of a herd approach that occurs as a result. The most likely scenarios are that you're gonna see a revitalization of the home market, or in collectibles. People may join together to buy paintings and the like. But most likely you're gonna see money flow into the housing market, because in the housing market, as good as that 20% deal is for a lot of people, *zero* is better. And with a deal they just passed as I explained, you can't find a better investment out there than a *house*. \$500,000. And it's not a \$500,000 *house*, it's \$500,000 of *profit*. So that means, if you're *smart* enough and you're savvy enough, and you go out and buy a \$300,000 house and hold it for a few years and sell it for 800,000—good luck finding it, but it can be done. You pocket all that money and don't pay a nickel. And remember, because it's a capital asset, you don't even pay Social Security tax on it. You pay *no* tax on it, *none*, except the property tax of the local county.

Jack: Next prediction, I want to talk to you about China. I have a special relationship with the—

Audio announcer: This is the end of this cassette. Please go to the next cassette for the continuation of the program material.

Audio announcer: We will now continue with the International Platform Association's 1997 convention.

Jack: [a few missing words] ...a reporter in WW2. And I got assigned to cover a man named Zhou Enlai. I got stuck with him because nobody else wanted to cover him. And I was the low man on the totem pole and the most expendable war correspondent in China, and so I got the assignment. And I got to know Zhou Enlai, and I used to see him every day. Often had lunch, dinner with him. He was an enormously articulate man. And he told me many things that I dismissed as communist propaganda. But in the years that have followed, I find that the things that he said, he meant and he accomplished. Zhou Enlai became the *real* George Washington of modern China. He is the one who was responsible for the growth of the free market system *without* giving up communism. That's the way he saw it.

He told me about the conflict that the Chinese would have with Russia because of their common 5000-mile border. He told me that China would like to have a peaceful relationship with the United States, that they thought that was possible because we're separated by an ocean. He said the United States and China should be trading partners, as long as they stayed on an equal basis. I learned something about Chinese philosophy from him too. The Chinese do not like to fight wars they're gonna lose.

They take the attitude that, rather than fight a war that they're certain to lose, they will give in to *injustice*. If the conqueror, the stronger power is unjust—*cannot* correct injustice if you are dead. So first priority is stay alive, correct injustice later. We believe that they are going to start correcting what they consider to be some injustices. *We* believe that they don't intend to attack the United States, but we believe that our interests are going to clash, and this is a reluctant prediction, a *preventable* prediction. We predict war between the United States and China.

Here's Doug with the reasons why.

Doug: This truly is the preventable prediction. But as preposterous as it might sound at first, remember one thing: If this were 1925, how many would have predicted an attack on Pearl Harbor? The real problem here is this: China has been expansionist in its attitude. Certainly, it's gobbled up Mongolian Tibet, and now it's taken Hong Kong back. It's made waves at Taiwan. Basically, China has indicated that where there is a void, it's more than willing to fill it, especially on the Asian mainland. But let's take a look at what's happening. Harry Truman instigated the policy of containment. He decided that communism was a bad, bad idea. If you contain it, it'll die. Well, he could not have been more right. As we now know all, we didn't have to fight a war with the Soviet Union. All we had to do is contain it. We sold them some grain, but we, at no time, did anything to build up the industry of the Soviet Union. We tried to do some other various deals, but we were not going into *high gear* trading with the Soviet Union. As a result, the Soviet Union gobbled up Eastern Europe, took everything it could from Eastern Europe, and after there's nothing left to take, the Soviet Union basically imploded. That's something of a simplification, but the *gist* of it is correct, the policy of containment worked.

But what is the policy with China? Is China less a threat to us than the Soviet Union? China that has the largest land army in the world, China that is a nuclear power, China that is hiring ex-Soviet nuclear science. China that is now building a blue water fleet, two aircraft carriers under works, China that is developing advanced ABM missiles. This is an *aggressive* China. So what is happening with this newfound wealth? According to Congress, China is going to be going to *triple* its gross domestic product in 15 years. That's at a growth rate of somewhere between 8 and 9%. Compare that to the United States that has a growth rate that varies between 1 and 4%. Now, most emerging countries, most third world countries, *do* have higher growth rates if they're moving. But in the case of China, you've got to put it in perspective. Largest population country

in the world. So we were talking gross domestic product with that kind of population, it *matters*. It makes a big difference. Tripling in 15 years makes it an economic power. But where is it putting that economic power? Is it putting that economic power the way Japan put that economic power back into more trade, more industry, developing markets? Yes, it's *doing* some of that. But where else is it putting that power? It's putting that power into *aggressive* military development—ABM missiles, bluewater fleet, nuclear scientists. What do these have to do with the defense of China? Not a great deal. It means an *aggressive* China, so that where there are voids, and let's talk about where some of the voids exist. Obviously, there's some voids going on in Southeast Asia. Cambodia comes to mind. There are voids in the new republics that have formed after the fall of the Soviet Union. There's Myanmar, which is what Burma used to be called. Burma is a situation where there's a lot of pressure on the leaders there, as we all know, and that void is going to develop if that regime falls, as I suspect it will. China is more than willing to step into these voids. All right now, is the United States going to go to war with China because China decides to go into Cambodia? Well, in the first place, to *get* to Cambodia, they'd have to go through Thailand or Laos and have to deal with Vietnam. And we're certainly not coming to Vietnam's aid, I wouldn't think.

Are we going to go to war with China, because they go into what was Burma? Not likely. If they were to go into Nepal, would we go to war with China? Not likely. Even if they start fooling around fighting on the Russian border, still again, not likely. But isn't this a little reminiscent of a period in time? Doesn't this sound an awful lot like the 30s? Are we going to fight Germany because they went into the Rhineland to the Sudetenland, took over all of Czechoslovakia, did the Anschluss with Austria? *No*. They go into Poland, the United States still didn't go in. They conquer France, the United States still didn't go in. So, our toleration for dictators has proven in the past to be awfully tolerant. The fact of the matter is, at what point do we say 'Enough'? At what point will we finally say to China, 'You can't go here'? Will we stop them from going into Taiwan? Probably. Maybe. Hard to say. How about Japan? We would stop that. We're not gonna stand back for Japan. So we do know we have a stopping point, but by the time they took an interest in Japan, where else would they have gone? How much larger would they be? Would they have gone in and taken Indochina, and the rubber and the rice and all the rest of these raw materials that are so valuable in that area? Would they have gone to war with Bangladesh or India? They've already made alliances, to some degree, with Pakistan. They're supplying Pakistan with nuclear weaponry, nuclear technology at least. The fact of the matter is, is it very reminiscent of the 30s?

And this is why, if this is the *preventable* prediction, we're going on a path with regards to China that is a *path* that leads to war. It's a wrong path. History has shown it to be the wrong path. China is turning from a communist nation into something of a fascist nation, that is a dictatorship with the underpinnings of capitalism. So that Hitler pulled the same stunt; by using

capitalism, he was able to build an economy at a time when the rest of the world was in a depression. He was able to use the money he got from that economy to build up his armed forces. He was able to use the armed forces to intimidate his neighbors. He was able to take over most of his near neighbors without even fighting a war. And then, when he did fight a war, finally, he was able to conquer Poland and France in rapid order. It was only when he was foolish enough to go up against the Soviet Union that things started to fall apart for him. Well, by then, of course, we had World War II. Now this is a dire prediction. It's not one that we make happily, but I am convinced that we're on the wrong path with China.

Jack: One more short prediction. There are one and a half million armed and dangerous teenagers in the United States. If we had a guerrilla army of one and a half million men operating in our cities, that would be a major crisis. We would take violent action.

What are we going to do about it? Can we *stop* violence in the inner cities? Can we stop it from spreading to the suburbs? In this case, we have a *happy* prediction. We predict that, of course, we're not going to abolish violence. We predict that we're going to reduce it. We predict that conditions will get better in the inner cities. We predict that our cities will be renewed, and we predict happier times ahead. Doug will give you the reasons why.

Doug: In this case, the reason why is probably a little more startling than the prediction. The reason why is that America is going to legalize drugs. Now, here's the reason I say that. Do I favor drugs? *No*, I haven't even inhaled a drug. But the fact of the matter is, is what history teaches on this? Well, the obvious one is Prohibition, right? There was a century long movement against liquor. Women got the vote. The women's movement was the primary motivator behind the anti-liquor crusade, and then women got the vote and as part and parcel that followed that, we got Prohibition, and it was an admirable thing and not a bad thing at all. Except for one detail: There was a significant portion of the population that was going to drink whether it was legal or not legal, including the President of the United States at the time. The result is that when there's a strong demand for a given product, that demand is going to be filled, and it's gonna be filled legally or illegally. You can make all the laws you want, you can hire all the policemen you want, you can do all the surveillance you want. The demand will be filled one way or the other. So what did Prohibition give us? The *only* lingering thing that we have from Prohibition is organized crime. Prohibition brought the largest crime wave that America had ever seen, and we're still facing it today. Prohibition was a huge mistake.

So let's go to the next example. Nicotine. Who among us now doubts but that nicotine is a deadly drug? We *know* it's a deadly drug. We have the Surgeon General's warning. Then we've had the latest word out of the medical community. We have the statistics. We know that nicotine is America's number one killer. More people die from nicotine than from any other preventable disease in America, and the number one way to get nicotine is through cigarettes.

And *despite* this, despite the fact that nicotine is more deadly than alcohol, and we saw fit to prohibit alcohol, who among us wants to institute prohibition of cigarettes? Nobody that I know of.

Why doesn't anyone want to prohibit cigarettes? Because they know that Prohibition didn't work. We know that the results of Prohibition were a *disaster* for this country. So what do we do? We tell people that cigarettes are bad for them. We make it difficult to *get* cigarettes. We're taking the vending machines out now so kids can't go up and get them. We want photo ID in order to buy them now. We have done everything we can, including raise the taxes, which, by the way, they've done—I think it's 10 cents a pack increase on the latest budget deal; they've gone after the cigarettes too. So we're going after cigarettes every way we can. So in this day and age, anyone who smokes is doing so at their own peril. We all know that it's not going to stop all people from smoking, but at least they're doing it with full knowledge. It's informed consent, and so *be* it. So you see people that you know, loved ones that you know, who smoke; you beg them not to do it. You plead with them, 'Don't do it.' You know what it's gonna do to them. You know how terrible it is. Most of you probably know people that have suffered or died as a result of smoking. You know it's a terrible, terrible, terrible thing, and yet no one here would favor prohibition of *cigarettes*.

So if we don't favor prohibition of the most deadly drug in American history, why do we continue to favor prohibition of various other drugs, including cocaine and so forth and so on? Sounds like a terrible thing, *but* the bottom line is this: If you have a significant percentage of the population—by significant I'm not talking majority—I'm talking 5%, 10%, but we're talking millions of people. If you have a significant percentage of people who want to take crack cocaine, and they do so, though they've been told how terrible it is, they've been told what it's gonna do to their health, and we tax the daylights out of it, and we advertise against it constantly, and they still want to take this crack cocaine—and we say to them, 'If you take this crack cocaine, which is now illegal, we say, you have to be 18 or over to take it. You're gonna get it taxed. You can't drive when you take it. We say all this, just like we do with alcohol, and they still take it, then better that the government control it than the government say, 'no, no, no, no, no—in the privacy of your home, you're not going to take this crack cocaine, because this is a terrible, terrible drug, and it can do terrible, terrible things.' It already is a terrible drug. It already is doing terrible, terrible things, but there's a collateral thing that it is doing—in that the collateral thing it is doing is spawning a terrible crime wave. And this crime wave we can put more police on the beat, on the street, which they're doing, which has been done in New York, for example, crime is moving down in New York. But if you compare crime in New York to a whole slug of European cities, it's astronomical by their standards. And why is that? Because no matter how many people you put on that street, you still have a drug problem. Now, if you remove the drug problem, you're gonna probably cut crime something in the neighborhood of

at least in half. Nobody knows the exact statistics on that, but we do know that we have a drug-spawned crime wave. And that's why, sooner or later, liberals and conservatives alike, you have conservatives like Bill Buckley, who favor the legalization of drugs. He doesn't favor the *use* of drugs, he favors the legalization of drugs. It's going to happen, and that is gonna be the *only* way we're finally gonna get this crime wave that's going on in this country down.

Jack: I'll take about two more minutes to harp a little bit on a subject that I've talked to you about in the past, a subject that I think is one of the most important and needs constant repetition. I'll just take a moment. I want to emphasize again that character counts, and morality matters, in government [applause].

I want to read two documents and then we'll call it quits. The first is one that was circulated in jest throughout the government. But there's more truth than humor in it. Let me read it to you:

"If it's worth fighting for, it's worth fighting dirty for. Don't lie, cheat or steal unnecessarily. There is always one more son of a bitch than you counted on. An honest answer can get you into *a lot* of trouble. The facts, although interesting, are irrelevant. Chicken Little only has to be right once. 'No' is only an interim response. You can't kill a bad idea. If at first you don't succeed, destroy all evidence that you ever tried [audience laughter]. The truth is variable. A porcupine with his quills down is just another fat rodent. You can agree with any concept or notional future opinion in *principle*, but *fight* implementation every step of the way. A promise is not a guarantee. If you can't counter the argument, leave the meeting.

I was so disturbed over this, I decided to write one of my own, and I want to read that to you, and I invite you to join silently with me in adopting what I call a pledge of integrity:

The time is late, and I don't want to hold you another moment. But if there are any of you who want to come up afterwards, we'll stay around the stage here a little bit to answer your questions and give it—

"For my country's sake, as well as my own sake, I make this public pledge, for the character of each citizen will determine the character of America. I will treat as a sacred trust any public funds that pass through my hands. Tax revenue does not belong to the officials who spend it, but to the American people who produce it. I will not demand entitlements that I'm not entitled to. Government benefits are showered upon America, not as manna from heaven, but as charity from the taxpayers. I will support a national effort to stop running up the national debt; it is *immoral* to charge our living standards and government services to our children. I will live on what I have, not on what I want. Squandering money today at the expense of tomorrow will increase the cost and multiply the misery. To reverse the American decline, I will consume less, work harder and produce more. I will perform honest work for my wages, and pay honest wages

for another's work. If it isn't right, / won't do it. If it isn't true, / won't say it. If it isn't mine, I won't *take* it." Thank you [applause].

Audio announcer: This is the end of this cassette. Please rewind this cassette for the next play.

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