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*Triste cosa es no tener amigos, pero más triste ha de ser no tener enemigos porque quién no tenga enemigos señal es de que no tiene talento que haga sombra, ni carácter que impresione, ni valor temido, ni honra de la que se murmure, ni bienes que se le codicien, ni cosa alguna que se le envidie. A sad thing it is to not have friends, but even sadder must it be not having any enemies; that a man should have no enemies is a sign that he has no talent to outshine others, nor character that inspires, nor valor that is feared, nor honor to be rumored, nor goods to be coveted, nor anything to be envied. -Jose Marti*

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From the desk of Craig B Hulet?



**The Untold Story: How America Became a Dangerous Empire**

## **The Untold Story: How America Became a Dangerous Empire**

*Director Oliver Stone and historian Peter Kuznick offer a major reexamination of modern American history in “The Untold History of the United States,” which has many strengths.*

January 3, 2013 |

The title of Oliver Stone’s “The Untold History of the United States” is a bit of a misnomer, both as a book and a Showtime series. It’s more precisely a reinterpretation of official U.S. history over the past century or so. You might call it “The Little Understood Back Story of America’s Imperial Era.”

The 750-page book, which seems to be more the work of Stone’s collaborator, American University history professor Peter Kuznick, picks up the tale around the time of the Spanish-American War at the end of the 19th Century, with the U.S. conquest and occupation of the Philippines.

The Showtime series – some of which is now on YouTube – is narrated by Stone and begins, more or less, with the gathering clouds of World War II and the events that led to the dropping of atomic bombs on Hiroshima and Nagasaki.

What’s relatively “untold” about this history is the impact of some little remembered decisions, such as the Democratic Party’s replacing Vice President Henry Wallace with Missouri Sen. Harry Truman in 1944, and some ideologically suppressed memories, like how the Soviet Union broke the back of Adolf Hitler’s Third Reich in World War II.

While much of this context is interesting, even revelatory for a contemporary audience, if you were expecting Stone to push the envelope on new historical disclosures on important events – such as John F. Kennedy’s presidency and his assassination – you might find the material a tad thin and disappointing.

The chief point of the book and the series – at least the first halves that I’m dealing with here – is that U.S. history could have gone in a very different and a much more positive direction if the United States had not locked itself on a course toward worldwide empire.

For instance, Stone and Kuznick imply that if Franklin Roosevelt had lived longer – or if his favored subordinate, Henry Wallace, had succeeded him as President – the worst aspects of the Cold War might have been averted.

If the United States under Harry Truman hadn’t picked up the mantle of Western imperialism from the diminished European powers, millions of lives might have been saved; the United States might have more effectively addressed its own economic and social problems; and many people in the Third World might not have been so profoundly alienated from the U.S.

Stone and Kuznick suggest that an alternative future was available to the United States, but that political, economic and ideological pressures sent the nation down a path that transformed the Republic into an Empire.

### **The Back Story**

The back story of the Stone-Kuznick collaboration dates back to 1996, when Kuznick started an American University history class entitled “Oliver Stone’s America.” That first year, Stone made an appearance as a guest lecturer.

Kuznick and Stone then decided to cooperate on a TV documentary about the dropping of the atomic bomb on Hiroshima. This idea somehow grew into this ten-hour mini-series and its companion book. [New York Times, Nov. 22, 2012]

In an appearance with Stone on Tavis Smiley’s program, Kuznick said this history is told from the point of view of the victims, implying that it was written from the bottom up. Not so.

The book is not a sociological history written from a socio-economic perspective covering things like the plight of minorities. It does touch on those issues, but that is not its prime focus by any means.

The book’s real focus is on America’s foreign relations of the 20th Century and on the key figures who shaped – or failed to shape – those policies. One of the volume’s major tasks is to re-evaluate two people: Harry Truman and Henry Wallace.

This is an important historical issue because Truman replaced Wallace as Vice President in 1944 and then became President in 1945 when Roosevelt died. If Truman had not replaced Wallace, Wallace would have become President and might have shaped the post-war period very differently, with less antagonism toward the Soviet Union.

Wallace had been Secretary of Agriculture during the New Deal. And according to Arthur Schlesinger, he was very good in that position. (Stone and Kuznick, p. 91) He was then Roosevelt’s personal choice for VP in 1940.

According to the authors, FDR said he would refuse to run for President for an unprecedented third term unless Wallace joined him on the ticket. (pgs. 92-93) By all indications, Wallace was a populist.

For instance, the book contrasts the famous Henry Luce quote about the 1900s being the American Century with Wallace’s reply that it must be “the century of the Common Man.” (p. 101) The authors then contrast Wallace’s view of the Soviet Union, which was much closer to Roosevelt’s during the war, with that of Truman’s belligerence.

### **The Rise of Truman**

How did Truman replace Wallace on the ticket in the first place? FDR's health was already failing in 1944. This meant two things to the party bosses: 1.) He would not make it through a fourth term, and 2.) They had to stop the too-liberal Wallace from becoming President.

Realizing that Roosevelt was in a weakened state, the bosses enacted what came to be known as "Pauley's Coup", since it was led by California millionaire and party treasurer Edwin Pauley. (pgs. 139-40) Pauley was also running the convention and was good friends with Sen. Truman.

Pauley's group put together a list of alternative candidates to Wallace. Truman was the name that was least objectionable to everyone. In spite of the backroom dealings, Wallace still almost survived.

Sen. Claude Pepper of Florida approached the podium to place his name in nomination. If that had been done, Wallace surely would have won by popular acclamation. But before Pepper could do so, the session was adjourned. (p. 143)

For two reasons, the authors see this as a turning point. First, they feel that the atomic bombs would never have been dropped on Japan if Wallace had become President at FDR's death. And second, they feel that the Cold War would never have gone into high gear with Wallace in the White House.

There is certainly a lot of evidence in support of those two arguments. Truman was not really well versed in foreign policy at the time he became President. FDR had largely acted as his own Secretary of State.

And, during the war, Roosevelt had tried to serve as a kind of bumper between Stalin and the hard-line anti-communist Winston Churchill. Roosevelt and Cordell Hull, his cooperative Secretary of State, managed to hold off the hardliners, including Churchill. This arrangement fell apart once Hull retired in late 1944 and Roosevelt died in April 1945.

Suddenly, the thinly qualified Truman was in the White House – and was much more malleable in the guiding hands of the hardliners. Little about Truman qualified him for the extraordinary geopolitical and moral issues he would face.

Truman had failed at three businesses before he became the creation of Missouri political boss Tom Pendergast, who started Truman off as a judge, though Truman had never graduated from law school. Pendergast then got Truman elected to the U.S. Senate.

When Roosevelt died, Truman felt overwhelmed, since he had only been VP for three months. Because Roosevelt had been ill during those months, the two men did not see each other very much.

### **The Hardliners Emerge**

Once Roosevelt was dead, the hardliners on the Russia issue took over, including Secretary of State James F. Byrnes, Navy Secretary James Forrestal, Gen. Leslie Groves, and Churchill.

Truman began to favor Churchill and England in the allied relationship, something Roosevelt tried to avoid. (Stone and Kuznick, p. 182) Byrnes, a South Carolina politician with little foreign experience, told Russian Foreign Minister V. H. Molotov that Truman planned on using the atomic bomb to get the USSR to comply with American demands on post-war behavior. (ibid. p. 184)

Wallace, who stayed on as Secretary of Commerce, was being marginalized. Truman nominated financier Bernard Baruch to head the Atomic Energy Commission, which oversaw development of nuclear strategy. Baruch laid down terms that all but eliminated the Soviets from joining in the effort.

Finally, Truman invited Churchill to America to make his famous “Iron Curtain” speech in March 1946. As the authors note, it was that militant, bellicose speech which “delivered a sharp, perhaps fatal blow to any prospects for post-war comity.” (p. 191)

A few months later, Henry Wallace tried to counter the sharpness of Churchill’s speech at Madison Square Garden. There, appearing with Paul Robeson and Claude Pepper, Wallace pleaded for a foreign policy that tried to understand the fears of Russia, that tried to meet her halfway. After all, he argued, Russia had been invaded twice by Germany in less than 30 years and had suffered over 20 million dead by the blitzkrieg alone.

Wallace also asked that America not follow the British imperial model in the developing world. And he added that the proper body to have far-flung foreign bases around the world was the United Nations, not the United States. (p. 201)

The speech was sharply criticized in the mainstream press as being a straight right cross to the chin of Byrnes. Even though Truman had read the speech in advance, he fired Wallace, thus eliminating one of the few remaining voices for a more conciliatory approach toward the Soviet Union. (Pgs. 202-04)

The ouster of Wallace also was the death knell for any hope that FDR’s more balanced strategy toward the World War II alliance would survive into the post-war era. The same month of Wallace’s speech, Elliot Roosevelt published an article in *Look* detailing how Truman and Churchill had derailed his father’s plans for peace after the war. (ibid, p. 200) Churchill feared Wallace so much that he placed spies around him. (p. 138)

This aspect of the Stone-Kuznick book directly ties into the decision to use the atomic bomb. The first point to recall is one that is mentioned by the authors in passing, that the Germans had abandoned their atomic bomb research. Yet, that research was the reason that FDR approved the Manhattan Project in the first place. (p. 134)

Therefore, by the time frame of 1944-45, when the testing of this devastating new weapon was approaching, the reason d'être for the bomb – to serve as a deterrent to a German bomb – had disappeared. But Truman still used it on the remaining Axis Power belligerent, Japan.

### **Why Hiroshima and Nagasaki?**

The question has always been: Was it necessary to use the bomb to induce Japan into surrendering? Or were diplomacy and a second-front invasion by Russia in 1945 enough to get a surrender without either the bomb or an American invasion? (A particularly good polemic against using the bomb is the late Stewart Udall's *The Myths of August*.)

Soviet leader Josef Stalin had promised Roosevelt that he would open up a second front against Japan three months after Germany was defeated – and Stalin kept his promise. On Aug. 8 – two days after the first U.S. atomic bomb was dropped on Hiroshima and one day before the second bomb destroyed Nagasaki – the Soviets launched a three-pronged invasion of Japanese-held Manchuria.

The Soviet invasion was so successful that the Manchurian emperor was captured, and the offensive spread to Korea, Sakhalin Island and the Kuril Islands. Stone and Kuznick note that Japan, which had already suffered devastating fire-bombings of major cities, seemed less concerned about the destruction of Hiroshima and Nagasaki than the dramatic loss of territory to an old enemy, the Russians. Emperor Hirohito announced Japan's surrender on Aug. 15, after the Russian offensive had secured Manchuria.

The book also notes that in the war's final months, the hardliners in Truman's administration, like Byrnes, insisted on an "unconditional surrender" by Japan. To the Japanese, this meant the emperor had to go and that Japanese society would have to be completely restructured.

Yet, there were voices outside the White House, like Gen. Douglas MacArthur, who advised Truman to let the Japanese keep the emperor in order to make it easier for them to surrender. MacArthur was confident that maintaining the emperor would be a help and not a hindrance to rebuilding the country.

The irony of this protracted argument is that, after Hirohito's announcement of surrender, the allies did let the emperor stay. And he reigned until his death in 1989. Indeed, Hirohito had been looking for a way to surrender since June 1945.

Today it seems fairly clear that the combination of the Soviet invasion and an altering of the unconditional surrender terms could have avoided the hundreds of thousands of deaths and maimings brought on by the two atomic bombs, and perhaps stopped the dawn of the atomic age.

However, both Byrnes and the military commander of the Manhattan Project, Leslie Groves, admitted that they wished to use the weapons not so much to induce Japan to

surrender, but to warn the Russians what they were now up against in the post-World War II world. (Stone and Kuznick, p. 160)

As wiser men like Wallace foresaw, this threat backfired. Stalin ordered a ratcheting up of his scientific team to hurry along the Soviet version of the bomb. (ibid, p. 165)

### **Misreading the Soviets**

Truman also miscalculated regarding the Soviet capability to duplicate the U.S. development of a nuclear bomb. When Truman asked the scientific supervisor of the Manhattan Project, Robert Oppenheimer, how long it would take for the Russians to come up with their version of the bomb, Oppenheimer said he was not sure. Truman said, "I'll tell you. Never." (p. 179)

The Russians exploded their first atomic bomb just four years later. The nuclear arms race was off and running.

The other major argument in support of Truman's decision to drop the A-Bombs on two Japanese cities has been that lives were saved by avoiding a U.S. invasion of the Japanese mainland, a project codenamed Downfall and scheduled to begin in December 1945. In other words, there were still several months to negotiate Japan's surrender.

The hurried-up decision to use the bomb seems to stem from the fact that Truman had told Stalin at the Potsdam Conference that the U.S. now had the weapon. (Stone and Kuznick, pgs. 162-65) So, just four days after the conclusion of Potsdam, the first bomb was dropped on Hiroshima. Then, one day after the Russians invaded Manchuria, the second bomb was dropped on Nagasaki.

Still, Stone and Kuznick recognize that their historically well-supported view is considered contrarian to mainstream U.S. history. That's because the political and historical establishment has tried to prop up Truman as something like a good-to-near-great President.

The reason that people like George Will and Condoleezza Rice do so is fairly obvious. To them, the Cold War and the nuclear arms race were things to be thankful for. But the national mythology about Harry Truman goes further. One needs only consider the enormous success of David McCullough's 1992 biography of the man, eponymously called Truman. For me, and others, this was a 990-page appeal for Truman's canonization.

To figure that out, one only has to compare how many pages McCullough spent on Truman's dramatic come-from-behind victory in the presidential race of 1948 (a lot) versus how many he spent on the decision to drop the atomic bomb (a lot fewer). But McCullough's book was met with great acclamation. It became a huge bestseller and was made into a TV movie, establishing McCullough as the successor to Stephen Ambrose as the agreed upon historian for the MSM.

## **A Misleading Claim**

The problem with the acclaim is that, as it turned out, McCullough cheated on a key point in defending Truman's decision to use the A-Bomb. As Stone and Kuznick show, in both their book and film, Truman always (unconvincingly) maintained that the reason he dropped the bombs was to avoid an American invasion of the island. Truman thought that hundreds of thousands of American lives — at times he said a million — would have been lost in an amphibious assault.

In his book, McCullough tried to back up Truman's claim, by citing a memorandum by Thomas Handy of Gen. George Marshall's staff saying that an invasion of Japan could cost anywhere from 500,000 to a million lives. McCullough added that this memo showed "that figures of such magnitude were then in use at the highest levels." (McCullough, Truman, p. 401)

This memo would certainly fortify Truman's ex post facto defense. The problem is that when writer Philip Nobile went looking for the document, he couldn't find it. McCullough had left it out of his footnotes, an omission that grew more suspicious when we learn from Stanford historian Barton Bernstein that no such memo by Handy exists.

Bernstein, an acknowledged authority on Truman, told Nobile that the memo in question was actually written by former President Herbert Hoover, who was no military expert and failed to sign it. Clipped to the Hoover memo was a critique of Hoover by Handy. The critique repudiated Hoover's estimates as being too high.

In other words, McCullough presented in his book the opposite of what Handy's meaning was. Making it even worse for McCullough is the fact that Bernstein had exposed all this Handy/Hoover mishmash twice before, once in a periodical and once in a book. And that was five years before McCullough's book was published. (Click here for Nobile's article <http://hnn.us/articles/157.html>)

Yet this shoddy scholarship — if that is what it was — gets ignored in this battle over, as journalist Robert Parry has termed it, the stolen historical narrative of America.

## **Reconsidering the Eastern Front**

Another major theme of the Stone/Kuznick book is that, contrary to what textbooks and Hollywood films like *Saving Private Ryan* imply, World War II in Europe was not actually won by the Americans. Or the British. It was really won by the Russians.

The story of Operation Barbarossa, Hitler's massive invasion of the Soviet Union, has been relatively ignored in high school texts, although college texts have been improving on this as of late. There is little doubt today by any serious military historian that the German defeats on the Eastern Front were the primary reason for the fall of the Third Reich.

In the last 20 years, with the fall of the Soviet Union, there has been much good work done out of the Russian archives which allow historians to etch into the saga of World War II the huge military campaigns on the Russian front from 1941-43. This has allowed for the proper crediting of the importance of Marshal Georgy Zhukov, the commander who was most responsible for thwarting Germany's invasion of the Soviet Union.

For his battlefield successes, Zhukov deserves to be mentioned with the likes of Eisenhower, MacArthur and Montgomery as one of the icons of World War II. Yet, because he was Russian, he is generally ignored.

But it was Zhukov who wisely advised Stalin to abandon Kiev in 1941 and convinced Stalin that Leningrad was the key to their defense. It also was Zhukov whom Stalin sent to save Moscow after the original commanding officer, S. M. Budyonny, could not be located. And, most importantly, it was Zhukov who commanded the counteroffensive at Stalingrad, now widely considered the turning point of World War II. It was also Zhukov who advised the strategy that stopped the last German offensive in 1943 at the great tank battle at Kursk.

As the book notes, Hitler had arranged an invasion force of nearly four million men to attack Russia in 1941, still the largest invasion in the history of warfare. At one time, the Russians were facing about 200 divisions of the Wehrmacht. The British and Americans never faced even close to that many.

But further, Barbarossa accounted for 95 percent of all Wehrmacht casualties from 1941-44 as five major battles were fought on the Eastern Front: Kiev, Leningrad, Moscow, Stalingrad, and Kursk. After Stalingrad and Kursk, the Germans were so decimated they could launch no more offensives in the East.

The rest of the war in Europe was essentially anti-climactic. The Soviet victories on the Eastern Front had doomed the Nazis, not the fabled battles at Normandy and elsewhere on the Western Front.

Stone and Kuznick note that Stalin pressed for a second front almost immediately after the German invasion of the Soviet Union, and Roosevelt agreed. But Churchill argued for a delay in opening up a second front in France in 1942. Instead he wanted to open up a front in North Africa, which would lead to Egypt and the Middle East, therefore preserving British interest in oil and their colonial mandates there.

As a side effect, the Russians would endure the main brunt of the Nazi war machine longer. (Stone and Kuznick, pgs. 104-05) In the Showtime version, Truman is quoted as saying that in his opinion if Germany was winning the battle, America ought to help Russia. He then added that if Russia started to win, the U.S. should help Germany. Truman said the idea was to kill off as many from each country as possible. This is the man David McCullough has beatified.

### **Assessing Wilson**

Earlier in their book, Stone and Kuznick also trained their guns on another overrated president, Woodrow Wilson. Like Truman, who actually tried to join the Ku Klux Klan at one time, Wilson also was a racist who screened D. W. Griffith's heroic picture about the Klan, *Birth of a Nation*, in the White House.

Wilson, although ostensibly a Democrat and a progressive reformer, was really a wolf in sheep's clothing. He once wrote, "There is nothing in which I am more interested than the fullest development of the trade of this country and its righteous conquest of foreign markets." (Stone and Kuznick, p. 2)

Wilson also clearly favored America getting into World War I on the side of the British. As the book notes, and as Secretary of State Robert Lansing tried to conceal, the *Lusitania* was carrying arms to England when she was struck by a German U-boat. (Stone and Kuznick, p. 6) The House of Morgan also had guaranteed so many loans to England during the war that it would have been disastrous for the American banking system if England had been defeated.

Then, once in the war, Wilson did all he could to stifle dissent against it. He set up a propaganda arm called the Committee on Public Information headed by newspaperman George Creel. But Creel also propagandized against the Russians by spreading the lie that both Trotsky and Lenin were German agents. (ibid, p. 9)

The coercion of public opinion became an enduring part of American war culture. Professors who dissented from the war were fired from Columbia University. Socialist politician Eugene Debs was imprisoned. Anti-German attitudes were encouraged and fostered by Creel's outfit, leading to lynchings. (ibid, pgs. 11-16)

And when it was all over, Wilson failed in large part to gain his sacred Fourteen Points, the basis for which Versailles was supposed to be an honorable peace, a peace, as Wilson termed it, for all time.

As the authors note, one reason Wilson failed at Versailles was that he did not make the Fourteen Points part and parcel of the United States entering the war in the first place. If he had he would have had much more leverage.

Although Jon Weiner of *The Nation* has said the Stone-Kuznick book ignores or discounts the influence of Wall Street on historical events, that is not really accurate. In their discussion of the Eisenhower years, for instance, the authors sketch in the background of the Dulles brothers, John Foster who was Ike's Secretary of State and Allen who became Director of the CIA.

Both men came from the giant corporate law firm Sullivan and Cromwell. There John was managing partner and Allen was senior partner. Their interest in corporate affairs influenced the decisions the brothers made while in government. (Stone and Kuznick, pgs. 253-54)

I actually think this subject merited more space since one can make a good case that when Allen Dulles came to power at the Agency, he more or less revolutionized the CIA and the uses to which it would be put. And this could not have been done without the help of his brother at State, for Foster was personally friendly with Ike and he would at times remove ambassadors in countries which resisted the siren song of covert action, one which the brothers found so enthralling.

### **The Guatemalan Coup**

Although I wish the authors had done more with this issue of covert action, the book does a good job in its description of the first two famous overthrows that the Dulles brothers managed, i.e. in Iran in 1953 and in Guatemala in 1954. The second account is one of the best summaries I have read.

Before he left office Guatemalan president Jacobo Arbenz accurately stated, “The United Fruit Company, in collaboration with the governing circles of the United States, is responsible for what is happening to us.” He then warned, also accurately, that Guatemala would now descend into “twenty years of fascist bloody tyranny.”

After the Guatemalan coup, John Foster Dulles applauded the victory of democracy over Soviet communism and stated the Guatemalans themselves had cured the situation. (Stone and Kuznick, p. 265)

In this chapter on the Fifties, the book also accurately states that McCarthyism in reality was supplied by FBI Director J. Edgar Hoover. (Ibid, pgs. 231-34) And that its real objective was to eliminate the Left in the United States so there would never be any viable socialist or communist party here.

I wish Stone and Kuznick had explicitly noted that it was not illegal to be a communist in the United States at the time of McCarthy. Therefore, what happened in the Fifties was a collapse of the whole civil liberties system which should have protected his victims from government-directed repression.

For me, the most disappointing chapter in the first half of the book is on John F. Kennedy. The first third of this chapter wraps up the Eisenhower years, devoting attention to Ike’s Farewell Address and its warning about “the military-industrial complex.” But the authors do not mention the U-2 incident which marred the Paris Peace Conference and may have led to what Eisenhower said in that address. (Stone and Kuznick, p. 289)

The book offers a fairly simplistic account of Kennedy’s political career prior to 1960, calling him a Cold War liberal who ran in 1960 as a hawk. This was the first time I felt the book really fell down in its scholarship because to make this rubric stick, there is no mention of Kennedy’s battles with Eisenhower and the Dulles brothers in the Fifties over things like Vietnam and Algeria.

The authors then say that, under Kennedy, foreign policy was still in the hands of the Establishment figures from the Council on Foreign Relations, without saying that Kennedy was never in the CFR. Although the book does mention Kennedy's try for a cease-fire in Laos, it completely ignores his efforts to beat back the colonialists in Congo and Indonesia in 1961.

### **Misreading Mongoose**

The authors say Operation Mongoose against Cuba began in November 1961 and that one of the objectives was to assassinate Fidel Castro. (Stone and Kuznick, p. 304) I was really surprised to see that in a book co-authored by Oliver Stone, since the operation did not actually go into effect until February 1962, when CIA officer Ted Shackley arrived in Miami to take over the JM/Wave station. (William Turner and Warren Hinckle, *Deadly Secrets*, p. 126) And as the CIA Inspector General's report on the Castro assassination plots reveals, the killing of Castro was never part of the Mongoose operation.

The book then blames the Missile Crisis on Mongoose. (Stone and Kuznick, p. 304) Yet anyone can see by reading *The Kennedy Tapes* that Soviet leader Nikita Khrushchev's agenda was really to attain a first-strike capability in order to deal with the question of Berlin. (May and Zelikow, p. 678)

The discussion of Kennedy and Vietnam is also disappointing. The book states that Kennedy was intent on standing up to the communists in Vietnam (Stone and Kuznick, p. 304), to which I would reply, "With what? Fifteen thousand advisers against the combined forces of both the Viet Cong and North Vietnam?"

I was surprised to see some of the sourcing in this chapter. In addition to citing JFK's purported mistress Mimi Alford, a lot of it was to books like David Halberstam's obsolete and discredited *The Best and the Brightest* and to New York Times' correspondent Tim Weiner's *Legacy of Ashes*. There was not one footnote to John Newman's milestone book *JFK and Vietnam*, or to works based on the declassified record like James Blight's *Virtual JFK*. This baffles me.

And the authors fail to mention a wonderful meeting which could have provided an ironic cap to the chapter on Kennedy (which, at least does end with Kennedy seeking détente with the Russians and Cubans.)

This meeting was occasioned by Harry Truman's op-ed in the *Washington Post* on Dec. 22, 1963, a month after JFK's assassination. In that essay, Truman wrote that the CIA had strayed far afield from the mission he had originally envisioned for it, i.e. an emphasis on objective intelligence gathering and analysis.

It turns out that ex-CIA Director Allen Dulles, who at the time was on the Warren Commission investigating JFK's murder, was so upset by the op-ed's implication that he personally visited Truman at his home in April 1964. Dulles tried to get Truman to retract the criticism.

Dulles tried to persuade Truman that newspaper articles at the time of JFK's assassination saying the CIA had taken over Vietnam policy from Kennedy were wrong. (James DiEugenio, *Destiny Betrayed*, Second Edition, pgs. 379-81) That would have made an ironic and symmetrical tie between Truman, Kennedy and the Dulles brothers.

But – despite my various concerns about shortcomings – there is much to like in this book. The second part deals with the period from the Johnson administration to Barack Obama's first term. Stay tuned.

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His new book is *Destiny Betrayed* (Second Edition) from Skyhorse Publishing.

### **Can America Be Fixed?**

The New Crisis of Democracy

By Fareed Zakaria

January/February 2013

Article Summary and Author Biography

The crisis of democracy identified in the 1970s never really went away; it was just papered over with temporary solutions and obscured by a series of lucky breaks. Today, the problems have mounted, and yet American democracy is more dysfunctional than ever -- and it has fewer levers to pull in a globalized economy. This time, the pessimists might be right.

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*We built that: President Barack Obama visiting the Hoover Dam, October 2, 2012. (Kevin Lamarque / Courtesy Reuters)*

In November, the American electorate, deeply unhappy with Washington and its political gridlock, voted to maintain precisely the same distribution of power -- returning President Barack Obama for a second term and restoring a Democratic Senate and a Republican House of Representatives. With at least the electoral uncertainty out of the way, attention quickly turned to how the country's lawmakers would address the immediate crisis known as the fiscal cliff -- the impending end-of-year tax increases and government spending cuts mandated by earlier legislation.

As the United States continues its slow but steady recovery from the depths of the financial crisis, nobody actually wants a massive austerity package to shock the economy back into recession, and so the odds have always been high that the game of budgetary chicken will stop short of disaster. Looming past the cliff, however, is a deep chasm that poses a much greater challenge -- the retooling of the country's economy, society, and government necessary for the United States to perform effectively in the twenty-first century. The focus in Washington now is on taxing and cutting; it should be on reforming and investing. The United States needs serious change in its fiscal, entitlement, infrastructure, immigration, and education policies, among others. And yet a polarized and often paralyzed Washington has pushed dealing with these problems off into the future, which will only make them more difficult and expensive to solve.

Studies show that the political divisions in Washington are at their worst since the years following the Civil War. Twice in the last three years, the world's leading power -- with

the largest economy, the global reserve currency, and a dominant leadership role in all international institutions -- has come close to committing economic suicide. The American economy remains extremely dynamic. But one has to wonder whether the U.S. political system is capable of making the changes that will ensure continued success in a world of greater global competition and technological change. Is the current predicament, in other words, really a crisis of democracy?

In 1980, the United States' gross government debt was 42 percent of its total GDP; it is now 107 percent.

That phrase might sound familiar. By the mid-1970s, growth was stagnating and inflation skyrocketing across the West. Vietnam and Watergate had undermined faith in political institutions and leaders, and newly empowered social activists were challenging establishments across the board. In a 1975 report from the Trilateral Commission entitled *The Crisis of Democracy*, distinguished scholars from the United States, Europe, and Japan argued that the democratic governments of the industrial world had simply lost their ability to function, overwhelmed by the problems they confronted. The section on the United States, written by the political scientist Samuel Huntington, was particularly gloomy.

We know how that worked out: within several years, inflation was tamed, the American economy boomed, and confidence was restored. A decade later, it was communism and the Soviet Union that collapsed, not capitalism and the West. So much for the pessimists.

And yet just over two decades further on, the advanced industrial democracies are once again filled with gloom. In Europe, economic growth has stalled, the common currency is in danger, and there is talk that the union itself might split up. Japan has had seven prime ministers in ten years, as the political system splinters, the economy stagnates, and the country slips further into decline. But the United States, given its global role, presents perhaps the most worrying case.

Is there a new crisis of democracy? Certainly, the American public seems to think so. Anger with politicians and institutions of government is much greater than it was in 1975. According to American National Election Studies polls, in 1964, 76 percent of Americans agreed with the statement "You can trust the government in Washington to do what is

right just about always or most of the time." By the late 1970s, that number had dropped to the high 40s. In 2008, it was 30 percent. In January 2010, it had fallen to 19 percent.

Commentators are prone to seeing the challenges of the moment in unnecessarily apocalyptic terms. It is possible that these problems, too, will pass, that the West will muddle through somehow until it faces yet another set of challenges a generation down the road, which will again be described in an overly dramatic fashion. But it is also possible that the public is onto something. The crisis of democracy, from this perspective, never really went away; it was just papered over with temporary solutions and obscured by a series of lucky breaks. Today, the problems have mounted, and yet American democracy is more dysfunctional and commands less authority than ever -- and it has fewer levers to pull in a globalized economy. This time, the pessimists might be right.

## TRENDING NOW

The mid-1970s predictions of doom for Western democracy were undone by three broad economic trends: the decline of inflation, the information revolution, and globalization. In the 1970s, the world was racked by inflation, with rates stretching from low double digits in countries such as the United States and the United Kingdom to 200 percent in countries such as Brazil and Turkey. In 1979, Paul Volcker became chair of the U.S. Federal Reserve, and within a few years, his policies had broken the back of American inflation. Central banks across the world began following the Fed's example, and soon, inflation was declining everywhere.

Technological advancement has been around for centuries, but beginning in the 1980s, the widespread use of computers and then the Internet began to transform every aspect of the economy. The information revolution led to increased productivity and growth in the United States and around the world, and the revolution looks to be a permanent one.

Late in that decade, partly because the information revolution put closed economies and societies at an even greater disadvantage, the Soviet empire collapsed, and soon the Soviet Union itself followed. This allowed the Western system of interconnected free markets and societies to spread across most of the world -- a process that became known as globalization. Countries with command or heavily planned economies and societies opened up and began participating in a single global market, adding vigor to both

themselves and the system at large. In 1979, 75 countries were growing by at least four percent a year; in 2007, just before the financial crisis hit, the number had risen to 127.

These trends not only destroyed the East but also benefited the West. Low inflation and the information revolution enabled Western economies to grow more quickly, and globalization opened up vast new markets filled with cheap labor for Western companies to draw on and sell to. The result was a rebirth of American confidence and an expansion of the global economy with an unchallenged United States at the center. A generation on, however, the Soviet collapse is a distant memory, low inflation has become the norm, and further advances in globalization and information technology are now producing as many challenges for the West as opportunities.

With only a few exceptions, the advanced industrial democracies have spent the last few decades managing or ignoring their problems rather than tackling them head-on.

The jobs and wages of American workers, for example, have come under increasing pressure. A 2011 study by the McKinsey Global Institute found that from the late 1940s until 1990, every recession and recovery in the United States followed a simple pattern. First, GDP recovered to its pre-recession level, and then, six months later (on average), the employment rate followed. But then, that pattern was broken. After the recession of the early 1990s, the employment rate returned to its pre-recession level 15 months after GDP did. In the early part of the next decade, it took 39 months. And in the current recovery, it appears that the employment rate will return to its pre-recession level a full 60 months -- five years -- after GDP did. The same trends that helped spur growth in the past are now driving a new normal, with jobless growth and declining wages.

## MAGIC MONEY

The broad-based growth of the post-World War II era slowed during the mid-1970s and has never fully returned. The Federal Reserve Bank of Cleveland recently noted that in the United States, real GDP growth peaked in the early 1960s at more than four percent, dropped to below three percent in the late 1970s, and recovered somewhat in the 1980s only to drop further in recent years down to its current two percent. Median incomes, meanwhile, have barely risen over the last 40 years. Rather than tackle the underlying problems or accept lower standards of living, the United States responded by taking on

debt. From the 1980s on, Americans have consumed more than they have produced, and they have made up the difference by borrowing.

President Ronald Reagan came to power in 1981 as a monetarist and acolyte of Milton Friedman, arguing for small government and balanced budgets. But he governed as a Keynesian, pushing through large tax cuts and a huge run-up in defense spending. (Tax cuts are just as Keynesian as government spending; both pump money into the economy and increase aggregate demand.) Reagan ended his years in office with inflation-adjusted federal spending 20 percent higher than when he started and with a skyrocketing federal deficit. For the 20 years before Reagan, the deficit was under two percent of GDP. In Reagan's two terms, it averaged over four percent of GDP. Apart from a brief period in the late 1990s, when the Clinton administration actually ran a surplus, the federal deficit has stayed above the three percent mark ever since; it is currently seven percent.

John Maynard Keynes' advice was for governments to spend during busts but save during booms. In recent decades, elected governments have found it hard to save at any time. They have run deficits during busts and during booms, as well. The U.S. Federal Reserve has kept rates low in bad times but also in good ones. It's easy to blame politicians for such one-handed Keynesianism, but the public is as much at fault. In poll after poll, Americans have voiced their preferences: they want low taxes and lots of government services. Magic is required to satisfy both demands simultaneously, and it turned out magic was available, in the form of cheap credit. The federal government borrowed heavily, and so did all other governments -- state, local, and municipal -- and the American people themselves. Household debt rose from \$665 billion in 1974 to \$13 trillion today. Over that period, consumption, fueled by cheap credit, went up and stayed up.

Other rich democracies have followed the same course. In 1980, the United States' gross government debt was 42 percent of its total GDP; it is now 107 percent. During the same period, the comparable figure for the United Kingdom moved from 46 percent to 88 percent. Most European governments (including notoriously frugal Germany) now have debt-to-GDP levels that hover around 80 percent, and some, such as Greece and Italy, have ones that are much higher. In 1980, Japan's gross government debt was 50 percent of GDP; today, it is 236 percent.

The world has turned upside down. It used to be thought that developing countries would have high debt loads, because they would borrow heavily to finance their rapid growth from low income levels. Rich countries, growing more slowly from high income levels, would have low debt loads and much greater stability. But look at the G-20 today, a group that includes the largest countries from both the developed and the developing worlds. The average debt-to-GDP ratio for the developing countries is 35 percent; for the rich countries, it is over three times as high.

## REFORM AND INVEST

When Western governments and international organizations such as the International Monetary Fund offer advice to developing countries on how to spur growth, they almost always advocate structural reforms that will open up sectors of their economies to competition, allow labor to move freely between jobs, eliminate wasteful and economically distorting government subsidies, and focus government spending on pro-growth investment. When facing their own problems, however, those same Western countries have been loath to follow their own advice.

Current discussions about how to restore growth in Europe tend to focus on austerity, with economists debating the pros and cons of cutting deficits. Austerity is clearly not working, but it is just as clear that with debt burdens already at close to 90 percent of GDP, European countries cannot simply spend their way out of their current crisis. What they really need are major structural reforms designed to make themselves more competitive, coupled with some investments for future growth.

The danger for Western democracies is not death but sclerosis.

Not least because it boasts the world's reserve currency, the United States has more room to maneuver than Europe. But it, too, needs to change. It has a gargantuan tax code that, when all its rules and regulations are included, totals 73,000 pages; a burdensome litigation system; and a crazy patchwork of federal, state, and local regulations. U.S. financial institutions, for example, are often overseen by five or six different federal agencies and 50 sets of state agencies, all with overlapping authority.

If the case for reform is important, the case for investment is more urgent. In its annual study of competitiveness, the World Economic Forum consistently gives the United

States poor marks for its tax and regulatory policies, ranking it 76th in 2012, for example, on the "burden of government regulations." But for all its complications, the American economy remains one of the world's most competitive, ranking seventh overall -- only a modest slippage from five years ago. In contrast, the United States has dropped dramatically in its investments in human and physical capital. The WEF ranked American infrastructure fifth in the world a decade ago but now ranks it 25th and falling. The country used to lead the world in percentage of college graduates; it is now ranked 14th. U.S. federal funding for research and development as a percentage of GDP has fallen to half the level it was in 1960 -- while it is rising in countries such as China, Singapore, and South Korea. The public university system in the United States -- once the crown jewel of American public education -- is being gutted by budget cuts.

The modern history of the United States suggests a correlation between investment and growth. In the 1950s and 1960s, the federal government spent over five percent of GDP annually on investment, and the economy boomed. Over the last 30 years, the government has been cutting back; federal spending on investment is now around three percent of GDP annually, and growth has been tepid. As the Nobel Prize-winning economist Michael Spence has noted, the United States escaped from the Great Depression not only by spending massively on World War II but also by slashing consumption and ramping up investment. Americans reduced their spending, increased their savings, and purchased war bonds. That boost in public and private investment led to a generation of postwar growth. Another generation of growth will require comparable investments.

The problems of reform and investment come together in the case of infrastructure. In 2009, the American Society of Civil Engineers gave the country's infrastructure a grade of D and calculated that repairing and renovating it would cost \$2 trillion. The specific number might be an exaggeration (engineers have a vested interest in the subject), but every study shows what any traveler can plainly see: the United States is falling badly behind. This is partly a matter of crumbling bridges and highways, but it goes well beyond that. The U.S. air traffic control system is outdated and in need of a \$25 billion upgrade. The U.S. energy grid is antique, and it malfunctions often enough that many households are acquiring that classic symbol of status in the developing world: a private electrical generator. The country's drinking water is carried through a network of old and leaky pipes, and its cellular and broadband systems are slow compared with those of

many other advanced countries. All this translates into slower growth. And if it takes longer to fix, it will cost more, as deferred maintenance usually does.

Spending on infrastructure is hardly a panacea, however, because without careful planning and oversight, it can be inefficient and ineffective. Congress allocates money to infrastructure projects based on politics, not need or bang for the buck. The elegant solution to the problem would be to have a national infrastructure bank that is funded by a combination of government money and private capital. Such a bank would minimize waste and redundancy by having projects chosen by technocrats on merit rather than by politicians for pork. Naturally, this very idea is languishing in Congress, despite some support from prominent figures on both sides of the aisle.

The same is the case with financial reforms: the problem is not a lack of good ideas or technical feasibility but politics. The politicians who sit on the committees overseeing the current alphabet soup of ineffective agencies are happy primarily because they can raise money for their campaigns from the financial industry. The current system works better as a mechanism for campaign fundraising than it does as an instrument for financial oversight.

In 1979, the social scientist Ezra Vogel published a book titled *Japan as Number One*, predicting a rosy future for the then-rising Asian power. When *The Washington Post* asked him recently why his prediction had been so far off the mark, he pointed out that the Japanese economy was highly sophisticated and advanced, but, he confessed, he had never anticipated that its political system would seize up the way it did and allow the country to spiral downward.

Vogel was right to note that the problem was politics rather than economics. All the advanced industrial economies have weaknesses, but they also all have considerable strengths, particularly the United States. They have reached a stage of development, however, at which outmoded policies, structures, and practices have to be changed or abandoned. The problem, as the economist Mancur Olson pointed out, is that the existing policies benefit interest groups that zealously protect the status quo. Reform requires governments to assert the national interest over such parochial interests, something that is increasingly difficult to do in a democracy.

POLITICAL DEMOGRAPHY

With only a few exceptions, the advanced industrial democracies have spent the last few decades managing or ignoring their problems rather than tackling them head-on. Soon, this option won't be available, because the crisis of democracy will be combined with a crisis of demography.

The industrial world is aging at a pace never before seen in human history. Japan is at the leading edge of this trend, predicted to go from a population of 127 million today to just 47 million by the end of the century. Europe is not far behind, with Italy and Germany approaching trajectories like Japan's. The United States is actually the outlier on this front, the only advanced industrial country not in demographic decline. In fact, because of immigration and somewhat higher fertility rates, its population is predicted to grow to 423 million by 2050, whereas, say, Germany's is predicted to shrink to 72 million. Favorable U.S. demographics, however, are offset by more expensive U.S. entitlement programs for retirees, particularly in the area of health care.

To understand this, start with a ratio of working-age citizens to those over 65. That helps determine how much revenue the government can get from workers to distribute to retirees. In the United States today, the ratio is 4.6 working people for every retiree. In 25 years, it will drop to 2.7. That shift will make a huge difference to an already worrisome situation. Current annual expenditures for the two main entitlement programs for older Americans, Social Security and Medicare, top \$1 trillion. The growth of these expenditures has far outstripped inflation in the past and will likely do so for decades to come, even with the implementation of the Affordable Care Act. Throw in all other entitlement programs, the demographer Nicholas Eberstadt has calculated, and the total is \$2.2 trillion -- up from \$24 billion a half century ago, nearly a hundredfold increase.

However worthwhile such programs may be, they are unaffordable on their current trajectories, consuming the majority of all federal spending. The economists Carmen Reinhart and Kenneth Rogoff argued in their detailed study of financial crises, *This Time Is Different*, that countries with debt-to-GDP burdens of 90 percent or more almost invariably have trouble sustaining growth and stability. Unless its current entitlement obligations are somehow reformed, with health-care costs lowered in particular, it is difficult to see how the United States can end up with a ratio much lower than that. What this means is that while the American right has to recognize that tax revenues will have to rise significantly in coming decades, the American left has to recognize that without

significant reforms, entitlements may be the only thing even those increased tax revenues will cover. A recent report by Third Way, a Washington-based think tank lobbying for entitlement reform, calculates that by 2029, Social Security, Medicare, Medicaid, and interest on the debt combined will amount to 18 percent of GDP. It just so happens that 18 percent of GDP is precisely what the government has averaged in tax collections over the last 40 years.

The continued growth in entitlements is set to crowd out all other government spending, including on defense and the investments needed to help spur the next wave of economic growth. In 1960, entitlement programs amounted to well under one-third of the federal budget, with all the other functions of government taking up the remaining two-thirds. By 2010, things had flipped, with entitlement programs accounting for two-thirds of the budget and everything else crammed into one-third. On its current path, the U.S. federal government is turning into, in the journalist Ezra Klein's memorable image, an insurance company with an army. And even the army will have to shrink soon.

Rebalancing the budget to gain space for investment in the country's future is today's great American challenge. And despite what one may have gathered during the recent campaign, it is a challenge for both parties. Eberstadt points out that entitlement spending has actually grown faster under Republican presidents than under Democrats, and a *New York Times* investigation in 2012 found that two-thirds of the 100 U.S. counties most dependent on entitlement programs were heavily Republican.

Reform and investment would be difficult in the best of times, but the continuation of current global trends will make these tasks ever tougher and more urgent. Technology and globalization have made it possible to do simple manufacturing anywhere, and Americans will not be able to compete for jobs against workers in China and India who are being paid a tenth of the wages that they are. That means that the United States has no choice but to move up the value chain, relying on a highly skilled work force, superb infrastructure, massive job-training programs, and cutting-edge science and technology -- all of which will not materialize without substantial investment.

The U.S. government currently spends \$4 on citizens over 65 for every \$1 it spends on those under 18. At some level, that is a brutal reflection of democratic power politics: seniors vote; minors do not. But it is also a statement that the country values the present more than the future.

## TURNING JAPANESE

Huntington, the author of the section on the United States in the Trilateral Commission's 1975 report, used to say that it was important for a country to worry about decline, because only then would it make the changes necessary to belie the gloomy predictions. If not for fear of Sputnik, the United States would never have galvanized its scientific establishment, funded NASA, and raced to the moon. Perhaps that sort of response to today's challenges is just around the corner -- perhaps Washington will be able to summon the will to pass major, far-reaching policy initiatives over the next few years, putting the United States back on a clear path to a vibrant, solvent future. But hope is not a plan, and it has to be said that at this point, such an outcome seems unlikely.

The absence of such moves will hardly spell the country's doom. Liberal democratic capitalism is clearly the only system that has the flexibility and legitimacy to endure in the modern world. If any regimes collapse in the decades ahead, they will be command systems, such as the one in China (although this is unlikely). But it is hard to see how the derailing of China's rise, were it to happen, would solve any of the problems the United States faces -- and in fact, it might make them worse, if it meant that the global economy would grow at a slower pace than anticipated.

The danger for Western democracies is not death but sclerosis. The daunting challenges they face -- budgetary pressures, political paralysis, demographic stress -- point to slow growth rather than collapse. Muddling through the crisis will mean that these countries stay rich but slowly and steadily drift to the margins of the world. Quarrels over how to divide a smaller pie may spark some political conflict and turmoil but will produce mostly resignation to a less energetic, interesting, and productive future.

There once was an advanced industrial democracy that could not reform. It went from dominating the world economy to growing for two decades at the anemic average rate of just 0.8 percent. Many members of its aging, well-educated population continued to live pleasant lives, but they left an increasingly barren legacy for future generations. Its debt burden is now staggering, and its per capita income has dropped to 24th in the world and is falling. If the Americans and the Europeans fail to get their acts together, their future will be easy to see. All they have to do is look at Japan.

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**National Intelligence Council: U.S. is a “global security provider”**

**The center's new "Global Trends 2030" offers a predictably myopic view of America's future place in the world**

BY [TOM ENGELHARDT](#), TOMDISPATCH.COM

Think of it as a simple formula: if you've been hired (and paid handsomely) to protect what is, you're going to be congenitally ill-equipped to imagine what might be. And yet the urge not just to know the contours of the future, but to plant the Stars and Stripes in that future has had the U.S. Intelligence Community (IC) in its grip since the mid-1990s. That was the moment when it first **occurred** to some in Washington that U.S. power might be capable of controlling just about everything worth the bother globally for, if not an eternity, then long enough to make the future American property.

Ever since, every few years the **National Intelligence Council** (NIC), the IC's "center for long-term strategic analysis," has been intent on producing a document it calls serially *Global Trends* [fill in the future year]. The latest edition, out just in time for Barack Obama's second term, is *Global Trends 2030*. Here's one utterly predictable thing about it: it's bigger and more elaborate than *Global Trends 2025*. And here's a prediction that, hard as it is to get anything right about the future, has a 99.9% chance of being accurate: when *Global Trends 2035* comes out, it'll be bigger and more elaborate yet. It'll cost more and still, like its predecessor, offer a hem for every haw, a hedge for every faintly bold possibility, a trap-door escape from any prediction that might not stick.

None of this should be surprising. In recent years, with a **\$75 billion** collective budget, the IC, that historically unprecedented labyrinth of **17 intelligence agencies and outfits**, has been one of Washington's **major growth industries**. In return for almost unfettered funding and a more-than-decade-long **expansion** of its powers, it's promised one thing to the American people: safety, especially from "terrorism." As part of a national security complex that has benefitted enormously from a post-9/11 lockdown of the country and the creation of a permanent war state, it also suffers from the classic bureaucratic disease of bloat.

So no one should be shocked to discover that its forays into an anxiety-producing future, which started relatively modestly in 1997, have turned into ever more massive operations. In this fifth iteration of the series, the authors have given birth to a book-length paean to the future and its dangers.

For this, they convened groups of "experts" in too many American universities to count, consulted too many individual academics to name despite pages of acknowledgements, and held "meetings on the initial draft in close to 20 countries." In other words, a monumental effort was made to mount the future and reassure Washington that, while a "relative economic decline vis-à-vis the rising states is inevitable," the coming decades

might still prove an American plaything (even if shared, to some extent, with China and those rising powers).

### **Frack Is the New Crack**

Having grown to immodest size, the “trends” in the project’s title were no longer faintly enough. Instead, the language of *Global Trends 2030* has bloated to match its mammoth pretensions. These days to nail down the future for American policymakers, you need Megatrends (“Individual Empowerment,” “Diffusion of Power”), Game-Changers (“Crisis-Prone Global Economy,” “Governance Gap,” “Potential for Increased Violence”), Black Swans (“Severe Pandemic,” “Much More Rapid Climate Change,” “A Reformed Iran”), and Tectonic Shifts (“Growth of the Global Middle Class,” “Unprecedented and Widespread Aging”), not to speak of Potential Worlds or fictional futuristic scenarios in which those Megatrends, Game-Changers, Black Swans, and Tectonic Shifts mix and match into possible futures.

Out of this, what exactly have the mavens of American intelligence, the representatives of the last remaining global superpower, concluded? Here would be my partial summary: that we should expect the rise of nothing much we don’t already know about; that various versions of the knowable present can be accurately projected into the future; that much depends on what happens to the Earth’s greatest state (with China nipping at its heels) — whether, that is, with its “preponderance across the board in most dimensions of power, both ‘hard’ and ‘soft,’” the U.S. will remain a benevolent “global security provider” or “global policeman” of planetary stability or — disaster of disasters — pull in on itself, creating a declinist fortress America; that the true American crisis might be a decrease in military spending; that odds are the global economy, with more than a billion new “middle class” consumers, could do marginally better or worse; that Iran might (or might not) build nuclear weapons; that global conflict could increase somewhat (with an emphasis on resource wars) — or decline; that the national state could hang in there with something like its present power or lose some of it to nongovernmental bodies and “smart cities,” and so on.

There are, however, a few topics that seem to have gone MIA in the National Intelligence Council’s version of our future world. You won’t, for instance, find these words emphasized in *Global Trends 2030*: *corporations* – they seem to have no role worth mentioning in the world of the future; *depression* – yes, “recession,” or even *in extremis* “collapse,” but not “global depression,” not even when the U.S. is compared to the planet’s previous great imperial power, nineteenth century Britain, and so to an era when depressions were rife (a possible “great depression” gets a single “low probability” mention); *imperial* – since we’re the only... ahem... great you-know-what left, that’s not an appropriate word for the world of 2030; *revolution* – oh, there was one of those in 1848 and it can be mentioned, but despite the fact that the globe has been convulsed by unexpected uprisings and unforeseen movements in recent years, in 2030, revolution is unimaginable; *capitalism* – no need even to say it in a world in which nothing else exists,

and to use it might imply that by 2030 another system of any sort could arise to challenge it, which is, of course, inconceivable; *Israeli nuclear weapons* – why bring up the **Israeli nuclear arsenal**, which actually exists and will assumedly be there in 2030, when you can focus on that fabulous black swan Iran and its (as yet) nonexistent nuclear arsenal.

Finally, *military base* – undoubtedly a perfectly acceptable term for the NIC in *Global Trends 2040*, once the Chinese establish a few of them abroad. In the meantime, in a world in which the U.S. still has about **1,000 of them** globally, there's no point in bringing the subject up or discussing the fate of Washington's historically unprecedented garrisoning of the planet. Nor in *Global Trends 2030* will you find a serious consideration of American military power or Washington's penchant in recent years not for guaranteeing stability but **ensuring** instability, **mayhem**, and **chaos** in distant lands.

You'll find a section on drones, but not on our drone wars and how they might play out in 2030. (Another *verboten* set of words now associated with those wars are **assassination**, **targeted killing**, **kill list**. You'll find the Arab Spring discussed in passing, but not the Indian Spring. (You know, the one that occurred in 2023 in that youth-bulge of a nation when rising expectations met economic frustration.) You'll read much about resource problems and potential resource wars, but not about the 800-pound gorilla in the global room. The single looming crisis threatening the well-being of the planet, climate change, while certainly discussed in passing, is essentially ducked on the grounds, it seems, that by 2030 it won't really have hit yet. (Assumedly, none of the group meetings the NIC called were held in the **parched U.S. southwest**, the **drought-stricken Midwest**, or on the **Jersey Coast** since Hurricane Sandy hit.)

You'll note that the thing that makes our intelligence futurologists jump for joy and gives them the equivalent of a drug high is hydraulic fracturing, or **fracking**, to which they return again and again. I kid you not. For them, frack is the new crack and if this document (god save us) were ever made into a movie, it might be called *Frack to the Future*. Yes, in most of their future scenarios, fracking, releasing all that "**extreme energy**," makes the U.S. energy independent, a natural gas exporter, and practically ensures that 2030 will once again be an American year! Yippee!

### **Time's Democracy**

Above all, the National Intelligence Council's analysts have managed to largely banish the single most essential, unavoidable, and bracing aspect of the future: surprise. That tells you far more about the Washington world the authors inhabit than what may happen in 2030. But before I get to that, give me just a second to pat myself on the back.

After all, I've done you an enormous favor. I've actually read *Global Trends 2030* from its two-page "dear reader" letter from the chairman of the NIC and the report's "executive summary" though its 136 two-columned pages, and even its interminable acknowledgements. And let me assure you, it's put together by perfectly intelligent

people and has some interesting nuggets in it. The assembled crew has even tried its hand at writing bits of futuristic fiction and at least one of them, a “Marxist” analysis “updated” for the twenty-first century, has some passing entertainment value.

In the end, though, the document, like the IC itself, is an overblown artifact of Washington’s own limitations and fears. It’s also mind-numbingly, bone-blisteringly dull and repetitive, featuring elaborate charts laying out what you’ve just read as if you were simply too thick to take it in paragraph by paragraph. It’s exactly the sort of thing that no bureaucratic collective should be allowed to inflict on the great unknown, and that no one raised on H.G. Wells, Arthur Clarke, Isaac Asimov, Ray Bradbury, Philip Dick, Ursula Le Guin, George Orwell, William Gibson, or for that matter, **Suzanne Collins** should ever have to endure.

And yet, the strangeness of this project, historically speaking, should get your attention. Stop for a moment and think about time and the state. States have traditionally had an urge to control the past (sometimes working hard to gain a monopoly on the writing of history). And — no surprise here — most states have the urge to control the present. But the future? The future is time’s democracy. No government can secure it. No military can invade it. No intelligence agency can embed its operatives in it.

This is why the *Global Trends* series that originally emerged from the increasingly self-confident world of the “sole superpower” holds a certain fascination. It represents a unique state foray into the future, a singular attempt to corral and possess it. Once upon a time, the distant future was the province of utopian or dystopian thinkers, pulp fiction writers, oddballs, visionaries, even cranks, but not government intelligence services. Peering into it was, at its best, a movingly strange *individual* adventure of the imagination, whether you were reading Edward Bellamy or Charlotte Perkins Gilman, Yevgeny Zamyatin or H.G. Wells, George Orwell or Aldous Huxley.

That was, of course, before the Pentagon began **planning** for the weaponry of 2020, 2035, and 2050; before war turned nuclear and so, with the exception of two cities in 1945, could only be “fought” in think tanks via futuristic scenario writing. It was before the leaders of the sole superpower were so overcome by **hubris** that they began to suspect the future, like the present, might indeed be theirs.

And yet the future is, and remains, everyone’s, always. Until it actually comes to pass, your guess is as good as the CIA’s or the NIC’s. Probably better. They may, in fact, be the worst possible candidates to write about the future. Even when they know the rap against them — as laid out in *Global Trends 2030*, their inability to let go of “continuities” for “discontinuities and crises” — it doesn’t matter.

They simply can’t bring themselves to think outside the box. They don’t dare surprise themselves, no less give the future its surprising due, even though — my own guess — ours is likely to be a world increasingly filled with those discontinuities. The rise of

China, the collapse of Lehman Brothers, the Arab Spring, the eruption of both the Tea Party and the Occupy Movement, even the tiniest of unexpected trapdoors in history — like Paula Broadwell taking down America’s “greatest” general — are conceptually beyond them. Surprise is their poison. They would prefer to palm a few cards and play from the bottom of the deck rather than acknowledge that the future just isn’t theirs.

### **Apocalypse When?**

The early years of the George W. Bush era proved a visionary, if quite mad, moment. That was when Washington **blew a hole** in the oil heartlands of the planet and may have launched the Arab Spring. More recently, policymaking has been firmly restored to an administration of managers and the American imperial imagination, such as it was, began to atrophy. *Global Trends 2030* reflects that all-American reality, which is why it’s less like entering the future than getting a guided tour of the airless corridors of Washington’s collective mind as 2013 begins.

Of course, the future is an impossibly tricky thing to guide anyone through. Take China, for example. No one would claim its rise isn’t a fact of world historical importance. Still, I think it would be fair to say that, from the beginning of the nineteenth century to the end of the twentieth, an individual who accurately predicted the next bizarre and spectacular twist in China’s path to the future would have been laughed out of any roomful of experts: the collapse of imperial China, the improbable rise of Mao Zedong’s communist movement out of the chaos of invasion and civil war, or — most improbable of all — the creation by China’s Communist Party, after a decade of startling radicalism and extremism, of an unprecedented capitalist powerhouse (slated, as *Global Trends 2030* points out, to pass the U.S. as the globe’s leading economy by 2030, if not earlier).

So why should anyone imagine that, when it comes to China, present trends can simply be extrapolated into the future? And yet so it goes for the folks of *Global Trends 2030*, who project a more daring than usual series of scenarios for that country, ranging from cooperation with the U.S. in hegemonic regional harmony to growing nationalism and “adventurism” abroad to (an extreme improbability, as they see it) an economic “collapse” scenario that shocks the global economy.

Still, let’s take one prominent fact of Chinese history, which the analysts of the National Intelligence Council ignore (although China’s leaders are deeply aware of it or they wouldn’t have moved to **suppress** the Falun Gong sect or, more recently, a **Christian cult** of the Mayan apocalypse). Under stress, China has a unique **revolutionary tradition**. For at least a couple of thousand years, in bad times **huge peasant rebellions**, often fed by syncretic religious cults, have swept out of the Chinese interior to threaten the country: the Yellow Turbans, the White Lotus, the Taipings of the mid-nineteenth century, and most recently Mao’s own movement, among others.

Already today, in economically upbeat times, China has **tens of thousands** of “mass incidents” a year in which citizens protest **polluting factories**, peasants **take over** local villages, and so on. If the Chinese economy takes a major hit between now and 2030, amid growing economic corruption and increasing inequality, who knows what might actually happen?

With the rarest of exceptions, however, the authors of *Global Trends 2030* relegate the shock of the future to outlier “black swans” like a pandemic that could kill millions or solar geomagnetic storms that knock out satellite systems and the global electric grid (a scenario the writers of NBC’s hit show *Revolution* got to well ahead of the NIC’s experts). Otherwise, when it comes to a truly disjunctive world, for better or worse, forget it in *Global Trends 2030*.

I don’t think I’m atypical and yet I can imagine worse than they seem capable of describing without even blinking, starting with a full-scale, gob-smack **global depression**. In fact, if you have an apocalyptic turn of mind, all you need to do is look at the information they supply — some of which their analysts consider good news — and it’s easy enough to grasp what a truly extreme world we may be entering.

They tell us, for instance, that “the world has consumed more food than it has produced in seven of the last eight years” (a trend they hope will be reversed by the genetic modification of food crops); that water is running short (“by 2030 nearly half the world’s population will live in areas with severe water stress”); that demand for energy will rise by about 50% in the coming 15 to 20 years; and that greenhouse gases, entering the atmosphere as if there were no tomorrow, are expected to double by mid-century. By their estimate, in 2030 there will be 8.3 billion high-end omnivores rattling around this planet and more than a billion of them, possibly two billion, will have entered some abysmally degraded version of “the middle class.” That is, there will be more car drivers, more meat-eaters, more product buyers.

Throw in climate change — and the “success” of fracking in keeping us on a fossil fuels diet for decades to come — and tell me you can’t imagine the odd apocalyptic scenario or two, and a few shocking surprises as well.

### **A Wishing Well on the Global Mall**

Think of *Global Trends 2030* as a portrait of an aging, overweight Intelligence Community (and the academic hangers-on who work with them) incapable of seeing the world as it is, let alone as it might be. The National Intelligence Council evidently never met an apocalypt or a dreamer it didn’t want to avoid. Its movers and shakers seemingly never considered putting together a panel of sci-fi writers, and in all their travels they evidently never stopped in Uruguay and paid a visit to the radical writer Eduardo Galeano, or even consulted his 1998 book *Upside Down: A Primer for the Looking-Glass World*.

At one point, discussing global consumerism — and remember this was the year after the first *Global Trends* report came out — he wrote:

“Consumer society is a booby trap. Those at the controls feign ignorance, but anybody with eyes in his head can see that the great majority of people *necessarily* must consume not much, very little, or nothing at all in order to save the bit of nature we have left. Social injustice is not an error to be corrected, nor is it a defect to be overcome; it is an essential requirement of the system. No natural world is capable of supporting a mall the size of the planet... [If] we all consumed like those who are squeezing the earth dry, we’d have no world left.”

With the rising powers of “the South” and “the East,” we’ll now have a chance to see for ourselves, perhaps by 2030, just how accurate Galeano might have been about the fate of this ever more crowded, ever more resource-pressed, ever hotter and more tumultuous planet of ours. We might learn up close and personal just what it means to add a billion or two extra “middle class” consumers at such a moment. By then, perhaps we’ll be able to take our pick from extremities of all sorts, ranging from old standbys like revolution or fascism to new ones that we can’t even imagine today.

But don’t read *Global Trends 2030* to find out about that. After all, the nightmare of every bureaucracy is surprise. We’re not spending \$75 billion on “intelligence” and **giving up** what were once classic American rights and liberties to encounter a bunch of unsettling surprises. No wonder the NIC folks can’t bear to imagine a fuller range of what might be coming. The Washington bubble is too comfortable, the rest too frightening. They may be living off **our fear**, but don’t kid yourself for a second, they’re afraid too, or they could never produce a document like *Global Trends 2030*.

As a portrait of American power gone remarkably blind, deaf, and dumb in a world roaring toward 2030, it provides the rest of us with the functional definition of the group of people least likely to offer long-term security to Americans.

Boil it all down, in fact, and you have a single, all-too-clear New Year’s wish from the U.S. Intelligence Community: please, please, please make 2013, 2014, 2015... and 2030 not so different from 2012!

*Wednesday, January 2, 2013*

### **Pravda: Americans Never Give Up Your Guns**

*Understand this article and you will understand the real reason not to give up your guns.-RW*

By Stanislav Mishin

These days, there are few few things to admire about the socialist, bankrupt and culturally degenerating USA, but at least so far, one thing remains: the right to bare arms and use

deadly force to defend one's self and possessions.

This will probably come as a total shock to most of my Western readers, but at one point, Russia was one of the most heavily armed societies on earth. This was, of course, when we were free under the Tsar. Weapons, from swords and spears to pistols, rifles and shotguns were everywhere, common items. People carried them concealed, they carried them holstered. Fighting knives were a prominent part of many traditional attires and those little tubes criss crossing on the costumes of Cossacks and various Caucasian peoples? Well those are bullet holders for rifles.

Various armies, such as the Poles, during the Смыта (Times of Troubles), or Napoleon, or the Germans even as the Tsarist state collapsed under the weight of WW1 and Wall Street monies, found that holding Russian lands was much much harder than taking them and taking was no easy walk in the park but a blood bath all its own. In holding, one faced an extremely well armed and aggressive population Hell bent on exterminating or driving out the aggressor.

This well armed population was what allowed the various White factions to rise up, no matter how disorganized politically and militarily they were in 1918 and wage a savage civil war against the Reds. It should be noted that many of these armies were armed peasants, villagers, farmers and merchants, protecting their own. If it had not been for Washington's clandestine support of and for the Reds, history would have gone quite differently.

Moscow fell, for example, not from a lack of weapons to defend it, but from the lieing guile of the Reds. Ten thousand Reds took Moscow and were opposed only by some few hundreds of officer cadets and their instructors. Even then the battle was fierce and losses high. However, in the city alone, at that time, lived over 30,000 military officers (both active and retired), all with their own issued weapons and ammunition, plus tens of thousands of other citizens who were armed. The Soviets promised to leave them all alone if they did not intervene. They did not and for that were asked afterwards to come register themselves and their weapons: where they were promptly shot.

Of course being savages, murderers and liars does not mean being stupid and the Reds learned from their Civil War experience. One of the first things they did was to disarm the population. From that point, mass repression, mass arrests, mass deportations, mass murder, mass starvation were all a safe game for the powers that were. The worst they had to fear was a pitchfork in the guts or a knife in the back or the occasional hunting rifle. Not much for soldiers.

To this day, with the Soviet Union now dead 21 years, with a whole generation born and raised to adulthood without the SU, we are still denied our basic and traditional rights to self defense. Why? We are told that everyone would just start shooting each other and crime would be everywhere....but criminals are still armed and still murdering and to often, especially in the far regions, those criminals wear the uniforms of the police. The fact that everyone would start shooting is also laughable when statistics are examined.

While President Putin pushes through reforms, the local authorities, especially in our vast hinterland, do not feel they need to act like they work for the people. They do as they please, a tyrannical class who knows they have absolutely nothing to fear from a relatively unarmed population. This in turn breeds not respect but absolute contempt and often enough, criminal abuse.

For those of us fighting for our traditional rights, the US 2nd Amendment is a rare light in an ever darkening room. Governments will use the excuse of trying to protect the people from maniacs and crime, but in reality, it is the bureaucrats protecting their power and position. In all cases where guns are banned, gun crime continues and often increases. As for maniacs, be it nuts with cars (NYC, Chapel Hill NC), swords (Japan), knives (China) or home made bombs (everywhere), insane people strike. They throw acid (Pakistan, UK), they throw fire bombs (France), they attack. What is worse, is, that the best way to stop a maniac is not psychology or jail or "talking to them", it is a bullet in the head, that is why they are a maniac, because they are incapable of living in reality or stopping themselves.

The excuse that people will start shooting each other is also plain and silly. So it is our politicians saying that our society is full of incapable adolescents who can never be trusted? Then, please explain how we can trust them or the police, who themselves grew up and came from the same culture?

No it is about power and a total power over the people. There is a lot of desire to bad mouth the Tsar, particularly by the Communists, who claim he was a tyrant, and yet under him we were armed and under the progressives disarmed. Do not be fooled by a belief that progressives, leftists hate guns. Oh, no, they do not. What they hate is guns in the hands of those who are not marching in lock step of their ideology. They hate guns in the hands of those who think for themselves and do not obey without question. They hate guns in those whom they have slated for a barrel to the back of the ear.

So, do not fall for the false promises and do not extinguish the light that is left to allow humanity a measure of self respect.

*Reprinted from Paravda and originally appeared at the author's blog, [Mat Rodina](#)*

*(nt Travis Holte)*

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## **Chicago: America's Gun-Free Killing Field**

**[Karen De Coster](#)**

Chicago, one of America's most anti-gun cities, [has just recorded its 500th homicide](#). This is another banner year for Mayor Rahm Emanuel's tightly controlled non-gun "paradise." [Breitbart recently reported](#) that 440 school age children were shot in 2012 in Chicago's paradise. Breitbart's Awr Hawkins writes:

These numbers are well above those for the [2011-2012 school year](#), in which 319 Chicago students were wounded and another 24 were killed.

Nonetheless, [it has been noted](#) that the school where Rahm's children attend to their education has an armed security guard. Additionally, his children also have the benefit of [an armed escort](#) to get them to and from school, just like those Hollywood celebrities who clamor for gun control for their admiring fans while they enjoy full-time, armed bodyguards. And yet, the citizen gun control puppets continue to lap up the "wisdom" of their Masters and spew their hyper-emotional pleas to be controlled and enslaved.

Oh - and what appeared in the Chicago Tribune just a few days prior to the Chicago murder report? [An article by Laura Washington](#), written in the usual Oprahified manner, stating that gun control would be the best present ever for those of us who lack Chicago's glorious standards for a peace paradise. In fact, Miss Laura openly calls for totalitarian decrees on the part of the Napoleonic branch of government:

Obama can do more. He can issue executive orders that will bypass the congressional sausage makers. He can deploy his White House bully pulpit to back similar state and local efforts.

If we don't take action for the little angels of Sandy Hook, now, America will be forever haunted by the demons of gun violence.

In addition, Miss Laura also states that:

During the 2012 campaign, he avoided confrontations on gun control. When Obama was asked about gun control at a presidential debate, he punted. He was terrified of the People of the Gun, particularly in election swing states like Pennsylvania and Virginia.

People of the Gun? How cutesy. Actually, Obama and Rahm Emanuel both quickly realized, upon Obamanuel's first election victory, that they could not win the federal battle for gun control because so many states of free and law-abiding peoples are still heroically immersed in a gun culture, unlike their murder city. Like all of us, politicians pick their battles, and after Obamanuel realized this battle could not be won, Emanuel separated from Obama and took his schemes back to the city that gave us both of these megalomaniac buffoons. Sorry Chicago, better that you have Rahm all to yourselves rather than the rest of us.

Following the Connecticut school shooting, Emanuel has begged the media to listen to his appeals for nationwide gun control, in spite of the carnage in his own state. Chicago Police Superintendent Garry McCarthy, the guy who resides over Rahm's killing fields, [appeared on WGN News](#) to tell the media lapdogs that the U.S. has an "overproduction" of guns, and that we [the collective people of the United States] are "the only economy on earth where supply outweighs legitimate demand." McCarthy, who wants stricter gun control for his killing fields, as well as an "assault weapon" and large ammunition clip ban, is fond of repeating his "legitimate demand" theory, as if subjective demand is

somehow legitimately disqualified when the Masters have been empowered to determine what their serfs can legitimately demand.

In 2009, I reported [this statistic](#) about Chicago's stunning success with gun control:

While the median violent crime rate for the United States in 2008 – the last year for which statistics were released by the Federal Bureau of Investigation – was 4.7 percent, Chicago's median rate was 12.12 percent. In addition, the United States overall experienced 49.6 crimes per square mile, but Chicago witnessed 766 crimes per square mile.

Additionally, I wrote about [the 2009 overall slaughter rates](#) for the city of Chicago. The summer of 2009 was a bloodbath in the city, and that's not including the armed robberies, burglaries, and home invasions where the criminals carried out their crimes with guns they apparently have to access to in a gun-controlled city. As Alan Gottlieb of the 2<sup>nd</sup> Amendment Foundation [reported back in 2004](#), when Chicago won the title of Murder City, the cities with the nation's strictest gun laws - New York, Chicago, and Los Angeles - continue to outpace all others in terms of their high crime numbers.

Throughout all of this official drama on the part of Chicago's uniformed officialdom, not once has any city bureaucrat linked Chicago's years of murder orgies to its gun control policy that puts so many guns into the hands of criminals while robbing law-abiding people of the ability to defend themselves in the city's gangland.

Chicago, feel free to revel in your gun control authoritarianism and ignore your city's violence, murder, mayhem, and perpetual terror, but you aren't going to import your political enslavement and perverted twist of logic to the rest of us anytime soon.

***SPIEGEL Interview with Francis Fukuyama***  
**'Where Is the Uprising from the Left?'**



AFP

Obama arriving at Andrews Airforce Base last week after a five-state trip. Obama and his advisers "are obviously part of the 1 percent," argues Fukuyama.

**Political scientist Francis Fukuyama was once the darling of American neo-conservatives. In a SPIEGEL interview, the author of "The End of History" explains why he now believes that the excesses of capitalism are a threat to democracy and asks why there is no "Tea Party on the left."**

**SPIEGEL:** Professor Fukuyama, you are best known for your essay "The End of History," in which you declared that, after the demise of the Soviet Union, liberal democracy had emerged as the triumphant global model. Now, your latest research claims that the flaws of capitalism and [globalization](#) could endanger this democratic model. How do you explain this shift?

### ***ANZEIGE***

**Fukuyama:** Capitalism is the wrong word to use here, because there is not a viable alternative to [capitalism](#). What we are really talking about is just economic growth and the development of modern economic societies. A combination of factors is beginning to challenge their progress in the United States. We have had a lot of technological change that substituted for low-skill labor and made many people in Western democracies lose their jobs.

**SPIEGEL:** Which is why countries such as the United States or Britain wanted to turn themselves into "service-oriented" economies.

**Fukuyama:** We have unthinkingly embraced a certain version of globalization that assumed we had to move very quickly into this post-industrial, post-manufacturing world. Doing so, we forgot that the whole reason real socialism never took off in the US was the fact that the modern economy seemed to produce middle-class societies in which the bulk of the population could enjoy a middle-class status. They worked in industries that were abolished in our countries and transferred to countries like China.

**SPIEGEL:** Even if members of the middle class held on to their jobs, they saw their income stagnate or even decline, while a few of globalization's winners at the top reaped outsize rewards. The level of income inequality in advanced nations is greater than ever before. What effect does that have on our societies?

**Fukuyama:** It is not good for democracy. If income is relatively evenly distributed and there are not very sharp differences between rich and poor, you have a greater sense of community. You have a greater sense of trust. You do not have parts of the community that have superior access to the political system that they can use to advance their own interests ...

**SPIEGEL:** ... all of which undermines the democratic process.

**Fukuyama:** What you are going to see in a democracy with a weaker middle class is much more populism, more internal conflict, an inability to resolve distributional issues in an orderly way. In the United States right now, you do have this return of populism. It should be on the left, but actually most of it is on the right. If you talk to Tea Party members about their feelings regarding the government, they are very passionate. They hate the government. They think they have been betrayed by elites.

**SPIEGEL:** Americans, however, are beginning to discuss the problem of social inequality much more openly.

**Fukuyama:** They are slowly beginning to realize it. The recent public focus on inequality and the [Occupy Wall Street movement](#) are harbingers of change in that direction. The trouble is that in the United States it is extremely difficult to mobilize people around pure class issues. President Barack Obama was ostracized as a "European socialist" when he brought up the idea of higher taxes on the rich. These class debates are historically unpopular -- except for a very brief period in the 1930s during the Great Depression.

**SPIEGEL:** The latest financial crisis was often compared to the Great Depression: Why did we not see another case of the left wing rising up against the rich?

**Fukuyama:** I am at a loss, too. Where is this uprising from the left? This is a crisis that began on Wall Street. It really was rooted in the particular American model of liberalized finance. It hurt ordinary people tremendously, and it benefited the richest part of the country -- the finance sector -- which came through the crisis very well, thanks to government bailouts. You would have thought that this would pave the way for a rise of left-wing populism as seen in the 1930s. A Tea Party on the left, so to speak.

**SPIEGEL:** Could the Occupy Wall Street movement fill this void on the left?

**Fukuyama:** I really do not take this movement seriously, because its social base is extremely narrow. It consists mostly of the same kids that were protesting in 1999 in Seattle against the World Trade Organization -- anti-capitalists. The big problem sociologically for the left in the United States is that the white working class and lower middle class, that in Europe would be reliably social democratic in their political behavior, tends to vote Republican or is easily brought into the Republican camp. Until the Occupy Wall Street people can connect up with that demographic group, there is not going to be a big left-wing populist base of support in the US.

**SPIEGEL:** Has the crisis simply not been deep enough to achieve that?

**Fukuyama:** Ironically, because the Federal Reserve and the US Treasury acted to support the financial sector, the crisis did not develop into a deep depression with unemployment up to 20 percent like in the 1930s. Back then, President Franklin D. Roosevelt could restructure the big banks. I believe that the only solution to our current problems is to restructure all these big banks, Goldman Sachs and Citigroup and Bank of

America, and turn them into smaller entities that could then be allowed to go bankrupt. They would no longer be "too big to fail." But this has not happened so far.

**SPIEGEL:** One could also make the case that President Obama was simply not as tough as Roosevelt.

**Fukuyama:** Obama had a big opportunity right at the middle of the crisis. That was around the time *Newsweek* carried the title: "We Are All Socialists Now." Obama's team could have nationalized the banks and then sold them off piecemeal. But their whole view of what is possible and desirable is still very much shaped by the needs of these big banks.

**SPIEGEL:** In other words, Obama and his influential advisors, like Treasury Secretary Timothy Geithner, are themselves part of the "1 percent" that the Occupy Wall Street movement rails against.

**Fukuyama:** They are obviously part of the 1 percent. They socialize with these Wall Street gurus. Goldman Sachs boss Lloyd Blankfein met with Geithner many times during the crisis. Such close contact clearly influences the world view of the White House.

**SPIEGEL:** But would you seriously argue that Republicans are any less close to Wall Street?

**Fukuyama:** Oh no. Republican politicians are completely bought by Wall Street. But the real question is: Why do their working class supporters continue to vote for them? My explanation is partly this deep distrust of any form of government that goes back very far in American politics, and is today reflected in political figures like Sarah Palin, which holds against Obama primarily the fact that he went to Harvard. There is a kind of populist resentment in US politics against being ruled by elites.

**SPIEGEL:** Even the Tea Party movement is largely financed by billionaires who represent everything regular Tea Party members are opposed to.

**Fukuyama:** The Tea Party is a genuine grassroots movement, so I do not buy into these conspiracy theories that rich billionaires initiated it. When you go to one of these rallies of Ron Paul supporters, they are very passionate. They all tend to be young, and they have just got this libertarian idea in their minds that the government is really the source of all of our problems. So I think the convictions of Tea Party activists are sincere, they are not manipulated by billionaires. But it is true that they mobilize against their own economic interests and for the interests of elites they should despise. I still do not fully understand why they do that.

**SPIEGEL:** Why can't Obama reach these frustrated people?

**Fukuyama:** The president never announced a vision of a different kind of economic order that did not just look like a return to a kind of classic big spending, liberal

Democratic formula. The Democrats have never articulated an economic philosophy that is not just the return to the 1970s, big government and so forth, or the position of the labor unions which is very hostile to globalization.

**SPIEGEL:** What else should he do?

**Fukuyama:** I actually think that the German model should be a very interesting one from an American perspective, because Germany is still the second-largest exporter, but has done a much better job in protecting its manufacturing base and its working class compared to the United States. Somebody needs to articulate a strategy in the US that will say our goal is not to maximize aggregate income. It is to protect the middle class through an engagement with the world with globalization, but one that benefits the broad mass of people. No Democrat has really been able to do this.

**SPIEGEL:** Do you want the American left to draw lessons from former German Chancellor Gerhard Schröder's "Agenda 2010," a controversial package of labor and welfare reforms which overturned the classic social democratic model?

**Fukuyama:** What the Social Democrats in Germany have done is increase the degree of flexibility in labor markets and make the German welfare state more friendly to capitalist competition. The old traditional agenda that we are just going to have more and more social protection no longer rules in Germany, and that is a good thing. Part of the problem in Europe is that similar reforms have not happened in France and Italy.

**SPIEGEL:** Would that protection of the middle class include a new form of global protectionism?

**Fukuyama:** We should never have permitted the Chinese to deindustrialize a large part of the world. The Chinese have managed to play one Western country against another, stealing their technology basically. They succeeded because everybody in the West has got this short-term view saying: "I may be clobbered by the Chinese down the road, but if I do not make my money now, somebody else will get in. So I make business with them even if they rip me off." This view is very short-sighted. We should have been much tougher with China.

**SPIEGEL:** Could that trend still be reversed?

**Fukuyama:** It is too late, at least in the United States. We have lost all crucial manufacturing industries to China.

**SPIEGEL:** A feeling of helplessness also prevails in Europe. Every time EU politicians try to present new solutions to the euro crisis, they fail to convince the financial players around the world. Is political leadership still possible, given the outsize power of global financial markets?

**Fukuyama:** The political leadership problem stems not simply from the pressure by the markets. All modern democracies have a disease, which is that the democratic process tends to be captured by well-organized groups that are not representative of the general public. This is the whole problem with Greece. The pharmacists and the doctors and the civil servants and the architects, and every other social group in that country, has organized itself into a closed corporation that controls prices while largely avoiding taxation. They make a fortune, but the national bankruptcy is bound to happen.

**SPIEGEL:** Unelected technocrats and advisers from outside are now being brought in to reform the Greek system. What does that mean for democracy?

**Fukuyama:** If I had to bet my own money on this, Greece is going to leave the euro, because ultimately any outside intervention is going to be regarded by the Greek public as a non-democratic imposition of policies that they do not want. Greeks are just never going to behave like Germans, right?

**SPIEGEL:** Can Europe, in its desperate attempts to rescue the euro, still be democratic?

**Fukuyama:** The entire European project was very elite-driven from the beginning. The evidence of this was every time a country held a referendum where they voted against signing on to further EU regulation ...

**SPIEGEL:** ... that referendum was simply repeated.

**Fukuyama:** The EU elites said: "Oh, you just got it wrong this time. We will keep voting until you get it right." Virtually every European country now has got a right-wing populist party. They are anti-EU, anti-immigrant, and it has exactly the same cause, because there is a perception that the elites in Europe do not really address their issues.

**SPIEGEL:** Authoritarian systems, on the other hand, appear to be getting more and more popular. When German businesspeople travel to communist China, for example, they are enamored with the system there. They rave about how quickly important decisions can be made.

**Fukuyama:** I hear that from American businesspeople too. The Chinese system is particularly striking when you contrast it with Europe and the United States where you currently just cannot get a decision made.

**SPIEGEL:** So authoritarian China will emerge as the new global model -- which would totally contradict your thesis from "The End of History" that democracy has become the default option around the world.

**Fukuyama:** No. China is never going to be a global model. Our current Western system is really broken in some fundamental ways, but the Chinese system is not going to work either. It is a deeply unfair and immoral system where everything can be taken away from anyone in a split second, where people die in train accidents because of a rampant lack of

public oversight and transparency, where corruption rules. We are already seeing huge protests in all parts of China ...

**SPIEGEL:** ... which Communist Party officials fear are reminiscent of the Arab Spring.

**Fukuyama:** When its leadership stops delivering the current level of economic growth, it has got this huge moral vulnerability. Liberal democracy still really is the only game in town worldwide, in spite of all of its shortcomings.

**SPIEGEL:** Professor Fukuyama, we thank you for this interview.

*Interview conducted by Hans Hoyng and Gregor Peter Schmitz*

Craig B Hulet was both speech writer and *Special Assistant for Special Projects* to Congressman Jack Metcalf (Retired); he has been a consultant to federal law enforcement DEA, ATF&E of Justice/Homeland Security for over 25 years; he has written four books on international relations and philosophy, his latest is *The Hydra of Carnage: Bush's Imperial War-making and the Rule of Law - An Analysis of the Objectives and Delusions of Empire*. He has appeared on over 12,000 hours of TV and Radio: *The History Channel* "De-Coded"; He is a regular on *Coast to Coast* AM w/ George Noory and Coffee Talk KBKW; CNN, C-Span ; European Television "American Dream" and The Arsenio Hall Show; he has written for Soldier of Fortune Magazine, International Combat Arms, Financial Security Digest, etc.; Hulet served in Vietnam 1969-70, 101st Airborne, C Troop 2/17th Air Cav and graduated 3rd in his class at *Aberdeen Proving Grounds Ordnance School* MOS 45J20 Weapons. He remains a paid analyst and consultant in various areas of geopolitical, business and security issues: terrorism and military affairs. Hulet lives in the ancient old growth *Quinault Rain Forest*.

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