

center of the world,” as the German government argues, but rather it would turn into one of the financial crisis hotspots of the world.

Future prospects

Now, the scenarios portrayed by the four plaintiffs before the constitutional court, and by the 155 economists as well, are all based on the assumption that the world financial system as such will continue to exist, and that tensions inside the system, among the Americans, Asians, and Europeans, will increase. And, what is also important, neither the four plaintiffs, nor the 155 signers of the open letter, have presented a convincing, well-conceived design for an economic alternative to the EMU. It is a revolt, a movement for pulling the emergency brake against the EMU, but not yet a movement for a sound alternative.

If, however, the financial and monetary system collapses during the next weeks or months, the EMU project is even more monstrous and off-the-mark. The EMU comes along with a system of brutal budgetary and credit restrictions, with penalties for those member governments and regions that fail to meet the austerity standards. As incapable as the EU is of fighting the economic depression today, the less will the EMU and its euro be able to lead Europeans out of a full-scale disaster. All the instruments in the arsenal of classic national economics are banned under the EMU Maastricht regulations. A Europe of the EMU would, therefore, be like a big hole cut into the hull of the *Titanic*, making it sink even faster.

Now, cynics—of whom there are quite a few, among the experts here in Europe—argue, “Let them go ahead with their EMU; it will be blown apart by the economic realities, sooner or later, anyway.” Those who feel more responsible for the future of Europe, however, can only work to prevent the EMU from going into effect, and to replace it with a better design for European economic, financial, and monetary cooperation. Concerned Europeans must study the proposals of the LaRouche movement, such as the Eurasian Land-Bridge program, for a program of economic reconstruction financed by banks that operate with anti-monetarist methods of issuing productive credit. An alternative to the EMU begins with the restoration of economic sovereignty of each of the 15 EU member states, with the priorities placed on the creation of well-paid jobs and the protection of the industrial base and the social welfare systems. An alternate design begins with capital market controls and penalties against speculators and short-term transactions, and with incentives for productive, and long-term credit programs. These are some of the main components of the economic revolution, which has to liberate Europe from monetarism, now. As more and more Europeans are beginning to lose their loyalty to this monetarist system, there is, for the first time in the postwar period, a good chance that such an economic revolution can succeed.

Legalized gambling spreads its tentacles

by John Hoefle

In 1996, some \$586.5 billion in legal wagers was placed in casinos, racetracks, off-track betting parlors, video poker machines, state lotteries, bingo games, and charity events, up from \$550 billion in 1995 and \$483 billion in 1994, as legalized gambling continued its assault on the American population. The revenue of companies in the gambling business—or “gaming industry,” as this parasite prefers to call itself—rose to \$47.6 billion in 1996, up from \$44.4 billion in 1995.

Were the revenues of the gambling companies lumped together as “U.S. Gambling, Inc.,” the company “would rank 11th in the 1996 *Forbes* Sales 500 behind AT&T (\$52.18 billion) and ahead of Texaco (\$44.6 billion),” according to *International Gaming and Wagering Business*, a gambling trade publication which publishes the yearly survey of the gambling business from which the above figures were taken.

The United States has seen an explosion of legalized gambling over the last decade or so. Today, all states except Utah and Hawaii allow some form of legalized gambling, with casinos, riverboats, and the aptly named “cruises to nowhere” popping up all over the country. According to Harrah’s 1997 *Survey of Casino Entertainment*, 176 million people visited U.S. casinos in 1996, including at least one member of 32% of all U.S. households.

Propaganda barrage

Paving the way for the spread of gambling has been a full-scale propaganda barrage designed to hide gambling’s role as a major money-laundering arm of the British Empire’s international narcotics cartel, which *EIR* has dubbed Dope, Inc. Modern corporate gambling has its roots in the money-laundering operations set up by the chairman of the board of organized crime, Meyer Lansky, and continued with funding from the dirty-money operations of Drexel Burnham Lambert’s Michael Milken.

To hide this unsavory reality, the gambling racket has attempted to transform itself into the “gaming industry,” and take a place in the pantheon right next to mom, apple pie, and Chevrolet. Las Vegas has restyled itself as a family vacation resort, the “Orlando of the West,” only safer and cleaner.

Leading this propaganda campaign is the American Gaming Association (AGA), whose board and membership roster includes some of the largest financial institutions in the country, including Merrill Lynch, Goldman Sachs, Bear Stearns,

Salomon Brothers, and Donaldson Lufkin & Jenrette. The AGA has taken great pains to deny “the myth that organized crime owns, operates, or even influences casinos,” and to insist that not only is there no link between gambling and crime, but that gambling actually benefits the country.

In March 1997, the AGA released a study by the accounting firm Coopers & Lybrand, conducted to show the economic benefits of gambling. According to the study, employment in the “gaming industry” grew by 46,000 jobs, or 16%, during 1996, while non-agricultural jobs grew only 2.2%, and service-sector jobs grew 3.5%. Of the 178,000 casino employees surveyed, more than 8.5% said they had left the welfare rolls as a result of their casino employment, and some 16% said they had used their casino jobs to replace unemployment benefits.

The dark side

Not everyone agrees with this rose-colored view of gambling. According to a study by University of Illinois at Urbana Prof. John Warren Kindt, for every \$1 in revenue a state receives from gambling, it must spend \$3 for social services and criminal justice agencies to cover the damage done by gambling. Other studies have shown that about 5% of all gamblers become compulsive gamblers, and that 90% of compulsive gamblers eventually turn to crime to support their addiction. Twenty percent of compulsive gamblers have filed for bankruptcy as a result of their gambling losses, and statistics indicate that some 10% of all bankruptcies are linked to gambling losses. The American Insurance Institute has estimated that 40% of all white-collar crime in the United States has its roots in gambling.

Dope, Inc. as a whole, including its gambling and other subsidiaries, is by far *the* major crime problem in the United States today. Many of the arguments used to push gambling, also apply to drugs. *International Gaming and Wagering Business*, in a press release announcing its 1996 Gross Annual Wager study, asserts that, “given the growth of gaming and its complete integration with the U.S. economy, a workable national gaming policy is necessary. The fact that consumers like commercial games, says the study, raises an important question: How workable are public policies that use state power to repress consumer demand?” This is the same argument used by the drug legalization lobby: If people want crime, let them have it.

In December 1997, the AGA released another study, “Casinos and Crime: An Analysis of the Evidence,” by the Chicago law firm Altheimer & Gray, to refute studies which suggest links between gambling and crime; it asserts that “communities with casinos are just as safe as communities that do not have casinos.” Such an approach brings the vision of Sherlock Holmes to mind, prowling the sidewalks around the casinos, searching for crimes with his magnifying glass, completely oblivious to the larger picture.

El Niño does what? Surely, sir, you jest!

by Dr. Robert E. Stevenson

Oceanographer Stevenson is executive director of the Vega Society, and a consultant based in Del Mar, California, who trains NASA astronauts in oceanography and marine meteorology. He was secretary general of the International Association for the Physical Science of the Oceans during 1987-95, and worked as an oceanographer for the U.S. Office of Naval Research for 20 years. Interviews on El Niño with Dr. Stevenson and other experts were in the Sept. 19 and 26, 1997 issues of EIR.

Someone in August 1997 started the rumor that a great, perhaps even the greatest of all El Niños was growing in the equatorial waters of the eastern tropical Pacific Ocean. From the national, controlled news media there began to come dire warnings, startling in their severity, that this El Niño would create weather catastrophes, not only across the United States, but around the world as well.

To 99% of the population, the news was rather intriguing, but to most the response was, “Huh! What’s an El Niño?” The answer was not readily forthcoming, because few in the news media knew anything about this “thing.” Even so, the national television 6 o’clock news teams soon began to show images on the screen purported to be derived from satellites showing the growth and extent of this expanding, natural ocean menace. No one in the viewing audiences knew what they were seeing, but by putting violent reds, yellows, and blues in the images, the network “anchors” were able to build fear of a coming, uncontrollable calamity through their nightly “El Niño Reports.”

Some scientific institutions began to provide information, to give news briefings, and to permit their “scientists” to appear as experts in television news programs. And, in the midst of the growing hoopla, the famous cable Weather Channel, normally a conservative group of professionals who offer excellent weather information to the country, began to offer a twice-daily “El Niño Status.”

(Interestingly, no scientists in the United States, or in other countries, who had worked on the growth and dissipation of El Niños, the possible manners of origin, and the difficult task of determining their influence on weather, were involved in any way in the hoax-like cries of potential growing catastrophe.)