

# The Political Forum

*A review of social and political trends and events  
impacting the world's financial markets*

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## THEY SAID IT

George W. Bush, President of the United States, during a talk in the White House East Room, April 10, 2002.

*“It would be a mistake for the United States Senate to allow any kind of human cloning to come out of that chamber . . . Research cloning would contradict the most fundamental principle of medical ethics, that no human life should be exploited or extinguished for the benefit of another. . . Allowing cloning would be taking a significant step toward a society in which human beings are grown for spare body parts, and children are engineered to custom specifications, and that’s not acceptable.”*

Jay Leno, The Tonight Show, November 27, 2001.

*“President Bush and Bill Clinton both agree that cloning is morally wrong. This is like the only thing they both agree on. Today Clinton said that he thinks humans should be made the old-fashioned way—liquored up in a cheap hotel room.”*

## In The News

**IS BUSH RELEVANT IN THE MIDDLE EAST?** In the last issue of this newsletter, I said that I planned to write a column-length article on the growing intensity in the conflict between Israel and its Arab enemies “at a later date.” I haven’t done it yet, but things are happening so fast over there that I thought I would, once again, offer a few observations in advance of the long-promised, longer piece.

It seems to me that the best approach to take in trying to understand what is happening on the Arab-Israeli front, and trying to make an educated guess as to where it is leading, is to ignore the two subjects that obsess most of the pundits. The first is the Bush administration’s efforts to

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mediate a “peaceful solution,” and the second is the “long-term root causes” of the conflict. These are both interesting topics. But neither has much to do with the immediate future.

Why? Because radical Islam (for lack of a better term) is calling the shots right now, and radical Islam has nothing to gain at this time from a negotiated settlement. Radical Islam concluded early last September that the time had come to go to war with the United States. And it did so. When President Bush made it plain that his response would not be confined to Afghanistan, but would include Iraq, Iran and any other state that “supports terrorism,” radical Islam did exactly what made the most sense from a tactical standpoint. It brought Israel into the picture.

Before this well executed gambit, American victory seemed assured. Bush said that every nation in the world had to choose sides, and virtually every nation chose the side of the United States. Not only did Europe sign up, but Pakistan and Russia did as well. And all over the Middle East, from Saudi Arabia to Egypt to Jordan, one Arab nation after another said that they “understood” and would support U.S. efforts. Even Yemen did so. The war in Afghanistan went well, and plans were being laid to take the show on the road.

Then radical Islam struck back; not with another assault against America, as many observers had anticipated, but with a deadly string of suicide attacks within Israel. Israel fought back, as it had to, and as the Arabs knew they would. And suddenly the game changed. Suddenly nations all over the world became critical of America’s “war against terrorism.” Even the United Nations Security Council began to complain, as did Saudi Arabia, Egypt, Jordan, and other Arab nations. And, of course, most of Europe lost enthusiasm for the effort, confirming the age-old homily that “one man’s terrorist is another man’s business partner.”

Suddenly the Bush administration turned “reasonable,” and it found itself engaged in the delicate task of trying to distinguish between the bad radical Arab terrorists, who must, in the words of Secretary of Defense Rumsfeld, be killed, and the not-so-bad radical Arab terrorists, the ones who are fighting for a “cause,” the ones who strap explosives on their sons and daughters and send them to die in the midst of innocent Israeli citizens, the “reasonable” ones, the ones with whom reasonable men can “negotiate.”

And suddenly, the war became difficult. Suddenly a strike against Iraq didn’t seem like such a good idea anymore. Suddenly acting tough, acting on principles, was no longer fun for George. Indeed, it suddenly became hard work. And suddenly, reasonable people could speculate on whether Bush was about to become another in a long string of American politicians who have been made fools out of by that funny looking little guy, Yasser Arafat, that mass murderer who just happens to be one of best politicians alive today, who, in fact, wouldn’t be alive today if he weren’t one of the best.

I am not saying here that Bush will have no role in the outcome of this mess. In the end, he will play a decisive role, even if he does nothing, or something, or anything, as the case may be. But, for the time being, he and Colin and Condolezza and Don are largely irrelevant. And they will continue to be irrelevant until, as I said last week, they do what Bush asked the rest of the world to do back in September -- choose sides. Whether Bush likes it or not, he has a rendezvous with a tough choice. He’s the one who said America is at war. And war is all about tough choices.

In the meantime, radical Islam will continue to call the shots. Their strategy is working, and working well. They have not only managed to involve Israel deeply in the conflict, but to place it on the defensive in a worldwide public relations battle. And this puts Bush on the defensive, which is exactly where radical Islam wants him as they open a new front against Israel in the North. The group in charge of this particular effort operates under the name Hezbollah. They are murderers. Thugs. And they have been around for a very long time. Among other things, Hezbollah killed 200 U.S. Marines in Lebanon in 1983, and 19 American airmen, while injuring hundreds of others, in the Khobar Towers bombing in Saudi Arabia in 1996.

No word yet from Bush as to whether he thinks Hezbollah is made up of bad guys who need to be killed or misunderstood fighters for a “just cause” with whom the United States might be able to negotiate peace, if Israel would just gave up a little more land. When he figures this tough choice out, he will become relevant again.

**BLOOD MONEY?** The following came from John McCaslin’s “Inside the Beltway” column in the April 10 *Washington Times*, and ran under the same headline as I used.

*Congress noted this week that the United States last year paid Iraq about \$6.58 billion for oil—money Iraqi President Saddam Hussein is no doubt now using to pay, at \$25,000 a pop, to families of each Palestinian suicide bomber.*

**TROUBLE AHEAD FOR THE INVESTMENT BANKS?** In case you missed it, *The Washington Post* had an interesting piece on the front page of this morning’s edition. The headline read: “E-mails Open Window on Wall St.” The opening three paragraphs read:

*In January last year, an American Express Co. executive asked star Merrill Lynch & Co. analyst Henry Blodget why the investment bank had suddenly started rating the stock of an obscure Internet company called GoTo.com.*

*“What’s so interesting about GOTO except banking fees???” the investor wrote in an e-mail.*

*Blodget’s response: “nothing.”*

Later on, the story notes that:

*State Attorney General Eliot Spitzer has subpoenaed thousands of documents and e-mails from Merrill Lynch that, he says, in court documents, demonstrate that Blodget and other analysts routinely offered glowing reports about companies they privately dismissed a ‘junk’ or ‘crap.’*

Now I think Merrill Lynch, Blodget, et al. will survive this particular controversy. But this is grist for the mill of the liberals in Congress who would love to have a hand in publicly and noisily building a new “Chinese Wall” for the investment banking community, and in doing so

further erode public confidence in the equity markets. One would hope that the big firms would finally act to build one on their own that really works.

As I have said time and again in these pages, the biggest threat today to liberal democracy, capitalism and thus to the investment business, is global corruption. And I have added just as many times, in various forms, the following sentiment, namely, that if honest capitalism cannot be sustained in the United States, with its long history of respect for moral and ethical behavior and the rule of law, then it will disappear from the world stage. And therefore, it is incumbent on all Americans, but most especially the nation's business community, to be scrupulously honest in their dealings.

But then, what do I know?

You can find the story on [www.washingtonpost.com](http://www.washingtonpost.com).

## Clinton's Corner

**The Ladies Did It For Money.** Although I wouldn't want them back, I must say that sometimes I miss the Clintons. For me, they, and the whole entourage of grifters, rounders, shysters, and simpletons they brought with them to Washington, were a kind of a real-life embodiment of Faulkner's murderous and corrupt Snopes clan from Yoknapatawpha County, Mississippi. Like Flem, Ab, Mink, Montgomery Ward, Byron, Eula Varner, Clarence, and Ike Snopes, their antics were grotesquely fascinating and provided a seemingly endless stream of low class high jinx about which to gossip, laugh, and sometimes rage.

I remember, for example, speculating with friends and clients about how in the world Bill managed to keep the radical feminists on his side, despite his constant affronts to everything they purport to believe. These ladies, who had once proclaimed that no woman ever lies about rape, completely ignored Juanita Broadrick's assertion that Bill had raped her. These ladies, who had branded Clarence Thomas unfit for public life for talking about a porn movie and joking about a pubic hair on a coke can in front of a female employee, declared, after Kathleen Willey claimed that he had groped her in the White House, that the new rule of office protocol would henceforth be that every man is entitled to "one free grope."

In the end, we concluded that Bill's defense of abortion rights was the deciding factor. That the willingness of the feminists to overlook his boorish behavior simply confirmed the fact that the only issue that really concerned the radical feminists was abortion. Some observers argued that there was a hole in this logic, since Senator Bob Packwood had supported abortion too, and the ladies road him out of town on a rail for stealing kisses on an elevator.

In the end, we all decided that it was a mystery that could only be solved by deeply exploring the psyche of such people as Patricia Ireland, and that such a mission was too horrible to even consider.

But then, recently, the truth came out. And it was something I don't think any of us ever considered. I certainly didn't, although in retrospect it makes sense. It turns out that the ladies did it for money. At least that's what Tammy Bruce, the former head of the LA Chapter of NOW and author of a new book called *The New Thought Police* told Newsmax.com (my favorite website) in an exclusive interview last month.

The following is an excerpt from a Newsmax story dated March 19, 2002.

The National Organization for Women received a series of unprecedented federal grants from the Clinton administration totaling over \$700,000 before the women's group fell silent on charges of sexual harassment, sexual assault and even rape in the Paula Jones and Monica Lewinsky cases four years ago.

In an exclusive interview with NewsMax.com, Tammy Bruce, former head of the Los Angeles chapter of NOW and more recently the author of "The New Thought Police," said the federal windfall to the nation's premier feminist group came in 1997, just after the Supreme Court decided that Ms. Jones could sue President Clinton before he left office.

"NOW had never taken federal funds before," Bruce told NewsMax. "But as soon as Paula Jones won the ability in the Supreme Court to sue Bill Clinton" the federal dollars began flowing to NOW in a big way, she said.

"The California chapter was pretty close to bankruptcy. And suddenly there's this grant that was given to NOW through the Department of Health and Human Services, headed up at the time by Donna Shalala - from the Centers of Disease Control element of HHS through their Tobacco Control Office."

Bruce said that the initial payment to California NOW was over \$500,000, even though neither it nor national NOW had ever done anything in the realm of smoking prevention to justify the funding.

"When the Monica Lewinsky scandal broke, that grant was then transferred to National NOW," Bruce said. Shortly after the Clinton administration began funneling money to the national organization, NOW's then-president Patricia Ireland participated in a press conference supporting Bill Clinton, the former Los Angeles NOW chief said.

"At that point, another \$200,000 went into NOW's coffers," Bruce alleged. "All totaled, it was \$766,000.

"In the nonprofit world, \$700,000 is an astronomical amount of money," the lesbian feminist leader explained. "I can safely say that half a million dollars at the California NOW level is monumental. It probably saved them from going under."

Bruce said that California NOW's fundraising apparatus was so important that had the state chapter gone down, it would have taken the national organization with it.

After taking the Clinton administration cash, NOW "directly rebuked Paula Jones, and when it came to Monica Lewinsky, [the group] issued comments as to how this wasn't

sexual harassment," Bruce said, despite the workplace power Clinton wielded over his then-22-year-old subordinate.

In fact, instead of coming to Jones' aid, then-NOW President Patricia Ireland was privately contemptuous of her legal fight, according to a behind-the-scenes account offered by Bruce.

"I remember being in NOW's national office in Washington, D.C., sometime in 1995 when I overheard a conversation between Patricia and others," she recalled. "I remember that Paula Jones' lawyers were trying to connect with NOW at the time and that their call was not taken."

Bruce said she heard Ireland "laughing about how she was managing to avoid those telephone calls."

Flem Snopes would have been proud of old Bill. And Donna Shalala too, for that matter.

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