

# The Political Forum

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

---

Mark L. Melcher  
President  
melcher@shentel.net

Monday, April 22, 2002

## THEY SAID IT

Andrew E. Busch, writing on "Liberals Have Robin Hood All Wrong," in an April editorial from the Ashbrook Center for Public Policy at [www.ashbrook.org](http://www.ashbrook.org). (Item thanks to the April 19 issue of *The Washington Times*.)

*Democrats are frequently heard making the Robin Hood analogy in reverse, claiming that the Bush administration's budget, including tax cuts and social spending restraint, would take from the poor and give to the rich. Leaving aside the detail that a tax cut allowing someone to keep more of his earnings is not "giving" him anything that is not already his, the adoption of Robin Hood as the patron saint of liberalism cries out for correction. To the contrary, it is conservatives who should extol Mr. Hood as one of their own.*

*Robin Hood's claim to fame was not that he took from the rich to give to the poor, but that he took from the tax collector and gave back to the people their own money. The central issue was overtaxation, and Robin Hood was most emphatically not on the side of the bureaucracy.*

*The ultimate bad guy was Prince John, the very caricature of greedy, arrogant government; the proximate bad guy was the Sheriff of Nottingham, the ruthless enforcer whose audit strategy was even more intimidating than that of the IRS. The victims were the taxpayers whose property was confiscated to feed John's insatiable lust for higher revenues.*

## SOME THOUGHTS ON THE "MASTERS OF THE FINANCIAL UNIVERSE."

As anyone who paid attention to the news over the weekend knows, a large gang of wackos, hedonists, and sharpsters descended on Washington last week, bringing with them a grab bag of radical left wing ideas, corrupt distortions of capitalist tenets, and countless plans for destructive actions.

---

Subscriptions to The Political Forum are available by contacting:  
The Political Forum  
8563 Senedo Rd., Mt. Jackson, Virginia 22842  
tel. 540-477-9762, fax 540-477-3359, e-mail melcher@shentel.net

They came from all over the world, and in such large numbers that the D.C. government was forced to cordon off entire sections of the city, and to remove trashcans, park benches, newspaper boxes, bike racks, and other objects from the streets “that could be used in a dangerous fashion.”

In addition, the District government had to pay extensive overtime to police in order to limit the devastation that has been an integral part of the activities of this crowd, in one way or another, since they were first organized in July 1944 at Bretton Woods, New Hampshire under the guidance of John Maynard Keynes, who was to Adam Smith what Oppenheimer was to Einstein, and Harry Dexter White, Stalin’s man in FDR’s Treasury Department.

I am speaking, of course, about the delegates to the latest meeting of the World Bank and the International Monetary Fund, those confused-but-determined purveyors of worldwide economic and social chaos. These people can be divided into three groups.

O The first is made up of left wing wackos, the old-time, international do-gooders, the kind of people that Evelyn Waugh satirized in his unforgettable novel, *Black Mischief*, which drove home the point that European efforts to bring “modern ideas” to colonial Africa didn’t fail only because the Africans were “backward,” but because the ideas themselves were steeped in a lot of crack-pot, socialist foolishness that didn’t work in Africa because they didn’t work anywhere. These people are well meaning, but basically stupid.

The second group is composed of those delegates who neither know nor care about anything either the IMF or the World Bank does or says but are privileged to attend the meetings because they are related to some corrupt governmental pooh-bah back home in Lower Slobovia. They enjoy the all-expenses-paid posh trips to large cities all over the world, the food, the drink, and the prostitutes. These people are not well meaning, but are basically harmless.

And finally, there are those whom one reporter for the *Washington Post* once called the “masters of the financial universe.” These are the big guns, the folks who represent the interests of the world’s giant international financial institutions. They are neither naïve nor stupid. I described them as follows in an article entitled “Meanwhile In Prague,” which I wrote in September 2000, just before leaving Prudential:

These people are involved “because this is not just the biggest financial game in town but the biggest financial game in the world. These are representatives of the sharpsters [from the world’s giant financial centers], who have learned that there is a lot of money, billions and billions of dollars in fact, to be made in the international bad loan business, so long as the ‘global financial architecture’ is designed in such a way as to protect both lender and borrower when the loans go bad [in places that are “too big to fail”] [in places like Mexico, Asia, Russia] [in places like Argentina?]. These people can be divided into two camps, those whose friends make money on the lending side, and those whose friends steal the money after it is loaned.”

These people are the vanguard of the new world financial order. They represent the merger between the new global financial behemoths and the old left-wing international organizations

that were set up years ago by the liberal establishment, organizations like the IMF, the World Bank, and the United Nations.

The left wing critics of these people, those protestors who follow the IMF and World Bank meetings around the world like flies tag along after a mangy goat, describe them as right wing capitalists. My view is that they are to capitalism what Blue Beard was to marriage, enthusiastic participants in the institution, but unfriendly to the ethical and moral bases that make it meaningful. They are the international financial community's equivalent of the mad scientist who will someday burn down his own laboratory.

. . . AND SOME THOUGHTS ON THEIR CRITICS. Speaking of the protestors, the IMF and the World Bank delegates were, of course, not the only crowd of disreputable citizens that descended on Washington last week. There was also that widely diverse conglomeration of lefties, anarchists, and just plain loonies that fly under the banner of "anti-globalists" and whatever other "cause" that happens to be *au courant*.

These folks, who first appeared on the scene in Seattle in November 1999, are as fascinating to me as are the "masters of the financial universe," whom they despise. They aren't particularly smart, judging from the countless interviews their various leaders have given to the sidewalk news hounds. Nor are the causes they claim to represent particularly interesting. But they are intriguing nevertheless, because they, like the "masters of the financial universe," are, I believe, part of the vanguard of something new in the "world order," something that is worth carefully watching and studying.

It is too soon to tell exactly what this something is. But, among other things, this group illustrates the fascinating rift that is developing between the old socialist left, which is gradually fading into history, and the new left, which has no reverence for either Marx or Mao, or any apparent desire to spread enlightened socialism around the world. This new left is, quite apparently, driven by a whole new catalogue of feverish, utopian dreams and malignant hatreds.

I don't want to dwell on this subject this week. I actually addressed it in some length in a piece I wrote for Lehman entitled "The Anarchists Are Coming," which didn't get much attention at the time because it was dated September 10. I would simply raise one question:

What happens to the American left, which has looked to the liberal Jewish community for intellectual leadership since it appeared on the scene in the early 20<sup>th</sup> century, if the global left adopts the vehemently anti-Israel cause of Yasser Arafat's Palestinians, as well as the anti-American cause of the other major Muslim groups that make up the core of militant Islam?

Stay tuned.

CRY FOR THE IMF, ARGENTINA. And speaking of the IMF, I was interested to read in yesterday's *Washington Post* that the mess in Argentina, which the *Post* said "appeared to be reaching a new and dangerous impasse," was "one of the IMF's most embarrassing failures."

Now, I would be the first to admit that I have paid scant attention to the situation in Argentina. In fact, I wasn't even aware that Argentina's economy was so closely linked to the IMF that its collapse would be viewed by the *Post* as an "embarrassing failure" of that agency.

Had I known that, however, I would also have known a long time before the *Post* did that Argentina was "reaching a new and dangerous impasse." I mean, what's to know? This is an agency with so many "embarrassing failures" that the *Post* apparently has a list of those that are the "most" and those that are the "least" embarrassing. I think the clue to the whole thing can be found in the motto above the door at the IMF's Washington offices, "Abandon Hope, All Ye Who Enter Here."

The thing that always fascinates me about this agency is that it apparently has large groups of "experts" who actually go to these countries to help develop an economic plan. Yet, evidence indicates that, like the colonialist satirized by Waugh, the economic and social nostrums these "experts" bring with them are so wacky, and dated that they haven't a prayer of helping, and in most cases just make things worse.

Am I wrong about this? Well, maybe. But read the following quotes from an op-ed piece that appeared in a recent issue of the *Washington Times* that was written by Ana I Eiras, a policy analyst for Latin America in the Center for International Trade and Economics at the Heritage Foundation. And wonder, as I do, what has the IMF been doing down there all this time if problems such as these haven't even been addressed yet?

*Argentina's stubborn 18 percent unemployment rate is deeply rooted in the rigidity of its labor market. Everything that in the United States is a negotiable benefit—vacations, health coverage, bonuses — is a legal mandate in Argentina. In addition, all businesses, from large corporations to the street-side booths that sell ties, face high taxes and burdensome regulations. And by keeping trade barriers high, Argentina supports a few inefficient local industries at the expense of consumers.*

*Some observers may point out the fact that some countries, such as France, Sweden and Norway, have taxes and regulations just as burdensome (if not more so) than those afflicting Argentina. But that brings us to a crucial element of true capitalism: Property rights. To be specific, none of the countries listed above has a problem protecting those rights—and Argentina does.*

*According to the "2002 Index of Economic Freedom," co-published by the Heritage Foundation and the Wall Street Journal, Sweden's judiciary is independent and guarantees its citizens a fair legal process. The same holds true in France and Norway. But Argentina's courts can't be relied on to protect private property. Small wonder, then, that individuals trying to decide where to invest their money are more likely to opt for Sweden, Norway or France than for Argentina. Yet not a single Argentine government since the 1930s, "capitalist" or otherwise, has made protecting property rights a cornerstone of its reforms.*

Maybe the IMF experts should have started their task in Argentina by just talking with Ana Eiras. Or possibly reading Hayek's *Road to Serfdom*. But then, what do I know?

**A LITTLE POETRY BETWEEN FRIENDS.** As regular readers of mine know, I am somewhat of a poetry buff. I don't write poetry, but I love to read it. So I was filled with anticipation when I learned last week that Saudi Arabia's ambassador to Britain, one Shazi Algosaihi, had written a poem that would appear in *Al Hayat*, an Arabic language newspaper published in London. Surely, I thought, the ambassador to jolly old England from America's trusted ally, Saudi Arabia, must be a good fellow. Someone will translate this work, thought I, and perhaps the world will welcome a new Islamic bard, someone akin to the Persian tent maker, Omar Khayyam, whose work I so enjoy.

Dreaming when dawn's left hand was in the sky  
I heard a voice within the tavern cry,  
"Awake, my little ones, and fill the cup  
Before life's liquor in its cup be dry." . . .

And if the wine you drink, the lip you press,  
End in the nothing all things end in - yes -  
Then fancy while thou art, thou art but what  
Thou shalt be - nothing - thou shalt not be less.

Well, no such luck. The poem, lest you haven't heard, turned out to be entitled, "The Martyrs," and heaps praise on homicidal lunatics who strap bombs on themselves and go into places crowded with innocent woman and children and blow themselves up. It also honors a God who thinks this is a noble thing to do, and apparently refers to the White House as a place "filled with darkness."

The *Washington Post* translated one stanza as such:

God is witness that you are martyrs  
The Prophets are witness . . . and the holy men.  
You died to honor My God's word  
In lands where the dearest are prisoners.

In the words of Claude Rains in *Casablanca*, I was, "Shocked! Shocked!" But then, I, sadder but wiser, decided to return to the old poems for comfort, since no grand new poet from the Orient was in the offing. And lo, I just happened to turn to G. K. Chesterton's marvelous old ballad "Lepanto," which tells of the glorious naval battle in the Gulf of Patras, off Lepanto, Greece in which Christian forces, led by Don John of Austria, defeated the fleet of the Ottoman Empire and thus prevented the Muslim world from gaining naval supremacy in the Mediterranean.

Approximately 15,000 Muslim Turks were slain or captured in this famous confrontation, and some 10,000 Christian galley slaves were liberated. It was the first major Ottoman defeat by Christian powers and ended the myth of Ottoman naval invincibility. This was, by the way, the battle in which Cervantes lost the use of his left arm.

It's a long poem, so I won't present it all. But I thought that a few lines might be fun, if for no other reason than to demonstrate to Ambassador Algosaiibi what a real poem of battle and honor sounds like.

White founts falling in the courts of the sun,  
And the Soldan of Byzantium is smiling as they run;  
There is laughter like the fountains in that face of all men feared,  
It stirs the forest darkness, the darkness of his beard,  
It curls the blood-red crescent, the crescent of his lips,  
For the inmost sea of all the earth is shaken with his ships . . . .

Dim drums throbbing, in the hills half heard,  
Where only on a nameless throne a crownless prince has stirred,  
Where, risen from a doubtful seat and half-attainted stall,  
The last knight of Europe takes weapons from the wall,  
The last and lingering troubadour to whom the bird has sung,  
That once went singing southward when all the world was young.  
In that enormous silence, tiny and unafraid,  
Comes up along a winding road the noise of the Crusade.  
Strong gongs groaning as the guns boom far,  
Don John of Austria is going to the war,

Stiff flags straining in the night-blasts cold  
In the gloom black-purple, in the glint old-gold,  
Torchlight crimson on the copper kettle-drums,  
Then the tuckets, then the trumpets, then the cannon, and he comes.  
Don John laughing in the brave beard curled,  
Spurning of his stirrups like the thrones of all the world,  
Holding his head up for a flag of all the free.  
Love-light of Spain - hurrah!  
Death-light of Africa!  
Don John of Austria  
Is riding to the sea.

Mahound is in his paradise above the evening star,  
(*Don John of Austria is going to the war.*) . . .

St. Michael's on his Mountain in the sea-roads of the north  
(*Don John of Austria is girt and going forth.*)  
Where the grey seas glitter and the sharp tides shift  
And the sea-folk labour and the red sails lift.  
He shakes his lance of iron and he claps his wings of stone;  
The noise is gone through Normandy; the noise is gone alone . . .

. . . And death is in the phial and the end of noble work,  
But Don John of Austria has fired upon the Turk.  
Don John's hunting, and his hounds have bayed -  
Booms away past Italy the rumour of his raid.  
Gun upon gun, ha! ha!  
Gun upon gun, hurrah!  
Don John of Austria  
Has loosed the cannonade. . .

And above the ships are palaces of brown, black-bearded chiefs  
And below the ships are prisons, where with multitudinous griefs,  
Christian captives sick and sunless, all a labouring race repines  
Like a race in sunken cities, like a nation in the mines.  
They are lost like slaves that swat, and in the skies of morning hung  
The stairways of the tallest gods when tyranny was young.  
They are countless, voiceless, hopeless as those fallen or fleeing on  
Before the high Kings' horses in the granite of Babylon.  
And many a one grows witless in his quiet room in hell  
Where a yellow face looks inward through the lattice of his cell,  
And he finds his God forgotten, and he seeks no more a sign -  
*(But Don John of Austria has burst the battle-line!)*  
Don John pounding from the slaughter-painted poop,  
Purpling all the ocean like a bloody pirate's sloop,  
Scarlet running over on the silvers and the golds,  
Breaking of the hatches up and bursting of the holds,  
Thronging of the thousands up that labour under sea  
White for bliss and blind for sun and stunned for liberty . . .

Cervantes on his galley sets the sword back in the sheath  
*(Don John of Austria rides homeward with a wreath.)*  
And he sees across a weary land a straggling road in Spain,  
Up which a lean and foolish knight forever rides in vain,  
And he smiles, but not as Sultans smile, and settles back the blade. . .  
*(But Don John of Austria rides home from the Crusade.)*

Incidentally, this battle was fought on Oct. 7, the same date that in 2001 American forces began bombing Afghanistan.

---

THE POLITICAL FORUM

Copyright 2002. The Political Forum. 8563 Senedo Road, Mt. Jackson, Virginia 22842, tel. 540-477-9762, fax 540-477-3359. All rights reserved. Information contained herein is based on data obtained from recognized services, issuer reports or communications, or other sources believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness, and we are not responsible for typographical errors. Any statements nonfactual in nature constitute only current opinions which are subject to change without notice.