

# 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

“Your resistance! . . . You have no right—please listen to me carefully—you have no right, before man and God, for the sake of so pitiable a thing as military renown, to give over to famine a town with a population of more than two millions! . . . Don’t talk of resistance. In this case it is a crime!”

Bismarck’s response to French envoy Jules Favre, when the latter asked him, during the January 1871 negotiations for the surrender of Paris to German forces, if he (Bismarck) was not afraid that his demands would not make French resistance fiercer. As related in Emil Ludwig’s biography Bismarck, *The Story of a Fighter*.

**THE SLEEPING GIANT AWAKENS.** The Japanese attack on Pearl Harbor on December 7, 1941 was a terrible tragedy for the United States. It turned out to be a disaster for Japan. The attack by Islamists on the World Trade Center and the Pentagon on September 11, 2001 was a terrible tragedy for the United States. My guess is that it will turn out to have been a disaster for militant Islam.

Prior to December 7, Japanese imperialists had been on a roll. Manchuria; much of Northern China, including Peking and Shanghai; Hong Kong; Canton; Hainan; and French Indo-China had all fallen to the Japanese army. Some Americans were awakening to the growing threat to American interests of this movement but they were having little success in convincing the government to take serious action.

Prior to September 11, Islamists had been building an impressive global infrastructure of political, economic and military power. Some Americans were awakening to the growing threat to American interests of this movement but they were having little success in convincing the government to take serious action.

December 7 marked the beginning of the end of Japan’s threat to U. S. global interests. The war was long and bloody, but the end was never in doubt once it began. September 11 very likely

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will have marked the beginning of the end of militant Islam's threat to U. S. global interests. The war is likely to be long and bloody, but the end is hardly in doubt, now that it has begun.

✍ The American defeat of the Taliban in Afghanistan denied Osama bin Laden's Al Qaeda organization, one of the deadliest arms of militant Islam, a secure homeland. It also cost the lives and freedom of many of its senior leaders.

✍ The pending American defeat of Saddam Hussein in Iraq will deny militant Islam another secure homeland, one that was capable of providing all elements of the Islamist movement with access to vast stores of weapons of mass destruction, significant financial resources, and a safe haven for its bloody operatives.

✍ President Bush's demand that every nation "choose sides" forced numerous countries, such as Yemen and Pakistan, which had provided organizational support and safe havens to the Islamist movement, to crack down on local terrorist networks, thus denying the movement other safe havens.

✍ And the American legal onslaught against organizations and individuals within the United States that are supportive of Islamic terrorism is slowly denying the movement a vast source of funding and another secure operational base.

Osama Bin Laden may be a hero to Islamic terrorists around the world, but history will, I believe, view him as a petulant, hubristic ignoramus who failed to understand the most important of all military maxims, namely to "know your enemy." Among other things:

✍ He stupidly underestimated the strength of the modern American military, apparently believing that the U.S. ability to project power into Afghanistan was no greater than that of the Soviet Union in the early 1980s.

✍ He stupidly underestimated the willingness of the United States under the leadership of President Bush to engage in all out war, apparently believing that Bill Clinton's disdain for the military, his penchant for meaningless, largely cosmetic military responses, and his tendency to run when hit was representative of the America's attitude toward conflict. By all accounts, Osama thought that the United States had a zero tolerance for combat deaths, and that this would prevent it from doing any more than dropping a few bombs on suspected Al Qaeda training camps in Afghanistan.

✍ He stupidly underestimated the enormous strength of the U.S. economy. A laptop computer found in Afghanistan revealed that Osama thought that because September 11 caused a decline in the financial markets, an economic slump, and near bankruptcy for the airline industry that America couldn't, or wouldn't, sustain an effective war against him and his movement.

But even more important, Osama failed to understand the nature and the scope of the radical movement to which he belonged, a movement that was, before September 11, making impressive headway in erecting a global platform from which American and Western interests could have been attacked viciously when the time was ripe.

Indeed, for all his gibberish about adhering to the teachings of Muhammad, Osama completely failed to follow one of the important observations of that 7<sup>th</sup> century desert warrior, namely, as can be found in the Qur'an, v. 2: 153, that "Allah is with the patient."

As I mentioned in the March 3 newsletter, in a piece entitled "Some Thoughts On Iraq And The 'War On Terror,'" one has to wonder, for example, how Saddam Hussein must feel right now (assuming he can feel anything right now) about Osama's great September 11 adventure.

Here was a man who had superb contacts at the highest levels of the governments of such powerhouse nations as France, Germany, and Russia; a man who was negotiating multi-billion dollar contracts with these nations; a man who had reason to believe that political support from these nations would keep the U.S. at bay while he built his deadly arsenal. I put it this way.

He [Saddam] was holding his own against the United States until September 11; building his stocks of chemical and biological weapons and merrily working on gaining access to nuclear materials, dreaming of the day when he could hold America and Israel hostage to his power. And along came Osama. And the next thing you know, Saddam is a few weeks away from becoming a martyr. Peace be upon him.

As I also asked in that piece, how about Sami al-Arian, the former University of South Florida professor who was arrested recently? What, one wonders, must he think of the brouhaha stirred up by Osama? Al-Arian was living the good life in America, and according to many observers, including our own Justice Department, helping to establish an elaborate, nationwide fundraising effort for terrorist activities aimed at Israel and spreading anti-American poison throughout the American Muslim and Christian Arab community. At the same time, his children were being educated at American colleges. I put it this way.

The only real threat to Sami's world was Steve Emerson, who identified him as a dangerous criminal a decade ago. But Sami was holding his own against Emerson, with a lot of help from a host of radical Muslim organizations, such as the American Muslim Council and the Council on American-Islamic Relations, until September 11, when Americans were awakened to the fact that Steve had been right all along.

And now Sami's in jail, along with scores of other individuals who were, like him, associated with one or more of the many dual-purpose organizations that operate in the United States, representing the legitimate interests of American Muslims and Christian Arabs but also acting as fronts for radically anti-American activities, up to and including acts of terrorism. Besides AMC and CAIR, these include Islamic Society of North America, North American Islamic Trust, Islamic Circle of North America, Muslim Student Association, Muslim Public Affairs Council, Arab-American Institute, International Institute for Islamic Thought, United Association for Studies and Research, Muslim Arab Youth Association, American Muslim Society, American Muslim Alliance. (Each, by the way, has a website, if you are interested.)

Among other things, some of these groups provide safe harbors and "legitimacy" for scores of individuals who are directly connected to international terrorist groups and terror sponsoring nations. Some make it possible for known terrorists to obtain fraudulent visas to enter the United

States and spread their poisonous message of hate to the American community of Muslims and Christian Arabs. Some have been remarkably successful at establishing strong political contacts at the highest levels of both political parties, and using these associations to block legislation and administrative initiatives that would help in the war against terror. Some have raised vast amounts of money that has been used to finance terrorist groups all over the world.

It is worth noting that the majority of these groups have received funds and other support from the SAAR Foundation. This organization was created by Suleiman Abdul Al-Aziz al-Rajhi, a scion of one of the richest Saudi Arabian families. The following comes from an article in the April 8, 2002 *Weekly Standard* entitled "Wahhabis in the Old Dominion," by Stephen Schwartz.

The Saar Foundation is connected to Al-Taqwa, a shell company formerly based in Switzerland, where its leading figures included a notorious neo-Nazi and Islamist, Ahmed Huber. Subsequently moved to the United States, Al-Taqwa was shut down after September 11 and its assets frozen by U.S. presidential order. But operations continued, as the Wahhabi lobby shifted to its backup institutions here.

Saar has also been linked to Khalid bin Mahfouz, former lead financial adviser to the Saudi royal family and ex-head of the National Commercial Bank of Saudi Arabia. Mahfouz has been named by French intelligence as a backer of Osama bin Laden; Mahfouz endowed the Muwafaq Foundation, which U.S. authorities confirm was an arm of bin Laden's terror organization. Muwafaq's former chief, Yassin al-Qadi, oversaw the financial penetration of Bosnia-Herzegovina and Albania by Wahhabi terrorists in the late 1990s.

Men like al-Rajhi, Mahfouz, and al-Qadi are the big players in the financing of Islamic extremism. And their paths repeatedly lead back to Northern Virginia. They don't play for small stakes: Saar received \$1.7 billion in donations in 1998, although this was left out of the foundation's tax filings until 2000. No explanation has been offered for this bit of accounting sorcery.

Emerson knew what was going on within these organizations. He wrote, lectured, and testified before various House and Senate committees about it extensively in the decade leading up to September 11. Individuals who were associated with the Institute for the Study of Terrorism and Political Violence (including myself and Emerson) also knew and worked diligently to inform both the public and government officials of the threat.

Also, a great many men and women who were working at the FBI, the CIA, and other law enforcement and intelligence gathering agencies knew. But their hands were tied by a series of laws and directives dating back to the Watergate days, which prevented them from launching in-depth investigations into these organizations, or even keeping files on the most suspicious members of these groups.

Osama's September 11 extravaganza changed that, and in doing so it changed the world of militant Islam significantly for the worse. Peace be upon him.

**THE HEAD OF THE SNAKE.** So Saddam is dead. Or seriously injured. Or whatever. In any case, after Wednesday's "decapitation" strike on the Ba'athist regime on the opening day of formal hostilities, neither the nation of Iraq nor the art of war will ever be the same. America has demonstrated the successful use of a tactic that is unique in the history of man and the history of warfare, and it will change the manner in which it will engage in future conflicts.

Yes, of course, there is nothing new about assassination attempts by one nation on the head of state of another with which it is at war. But there is something very new about the ability to carry out such an assassination with relative ease by simply knowing the precise location of the proposed assassinee.

How, one wonders, can a political/military leader run a war and keep control of his country if he must keep his location secret from everyone except his closest associates, especially if he must do this by avoiding virtually all electronic contact?

Could Churchill have led the British war effort the way he did if he hadn't felt safe in his famous bunker beneath King Charles Street? Or better yet, if he couldn't use a telephone or other communication device for fear of revealing his location? Imagine, if you will, how World War II would have been different had the allies been able to kill Hitler as soon as his troops crossed into Czechoslovakia.

Could Lyndon Johnson have fulfilled the duties of the Presidency and as Commander in Chief during Vietnam had he been forced to stay in hiding the entire time? Could Bush run this war if he weren't safe in the White House? Or in the bunker beneath it? Or at any location where his presence was known?

While the French and Germans were spending their time "discussing" the finer points of continental farm subsidies and policing their workers to make certain that none were putting in more than 35 hours a week; while the Russians were digging themselves (part of the way) out of an enormous economic and technological hole created by 75 years of murderous communism, while most of the rest of the world was spending its time and money on entirely non-military pursuits, or the acquisition of weapons based on yesterday's technology, America was developing arms and technologies the likes of which the world had never before seen.

Think about that for a minute. We struck out at Saddam on the first day of the war. Even if he weren't actually killed, he has been virtually invisible since, unwilling to show his face in public, unable to lead the Iraqi people. For all intents and purposes, the war was over before it even began. What, one wonders, must little Kim What's-His-Name in North Korea think? Or Rafsanjani or Khomeini? Regime change, it turns out, might not be as difficult as "the experts" told us it would be.

It is worth noting here that the United States is the only nation with both the intelligence and the technology to pinpoint the location of an individual *and* the precision munitions that can be delivered directly to the target and without warning. France, Germany, Japan, and the rest of the developed world spent the last half-century relying on the Americans (and to a lesser extent, the Brits) to protect and defend them. In the parlance of interest group theory, they have been classic "free-riders," enjoying the benefits of membership without incurring any of the costs.

And while such free riding has advantages, namely that the portion of GDP that America spends on defense could (at least in theory) be dedicated to more “productive” ends (the libertarian dream for America, incidentally), it also has its drawbacks. This is one of them. After Kosovo, the French spent a great deal of time moaning about how their military was closer in capability to the Serbs’ than to ours. And this gap between the United States and France has only increased since, and will continue to do so for the foreseeable future.

It is also worth noting that this new tactic is a greater threat to regimes that are run by a handful of thugs than it is to developed democratic nations. Had the Germans killed Churchill, British resistance would have been more difficult, but not impossible, for in democracies (like Britain and United States), the head of government is not the sole component of the regime, and lines of succession are clearly drawn. Cutting off the head off a democracy does not kill the beast.

If the shoe were on the other foot, let’s say, and the Iraqis killed President Bush, then Vice President Cheney would step up and continue to prosecute the war, and he would almost certainly do so more vigorously. If they killed both Bush and Cheney, they would have to deal with the ex-wrestling coach, Denny Hastert. If they got all three, they’d have to deal with . . . well, you get the picture. Even if they took out the entire ruling class – every cabinet member and member of Congress – they’d still have to deal with a military that is unswervingly loyal to the regime (to the constitutional regime, that is).

In short, America is, without question, the most potent military force in the history of the world. And now it has a new weapon in its “arsenal of democracy, namely the ability to “decapitate” leaders of rogue nations by simply knowing where they are at a given moment. This, we would argue, would seem to make it less likely, not more so as many critics claim, that any nation will openly challenge that arsenal. To paraphrase President Reagan, peace is more likely to be gained through strength than weakness.

**HOW ABOUT A REGIME CHANGE IN FRANCE?** Since at least last Monday, when the diplomatic process finally and completely collapsed, signaling that the Americans and the Brits would have to take on Saddam without the backing of the U. N. Security Council, Republicans of all variety have been running around stating matter-of-factly that after the war, everything will change.

In light of the overt and aggressive belligerence of France and Germany, and quiet condemnation of Russia, Mexico, and Canada, all of our current alliances will, they suggest, have to be rethought. Even Henry Kissinger, who is as far from a radical as a Republican can get, and who is considered even by many on the left to be the most knowledgeable, reasonable, and judicious Republican on foreign policy matters, has repeatedly voiced his belief that when this is all over, America will have to “rethink all its alliances.”

According to this line of thinking, President Bush asked our erstwhile friends to “show their cards.” They did. And now there will be a price to be paid. Once victorious over Saddam, Bush will set about remaking the post-World War II institutions that have, over the past several months, proved either irrelevant or disruptive. In short, the international community will, in the not too distant future, look much different than it does now. Or so we are told. We doubt it.

First, the United States needs trading partners. The American economy is based on global trade, and if all the nations who opposed Bush in the war against Saddam are eliminated from our good graces, with whom, one wonders, will the United States conduct business?

The United States needs France and Germany and Russia and China. The United States needs Mexico and Canada. It may not need Cameroon and Guinea, but it could hardly sustain its global economy with just the “coalition of the willing.” The Brits and Australians are remarkable friends and wonderful trading partners, but vast enough to sustain America’s export economy they are not. President Bush will ensure that America’s trading partners remain its trading partners. Economic suicide is not something he is likely to undertake.

Those who complain that the old institutions have proved ineffective and must be dramatically changed are probably right. Reassessment and reformation are, in fact, certainly warranted. And they are also correct that President Bush would be entirely justified if he radically changed America’s participation in these organizations. A number of erstwhile allies have, indeed, behaved extremely badly; the U.N. is, in fact, irrelevant; the enemy NATO was established to contain no longer even exists. **But none of this matters.**

You see, those who make such comments have, it would seem, paid too little attention to the character of the man who sits in the oval office. George W. Bush is hardly one to air his grievances in public. He is, for the most part, a man who believes his own campaign shtick that he is “a uniter not a divider.” At least in public.

Recall that George W. Bush said nothing about his opponents after the 2000 campaign, in which he was called all sorts of odious names by the Gore camp; nor after the melee in Florida, in which he was, again called all manner of awful things by Democratic party operatives (including, Nazi, racist, and thief); nor after team Clinton/Gore desecrated the Vice President’s residence, vandalized the White House, and (oh so cleverly) removed all of the Ws from the executive office computer keyboards. Indeed, even after he was presented with evidence of potentially criminal wrongdoing in the Pardon-gate scandal, he suggested to his Justice Department that they should pursue leads appropriately, but that it was, in fact, time to let bygones be bygones and to “move on.” George Bush doesn’t pursue grudges at the expense of good politics.

This weekend, *Newsweek*’s Eleanor Clift, who increasingly appears as if institutionalization awaits her, wrote a truly nutty column in which she suggested that Bush would retaliate personally against Senate Minority Leader Tom Daschle for calling the president’s last ditch diplomatic push “a failure” that left war as the only option. That’s truly batty. Bush does not “personally retaliate.” Sure, Ari Fleischer may snap that Daschle is being less than helpful, and yes, Speaker Hastert did call Daschle out, but George Bush did not and will not do any such thing. He will call Tom Daschle his friend; he’ll give him a big smile with a firm handshake and a slap on the back; he will make sure that everything between him and Daschle remains pleasant and affable – at least on the surface.

Bush is far more intelligent, clever, and, perhaps, Machiavellian than his opponents appear to understand. He is, I believe, a man who took the advice that Michael Corleone gave Frank Pantangelli (and which Sun Tzu gave the world some 2400 years earlier), “Keep your friends close, and your enemies closer.”

He can't trash the U.N., because in his eyes it still serves a useful purpose. The U.N. will help rebuild Iraq; it will bear some of the costs and a large amount of the responsibility; and it will help in our efforts to diffuse the North Korean situation. It also provides a lot of pissant nations something to do. And so, in public, Bush will embrace the U.N. In private, though, no American president (especially this one) will probably ever again seek the U.N.'s "approval" to defend the United States, unless such a move would be useful.

The same, incidentally, goes for our "allies." In public, Bush will embrace Russia; he will embrace Mexico; he'll embrace France and Germany. In private, though, he'll treat the leaders of each of these nations in a manner that suits his own personal and political ends. He will again "look deep" into Putin's soul to re-evaluate the extent of their personal connection. He will forgive his friend and ideological soul mate Vicente Fox. And will probably make life awfully difficult for Jacques Chirac.

"France is the oldest friend and military ally of the United States," he will say publicly. "How can we not forgive their earnest attempts to broker peace?" But Chirac himself will be the object of much scorn and resentment, and could find himself confronted by "leaked" documents confirming his involvement in a variety of corrupt and possibly illegal ventures with his friend Saddam Hussein.

And so, while Republicans and other observers have decided that the world will look dramatically different after the war with Saddam is over, we can't help but feel that they'll be disappointed. Yes, the United States (and in particular President Bush) will view allies and international institutions with greater care, but on the surface things will not change much at all. In fact, the world will not look, on the surface at least, all that different from the way it did before the mess with Iraq began.

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