

# 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

"I was singularly unimpressed. From the vantage point of the public, I doubt that any undecided viewer came away with anything new out of this. [The candidates'] only hope right now is that perhaps very few people were watching,"

Independent pollster John Zogby, commenting on the Saturday night debate in Columbia, South Carolina of the Democratic Party's presidential hopefuls, as quoted in the *Washington Times*.

**POST WAR IRAQ? RELAX. IT'S GOING TO BE OKAY.** The most frequently asked question that I get from clients these days is whether the Bush administration's efforts to establish some sort of friendly order in Iraq will be successful. This is a tough one, of course, and no one with any sense would pretend to know the answer. But as I've said many times in these pages over the years, the best way to deal with such a complex forecasting issue is to develop some guidelines for observing and analyzing events as they transpire, and then to craft a likely scenario that can be altered and adjusted as the process unfolds. So here goes.

For starters, it would be wise to ignore virtually everything that is said by those people who were wrong about how the war itself would go. They are, for the most part, either not too bright or have an agenda that interferes with their objectivity, so any prediction they might make about future events in Iraq can only confuse matters and cause you to doubt your own good instincts.

This is an important rule because the majority of the people who are predicting that the follow up effort is going to be an unmitigated failure are (surprise! surprise!) the same ones who said that the war was going to be a disaster. It is possible, of course, to be wrong about one thing and right about another. The problem in this case, however, is that it required a real talent for bad forecasting to be wrong about the outcome of a war that pitted the most awesome military the world has ever seen against a rag tag army of ill equipped, technologically backward, ignorant peasants led by a group of corrupt officers who gained their rank by sucking up to a maniacal tyrant and his two demented kids.

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I have no contacts whatsoever in this administration or in the Pentagon, but even I was well enough informed to write as far back as September 3 that “I think the [war] effort will be an overwhelming success.” And I was able to support this claim with an observation that even Pat Buchanan should have been able to figure out, namely that “The United States is good at war.”

I don't mean to say that one should ignore pessimistic predictions. I am simply saying that one should ignore those that come from individuals who are just plain stupid and those who are clearly disguising their politically motivated wishes as predictions. I would put Buchanan in the second category. I would reserve the first category for people like that Dean guy from Vermont.

Predicting that the war would go poorly is one thing, but asserting that the United States “won't always have the strongest military” in the world, and then suggesting that this faulty revelation should be used as a foundation from which to formulate policy is, in my opinion, beyond the pale of ignorance.

Certainly, in a cosmic sense it is true that no nation remains all-powerful forever. Indeed, the United States won't *always* exist, much less always be powerful. Neither for that matter, will Earth. But if there is one reality around which everything in the geopolitical world of today turns, it is that the U.S. armed forces are unlikely to be eclipsed by the military of any nation or any group of nations in Dean's lifetime, or within any time frame that is relevant to discussions of current foreign policy issues.

Not to understand this truism, as well as the many reasons that underlie it, is to be ignorant of the rudimentary forces that are at work in the geopolitical arena today, including but not limited to wealth, demographics, national purpose, and technological prowess. As a liberal Democrat, and peacenik as well, Governor Dean, of all people, should at least have some limited knowledge of the enormous size, political clout, and technological superiority of the American “military-industrial complex,” to borrow a phrase from Eisenhower.

The second rule to follow is not to get overly worried about the importance of large, anti-American demonstrations in the cities of Iraq. Contrary to all the talk from the White House about “democracy” in Iraq, the Americans who are running that country today are not democrats, either with a big D or a small d. They are military officers and CIA officials with both the expertise and the will to keep such movements from getting out of control.

Large, angry crowds of scruffy looking men, perpetually jumping up and down (whatever that's about), can be an impressive and even foreboding sight to people not used to such a thing. But, as a practical matter, in a nation run by military officers who have a large, well-armed, and determined army at their disposal, as well as myriad highly experienced CIA agents, crowds such as these are not likely to be all that effective in the near term. In fact, there may be something cathartic for these people about jumping up and down all the time. Who knows?

I am aware that history is replete with examples of such crowds bringing down governments. But in virtually all of the cases where mob actions have worked in such a way, it is because the incumbent government was either too weak to defend itself or had lost the will to do so. This is not the case with the current American military administration in Iraq.

So what is going to happen? Well, the United States will establish a government made up of Iraqis who are friendly to American interests. They will do this by aggressively marginalizing those individuals they don't like or trust and by buying the loyalty of those they choose to trust, if not like. This process has already begun, as was demonstrated recently when the self-proclaimed "Mayor of Baghdad" got the boot.

With considerable help and guidance from Americans, the new Iraqi leadership will form a police force and a small army. The loyalty of these two organizations will be bought with a variety of inducements, including money, threats, perquisites, power, and protection, as is the custom in Iraq. Then these groups will go out and restore "order" among those people who are jumping up and down all the time. This too is already happening. One need not have Pentagon or CIA sources to know this. Indeed, you can learn about it by reading *USA Today*. A recent article entitled, "Official: Aziz says Saddam is alive Clues come faster on missing leaders," noted the following.

Armed, U.S.-backed Iraqis scouring Baghdad neighborhoods sometimes intimidate relatives of missing officials and at other times offer ordinary civilians an opportunity to tell Iraqis, rather than Americans, what they know about regime fugitives.

Iraq's traditional tribal leaders, who are eager to be seen as siding with the future government, are giving information about officials who have fled into their areas far from Baghdad. Many had long alliances with Saddam's officials. But those appear to have faded as the tribes look for new connections with which to conduct trade and secure their territory.

And this.

U.S. soldiers are allowing armed Iraqi militia to act as intelligence agents and sometimes enforcers. About 1,000 fighters have been deployed in Baghdad, compensating for U.S. forces' few Arabic speakers and their lack of knowledge of the capital's geography. Trained, funded and transported by the U.S. military, the Free Iraqi Forces are attached to the Iraqi National Congress, the group that arrived in Baghdad about 10 days ago to begin operations after decades in exile. The group clearly hopes to gain legitimacy among the local population by playing a major role rounding up regime loyalists.

What the story doesn't say, but what is nevertheless the case, is that the U.S. military is not just "allowing" this to happen. It is *encouraging* it, *promoting* it. In fact, this is an essential part of *the plan*. Only an Iraqi-led army and police force can do some of the things that are going to be necessary in order to neutralize opposition groups, whether they be anti-American Shiite forces in the South, formerly pro-Saddam Sunnis in the West, or bands of thugs in Baghdad.

Americans can provide valuable assistance, of course. Among other things, they can teach the Iraqi's how to identify and neutralize the leaders of dissident groups without resorting to unseemly public displays of violence. Novel and highly effective approaches to mob control is, after all, a specialty of the U.S. military. U.S. special operations teams can also respond to

Iranian efforts to destabilize the Shiite regions in Southern Iraq by silently taking the battle into Iran itself. My guess is that that these efforts are already underway, and could turn out to be highly effective, given the apparent unpopularity of the current Iranian regime.

Needless to say, there is in Iraq's near term future no "pluralistic, democratic government" based on the simple principal of "one-man-one-vote." Such a government simply wouldn't work there for a wide variety of social, cultural, demographic and even geographic reasons, and one can only hope that the Bush crowd understands this. They would, I believe, be wise to remember and apply the words of the learned jurist H. Franklin Waters, Chief Judge of the Western District of Arkansas in the case of Robertson v. White, "You should never try to teach a pig to sing: it can't be done, and it annoys the pig."

And if anyone questions the lack of a "true democratic government" in Iraq, President Bush might refer him or her to the following observation by Aleksandr Solzhenitsyn in his 1998 book, *Russia in Collapse*, on the difficulties of moving from a totalitarian society to a democratic one.

People wanted a democratic Russia overnight, without a period of transition, of learning and of growing accustomed to it. An automobile cannot come down from a high mountain by driving off a cliff – it needs to take the long series of switchbacks.

Or the President could go back further in time and offer up some wise words from Burke, whose wisdom on the subject of good government is, I believe, unsurpassed by any other individual, living or dead. He might begin with these from *Reflections on the Revolution in France*.

If I recollect rightly, Aristotle observes, that a democracy has many striking points of resemblance with a tyranny. Of this I am certain, that in a democracy, the majority of the citizens is capable of exercising the most cruel oppression upon the minority, whenever strong divisions prevail in that kind of polity, as they often must; and that oppression of the minority will extend to far greater numbers, and will be carried on with much greater fury, than can almost ever be apprehended from the dominion of a single scepter. In such a popular persecution, individual sufferers are in a much more deplorable condition than in any other. Under a cruel prince they have the balmy compassion of mankind to assuage the smart of their wounds; they have the plaudits of the people to animate their generous constancy under their sufferings: but those who are subjected to wrong under multitudes, are deprived of all external consolation. They seem deserted by mankind; overpowered by a conspiracy of their whole species.

Or these from Burke's famous "Letter to the Sheriffs of Bristol."

I never was wild enough to conceive that one method would serve for the whole, that the natives of Hindostan and those of Virginia could be ordered in the same manner.

In short, as I said in an article dated April 7 entitled "Our Despot Instead Of Theirs," the new Iraqi government is certain to be highly authoritative, exclusive rather than inclusive. Or to put this another way, it will be insistently supportive of those ethnic, religious and tribal groups that are friendly and hostile to those that are antagonistic.

Relative to this last point, it has been said by some observers that the process of establishing a new Iraqi government will be made difficult by the fact that Iraqi society is highly fractured along lines of ethnicity, religion, tribe, region and class. I would argue that this will make the process easier because it will help assure that there will be no single, strong opposition group with which to deal.

It is, of course, true that many Iraqis won't like the new government. Nor will a large number of people around the world who have been critical of the Bush administration's actions in Iraq from the start. But many Iraqis didn't like the old government. And many people around the world didn't like it either. And so it goes.

I am not saying here that all will run smoothly in the post-Saddam Iraq. There will be glitches, bad days, tragedies, and setbacks a plenty. Or, as I said in the above-mentioned "Despot" article, the future there will be neither trouble free nor blood free. But, in my opinion, the doomsayers are going to be disappointed, just as they were disappointed when the war didn't go as poorly as they forecast.

Eventually, the oil will begin to flow, some of the proceeds will begin to trickle down to the "Arab street," Iraqi military and police forces will enforce order, commerce will flourish, and the Iraqi people will be better off than they were. And the American people will be safer.

**EVEN HILLARY COULDN'T SAVE THIS DAY.** Although we are still some 18 months from the presidential election, the campaign is beginning to take shape, so I thought I'd offer a few early thoughts and observations this week, beginning with my not-so-novel opinion that the Democratic field faces a formidable, uphill fight, regardless of the state of the economy.

Now, let me say up front that I am well aware that many people close to President Bush have cautioned that 2004 won't be a cakewalk, regardless of the Democrats' choice of candidates. Among others, Karl Rove and White House pollster Matthew Dowd have both argued that the race will be close and hard fought, perhaps not too different from 2000. But that is, after all, what they're supposed to say. That's what they get paid to say. After the '91-'92 debacle, GOP presidents, and particularly GOP presidents named George Bush, should not take anything for granted. And it's the job of guys like Rove and Dowd to make sure this doesn't happen.

Their cautiousness does not, however, mean that the Democrats don't face an incredibly daunting challenge.

For starters, it seems increasingly unlikely that President Bush is going to weaken in the stretch, or as many Democratic candidates seem to hope, turn into his father. For two and half years now, they have slammed him for being less than brilliant, for butchering the language, and for having stumbled into the oval office in 2000. But, as the polls consistently demonstrate, none of it ever sticks. The public likes Bush, in spite of or, perhaps because of the fact that he's not as polished or smooth as some of his predecessors.

In fact, President Bush has responded to these attacks on him by repeatedly performing feats of political dexterity that few modern presidents, with the exception of Ronald Reagan, could have pulled off without being panned in the press as being blatantly opportunistic, or tacky, if you

will. The most recent of these was Thursday's presidential address, which he delivered from the deck of an aircraft carrier at sea, having just arrived in a fighter jet that he (a former F-102 fighter pilot in the Texas Air National Guard) helped fly. As Fox News's Tony Snow put it immediately after the address, "He did not win the majority votes, but he governs like he won every one."

My purpose here is not to heap gratuitous praise on George Bush. It is simply to drive home the point that it is going to be very difficult for Democrats to effectively attack a president who is both supremely confident in who he is and equally certain that he is doing what is right. If there is a comparison that begs to be recognized here, it is not that George W. Bush is following in the footsteps of George H. W. Bush, but that the Democrats are following in the footsteps of those Republicans, like Mark and I, who consistently underestimated Bill Clinton.

A second problem for Democrats is that their proverbial bench is incredibly short. As the announced candidates finally began fighting amongst themselves last week, with Kerry and Dean trading shots, and facing off in their first debate Saturday night in Columbia, South Carolina, it was all too apparent that this group is hardly the finest collection of politicians ever assembled.

I know this is a highly subjective observation, but even the public (Democratic voters included) seems painfully aware that while these guys may be the best and brightest the Democratic party currently has to offer, they are, with a couple possible exceptions, strictly B-Teamers.

Of the Democrats running, only Al Sharpton and, to a lesser extent, Joe Lieberman have any sort of national name recognition. And neither of these men has, in our opinion, a snowball's chance in the netherworld of winning the nomination; Sharpton because his is, at heart, a radical fringe candidacy, and Lieberman because his centrism and support for the war on terror make him decidedly unappealing to the party's core primary voters.

Just as George W. Bush is not his father, none of the candidates in the Democratic pool is Bill Clinton. None has the charm, charisma, or guile of the former president, and none is anywhere near as talented a politician as he was. In short no one in the current Democratic primary field appears to have the ability to spark the electorate's imagination in the way that Bill did in '92.

But perhaps the most serious problem the Democrats face is that they have no issue. The last two successful Democratic candidates had several. In the aftermath of Watergate, Carter had honesty and integrity. In the wake of the 1991 recession, Clinton had the economy and the sense that he was more concerned with the plight of the average man than was his "patrician" opponent. This year's crop has nothing even remotely similar.

Given traditional party strengths and weaknesses, even the liberal press agrees that it is unlikely that any Democrat will be able to challenge President Bush on national security. If the victory in the war in Iraq and the apparent ongoing success of the larger war on terror weren't enough, the production onboard the Lincoln last week drove the point home once and for all that national security is Bush's turf. And there would appear to be nothing that any of the potential Democratic nominees, including those who served in the armed forces and fought in Vietnam, can do about it.

Defense and national security are not just big issues in the presidential race, they are a big part of President George W. Bush's persona. His behavior and demeanor onboard the Lincoln demonstrated that he not only respects, honors, and values the military, but that a vast majority of the military personnel respects, honors and values him in return.

I am aware that one military man's opinion doesn't an army make. But I think the following views put forth by a retired Air Force colonel in an email to *National Review Online* editor Kathryn Jean Lopez on the day of Bush's address provides an excellent look into the problem faced by any Democrat who wishes to challenge President Bush on the national security front:

You just can't conceive of how much we love this guy [Bush]. He commands an unprecedented amount of loyalty and respect among the armed forces. He not only walks the walk, he gets the talk (Navy talk). We don't think of him as a stud; he is so much more than that. He is the guy you hang with in the flight room, the guy you hunker down in the bunker with. He is the commander that is the first on the field and the last off. He is the guy you kneel down and pray with prior to putting your life on the line one more time. He is much more than a stud, he is a fighter jock. There are few in all of the armed forces who wouldn't march into Hell for him.

Now, given the state of the economy or, more accurately, the public's perception of the state of the economy, one might expect that the Democrats would be able to duplicate the 1992 campaign, arguing that the incumbent is too preoccupied with foreign affairs and paying too little attention to the well-being of those at home. But there are at least two factors working against such a repeat performance.

The first is, of course, September 11. The first George Bush could not or would not justify his preoccupation with foreign policy. This George Bush does not need to. Numerous polls have shown that the old saw about voters voting their pocketbooks exclusively has, in the wake of the terrorist attacks on the World Trade Center and the Pentagon, taken a hit of its own. National security has taken on a whole new meaning and, with it, considerably greater importance. Time will tell, of course, but right now it may well matter as much as, or even more than, the economy.

The second economic problem for Democrats stems from the fact that not only have none of the candidates offered a viable alternative economic proposal, but they are practically incapable of doing so. In the old days, Democrats could have countered Bush's tax cutting with plans for spending-driven stimulus. But they can no longer do so, having painted themselves into a corner where spending is concerned.

During the '90s, as the economy chugged along and deficits disappeared, the Democrats all became Rubin-ites, believing, or at least claiming to believe, the former Treasury Secretary's dictum that deficits are, in and of themselves, bad for the economy, driving up interest rates and rattling the bond markets, which, in turn, increases the cost of capital, constituting a *de facto* tax increase, etc. The Democrats are all deficit hawks now, and indeed, have abandoned class warfare as the primary argument against tax cuts, preferring Rubinomic arguments instead. Tax cuts are, they claim, irresponsible because they cause deficits, and deficits hurt both the macro economy and individual families. Or so the argument goes.

It would thus be a fine trick indeed if any Democratic candidate is able to offer a reasonable sounding alternative economic stimulus agenda that does not exacerbate the deficits. The fact is that it can't be done. Democrats will either have to abandon the Rubinomic logic, such as it is, to which they have clung throughout the Bush presidency, or offer their own plans consisting of little more than a few shallow platitudes. Or, in the case of Dick Gephardt, the first (serious) Democratic hopeful to discuss his economic agenda in any detail, you could "promise" to take back the 2001 tax cut and use the money to pay for a bigger and more bloated federal health care bureaucracy. Pardon me for stating the obvious, but none of these appears to be a recipe for electoral success, particularly against a popular president.

Given their gross inability to capitalize on either national security or economics, the two issues that traditionally dominate presidential politics, Democrats are groping in the dark for something that they can use against Bush. One of the early trial balloons floated again last week is the idea that Bush and his "cronies" talk a lot about freedom abroad, but are actually a threat to freedom at home, lashing out at anyone who dares to question their policies. Our old friend Hillary herself got into the act on the topic last weekend, becoming extremely emotional as she told an audience at a fundraiser that she's "sick and tired of people who say that if you debate and disagree with the president you are somehow unpatriotic."

Not to help the Dems out here, but this is almost certainly a loser of an issue. First of all, the idea is ludicrous. So many others have so eloquently dissected and discredited this line of reasoning (and I use that word loosely) that I won't bore you with my own lengthy attack. It should suffice to say that no one has a constitutional "right" to say stupid things without being criticized. To think otherwise is truly puerile.

Second, the issue appeals to almost no one, save a few nuts who are already going to vote for the Democratic candidate anyway. Sure Martin Sheen, Barbara Streisand, Susan Sarandon and the husky Dixie Chick will hoot and holler about it. But this is an issue that appeals exclusively to the party's base, not to the vital center that so often decides presidential elections. And while I'm all for appealing to the base (I especially appreciate it when Bush does it), pitching the idea that Bush et al are conducting some sort of a neo-McCarthyite witch hunt is just plain loony, and building a presidential campaign around it is too batty even to contemplate.

In other words, I think this trial balloon will have to be popped rather quickly. If it is not, then the Democrats are in even worse trouble than most observers believe. The phrase "grasping at straws" comes to mind.

Now, it is, of course, way too early to say definitively how the election will play out. And Lord knows, we have had our trouble gauging the electorate in the past. But all of the early signs are looking pretty dismal for Democrats.

Given this gloominess, one interesting possibility, which both Mark and I think is becoming increasingly likely, is that Hillary Clinton can be enticed to enter the race. Conventional wisdom (and the "strategic politicians' hypothesis") holds that she won't do this because she is smart enough to realize that she can't win, and is concerned that a loss would doom her chances to run in an open race in 2008. I would argue that this view gives Hillary too much credit for honest self-evaluation.

Additionally, it assumes that historical political rules still apply, which may not be the case, or at least may not be the case with Hillary. Had Al Gore decided to run again this time around he would very likely have won his party's nomination, despite his improbable collapse in 2000. And Gore was never anywhere near as popular as either Bill or Hillary. In other words, it is entirely conceivable that Hillary could run and lose in '04 and run again in '08. Political norms would suggest that isn't likely, but as we have seen so many times over the last 11 years, political norms don't generally mean much to this weird couple.

In any case, I think Hillary is quite capable of deciding that she can not only beat George Bush but that she can beat anyone, any time, any place. Whatever else Hillary is, she has an astoundingly high opinion of herself, and she is no shrinking violet. Add to this the fact there is, in my opinion, a strong possibility that the party big shots may eventually beg her to run, as they come to realize that having a truly weak "nobody" at the head of the ticket in 2004 would be a disaster for the party in the House and especially the Senate campaigns. And Hillary may be hard-pressed to say no.

Given the electoral map, Republicans already expect to pick up at least a couple (and maybe as many as five) Senate seats in '04, and a Bush landslide along the lines of the Reagan-Mondale massacre would almost certainly increase GOP gains, giving them a far more comfortable working margin in the one house that remains contentiously divided. If nothing else, Hillary's candidacy would, at least in the minds of the party's leaders, help avert such a disaster.

Anyway, my early line on the race is that I haven't seen anything that makes me think that Bush is particularly vulnerable, even if Miss Hillary heeds her party's call and assumes the mantle of leadership. As I noted at the beginning of this piece, after the flop of '91-'92, Republicans are not going to take anything for granted, and another Clinton candidacy would, I believe, induce them to work even harder to ensure that George W. Bush gets the second term his father did not.

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