

# 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

“The identification of the era beginning in about 1600 as the “Enlightenment” is as inappropriate as the identification of the millennium before it as the ‘Dark Ages.’ And both imputations were made by the same people—intellectuals who wished to discredit religion and especially the Roman Catholic Church, and who therefore associated faith with darkness and secular humanism with light. To these ends they sought credit for the ‘Scientific Revolution’ (another of their concepts), even though none of them had played any significant part in the scientific enterprise.”

*For the Glory of God: How Monotheism Led to Reformations, Science, Witch-Hunts, and the End of Slavery*, Rodney Stark, Professor of Comparative Religion at the University of Washington.

**SCORE A BIG ONE FOR BUSH.** It looks to me as though President Bush is about to score a huge psychological victory against the anti-American forces in Iraq. The mainstream media and the political pundits have hardly noticed this probability because of their preoccupation with body counts, presidential popularity polls, and the nitty-gritty of the debate over Bush’s request for \$87 billion to finance the effort in Iraq.

But the fact is that the all-but-certain Congressional approval of the \$87 billion package will deliver a major blow to the Iraqi opposition by seriously calling into question the fundamental assumption that underlies their long-term battle plan, namely that the United States has neither the resolve nor the courage to continue its actions over there in the face of daily casualties.

Indeed, this upcoming congressional support for Bush’s Iraqi initiative sends an unambiguous message to the opposition groups that any hopes they might have had that the United States was about to throw in the towel were illusionary, and that they face at least another year of guerrilla war against a powerful, technologically superior enemy that grows stronger each day.

It may take a while for this message to sink in, since the principal sources of news about the United States available to the terrorist organizations in the Middle East are CNN and Al Jazeera, both of which continuously cite President Bush’s recent weakness in the polls and the strident

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anti-Bush rhetoric from the Democratic hopefuls as evidence that the opposition to American involvement in Iraq is reaching a critical stage.

But eventually, even CNN and Al Jazeera will have to acknowledge that Bush is about to go strongly on the offensive in Iraq; that he needs to do this in order to get some of the more controversial military actions out of the way before the presidential contest swings into high gear; that his authority to act has been bolstered by a bi-partisan vote of both houses of the U.S. Congress to spend tens of billions of dollars to continue the effort, despite what some Democrats might be saying; that as a result of last week's U.N. vote, he no longer has to be concerned with critics who claim that he lacks support of the world body; and that he is not one to play defense when he has the funds, the political backing, and the opportunity to go on the offensive.

I don't pretend to know what Bush may have in mind, but for starters, if I were Moqtada Sadr, the young Shiite cleric in Karbala who has formed his own little anti-America militia, I think I'd start resting up for a go at 70 or so virgins in the near future. Sadr's actions are not only a threat to U.S. forces in Iraq but to the authority of several far more senior Shiite clerics in Najaf and Karbala, most of whom have visions of inheriting significant power in post-America Iraq in exchange for tacit cooperation with Americans now.

I am not predicting here a great U.S. victory in Iraq, if victory is defined as turning that nation into a peace-loving, bastion of democracy and capitalism that can act as a beacon for freedom-loving Muslims throughout the Middle East. As I have said numerous times in these pages, I think that that particular Bush goal is an impossible dream in a nation beset by deep religious schisms; ancient ethnic and tribal hatreds; long-standing cultural biases in favor of violence as a means of settling disputes; religious antagonism toward secular law, female emancipation, and the importance of the individual; and the presence of numerous bands of young, well-funded radicals bent on sowing chaos and terror.

Yet, for these very reasons, I am convinced that militant Islam has no chance whatsoever of driving either Israel or America out of the Middle East, or of competing successfully in the rest of the world with Western ideas of capitalism, democracy, freedom, and yes, decadent commercialism, with its emphasis on sexual license and pleasure seeking.

Islamists would seem to be perfectly suited, in this age of open societies and easy access to high tech weapons of mass destruction, for the task of forming into packs and killing large numbers of innocent civilians. And this is no small threat to Western societies, as we have witnessed in recent years. But their underlying message of hatred, vengeance, and medieval mysticism would appear to be as ineffective in exciting a united, global Muslim reaction to Western capitalism and democracy as Marx's famous promise of a workers' paradise was of igniting a vast, European-wide proletariat uprising against their bourgeois oppressors.

Islamists will undoubtedly continue to kill and terrorize their Western enemies for many years to come, and might manage to incite some sort of giant conflagration at some future point. But ironically, the longevity of their effort is inversely related to the intensity with which they pursue their goal. Or to rephrase this, if they kill sparingly they will be viewed as a minor problem by America and left alone for long periods of time. If they step up their killing, as they did on September 11, 2001, they will be hunted down ruthlessly and eliminated, no matter what the cost

in money, U.S. lives, or American popularity abroad. And as last week's vote on the Iraqi funding measure indicated, and contrary to what some critics of Bush's policies believe, it really doesn't matter a great deal which party is in the White House. Ordinary Americans want this scourge eliminated and they will do what it takes to accomplish it, even if they complain a little along the way.

**SCORE A BIG ONE FOR BUSH (PART II).** In the above piece, Mark notes that the votes taken last week to authorize \$87 billion for military operations in and reconstruction of Iraq represent a significant triumph for the administration against the anti-American forces in that nation.

They also represent a significant triumph for President Bush against his Democratic opponents at home. Just as Mark noted that the votes were a sign that the tactics of the opposition forces in Iraq have been ineffective, they were also a sign that the tactics of the opposition forces at home have been equally ineffective. And this will, I believe, have considerable impact on the impending campaign and election.

You see, for the better part of a decade now, Republicans have unquestionably been the most intellectually vigorous of the two parties. This is not to say that Democrats are not smart or well educated or anything like that. It is to say, though, that they have not been particularly inquisitive or aggressive about finding new and innovative solutions to the nation's problems.

Since at least 1994, when Dick Armey and Newt Gingrich fashioned the much ballyhooed, and much maligned, "Contract With America," the GOP has been the party of ideas. Bill and Hillary promised change in 1992 and came to town full of ideas, but since Hillary's spectacular health care failure the following year, the Democrats have been painfully gun shy about doing or saying anything inventive or different.

This is not, of course, a novel observation on my part. For some time, political analysts and pundits, Mark and I included, have noted that the two parties have swapped roles in the political order, with Democrats replacing Republicans (or more precisely, conservatives) as the reactionaries. Republicans offer ideas; Democrats offer negative reactions to those ideas. For example, Republicans want to privatize Social Security; Democrats want to keep the program as it is. Republicans want to cut marginal income tax rates; Democrats want to keep them as they are. Republicans want to end the double taxation of dividends and cut capital gains taxes; Democrats want to keep the investment tax code as is. Republicans want to fix the Medicare system by harnessing the strength of the free market and by offering choice; Democrats want to keep the system intact. Republicans want to change drastically the public education system by offering a choice of schools to children; Democrats want to keep the current system.

Indeed, in nearly every major policy debate of the last decade, the GOP position has been to offer a change, and the Democratic position has been reflexively to reject that offer, opting instead to defend the status quo. And so has it been with the greater war on terror in general and on Iraq in particular. Immediately after September 11, Democrats and Republicans stood united. But that changed quickly when the bombs began to fall in Afghanistan.

First, came the questions about timing and the nervousness about the dreaded “Afghan winter,” which, as Mark Steyn has pointed out, is still some 22 or 23 months overdue. Then came the criticism of tactics and laments about “quagmires.” But while President Bush proposed deposing the Taliban and denying Al-Qaeda a major geographical base, the opposition Democrats proposed nothing, offering only derision.

In Iraq, the story is much the same, but on a far grander scale. The sniping and the bellyaching have been painfully ubiquitous, but any suggestions about how better to protect American citizens from the potential dangers posed by terrorism have been notably absent. As I put it in this newsletter three weeks ago:

It goes without saying that the vast majority of the Democratic presidential wannabes oppose the action in Iraq. But to date, none has bothered to develop a plan for handling the situation now that boots on the ground are a reality. Or, if any have actually done this, they have not bothered to share such a plan with the voters. In last week’s debate, former Senator Carol Mosley Braun paid some lip service to the idea that we cannot withdraw from Iraq until we have improved conditions there. And most of the rest of the crowd professed a desire to improve the United States’ flagging relationship with the “global community” and to work with the rest of the world to bring our “occupation” to an end. Beyond these fustian platitudes, though, all that the reactionary Democrats seemed to be able to offer was “not Bush.”

Well, last week, when the \$87 billion Iraq supplemental came up for a vote, the Democrats finally had their opportunity to formally offer something other than “not Bush;” something other than the usual carping and whining. But they didn’t.

In fact, in the Senate, the number of Democrats who voted for the bill, and thus gave their tacit approval to the President’s actions, was more than triple the number who voted against (37-11). And among those voting in favor were the Democratic Leader, Tom Daschle; the titular head of the party, Hillary Clinton; and one of the party’s best known, if not best-loved, presidential hopefuls, Joseph Lieberman.

In the House, Democrats stood a little more united in opposition. But here too, they couldn’t muster the energy actually to do something; 87 Democrats, including former Minority Leader and presidential hopeful Dick Gephardt, signed on with the administration.

Now remember, Bush pulled no punches on his request. In fact, he stuck his chin firmly out and told the Democrats to take their best shot. He asked for \$87 billion dollars. That’s *\$87 billion*, which even in this day and age is a whole lot of money. So much money, in fact, that the collective punditry of all persuasions sucked in their breath so loudly when the number was announced that it could be heard across the land. “What is he thinking?” they asked in unison. “Zip codes? Is he out of his mind?”

Theoretically, the Democrats in Congress could have attempted to cut the funding in half and could have demanded an expedited troop withdrawal. Or they could have rejected it in unison, thus putting Bush’s back to wall and setting the stage for a high-profile political debate over their contention that Bush has it all wrong. Or they could have argued in favor of dramatically

reallocating the use for which the funds are to be used, charging that the president simply doesn't understand the situation over there. But they did none of these things. Instead, they purged the funding for the garbage trucks and for new zip codes and carped a little about whether the Iraqis would pay it back, as if anyone ever does.

Indeed, the only serious opposition to the measure came from presidential hopefuls Edwards, Kerry, and Kucinich, who voted against the bill, but offered very little insight into what they would do in its stead. Of course, Howard Dean and Wesley Clark announced that they would have voted against it if they could. But they couldn't, so they didn't.

So, in the end, all that most Americans will remember about this vote is that the Democrats talked a good game about how Bush was all screwed up on Iraq, but couldn't come up with an alternative plan as a party, or as individuals.

Above, Mark called the votes on the Iraq supplemental “a huge psychological blow to the Iraqi opposition.” They are also, in my opinion, a huge psychological blow to the Democratic opposition. Last Friday, *The Wall Street Journal's* Holman Jenkins predicted that “once the funds have finally been approved, most of the wrangling ahead . . . [will] be about money and help from our allies, not about the wisdom or justice of the war.” He's almost certainly right about that. And if he is, that means the Democrats have already lost the issue.

**IT'S GOOD TO BE THE KING.** Mark and I have made no secret of the fact that we believe George W. Bush is very likely to be re-elected next November. It is not that we think that he is doing such a flawless job that he cannot be challenged. It is just that he has so many advantages in this race, that it will be extremely difficult for the Democrats, whomever they nominate, to mount anything approaching a serious challenge. Last week, when the candidates reported their third-quarter campaign fund-raising and expenditure data, we got a good look at yet another of these advantages.

The good news for the Democrats was that the party's frontrunner, Howard Dean, turned in not just a solid quarter, but a record quarter, raising more money, roughly \$15 million, than any other Democrat had ever raised over the same period of time. The bad news was that George W. raised better than three times that amount, pulling in a staggering \$49.5 million. Indeed, while Dean raised \$15 million total, ***Bush raised about \$15 million more than all of the Democratic candidates combined.***

And while Bush spent more last quarter than any of his would-be competitors (\$12 million to Dean's \$9 million), he still has \$70 million cash on hand, compared with \$12 million for Dean.

Now, all of this does not mean that Bush is a shoe-in. First, campaign money is not the only thing on which elections turn. And second, the Democratic nominee, once he (or she?) is selected, will, in time, benefit financially from the departure of the other candidates.

Nevertheless, this is a pretty big deal. Clinton's enormous cash advantage over Bob Dole turned what might otherwise have been a reasonably competitive election into a blowout from the very start. Bush's advantage, which is likely to be even more substantial than was Clinton's, may well make it possible for him to do the same. If nothing else, it will allow his campaign to lavish

funds on toss-up states (e.g. Florida) and to make a serious effort in states the Democrats might otherwise consider uncompetitive (e.g. California).

Over the last several weeks, we have noted a number of the factors that favor Bush in this campaign, including consistent perceived strength on national security matters, the solidifying economy, and the dearth of talent on the opposition bench. Now we can add one more plus to that list, namely a distinct and sizeable fundraising advantage.

**AN APOLOGY TO NEWTON.** Two weeks ago, in an article entitled “Alabama and the Ten Commandments,” I grouped Sir Isaac Newton with Rene Descartes and Francis Bacon as being among the leading 17th century philosophers whose adamant advocacy of reason over faith paved the way for attacks on Christianity a century later. One sentence in my story noted that none of these men openly attacked Christianity, “largely because they would have been in considerable legal trouble had they done so.”

Shortly after this piece appeared, my good friend Gary Glynn informed me that while I was certainly right about Bacon and Descartes, I was unfair to Newton, who, he noted, was in fact a deeply religious man.

Now I had not intended to mention this error in the newsletter, not because I am afraid to acknowledge mistakes, but because I didn’t think it was important enough to the original story or to my readers. But then Gary sent me a copy of a few pages from the book by Rodney Stark cited in the “They Said It” section above. And I decided that not only did Newton deserve to have his name cleared in these pages, but that readers who share my interest in the history of the tension between religion and politics might be interested in the story behind my error.

You see, according to Stark, my ignorance on this issue can be explained in part to a several-hundred-year-old conspiracy between two very unlikely groups.

The first of these was made up of devoted Christians, who were distressed to learn, when going through Newton’s papers after his death that his religious beliefs were not entirely orthodox; that while there was no question that he believed in an intelligent, aware, omnipotent God, he had some minor differences with conventional Christian dogma. Among other things, he believed that Jesus Christ was not born the actual son of God, but that the Resurrection changed him from mortal to immortal, thus becoming *son*. The result was that that portion of his papers that attested to his strong religiosity was not published following his death.

This, in a sense, ceded the field to the second group of individuals who had an interest in keeping Newton’s religious beliefs hidden. Stark calls these people the “Enlightenment ideologues,” who were anxious to appropriate Newton’s name in the cause of “science” over superstition. One manifestation of this effort was Saint-Simon’s attempt to establish a Godless religion to be led by scientists-priests and called the “Religion of Newton.”

There is, of course, much more to this fascinating story. But you won’t read it here. You will have to buy and read Stark’s book, as I plan to do. Suffice it to say that I was wrong about Newton and the record needed to be corrected.

**CONGRATULATIONS: TOM GALLAGHER.** Steve and I want to take this opportunity to congratulate my friend Tom Gallagher and the entire Washington research team at ISI for their first place finish in the Washington category of *Institutional Investor* magazine's annual poll. No one knows better than we do how uniformly excellent the competition is in this category. Great job, Tom.

We also want to congratulate our former colleagues at Prudential's Washington Research office for their second place finish. I played on this team for 18 years, Steve for four. It is a team of highly talented individuals and wonderful friends. Wish we had been there to help guys.

And finally, our congratulations to the Schwab Washington Research Group for their third place finish. This is the shop where I got my start in the business in 1973. At that time it was called The Washington Forum and was a subsidiary of Drexel, Burnham Lambert. I worked there for ten years with three of the best friends I have ever had, all of whom are still there, Ed Garlich, Fred Ross, and Greg Valliere. Hope to see you guys soon at the Prime Rib for a healthy lunch of gin, potato skins, and beef. Your treat.

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