

The Political Forum

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

Mark L. Melcher
Publisher
melcher@thepoliticalforum.com

Stephen R. Soukup
Senior Editor
soukup@thepoliticalforum.com

Monday, February 2, 2004

THEY SAID IT

“The first context to be grasped is the world inhabited by the defendants in the [first World Trade Center] bombing and conspiracy. As fundamentalists and immigrants, they personify the discontent that afflicts much of Islam today. For fundamentalism and migration have been the two major avenues of escape from the desperate crisis that now besets Muslim countries. They are also the two major sources of friction between Islam and the West.”

“But now – the narrative continues – Islam faces the most dangerous and insidious challenge yet: America, as heir to Europe and hence to the role of leader of unbelief against Islam, has produced a model of culture, society, and politics which pretends to universal validity. This model exercises so seductive an appeal that it threatens to bring about what one fundamentalist thinker has called ‘the extinction of the distinctive identity of the Islamic community.’ This final assault on Islam is now concealed beneath the American slogan of a ‘new world order.’”

-- “Islam & the West (including Manhattan),” Martin Kramer, *Commentary*, October, 1993.

LOOKING BACKWARD FROM THE FUTURE. While browsing in one of my favorite used bookstores recently, I had the remarkable experience of finding a college level history textbook published in the year 2084. The title page was unclear as to the publisher, but it appears to have been put out by the U.S. government as the “officially approved textbook” for all students “to the exclusion of all others,” whatever that means.

Unfortunately, this unusual book was in poor condition, having had entire sections ripped out and numerous pages destroyed by what looked like fire damage. Yet, interestingly enough, there was a section that was still quite readable, which contained extensive comments on the early 21st century. I thought our readers might enjoy a few excerpts from this curious tome. These paragraphs are from a chapter entitled *The Opening Days Of The New World Order*.

By early in the 21st century, the world had come as close to the Hegelian concept of “The End of History” as had been achieved since the German philosopher Georg Hegel coined the term in the first half of the 19th century. While there was the requisite amount of turmoil in the world, directly related, we might add, to an older theological concept known

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, Email melcher@thepoliticalforum.com,
or visit us at www.thepoliticalforum.com

as “original sin,” there was indeed just one “reigning ideology” that every major nation generally agreed was the model upon which to build a viable economic and social system. That ideology was what was then called liberal market capitalism, or liberal democracy.

This is not to say that all nations practiced this system at the time, or that any practiced it exclusively. Indeed, significant elements of the defeated and widely discredited ideology of socialism were liberally mingled to various degrees in virtually every free market society, often supported by large and influential groups of adherents who clung to the belief that pure socialism would work better than free market capitalism if it were “practiced correctly.” This was notably the case in Europe, which was at the time in the early stages of the first of many failed efforts to create peacefully a unified European state. Also, many of the emerging free market societies, most notably those in Russia and China, were marred by widespread corruption and strong totalitarian tendencies.

Nevertheless, the fall of communism in Russia and China late in the 20th century had indeed put to rest the dialectical interplay and the “contest of ideas” that Hegel had defined as the essential role of history. This was fortunate since, by the mid 20th century, this “contest” had evolved into a dangerous standoff between communism/socialism and free market capitalism. The prototype for the winning “system” was, of course, the United States of America. It emerged from the “contest” as the richest, most powerful, and most successful nation that the world had ever witnessed, more militarily, economically and culturally influential throughout the globe than the Roman Empire had been at its peak.

There were, of course, other minor organizational systems being promoted in the world, but these were mostly primitive tribal throwbacks to models that had existed during the Middle Ages, which were not viable in the global society of the early 21st century. Some cultic sects of Islam, for example, were seeking to impose an Islamic system of government on the entire world. But this was little more than a classic attempt to achieve political power via the creation of a pseudo-religious, utopian movement, not unlike the fascism of the mid 20th century.

For quite a long time, these Islamic heretics gained significant recognition and importance by the widespread use of terrorism as a tactic of warfare, along with the threat of using chemical, biological and nuclear weapons on civilian populations. Ironically, however, their efforts led, in the end, to strengthening the global hegemony of the United States, which, under the direction of President George W. Bush, used the threat posed by them to justify a massive military build-up and a highly intimidating, unilateralist foreign policy based on the friend/enemy dichotomy and the threat of a preemptive military strike against potential enemies. As a deliberate demonstration of the seriousness of this policy, President Bush launched a full-scale invasion of Iraq in 2003, deposing its leader and establishing an occupational government.

Perhaps the best description of the position that the United States held in the world in the early 21st century can be found in the work of two little known, but brilliant scholars named Mark Melcher and Stephen Soukup, whose writings have been used extensively in this section for valuable insights into the period.

A computerized review of sources has determined that these two were among the few genuine sages writing during that time, which was marked by a proliferation of political and social commentators who had been rendered banal and largely incomprehensible by an educational system that had been in a steep decline for several generations.

(As we shall see in a later chapter, this steady breakdown in the American educational system eventually resulted in severe consequences, as increasingly ignorant politicians relied on an increasingly ignorant public for guidance, via an increasing reliance on polls as a substitute for personal conviction. Making matters worse, the issues involved were growing increasingly complex as a result of increasing technological change.)

Both men worked at the time these paragraphs were written for a corporation called Lehman Brothers, a financial management firm that thrived during the days before the financial services industry became essentially absorbed by the government as a result of a *de facto* merger between the government and several large global firms, two of the most important of which were known as Goldman Sachs and Citibank.

In any case, what follows is an excerpt from a prescient work by the team of Melcher and Soukup regarding the unique global position of the United States in the period under study. The article, dated July 30, 2001, is titled “A Global Paradigm for the 21st Century.”

“I will begin with the premise that every century has a political theme . . . The theme of the 21st century will, I believe, center around the inevitable achievement by the United States of cultural, economic, and military hegemony over the entire world [where hegemony means ‘predominant influence.’] The action that will animate this theme will be the manner in which the rest of the world reacts to this circumstance, and the way in which America handles this historically unprecedented power . . . Some nations will simply join forces with America . . . [some] will likely aggressively engage America on the economic and diplomatic arenas . . . Finally, many nations and groups of individuals will attack the United States with non-conventional weapons of terror . . . America’s actions [during this period] will prove or disprove, once and for all, whether Lord Acton was correct when he posited the thesis that absolute power corrupts absolutely.”

It was inevitable that the United States, in light of its unique position at the time, would greatly expand its involvement in the affairs of other nations. Today, as a result of several recent breakthroughs in government sponsored personality determination and assistance laboratories, we can offer comprehensive insights into the psychic forces at work in such matters, both as regards individuals and groups. Nevertheless, it is worth exploring the factors involved from the perspective of those living in the period under discussion.

For starters, it should be noted that a debate raged in the United States at that time as to whether President Bush’s aggressive behavior in the aftermath of the terrorist attacks that occurred on September 11, 2001 was solely driven by a determination to protect the United States from further attacks. Some critics in the conservative wing of his own party accused him of using the September 11 incidents as an excuse to launch a hubristic initiative to make the United States the “policeman of the world,” with the primary goal of imposing a

set of purported “universal beliefs and values” on all peoples everywhere, beginning with the forced imposition of democratic governments and free market economies.

This concern was based on numerous statements made by President Bush and some of his senior advisors implying that the true goal of the invasion of Iraq was to transform that nation into a pluralistic, democratic, free market state, to serve as a demonstration project for other similar ventures in the Middle East and elsewhere around the world. The President’s senior foreign policy advisor Condoleezza Rice, for example, spoke frequently about making a “generational commitment” of U.S. blood and money to the goal of “transforming” the Middle East into a group of nations with “democratic values.”

The fear among critics at the time was that such utopian dreams had an historic tendency to provide justification for wars of aggression, based not on national defense criteria but for the purpose of imposing one set of “American values,” such as “democratic pluralism” or “liberal normativism” against another set of values, say Islamic fundamentalism, all predicated on the intellectual argument that “moral” considerations demand such action.

We will never know which side in this dispute was correct, since the U.S. efforts to introduce Western style democracy and free market economics into Iraq by force turned out to be a very expensive failure, due in no small part to the fact that the tribal, culturally diverse, violence-prone, and largely uneducated Iraqis were totally unprepared for an experiment in pluralistic self-government.

Nevertheless, while the idea of a governmental effort to promote a “universal value system” throughout the world was losing ground, America’s low-culture, promoted by advertising and spurred on by the profit motive, was advancing across the globe like the lava flow from a great volcano. From music and movies to clothing and hairstyles, from Coca Cola soft drinks to McDonalds hamburgers, from Internet pornography to computer games, from NASCAR racing to monster trucks, from “reality television” to “alternate life styles” people in every nation were demanding “things American.”

And with this extraordinary explosion of desire for America’s cultural kitsch came a concomitant desire for freedom and representative government, not because of an intellectual understanding of the teachings of John Locke, Edmund Burke or George Washington, but from an intrinsic awareness that without freedom life was dull, and without some form of participation in the government freedom was impossible.

And thus began The New World Order, one in which American “values,” both the good and the destructive, competed aggressively on every continent and in every nation across the globe with traditional motivational systems, such as religion, nationalism and governmental ideologies, for the hearts and minds of the masses.

I have more commentary from this book, which I may share in the future, including a section on the current presidential election campaign entitled “The Final Days Of The Democratic Party.” We’ll see. Black helicopters have been flying around my farm lately and I think they are after the book, which I have no intention of giving up. I may have to go into hiding.

JUST TRYING TO HELP. Like many conservatives, I have been unhappy lately about President Bush's spending habits. Indeed, every time I read another horror story about some government program on which he wants to spend scads more money, I am reminded of Ronald Reagan's famous observation about the government being like a baby, with "an alimentary canal with a big appetite at one end and no sense of responsibility at the other."



Last week, for example, out of nowhere, Bush came up with the bright idea of tripling spending for the National Endowment for the Arts, a program true conservatives think should be terminated. And lest this sound reactionary, I would offer the following quote from President Jack Kennedy, made while campaigning for president in 1960. "I do not believe federal funds should support symphony orchestras or opera companies, except when they are sent abroad in cultural exchange programs." Or this from

Thornton Wilder, "There are no Miltons dying mute here today." Even in small towns, he said, "anyone who can play the scales is rushed off to Vienna to study music."

Anyway, the point of this brief piece is an article I read in the *Washington Post* last Friday, which noted that President Bush "will ask Congress for \$60 million to fund a national cattle identification system." That's \$60 million, mind you. Which seems like a lot of money to me, so I thought I would do my bit to help at no cost whatsoever.

While the attached picture doesn't represent the totality of my effort, it does, I think, indicate a good start. The cattle shown there are mine. Each has been properly ID'd, a task I accomplished last Friday afternoon on my daily feeding run. (That's my farmhouse in the background and my tractor in the foreground.)

The cow on the far right is now named Miss Hillary. To her left, in order and working southward up the hill, are Jane Fonda, Barbra Streisand, Barbara Boxer, Ann Lewis, Eleanor Clifft, and, well you get the picture. Each of my cows is now appropriately identified and named, at no cost to the government.

Two friends of mine who also raise cows, Steve and Denny, have agreed to do the same, and we will soon convince other farmers in the area to follow suit, thus saving the government oodles of money, and starting a movement that I am hopeful will sweep the state and then the nation. By the way, the birth name of our bull (just to the right of the tractor) is Menace. But we have nicknamed him Bill Clinton, because he's never met a cow he didn't like, and because he occasionally jumps the fence to woo the neighbor's heifers.

TWO, THREE, FOUR AMERICAS? In his standard stump speech, Democratic Presidential wannabe and North Carolina Senator John Edwards decries the division of the country into “two Americas,” one for the “rich and powerful” and the other for the “poor and defenseless.” The candidate, a onetime ambulance chaser, promises to destroy this bifurcated America, to give the country “back to the people,” and to end such grotesque infamies as “children starving” in the midst of so much abundance.

Now, on the face of it, Edwards’s suggestion that there is some vast underprivileged, underrepresented, and underappreciated swath of the American population in which people are trod upon and children are starving is preposterous. While there is no question that poverty still exists in modern America and likely always will, true material deprivation is exceedingly rare.

The always entertaining Jane Fonda was the last liberal to declare publicly that children in today’s America are starving to death, and she became the butt of jokes for her marked ignorance and received an earful from her and Edwards’s fellow Democrat, then-Governor of Georgia Zell Miller, who called her contention “grossly inaccurate,” and “simply ridiculous.”

Nevertheless, a great many people seem to agree with Edwards’s charge. In his column last week, *The Wall Street Journal’s* resident lefty and quintessential establishment liberal Al Hunt wrote that “Indisputably, there are ‘two Americas’ . . . one for the privileged and powerful and another for the rest.” And Edward’s entire theme appears to be simply a more congenially delivered rip-off of Al Gore’s 2000 campaign, which featured the catchphrase “The People vs. The Powerful.”

As unsophisticated and politically inspired as the Edwards-Gore “two Americas” model may be, it does, nevertheless, have some explanative value. Conservatives use it all the time, although for them, of course, the schism between the two parties is defined differently. Mark and I, for example, have maintained since early in the Clinton administration that the real battle is between two distinct and competing moral systems, one based on the Decalogue and one reflecting what might be called post-Enlightenment, Marxist-Gramsciite concepts. As one might expect, this division results not simply in heated disagreements over social and moral issues, but, because the stakes are so high, turns everyday political disputes into slug fests of irrationality.

One of the best recent examples of this was the political discussion last week over former chief U.S. weapons inspector David Kay’s testimony before Congress. Kay told Senators that after his lengthy Iraqi investigation he had come to the conclusion that Saddam had no massive stockpiles of WMD, but did, indeed, pose a grave and growing danger.

One America ran screaming from the hearing room declaring that Kay had confirmed that President Bush is a no-good, four-flushing, lying worm who fabricated everything from September 11 on in order to turn the good folks at Halliburton from billionaires into multi-gazillionaires. And the other thanked Dr. Kay for his work and for corroborating its contention that Saddam was indeed a WMD-hoarding madman who would have blown up the world at any minute had George W. Bush not stopped him when he did. Rational observers were left to wonder how those who listened to Dr. Kay and drew such wildly disparate conclusions could possibly be from the same country, much less the same planet.

But as helpful and instructive as the “two Americas” model may be at times, it is nonetheless incomplete and inaccurate. And this leads to assumptions about the nature and stability of the current political condition that are similarly mistaken. Simply dividing the world into halves is both easy and time tested, but it also hides a great deal of nuance that explains much of what is happening and is yet to happen in our political system.

For example, it has been clear for some time now that there is widespread dissension in the ranks of “Democratic America.” One of the clearest messages coming from the on-going primary battles is that the political left has grown increasingly disunited. Some of the ideological turmoil can be explained as routine politics during election campaigns. But this doesn’t explain what appear to be genuine and deep-seated differences between the ultra left wing fanatics, who are associated with organizations such as moveon.org, and the centrist New Democrats, who undoubtedly constitute the largest, though clearly not the most vocal, faction of the party. These are the folks who twice elected Bill Clinton president, but who are represented in the on-going race to be the party’s standard bearer in November only by Joe Lieberman, who had to find consolation last week in coming in third in the race for third place in New Hampshire.

And while this bifurcation of the left is by now a well-worn story, its corollary, the looming collapse of the coalition on the right, has merited far less attention. For years, left-leaning academics have gleefully forecast the end of the “Republican Era,” and Mark and I have hinted at the collapse of the current political order in our succession of “New Paradigm” pieces. But until recently, no one paid much attention to the idea that the political right might come under stresses not too unlike those currently plaguing the left. Certainly no one had paid them much heed since George W. Bush solidified himself as a substantial president and cemented his party’s majority status. Nevertheless, there can be no question that, particularly over the last couple of weeks, the fault lines on the right have begun to reemerge.

Now, it may seem a bit silly or hasty right now to be talking about the disintegration of the right, especially given that a “conservative” president is immensely popular and, by my own prediction, stands to win re-election relatively easily, allowing his party to further tighten its grasp on unified government. But note that this is not merely another story about the restiveness of the conservative base. And it is not a story about immediate electoral implications, or about how Bush is trouble. It is merely an acknowledgement that long-term political dynamics are changing and will, sooner or later, alter the landscape of American politics.

You see, President Bush, like President Clinton before him, has the charisma and the political acumen to hold the fragile coalition together. Bush is, as we have noted many times, “right” on taxes and defense, which will be enough to keep the party faithful in line this November. But when he is gone, the situation will likely be quite different.

Though it goes entirely unnoticed by the mainstream media, George W. Bush is as remarkable a Republican as Bill Clinton was a Democrat. Clinton was credited for reviving the moribund left by preserving its values and ideals, while altering the means by which those goals were pursued. And in his own way, George W. Bush is doing the same thing for/to the right. Yes, Bush is a “conservative” in the sense that he espouses traditional, conservative social and fiscal ends. But he is a “New Republican” in the same sense that Bill Clinton was a New Democrat, in that he has changed the means by which those ends are pursued.

Unlike President Reagan and most of the rest of us on the right, George W. Bush has no particular antipathy toward government. Indeed, he appears to believe that government is the means by which conservative ends should be pursued. Jonah Goldberg, *National Review Online* editor-at-large, put it this way in a recent speech to the Conservative Party of New York State.

“If Bill Clinton had proposed spending over a billion dollars on marriage counseling, conservatives would have howled about how Clinton was a “social engineer” (and how he should probably have spent that money closer to home first). Well now conservatives are the social engineers. The content and aims of the engineering may be different; they may in fact be conservative, good, and necessary. But they don’t represent limited government by any stretch of the imagination.”

A few months ago, when the Democratic primary process was just beginning in earnest, I watched the evening news as the networks played a clip of John Kerry sitting in a diner in New Hampshire listening to what potential voters had to say about the issues that mattered the most to them. One, an unemployed single mother, brought the Senator to tears as she told of her struggle to keep a roof over her head, clothes on her children, and food on their table.

Now my initial reaction was of sympathy for the woman, along with some combination of embarrassment, exhaustion, and cynical wonder at the motivations for Kerry’s public display of tears. But after listening to the Senator’s response, in which he promised that his administration would ensure that somehow things would work out for her and for others like her, I got agitated. “Look, you dolt,” I found myself muttering at the TV. “You’re now a pickle and ketchup billionaire. Write her a check if you want, but don’t commit the federal government to being everything to everyone and to solving every problem.” “Democrats,” I groused to no one in particular, “always want to show their ‘goodness’ with other peoples’ money.”

I was wrong, of course, since it’s not just Democrats who define their moral worth by supporting government programs to fix everyone’s problems. Congressional Republicans were swept to power nearly ten years ago promising to change the way Washington works. And while they’ve certainly changed things, I’m not sure this is what voters had in mind. In the 107th Congress alone, for example, non-defense discretionary spending jumped an astonishing 18.6%, the largest increase in many years.

As for President Bush, the average percentage increase in domestic discretionary spending in his first term is more than three times what it was under Bill Clinton, and is the highest in at least 40 years. In other words, you can be sure that if President Bush or the vast majority of Congressional Republicans had been sitting in that same diner with that same woman, they’d have made her the same promise of prompt government action. They may also have said something saccharine-sweet and sappy like, “we have a responsibility that when somebody hurts, government has got to move,” which, by the way, is precisely what President Bush did say last Labor Day.

Now, the good news for Republicans in all of this is that President Bush is hardly alone in thinking that “when somebody hurts, government has got to move.” Indeed, Bush’s popularity, like Bill Clinton’s, is based at least in part on his willingness to shower the American people

with government largess, but being able to do so without appearing to impinge terribly on their freedom. In modern America this delicate blend provides a potent recipe for both popularity and electoral success. And Democrats will be hard pressed to beat such a formula, no matter whom they nominate.

The bad news for the GOP is that the good news will be short lived. As Mark noted last week, before long, this reliance on government for solutions to every problem, big and small, will, if not amended, eventually “destroy the uniqueness of the American experiment, condemning the nation to the kind of socialist quagmire that is slowly strangling European society.” More to the point, it will raise hell with the GOP’s ability to retain power or even to retain its current form after George W. Bush leaves the stage, presumably on January 20, 2009.

Conservatives fed up with Bush’s government fetish speak longingly of ‘08, dreaming of the day when their base can pick the most ideologically pure candidate to take the message to the masses. The problem is that while solid conservatives may indeed be pleased with the nominee who emerges from the primaries in ‘08, it is doubtful that either the nation or the big-government Bush Republicans will be equally enamored.

This fall American voters are almost certain to rebuff the left-wing of the Democratic Party and its reliance on tired clichés about “two Americas” that seem some forty years out of place. Unfortunately, the next time around they may be just as inclined to reject equally anachronistic appeals to self reliance and true individualism by conservatives who will be attempting to overturn the Bush legacy of “Big Government Conservatism”. And then, we’ll have four Americas, at least.

THE POLITICAL FORUM

Copyright 2003. 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.