

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

Kerry is clearly benefiting from the fact that people think other people are going to vote for him down the road, which is why they're voting for him now; they're not voting for him because he's the candidate they personally want to be president. As [Jonathan] Chait points out, this is classic bubble behavior – you buy a stock not because it's intrinsically valuable, but because other people are buying it and the price is going up (and you think both of these things is likely to continue). The problem with bubbles, both in politics and in financial markets, is that they tend to deflate just as rapidly as they inflate.

--Noam Scheiber, *The New Republic Online* Associate Editor, Feb. 11, 2004.

A PATH TO A BETTER, SAFER MIDDLE EAST? As regular readers know, I have been highly critical of the Bush administration's well publicized plan to make a "generational commitment" of U.S. "blood and money" to the goal of "transforming" the Middle East into a group of nation's with "democratic values."

This kind of high blown, Wilsonian rhetoric makes for good sound bites. But I have always had serious doubts about the potential success of exporting democracy to the factious Muslim nations in the Middle East. And I have worried that focusing on this ambitious goal will make it more likely that the United States will become bogged down trying to realize an unrealistic outcome rather than settling for a more practical result, or as I put it last April, "a leader in Iraq who is significantly less murderous than Saddam; and more importantly, one who "despots" (to coin a verb) for us rather than against us."

My concern has not been entirely academic, but has been related to the question of how much "blood and money" the Bush administration is prepared to commit to this quixotic task during a time when money is scarce and too much bloodshed is a political liability.

Then last week, the *Washington Post* ran an article that received little notice but which made me more comfortable about the whole thing. According to the *Post*, the Bush administration is working on an "ambitious" effort to promote democracy in the Middle East, which will focus on

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a new initiative that will be presented this summer at a summit of the Group of Eight nations, NATO allies, and the European Union. And if this group is supportive, the United States “then hopes to win commitments of action from Middle Eastern and South Asian countries.”

The *Post* quoted a State Department official describing this plan as “a sweeping change in the way we approach the Middle East.” Although details are still being developed, it noted that the idea is modeled on the 1975 Helsinki accords. These accords, which were signed by the United States, the Soviet Union, and almost all European countries including those that were then behind the Iron Curtain, set forth a list of rights and freedoms that the signatories had agreed to recognize and respect.

These included the freedom of thought, conscience, and religion, without distinction as to race, sex, language, or religion. The formal idea behind the document was to “promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms, all of which derive from the inherent dignity of the human person and are essential for his free and full development.”

Many Western observers at the time believed the exercise was largely meaningless; that the Soviet Union and the Iron Curtain European states would ignore the provisions of the Accords, and respond to criticism with the claim that it was the United States and other Western nations that were in violation, not them.

At first, that is exactly what happened. In fact, the Accords actually made matters much worse initially by setting off a wave of violent persecution against dissenters and human rights monitors within the Communist nations.

In the end, however, the violence made the dissenters more determined, the human rights movement became stronger, and the presence of the Accords gave their demands international legitimacy. Eventually the world witnessed the rise to global prominence of such individuals as Vaclav Havel, Lech Walensa, Andrey Sakharov, Yelena Bonner, and other heroes, both sung and unsung. And “The Wall” came tumbling down.

Unlike the Helsinki Accords, the Bush administration’s “Greater Middle East Initiative,” does not envision either a strict monitoring process or any sort of “report card” effort. In fact, the administration says it has no intention of even being directly involved in drafting the proposals. The plan is described as follows in the *Post* story.

The idea is not to come out with proposals that say, “This is how the West thinks you guys should live,” a senior administration official said. “This can’t be seen as telling these guys what to do. That won’t work. It is instead about saying “we hear voices in the greater Middle East region who want democracy and reform, and here are the things we can do to support them.”

At each of the three summits in June, the United States would like allies to agree on principles of political, economic and security change – many outlined by the Arabs themselves in two U.N. Development Program reports – and ways to enact reforms. The G-8, NATO and U.S.-European Union would each focus on the issues most

relevant to its goals. The review process would then be built into subsequent annual summits of the three alliances, U.S. officials say.

“The key to all of this is to get the [Muslim] countries in question to feel ownership in this process,” a Danish diplomat said. The Danish and Canadian governments have done serious work on the issue and are coming up with their own draft proposals, U.S. and European officials say.

I think this is a terrific idea for three reasons.

First, it might actually work. If leaders of the Muslim states agree among themselves, with a little prodding from the rest of the world, that they will each recognize and respect certain fundamental principles, it is then quite possible that organizations would form to monitor the progress of compliance and bring pressure on the governments to move. And with a little moral and economic support from abroad, they just might succeed. Stranger things have happened.

Second, if the Bush administration will focus its efforts to “democratize” the nations of the Middle East on programs such as this, and not mix them with its military effort to pursue terrorists and punish terrorist supporting nations, that will, I believe, be good foreign policy as well as good defense policy.

And finally, a global diplomatic effort of this sort, enthusiastically supported by the Bush administration will go a long way toward diffusing Kerry’s sophomoric whining about his plan to “enlist our allies in a sustained multilateral campaign to build bridges between the community of democracies and the greater Middle East – not just for them, but for us.”

A SINGLE OBSERVATION ABOUT JOHN KERRY. I spent a few days in Washington last week, visiting with some old friends and making a few new acquaintances. Needless to say, everyone with whom I engaged in meaningful discourse was of the conservative persuasion. The surprise was that with a few exceptions all of them seemed convinced that not only *could* John Kerry beat George Bush next November but that he *would*.

Over the years I have become accustomed to think about such experiences in terms of headlines. I immediately rejected the obvious one, the *Washington Post* one, i.e., “Bush In Big Trouble,” in favor of the way my favorite newspaper the *Washington Times* would likely put it, “Kerry Peaks.” I mean, the way I figure it, there is nowhere for Kerry to go but down when everyone, conservatives included, seems to be convinced that he is a sure thing against a popular sitting president who is tied in the polls, is presiding over a growing economy, and is flush with campaign funds.

I am not prepared to guess just how far Kerry will fall from his exalted position as a sure thing, but there is wisdom in an observation that *Wall Street Journal* editorial *wunderkind*, John Fund, one of the few people I encountered last week who did not believe that Kerry was necessarily destined for greatness, offered when this discussion came up. “There is a long time between now and the election. Think of it this way. If your wife gets pregnant tonight, she will have the baby before election day.”

Nine months is indeed a long time in politics. The economic outlook could change considerably in nine months, for better or worse. Iraq could stabilize. Or it could become a disaster zone. Scandals could erupt in either camp, or both. A major terrorist attack could occur on U.S. soil. Ralph Nader could enter the race as a third party candidate. George could drop Dick from the ticket. Kerry could choose Miss Hillary as his running mate. Or he could choose Dick Gephardt. Or John Edwards.

One thing is certain. In nine months, Americans will get to know John Kerry pretty well. They will hear him discuss such issues as the economy, jobs, Iraq, national defense, terrorism, the environment, gun ownership, fiscal deficits, health care, Social Security, and the decency and competence of their current president. And at some point in this process, they will slowly begin to form opinions about him on less quantifiable issues, such as character, integrity, personality, empathy, appearance, demeanor, and yes, his vision for America.

It is at this point that John Kerry's ratings will begin to slide. And after the election, all the talking heads and "political analysts" are going to offer the same explanation for why he lost. But you, gentle reader, will not have to wait, because I am going to tell you now. He will have lost because when people came to know him they found that they didn't particularly like him.

They are going to discover why no one paid any attention to him until the guy they really liked, Howard Dean, turned out to be a wacko; why Al Gore rejected him as a running mate four years earlier; and why Morgan Fairchild and Michelle Phillips, two celebrities he once dated, gave money to other candidates in the 2004 primaries. They are going to learn that the centerpiece of his campaign is his service in Vietnam because he hasn't done anything notable in the 30 years since. They are going to find out that he is arrogant, tight fisted, self-centered, and not a lot of fun. They are going to find out that he's not the kind of guy they would like to have join them each night, via the wonders of television, when they are eating dinner and watching the news. It's that simple.

THEY AIN'T HEAVY, THEY'RE LIBERALS. As Mark indicates in the preceding article, a great many of the nation's pundits, analysts, strategists, consultants, and even politicians seem to believe that John Kerry and the Democrats currently have the upper hand in the presidential sweepstakes, despite the fact that President Bush remains popular and is generally well-respected.

There are, of course, a few dissenters on both sides of the political spectrum, including conservative Jonah Goldberg (*National Review*), liberals William Saletan (*Slate*), Noam Scheiber, and Jonathan Chait (both of *The New Republic*), and of course, Mark and I, who think that all the hand-wringing from Republicans, as well all the great expectations from Democrats, are more than a little unwarranted.

As might be expected, most of the handicapping is predicated on specific observations regarding the perceived shortcomings and strengths of George Bush and John Kerry and their organizations. I would like to argue this week that the results this November would favor the GOP regardless of the identity of respective candidates.

As Mark and I have written countless times over the past year, there is a reason that Democrats have become the minority party, and that reason is the difficulty they seem to have adapting their message to a changing world. This is, of course, a topic that is far greater than can be covered in one article such as this. But allow me to present a few examples of recent occurrences to illustrate my point.

First, there is Senator John Edwards, Democratic primary also-ran and alleged frontrunner for the second slot on the Kerry ticket, who spent much of last year and all of this year describing “two Americas,” one for the rich and privileged and one for the poor and powerless. As I noted two weeks ago, this is standard Democratic-pseudo-populist shtick and a rip-off of Al Gore’s 2000 campaign theme. But it is also just plain dumb, both in its appraisal of reality and in its political appeal.

The thing that liberals never seem quite able to grasp is that in America the nefarious “rich” aren’t the all-purpose boogey-men that Democrats want them to be. Census data show that there is a high degree of mobility throughout income levels in this country and that the old world notions of “class” structure have little meaning here. Indeed, the data demonstrate, and have demonstrated for some time, that income levels are extremely dynamic; that those who were, for example, classified as poor after the 2000 Census have a very good chance of being classified as something else – lower middle class, middle class, perhaps even rich – after the next one.

So when Democrats try to demonize “the rich,” their cries tend to fall on deaf ears, except among their true believers, who have become accustomed to cheer for even the most hackneyed old slogans without stopping to consider what they mean. “What’s wrong with ‘the rich,’ Senator Edwards?” one might ask. After all, many of the poor whose votes Edwards is courting actually long to follow in his footsteps, to leave their poverty behind, to become part of the category that he maligns and to which he himself now belongs. And many of them will.

The story is much the same with taxes. Democrats think they have found a safe way to push tax increases this year by proposing only to raise them on “the rich.” Well, they’re free to think what they will, but experience has demonstrated time and again that voters don’t like tax hikes, even those that would affect only the upper income brackets. Part of the explanation for this is that many voters see themselves as “rich” someday. America is, as the old saw holds, the land of opportunity, and many, if not most people, expect that they will be the lucky ones to take full advantage of that opportunity. The other problem Democrats have is that they are so far out of touch with the average American family that they fail to understand that a two income couple making \$100,000 a year between them are not “rich,” and don’t consider themselves to be.

Sure, voters have grown accustomed to having government provide them with lots of stuff, and that stuff costs money that is paid for via taxes. But even more than stuff, what most Americans want is the opportunity to make something of themselves. With the notable exception of Bill Clinton, who seemed instinctively to understand this uniquely American desire, Democrats still aren’t aware that most Americans cringe at the idea that they need protection from and retribution against “the rich.”

Something else that seems to escape those Baby Boomer Democrats who have been in charge of the party since Bill Clinton won the nomination twelve years ago is that most Americans don’t

consider the Vietnam War to be the seminal event in the nation's history. Vietnam was an extremely important episode, particularly to those brave Americans who fought there, but it can no longer be considered, by rational people at least, the most influential such episode for determining foreign policy. Nevertheless, like some giant, blob-esque, collective version of Oliver Stone, the Democratic Party insists that Vietnam was the reason for and the cause of everything that has happened since, and that understanding the lessons of Vietnam is equivalent to unlocking the secrets of the cosmos.

Part of this, I'll grant, is a generational issue. As many social observers have noted, one chief characteristic of the Boomer generation is its belief that every experience it has is either the first or most important such experience in the history of mankind. And this includes war. But there is also a "progressive" bent to this obsession with Vietnam. The anti-warriors believe that the war was not merely a defining moment for a generation, but was an historically unique event that both exposed and exacerbated the nation's warts, which only they, the Gnostic revolutionaries, knew then and know now how to fix. As *The Wall Street Journal's* deputy editorial page editor Daniel Henninger put it last Friday:

Primary Democrats regard their active and successful opposition to Vietnam as moral affirmation of their world view, which holds, more as a matter of belief than principle, that any American foreign policy not of their making is too aggressive, morally suspect and wholly wrong.

Look, for example, at the men who lead the Democratic Party today. The presumptive nominee's campaign is built exclusively around Vietnam, both his service in the war, and his attempt to help "rehabilitate" a fractured nation in the war's wake. The man has been a U.S. Senator for *19 years*, and before that he was Lieutenant Governor of Massachusetts and a District Attorney. That's significant and, frankly, impressive experience. But you'd learn little about it from listening to the candidate. To hear him tell the story, you'd think he just piloted his Swift boat down the Potomac; hopped off; tossed his medals (or someone else's medals, maybe) onto the steps of the Capitol in a sign of solidarity with the rest of the protestors; and then ran all the way up Pennsylvania Avenue to take on President Bush, who only recently mustered out of the National Guard.

And Kerry's hardly alone. Even the washout former presumptive nominee, who spent the war protecting the slopes of Aspen from the shifty North Vietnamese Army, talks about the war, or more accurately his and his fellow counter-culturalists' contribution to the "stop the war" movement, as if it were the most productive and notable period in American history. According to *The Washington Post*:

Democratic presidential candidate Howard Dean has a vision of where he'd like to take the nation. It turns out to be the 1960s. In campaign stop after campaign stop, in overheated high school gyms and smoky union halls, Dean repeatedly offers this misty-eyed homage to that turbulent decade . . .

It was also a time of great hope. Medicare had passed. Head Start had passed. The Civil Rights Act, the Voting Rights Act, the first African American justice [was appointed to] the United States Supreme Court. We felt like we were all in it together,

that we all had responsibility for this country . . . That [strong schools and communities were] everybody's responsibility. That if one person was left behind, then America wasn't as strong or as good as it could be or as it should be. That's the kind of country that I want back . . .

We felt the possibilities were unlimited then . . . We were making such enormous progress . . .

While that's certainly a sweet sentiment on Dean's part, it is also a bit sad. Unlike Dean and the rest of the crowd that the *Journal's* Henninger labels "the Primary Democrats," most Americans have moved on. For the rest of America, the seminal event affecting the nation's collective consciousness is not Vietnam, but September 11.

The Democrats refuse, nevertheless, to accept that the world has changed, that the attacks on New York and the Pentagon were the catalyst for the change, and that their "lessons of Vietnam" foreign policy paradigm is hopelessly archaic. They insist, instead, that everything, including the 9/11-inspired War on Terror, must be judged through the prism of Vietnam. The incomparable Mark Steyn put it this way last Sunday.

Few people are so in need of some new clichés as the Democratic Party. That's why they've wound up running on the twin planks of where Kerry was in the late '60s and where George W. Bush wasn't in the early '70s. You could hardly ask for a neater précis of the atrophied boomer heart of the Dems than their decision to fight the 2004 election on the oldies station slogan of "Where were you in '72?"

So while John Kerry is running around fighting yesterday's war, comparing George W. Bush's war leadership to that of Richard Nixon, and calling the war in Iraq a "betrayal," much of the rest of the nation thinks that the President is, more or less, doing what must be done to keep Americans safe. Such are the perils of detached superiority.

And that brings us to one final Democratic disconnection with reality and with voters, the belief that rank-and-file Republicans are much the same as Democrats, only dumber. This is, of course, a problem that manifests itself in many ways and in many situations; everything from the dismissal of the Christian Right as "stupid" and "easily lead," to overweening political platforms that attempt to woo GOP voters by better explaining to them what it is they really want from their government.

This attitude was on open display last week when pop musician (for lack of a better term), Democratic activist, and "one of Sen. John Kerry's celebrity supporters," Moby, wondered aloud if it might not help ensure victory in November to trick gullible Republicans into staying home on election day. Specifically, he said:

No one's talking about how to keep the other side home on Election Day. It's a lot easier than you think and it doesn't cost that much. This election can be won by 200,000 votes . . .

You target his natural constituencies. For example, you can go on all the pro-life chat rooms and say you're an outraged right-wing voter and that you know that George Bush drove an ex-girlfriend to an abortion clinic and paid for her to get an abortion.

Then you go to an anti-immigration Web site chat room and ask, "What's all this about George Bush proposing amnesty for illegal aliens?"

Now, I know that Moby isn't technically part of the Democratic Party establishment, and that it is therefore somewhat unfair to tar him and the party's leaders with the same brush. But he is an active supporter and aggressive fundraiser for the Party, and his attitude is one that is all too common these days on the political left.

Anyway, conservative pundits of various stripes spent a couple of days after Moby's comments bemoaning the moral condition of a party that would actually stoop so low as to try to win simply by deception. And while I agree that it would, indeed, be sad if Democrats were reduced to such pranks in order to give their guy a fighting chance, I hardly think that "dirty tricks" in politics are anything new or are necessarily the exclusive purview of Democrats.

No, the two things that struck me about Moby's comments are the appalling level of conceit in believing that Republicans could be so easily duped, and the equally appalling lack of understanding of who Republican voters are, why they vote the way they do, and from where they take their political cues.

If Moby and others on the left actually believe that Bush voters can be reached through "chat rooms," or that they decide whether and for whom to vote based on discussions in these chat rooms, then the Democratic Party is in worse trouble than anyone imagined.

Moby apparently has no idea who on God's green earth would even consider voting for George Bush or why. He's like the apocryphal New York liberal who told friends that she couldn't understand how Ronald Reagan was elected, since she didn't know anyone who voted for him. Moby doesn't know anyone who voted for George W. Bush. And neither, for that matter, do the leaders of the party he supports. And that's one of their problems.

The leaders of the Democratic Party have grown so insulated from reality and from voters that they no longer know what to offer them. Over the past nearly thirty years, only one Democratic politician, the singularly talented Bill Clinton, has been able to connect with voters on a national level. Walter Mondale couldn't do it. Michael Dukakis couldn't do it. And Al Gore, who was bequeathed all that his predecessor had to give, couldn't quite do it. And John Kerry won't be able to do it either. He's like the rest of them. Indeed, as *National Review Online* Editor-at-Large Jonah Goldberg recently noted, the similarities between Kerry and his predecessor, Al Gore, are remarkable and not particularly flattering. To wit:

They both made an effort to seem like New Democrats but abandoned that junk when it no longer suited them. From privileged backgrounds, they were groomed almost from birth for the Oval Office. For both Gore and Kerry, their first allegiance politically is to the environment. They claim to be opposed to big business and special interests, except when big business and special interests are cutting them checks. They both have a

finely honed ability to take cheap shots at their opponents while sounding like they're above the fray. Speaking of how they sound, they both come across as astonishingly arrogant and stiff.

The names may change, but the insular nature of the party hasn't, at least not for a very long time. And that means that the one additional thing that is unlikely to change is the outcome. Bet on Bush.

SHAMELESS PLUG. An old friend of The Political Forum, *Barron's* Washington Editor Jim McTague, has just published a new novel titled *Invasion of the Onion Heads*. According to Jim's press release, the book, which is a "political satire/thriller . . . sci-fi story set in our Nation's Capital with a president from Texas named Lucky and a large-headed, television-savvy alien from another dimension named Bob," was deemed not commercial enough by ten literary agents. So Jim published it himself.

Neither of us has read the book, but we both intend to buy a copy. Having read Jim's work in *Barron's* (including this week's cover story), we are confident that his self review, which proclaims his plot to be "great," his satire to be "sharp," and his prose to be "wonderful," will prove spot on. We're also buying copies because Jim is a friend, and if he sells 100 copies, he'll break even on the publishing costs.

For those who are interested, review copies are available from either pressreleases@1stbooks.com or 1-800-839-8640, ext. 244. Jim can be reached at jim.mctague@barrons.com.

Good luck, Jim. May your future be marked by literary award ceremonies, large royalty checks, and calls from publishers apologizing for their oversight.

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