

# 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 good news about Mr. Kerry, and I mean this seriously, is he does not appear to be insane. We now know Howard Dean was frightened he might become president, and this perhaps led to what might be called irrepressibility and irritability. We know Wesley Clark was . . . well, he seemed a little mad too. The untold story of the Democratic race is that one of our two great parties had a remarkably shallow bench. They had no one. But Mr. Kerry is not crazy. You can imagine him as president. You can imagine him struggling, like Mr. Clinton, to know what precisely he wanted the presidency for once he had it, but at least you can imagine him having it.

If he were president he would surround himself with the same foreign-policy people Clinton did – Richard Holbrook et al. It wouldn't be insane – Incompetent maybe, confusing certainly, and uncertain certainly too. They would struggle. The great unmentioned fact of Democrats in power and foreign policy right now is that they try hard to do nothing, because if they were to do something it would be what Republicans do. And they don't want to do that.

--Peggy Noonan, "JKF Disease," March 3, 2004.

## HAITI AND THE BANKRUPTCY OF DEMOCRATIC FOREIGN POLICY.

Mark and I have made no secret of the fact that we believe that the Democratic Party is at a severe disadvantage in this election cycle. Among other things, in a year in which nearly all players, expert and otherwise, believe that foreign policy will play a larger role than it has in almost two decades, Democrats appear to lack a coherent, understandable foreign policy theme. And to make matters worse, their ad hoc approach to issues ranging from Afghanistan to Iraq and now to Haiti has led them to advocate policies that are arguably neither terribly mature nor a likely recipe for electoral success.

The latest foreign policy mess into which the Democrats have waded is, of course, Haiti, which for just over two weeks now, has been the subject of substantial and aggressive Democratic

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carping at the Bush administration. Various factions of the party are, it appears, upset that the President didn't stop the latest in a recurring series of coups and revolutions that have plagued that nation since, well, forever, it seems. In this latest episode, now twice-deposed former President Jean-Bertrand Aristide, once described rather aptly by Pat Buchanan as "that dingbat priest," was forced to resign by advancing rebels and was quickly swept out of the country, accepting asylum in the Central African Republic. And all this, it turns out, is George Bush's fault, at least according to the Democrats.

The most vocal critics of the administration on Haiti have been the members of the Congressional Black Caucus (CBC), many of whom believe, and are willing to say publicly, not only that President Bush was negligent in failing to assist Aristide but that he was actively complicit in deposing their man in Port-Au-Prince. Indeed, some are even parroting Aristide's delusional tale that Bush had him kidnapped and forcibly removed.

To most Americans, the likely response to this charge, true or not, would be, "OK. So?" But the CBC appears to care a great deal about Aristide. According to them, he was the democratically elected president of Haiti, and by allowing him to be deposed, President Bush proved himself no true friend of small-d democrats. CBC bigwig and House Ways and Means Committee ranking minority member Charlie Rangel (NY) put it this way: "If you are elected president of a country, don't count on the United States for support." He later added, "I don't even like Aristide and I have not talked to any Haitians about Haiti except Aristide. I just like the rule of law."

Now, "the rule of law" is a particularly funny thing for Rangel, who, during the Clinton impeachment, was a regular on the cable news show circuit, arguing that Bill's perjury was inconsequential since it was about nothing except sex. But that aside, claiming that Aristide somehow represents "democracy" in action is more than a touch odd.

Aristide's record is well known, and one would be hard-pressed to reconcile that record with the concepts normally associated with democracy. Certainly, he was once elected by his fellow Haitians. But a great many murders, much corruption, and considerable fraud have passed under the bridge since that fateful day. His "re-election" in 2000, an election which most of the opposition boycotted and in which fewer than 1 in 10 eligible voters voted, was condemned by even the United Nations as woefully fraudulent. As the editorial board of *The Wall Street Journal* put it just before Aristide was deposed:

He [Aristide] steadily became one of the nastier rulers in the Western hemisphere. His paramilitary squads have terrorized the political opposition. Such prominent opponents as radio host Brignol Lindor have turned up dead. Mr. Aristide controls the national police, as well as large chunks of the economy . . .

Mr. Aristide forfeited his right to claim democratic legitimacy when he sabotaged senatorial elections in 2000. Even the U.N.'s Kofi Annan frowned on the results.

So why does the CBC defend him so vehemently? The most obvious answer is that Aristide is an ideological ally of the CBC and as such was an ideological thorn in President Bush's side. Aristide is arguably a Marxist (technically, an advocate of neo-Marxist liberation theory) and unarguably a hard leftist. He once called Fidel Castro his "greatest personal hero" and has been

a supporter of both Castro and Venezuelan President Hugo Chavez, himself a one-time democratically elected Castro-ite dictator.

It is only natural, therefore, that some members of the CBC, many of whom are also members of the House Progressive Caucus, the furthest left such caucus in the U.S. Congress, would support Aristide. The CBC, and Charlie Rangel in particular, have long been sympathetic to Castro and have long argued that Republican-maintained sanctions on Cuba are archaic and malicious. So it would make a certain amount of sense for the CBC to see an attack on Aristide as an attack on an ideological and political ally.

Others have suggested that the motives are less related to politics than to finance. *The Wall Street Journal*, for example, noted that while some Democrats remained Aristide's "benefactors in Congress," others "became his lobbyists in Washington and won lucrative Haitian phone contracts." *The Washington Times* reported late last week that the tiny and extremely poor nation spent \$7.3 million lobbying in the U.S. between 1997 and 2002. By way of comparison, Haiti's island-mate neighbor, the Dominican Republic, a nation with 1.4 million more people than Haiti, spent a mere \$1.18 million during the same period.

And what did Aristide get for his investment? According to Gary Pierre-Pierre, founder and publisher of the *Haiti Times*:

What he got for that money is for [Democratic U.S. Reps.] Maxine Waters and Charlie Rangel to speak out for him. Otherwise, I'm not sure what he got. There was some money that was disbursed through this effort. But most of the money even then went for nongovernmental projects.

He also apparently received help on his behalf from Ron Dellums, former California Congressman and former head of the CBC, whose lobbying firm received some \$570,000 from the Aristide government in 2000 and 2001 alone.

Finally, still others have suggested that race and hatred for Bush played a significant role in the Democrats' support for Aristide. Perhaps the most dramatic (and frankly troubling) such suggestion came from Florida Congresswoman (and CBC member) Corinne Brown (D-FL), who accused the Bush administration of implementing a "racist" policy with regard to Haiti and followed that up by criticizing the administration as "a bunch of white men." The Associated Press reported:

Her [Brown's] outburst was directed at Assistant Secretary of State Roger Noriega during a closed-door meeting on Capitol Hill. Noriega, a Mexican-American, is the State Department's top official for Latin America. . . .

Brown sat directly across the table from Noriega and yelled into a microphone. Her comments sent a hush over the hourlong meeting, which was attended by about 30 people, including several members of Congress and Bush administration officials.

After the meeting, Noriega apparently told Brown, "As a Mexican-American, I deeply resent being called a racist and branded a white man." According to the AP, Brown responded with

what would have been a career-ending retort if it had been uttered by a Republican, telling Noriega, “You all look alike to me.” And Noriega, in turn, told the “honorable” Congresswoman that he would pass on her comments about white men running American foreign policy to President Bush’s two top foreign policy advisors, Secretary of State Colin Powell and National Security Advisor Condoleezza Rice.

Presumptive Democratic nominee John Kerry has, of course, repeatedly joined the CBC in criticizing President Bush’s handling of Haiti. But unlike the CBC, Kerry couldn’t even begin to explain why. The CBC’s reasons may have been crass, political, or even a bit barmy, but at least they had reasons, which is more than can be said of Kerry and his self-important yammering.

As noted by OpinionJournal.com’s James Taranto, until about two weeks ago, John Kerry, like most Americans, didn’t give two hoots about propping up Aristide, maintaining democracy, or even restoring levels of foreign aid to Haiti. Indeed, he seems only to have discovered the island nation in the wake of the latest headlines. Taranto put it this way:

We searched Kerry’s campaign Web site for statements on Haiti. There were 32 hits, most of which were false positives (Haiti is listed in a pull-down “country” menu on forms for contributing or subscribing). One was to an article from *The Nation* that cites something Kerry said about Haiti in the 1980s. Here’s a complete list of Kerry’s own statements about Haiti that appear on his Web site:

- ? A Dec. 16, 2003, foreign-policy speech whose sole mention of Haiti was in this sentence: “And from Haiti to Bosnia, Bill Clinton placed America’s might on the side of America’s values while he expanded our circle of allies at the same time.”
- ? An undated AIDS plan that observes, “Programs in Haiti demonstrate that individuals from the community who are trained to recognize the symptoms of AIDS, TB, and malaria, can help support patients and administer drugs.” (You have to click on “U.S. Leadership in the Battle Against HIV/AIDS” to see the Haiti reference.)
- ? A Feb. 24, 2004, statement faulting the Bush administration: “The Administration has now finally realized that it must work multilaterally to broker a power sharing agreement between the parties--the only question is why they didn’t do this sooner.”
- ? A Feb. 26 statement calling on President Bush to appoint failed Democratic presidential candidate Bob Graham as a “special envoy” to Haiti.

Kerry claims that if he were president, he never would have let things get to this point, yet he had nothing to say about the crisis in Haiti – which, as CBS News notes, dates back at least to 2000, when Clinton was president and Aristide stole an election – until a mere five days before President Bush sent in the Marines.

Despite this, Kerry was running all over hell and back last week talking about how President Bush was somehow culpable for screwing up the entire Western hemisphere by letting a two-bit thug be run out of Pot-Au-Prince. He called the President’s actions questionable; he called for an investigation of the administration’s Haiti policy; he trafficked in rumors about what his second cousin’s daughter’s teacher’s dog walker had heard from her distant relations about how George Bush had personally given the orders to “kidnap” Aristide; and in the true Democratic tradition, he even sent his most esteemed foreign policy advisor, his daughter Vanessa (think

Amy Carter, Chelsea Clinton, and Karenna Gore) out to say that the President of the United States had “just helped overthrow, basically overthrow a democratically elected president.”

And why is Kerry suddenly so upset about what happened in Haiti? He’s upset for one reason and one reason only, because George W. Bush is President. Mark, I, and dozens of other conservative commentators have long called the Democratic Party the “new reactionary” party for their opposition to any domestic policy initiative that might somehow alter the liberal status quo. The party’s latest twist on this theme is to bring such political principles into the foreign policy realm as well. Bush is for it, you say? Well, then I’m against it. He’s against it? Then I am now and always have been for it. This is the very definition of “reactionary” behavior.

And in Kerry’s case, it makes him look more than a touch foolish. In his desperate attempt to get on the opposite side from President Bush of every issue, Kerry has said some things that most normal people would be embarrassed to have said. For example, the junior Senator from Massachusetts, who has been part of a chorus of critics knocking President Bush for not showing due deference to the “global community” with regard to Iraq and for acting “unilaterally,” told the editorial board of the *New York Daily News* that if the Haiti mess took place during his presidency “I would intervene with the international community, and absent an international force, I’d do it unilaterally.” Pardon me?

This is the same guy who is perpetually unhappy with President Bush for not adequately vetting his plans for Iraq with our erstwhile allies in France, and who appears to believe that the United States should strive to be on the same side as the United Nations in all such matters. And now he has suddenly decided that in the case of Haiti, it is just plain wrong to agree with the French and the U.N? You see, the French agreed with the President that it would be best if Aristide resigned and fled the country, while the U.N Security Council unanimously passed Resolution 1529, which authorized an international force, made up in part of French and American soldiers, to keep the peace in Haiti.

All of this is, in my opinion, bad politics. But it is probably not immediately detrimental to the health of the nation. Yet, if the Kerry camp does not soon come up with a reasonable, coherent foreign policy theme, and impose it on the Democratic Party at least until election day, there is, I believe, a real risk that the rest of the world, including the financial markets, will begin to get very nervous about the consequences of a possible Kerry victory.

It is bad enough that the Kerry crowd keeps flirting with extreme protectionism, but the addition of a foreign policy that features nothing but ad hoc, reactionary harangues is a prescription for a long period of deep and potentially highly damaging uncertainty about the future.

**BUSH WINS – MAYBE.** It may be too early in the year to run this feature, but now that it is certain that John Kerry will be the Democratic Party’s nominee, the election battle has begun, and along with it has come considerable speculation as to the outcome. So, I thought Steve and I would be the first of what will certainly be many political writers to present the well-known Lichtman theory for determining the winner.

To refresh your memory, this theory began when political historian Allan Lichtman and Volodia Keilis-Borok, a Russian geophysicist whose job was to predict earthquakes, were seated next to

each other at a Cal Tech dinner party. Together, this odd couple developed a simple, precise method of codifying the broad historical/political issues that decide the outcome of presidential elections. Applied with hindsight, their method is 100% accurate in every presidential election dating back to the days of Abe Lincoln.

Lichtman and Keilis-Borok concluded that there are “13 Keys” (i.e., yes or no questions) that determine the winner in presidential elections. If there are five or more “discrepant keys” – wrong answers from the point of view of the party in power – that party loses the White House. Applying their criteria to the 2004 election shows, by our reckoning, that Bush is a winner . . . if he is given the benefit of the doubt on two of three cases where there is some question about the answer. He is a loser if the bias is applied differently. I’ll provide our answers with the understanding that others might disagree with us.

As you peruse the list below, understand that “yes” answers to questions one through six and “no” answers on the rest are good for Bush, and that five “discrepant” answers means he loses. In our opinion Bush suffers three clear-cut “discrepant” outcomes. There is some room for doubt on the answers to at least three others, although we would argue that Bush wins on all three. If we’re wrong on two of them, he loses. You decide.

1. Did the party in power receive at least 51% of the vote in the previous election? – No.
2. Is the sitting President running for reelection? - Yes.
3. Did he initiate major changes in national policy? - Yes.
4. Did the party in power achieve a major success in foreign or military policy? - Yes.

(Democrats will argue differently, of course. We’ll call it a “you decide.”)

5. Is its (the party in power) candidate charismatic or a national hero? – Yes.

(This is obviously debatable. We would argue that President Bush is, unlike his father, charismatic. But clearly, there is room for doubt. Another “you decide.”)

6. Was the yearly mean per-capita rate of growth in real GNP during the incumbent administration equal to or greater than 1% and was it equal to or greater than that of the previous eight years? - No.

7. Was there a serious contest for the nomination of the incumbent party? – No.

8. Was there major third party or independent campaign activity during the election? - No.

(We think Ralph Nader’s third-party challenge will prove insignificant from the standpoint of this question, and if it turns out otherwise, it will likely benefit Bush anyway.)

9. Was there an election-year recession or depression? – No.

10. Was there major social unrest in the nation during the incumbent's administration? - No.
11. Was it (the administration) tainted by major scandal? - No.

(A case could be made, that the inability of the Bush administration to find weapons of mass destruction in Iraq is a "major scandal." We don't think so, but "you decide.")

12. Did the party suffer a major setback in foreign or military policy? - No.

(Obviously, this is a "not yet." But it seems unlikely at this point.)

13. Is the challenging party candidate charismatic or a war hero? – Yes.

(We'll stick with the "yes" answer here, but would note that while Kerry definitely qualifies as a "war hero," he may not reap the full benefit of that status given his anti-war actions after returning home, which seem to have angered some voters who otherwise would have been greatly impressed by his war record.)

So there you have it. I personally think Bush will pull through, and the answers that Steve and I come up with on the test of Lichtman and Keilis-Borok would indicate the same. You figure it out. (In fact, send comments and we'll run them, with or without your name – you decide.)

**END NOTES: Vacillation Or Conviction?** The *New York Times* editorial page, whose motto is "All the views that are too dumb to print anywhere else," provides an hilarious response to Kerry critics who charge that he is an inveterate waffler: "What his [John Kerry's] critics see as an inability to take strong, clear positions seems to us to reflect his appreciation that life is not simple. He understands the nuances and shades of gray in both foreign and domestic policy."

**Summer Reading:** I don't think I have ever recommended a book that I haven't actually read. But I am going to make an exception because I like the description of this one so much. The book is *Conspicuous Compassion*, by Patrick West. The website where you can order it [[http://www.civitas.uk.net/acatalog/Civil\\_Society.html](http://www.civitas.uk.net/acatalog/Civil_Society.html)] notes that "due to unprecedented demand we are reprinting this book and the delay could be up to two weeks." But if the following description is accurate, it would be worth the wait.

Patrick West argues that wearing coloured ribbons, strapping red roses onto the front of your car, signing internet petitions, and carrying banners saying 'Not In My Name' are part of a culture of ostentatious caring which is about feeling good, not doing good. The three Cs of modern life - compassion, caring and crying in public - show not how altruistic we have become, but how selfish. West attributes these hollow expressions of public caring to the decline of those institutions which formerly provided a framework for and gave a sense of meaning to people's lives: the family, the church, the nation and the neighbourhood.

**The Union Label.** Ann Coulter notes in a recent column entitled "AFL-CIO Motto: Kick Me Again!" that the three issues that John Sweeney's union has emphasized in lobbying activities during the past decade have been: 1. Oppose the North American Free Trade Agreement. 2.

Oppose permanent normal trade relations with China. 3. Support drilling for oil in Alaska's Arctic National Wildlife Refuge. Not only did the unions lose every vote on these issues in Congress, but Sweeney's choice for the Democratic nomination, Senator John Kerry, personally voted against all three. As a consolation prize, she notes, Kerry "supports the issues that really matter to the average blue-collar worker: gay marriage, global warming treaties and hybrid cars."

**Vice Presidential Debates.** For a couple of weeks now, there has been considerable speculation about who will occupy the Vice Presidential slots on both sides of the Presidential ballot this fall. The two latest rumors have John Kerry picking Virginia Governor Mark Warner, and George W. Bush dumping Dick Cheney and replacing him with Rudy Giuliani. Neither is going to happen.

The logic behind picking Warner is two-fold. First, that he could help bring Virginia and possibly other Southern states into the Kerry camp. And second, that he has proven that it's possible to raise taxes despite a Republican-controlled legislature.

The problem is that if Warner were constitutionally eligible to run for re-election in Virginia in '05, he would probably lose. He and his incessant attempts to raise taxes on Virginians are extremely unpopular throughout the state, which makes it doubtful that he would have any positive impact on Kerry's chances for winning Virginia, much less any other Southern state. As for his skill at raising taxes, that's largely a myth. He has tried several times, but has yet to succeed. Previous efforts have been blunted by referenda, and the current effort is still vehemently opposed by the conservative-controlled House of Delegates. In short, Warner would add nothing to the Kerry ticket.

As for Vice President Cheney, we think that rumors of his demise have been greatly exaggerated. Yes, Cheney is a target because he is reliably hawkish, conservative, and a onetime CEO of a company that has, in Democratic minds, become the new Public Enemy Number One. But he is also quite likely the most important Vice President since LBJ. Since Hubert Humphrey, Vice Presidents have been standard second-banana chumps, guys who are useful as representatives at funerals but for little else. Not Cheney. He brings heft to the administration. As in 2000, he provides "gravitas." He is a seasoned and gifted Washington hand. Our guess is that George W. Bush knows this.

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